SALE AND PURCHASE AGREEMENT

EGYPTIAN CONCESSION AGREEMENT

BURG EL ARAB

BETWEEN

KUWAIT ENERGY EGYPT LIMITED

AND

EAST WEST PETROLEUM CORP.

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THIS AGREEMENT is made on the 6th day of ~~November~~ December 2010

BETWEEN:

(1) **Kuwait Energy Egypt Limited** a company incorporated under the laws of the British Virgin Islands registration number 1023567 ("**Seller**"); and

(2) **East West Petroleum Corp.** a company incorporated under the laws of British Columbia, Canada and having an office at #200, 638 11th Avenue SW, Calgary, Alberta, Canada ("**Purchaser**")

WHEREAS:

A. The Seller is a party to the Concession Agreement and JOA having acquired its Participating Interest as set out in Schedule A.

B. Seller is willing to assign and transfer the Assigned Interest to Purchaser and Purchaser wishes to acquire the Assigned Interest in accordance with the terms set forth herein.

IT IS AGREED:

In consideration of the promises and the mutual covenants and obligations set out below and to be performed, Seller and Purchaser agree, as follows:

1. DEFINITIONS

As used in this Agreement, the following capitalised words and terms shall have the meaning ascribed to them below. Any capitalised term used in this Agreement and not specifically defined in this Agreement shall have the same meaning as in the Concession Agreement or the JOA. Where there is a difference between any such defined term in the Concession Agreement and the JOA, the definition of such term in the Concession Agreement shall prevail.

"**Accruals Basis**" means the basis of accounting under which costs and benefits are regarded as applicable to the period in which the liability to the cost is incurred or the rights to the benefits arise regardless of when invoiced, paid or received;

"**Adjustment Date**" means last day of the month in which the Approval Date occurs;

"**Affiliate**" means, with respect to a Party, any company that, directly or indirectly (i) owns or controls that Party, (ii) is owned or controlled by that Party, or (iii) is under common ownership or control with that Party, where **own** means ownership of 50% or more of the equity interests or rights to distributions on account of equity of a company, and **control** means the power to direct the management of a company, whether through the ownership of voting shares, by contract or otherwise;

"**Agreed Interest Rate**" means interest compounded on a monthly basis at a rate per annum equal to the one month term, London Interbank Offered Rate (LIBOR rate) for US dollar deposits, as published in London by the Financial Times or if not published, then, as published in New York, by

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The Wall Street Journal, applicable on the first day prior to the due date of payment and thereafter on the first day of each succeeding calendar month. If the aforesaid rate is contrary to any applicable usury law, the rate of interest to be charged shall be the maximum rate permitted by such applicable law.

"Agreement" means this Sale and Purchase Agreement together with the Schedules, and any extension, renewal or amendment agreed to in writing by the Parties;

"Appropriate Authorities" means EGPC or any Egyptian public authority empowered by law to render a decision or to take an administrative or a public measure or issue any rule or regulation in connection with the oil and gas sector in Egypt;

"Approval Date" means the date on which the Appropriate Authorities formally approves or endorses the Deed of Assignment;

"Assigned Interest" means a 20% Participating Interest;

"Balance Payment" has the meaning given in clause 4.2;

"Block" has the meaning given in the definition of Concession Agreement;

"Charges" means any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, loans, royalty interest, production payment, carried interest, deferred obligation, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

"Completion" means the carrying out by the Parties of their respective obligations pursuant to clause 3.5;

"Completion Date" has the meaning given in clause 3.5;

"Concession Agreement" means the concession agreement dated 21 June 1989 issued by Law No. 14 of 1989 and amended by the Law No. 16 of 1995 for petroleum exploration and exploitation covering the onshore BURG EL ARAB area in the Western Desert, Arab Republic of Egypt;

"Conditions Precedent" means the conditions in clause 3.1;

"Contract Area" means the area or block described in Schedule B;

"Contracts" means the Concession Agreement together with the JOA;

"Deed of Assignment" means the document substantially in the form, attached as Schedule C or other form acceptable by EGPC by which the Assigned Interest is transferred and conveyed from the Seller to the Purchaser as provided hereunder;

"Disclosure Letter" means the letter dated 15 November 2010 from Seller to Purchaser for the purpose of clause 8.6 and delivered to Purchaser before the Signing Date;

"**Documents**" means the Contracts and the agreements listed in Schedule A;

"**Dollars**" or "**$**" means the lawful currency of the United States of America;

"**Effective Date**" means 00.01 a.m., Cairo time, 1 December 2010;

"**EGPC**" means the Egyptian General Petroleum Corporation;

"**Environmental Law**" means any law in Egypt relating to pollution, the protection of the environment or the release or disposal of waste materials applying to petroleum operations as carried out in the Contract Area under the JOA;

"**Government**" means the Government of the Arab Republic of Egypt and any ministry, political subdivision or agency or instrumentality thereof;

"**Independent Accountants**" has the meaning given in Schedule E.

"**Interim Period**" means the period commencing from the Signing Date until the Approval Date or the termination of this Agreement for a failure to fulfil or waive the Conditions Precedent;

"**JOA**" means the Joint Operating Agreement dated 5 September 1996 between Gharib Oil Fields and Kriti Oil and Gas SA as amended by Deed of Amendment dated 14 November 2007 including any further amendment thereof;

"**JOA Counterparty**" means a party to a Joint Operating Agreement other than the Seller, as the context requires;

"**JOA Deed of Amendment**" means the deed of amendment to join Purchaser as a party to the JOA and to assume all rights and obligations of Seller under the JOA in respect of the Assigned Interest in the form as set out in Schedule D;

"**Laws/Regulations**" means those laws, statutes, rules and regulations governing activities under the Concession Agreement;

"**Operator**" means Operator under the JOA;

"**Party**" means each of the Seller and the Purchaser named on the first page above, and their respective assignees (if any), and collectively the "Parties";

"**Participating Interest**" has the meaning given in the JOA including stock in the Operating Company BURAPETCO;

"**Preferential Rights**" means the rights of JOA Counterparty pursuant to Article 12.2 (Assignment) of the JOA;

"**Price**" has the meaning given in clause 4;

"**Signing Date**" means the date of this Agreement.

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2. ASSIGNMENT OF INTEREST

2.1 Assignment and Transfer

On Completion with effect on and from the Effective Date, subject to the terms and conditions hereinafter contained and in exchange for payment of the Price:

(a) Seller shall assign and transfer to Purchaser, the Assigned Interest free from all Charges save as provided in the Contracts;

(b) Purchaser:

(i) accepts the terms of the Contracts;

(ii) shall acquire all of Seller's rights and interests related to the Assigned Interest; and

(iii) shall assume all duties, obligations and liabilities related to the Assigned Interest.

2.2 JOA Deed of Amendment and Deed of Assignment

Contemporaneously with the execution and delivery of this Agreement, the Parties shall execute but not date pending approval referred to in clause 3.1:

(a) the Deed of Assignment; and

(b) the JOA Deed of Amendment.

2.3 Binding Effect

Seller and Purchaser shall be bound by this Agreement as of the Signing Date and shall fully perform all of their respective obligations under this Agreement.

2.4 Ownership

After the assignment contemplated under clause 2.1, the Participating Interests in the Contracts shall be:

Seller	55%
Purchaser	20%
Gharib Oil Fields	25%
Total	100%

2.5 Effective Date

Notwithstanding the date of this Agreement or the date on which the Condition Precedent is satisfied, the assignment of the Assigned Interest under this Agreement as between the Parties shall be effective from the Effective Date.

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3. CONDITIONS TO ASSIGNMENT

3.1 Conditions Precedent

The assignment contemplated by clause 2.1 is subject to the satisfaction, or the waiver in accordance with clause 3.2, of the following Conditions Precedent, that:

(a) Seller obtains a waiver or other evidence in writing reasonably acceptable to Purchaser of the expiration or non-exercise of the Preferential Rights;

(b) Seller obtains the written approval of the Appropriate Authorities to the Deed of Assignment in terms reasonably acceptable to Seller and Purchaser as required under the Concession Agreement;

(c) Seller obtains the written consent of each JOA Counterparty to the Deed of Assignment in terms reasonably acceptable to Seller and Purchaser as required under Article 12.2 of the JOA; and

(d) Purchaser provides each JOA Counterparty with the undertaking referred to in Article 12.4 of the JOA by signing the JOA Deed of Amendment, or as otherwise agreed with the JOA Counterparties.

3.2 Waiver of Conditions

(a) Seller may at any time before, or on, Completion waive the condition set out in clause 3.1(d) by notice to the Purchaser.

(b) The conditions set out in clauses 3.1(a), 3.1(b) and 3.1(c) are for the benefit or both Seller and Purchaser and may only be waived, either in whole or in part by a jointly signed agreement to this effect.

3.3 Acts to be Performed

(a) Within 7 days after the execution of this Agreement, Seller shall submit the notices and other documents required by the Preferential Rights, and shall send copies of those documents to the Purchaser for their information;

(b) If no Preferential Rights are exercised, the Parties shall execute and Seller shall submit the number of copies required by EGPC of the Deed of Assignment as executed by the Parties for countersignature by EGPC and the Appropriate Authorities;

(c) The Parties shall execute and Seller shall use reasonable efforts to procure the execution of the JOA Deed of Amendment by each JOA Counterparty; and

(d) Each Party shall use commercially reasonable efforts to execute all documents, and do and procure to be done all such acts and things as are reasonably within its power to ensure that the Conditions Precedent are satisfied as soon as is reasonably practicable after execution of this Agreement.

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3.4 Failure to Satisfy

(a) If the Conditions Precedent in clauses 3.1(a) (b) & (c) have not been satisfied or waived on or before a date that is 270 days from the Signing Date or such extended date as may be agreed by the Parties in writing, then:

(i) unless otherwise agreed by the Parties, each Party shall have the right to terminate this Agreement by notice to the other Party and this Agreement shall terminate and cease to have any effect as of the date of such notice save for this clause 3.4(a) and clauses 9, 10, 11 and 12 and the obligations thereunder which shall survive, whereupon the Deposit paid by Purchaser hereunder shall be refunded to Purchaser (including interest thereon calculated at the Agreed Interest Rate for the period as from the date of this Agreement until the date of its termination); and no Party shall have any liability to the other under this Agreement (except in respect of any breach of the terms of this Agreement); and

(ii) the Parties shall enter into such documentation as may be necessary to reverse the effect (if any) of their execution of any document assigning the Assigned Interest or giving effect to the Deed of Assignment and such documents shall be considered void.

(b) If the Condition Precedent in clause 3.1(d) has not been satisfied or waived on or before a date 270 days then, unless otherwise agreed by the Parties, each Party shall have the right to terminate this Agreement by notice to the other Party and this Agreement shall terminate and cease to have any effect as of the date of such notice save for this clause 3.4(b) and clauses 9, 10, 11 and 12 and the obligations thereunder which shall survive, whereupon, subject to the proviso below, the Deposit paid by Purchaser hereunder shall be forfeited to Seller, and no Party shall have any liability to the other under this Agreement (except in respect of any breach of the terms of this Agreement) provided that if the Purchaser has undertaken reasonable efforts to satisfy the Condition Precedent in clause 3.1(d), the Deposit paid by the Purchaser will be returned to the Purchaser.

(c) If the Condition Precedent in clause 3.1(d) is waived in writing then, unless otherwise agreed, Seller will hold the Assigned Interest in trust for the Purchaser until such time as the Purchaser's 20% interest is recognized by way of a duly completed and executed Deed of Amendment.

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3.5 Completion

Completion shall take place 5 business days after the later of 95 days or the Approval Date (**"Completion Date"**). At Completion, the Parties shall have the following obligations:

(a) Seller shall deliver to Purchaser:

(i) copies of all the files, contracts and documents affecting each of the agreements relating to the Assigned Interest to which Seller has access including copies of all insurance policies taken out by the Operator for the Joint Account (as defined in the JOA), including, but not limited to those Documents as listed in Schedule A;

(ii) one original version (or counterpart thereof) of the Deed of Assignment as executed by all parties thereto; and

(iii) one original version (or counterpart thereof) of the JOA Deed of Amendment as executed by all parties thereto.

(b) Purchaser shall pay to Seller the amounts set out in clause 4.2(b).

4. CONSIDERATION

4.1 Cash Consideration

(a) Subject to satisfaction of the Conditions Precedent in this Agreement, as consideration for the transfer of the Assigned Interest, Purchaser agrees to pay the sum of US dollars seventeen million five hundred thousand (US$17,500,000) (**"Price"**) together with the following:

(b) Purchaser shall pay Seller from its Participating Interest share of proceeds of production from Jurassic production for 20% of the recoverable 2P reserves of petroleum in the Jurassic strata certified by an independent reserve certification company as at 31 December 2011 provided a development plan is approved by the Government for the Jurassic strata in the amount of:

i. US$6.50/barrel of liquid petroleum; and

ii. US$0.28/mcf of gas.

4.2 Payment

(a) Purchaser shall satisfy payment of the Price in Article 4.1(a) as follows:

i. on the Signing Date, pay the sum of US dollars three million five hundred thousand (US$3,500,000), representing 20% of the Price (**"Deposit"**), and

ii. on the Completion Date, pay the sum of US dollars fourteen million (US$14,000,000), representing the balance of the Price (**"Balance Payment**):

(b) Purchaser shall make the payments required under Articles 4.1 and 4.2 into the account of Seller, by electronic wire transfer of funds for same day value into the following account:

Sellers Account:

Beneficiary Account No (US$)	:	**100068001**
Beneficiary Name	:	**Kuwait Energy Company KSCC**
Beneficiary Bank Name/Address	:	**CITIBANK NA, KUWAIT** **Ahmed Tower, Ground Floor** **Arabian Gulf Street, Sharq.** **P.O. Box 26027, Safat 13121, Kuwait.**
Swift Code	:	**CITIKWKW**
Correspondent Bank	:	**CITIBANK NA, NEW YORK**
Swift Code	:	**CITIUS33**

4.3 **Deposit**

Deposit will be refundable to Purchaser in the event Completion fails to take place and this Agreement terminates for any reason other than the condition established in clause 3.1(d). To that effect and after termination as contemplated herein, Purchaser shall opportunely provide Seller with an account number and routing information for such account in writing and Seller shall reimburse the Deposit to Purchaser no later than 5 business days after receiving such written information.

5. **ADJUSTMENTS**

5.1 The consideration payable by Purchaser reflects the Effective Date. Seller and Purchaser shall make whatever adjustments and payments from one to the other to reflect the assignment of the Assigned Interest as of the Effective Date, notwithstanding any cost recovery allocations, tax deductions or other benefits or payments received or to be received thereafter as a result of the application of the Concession Agreement and/or the JOA or any applicable laws of the Government which reflect the Adjustment Date.

5.2 The Purchaser shall be entitled to the benefit of the Assigned Interest share of any costs and expenses incurred under the Concession Agreement and approved to be recovered by the Appropriate Authorities, whensoever those costs were incurred or approved.

5.3 The adjustment statement will be calculated based on the statement of expenditure and revenues prepared by the Seller.

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5.4 The adjustment statement shall consist of following:

(a) all revenues received or receivable by Seller an Accruals Basis for the period between the Effective Date and the Adjustment Date;

(b) all expenditure incurred on Accrual Basis for the period between the Effective Date and the Adjustment Date;

(c) the movements in net working capital for the period between the Effective Date and the Adjustment Date;

(d) the movements in shortfall/excess of the Seller account for the period between the Effective Date and the Adjustment Date; and

(e) all cash calls paid by Seller after the Adjustment Date, if any.

Any amounts in currencies other than US Dollars will be converted into US Dollars using the closing mid-market rate quoted by the Financial Times published in London for the date of receipt or payment of the relevant amount by Seller.

5.5 On or within 30 days after the Adjustment Date, Seller will provide Purchaser with a statement (together with reasonable supporting documentation) of any adjustment required pursuant to clause 5.3 for settlement within 30 days of delivery of such statement. The Parties shall co-operate with each other, including in relation to the provision of supporting documentation, to the extent reasonably necessary to enable the other Party to prepare or review, as applicable, the proposed statement and agree on a final settlement.

5.6 Within 14 days of the delivery of the adjustment statement, the Purchaser shall notify Seller of any items it disputes in the adjustment statement.

5.7 The Party owing an amount under the adjustment statement shall pay the undisputed amount within 20 days of the receipt of the adjustment statement.

5.8 If there is any dispute as to the amount of any adjustment that cannot be resolved between the Parties within 30 days of delivery of such statement, either Party may refer the matter to an Independent Accountants pursuant to Schedule E. The Agreed Interest Rate shall be payable on any disputed payment decided by the Independent Accountant to be payable, or any payment agreed by the Parties to be payable, from the due date to the date of payment.

5.9 If after the Adjustment Date a Party receives an amount in respect of the Assigned Interest to which the other Party is entitled hereunder, it shall without delay pay over such amount to that other Party.

6. OBLIGATIONS UNDER THE CONTRACTS DURING INTERIM PERIOD

During the Interim Period, Seller agrees to abide by the terms of the Contracts to the extent of its Participating Interest.

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7. UNDERTAKING OF THE PARTIES

7.1 Seller Obligations

During the Interim Period, Seller shall:

(a) to the extent that it has actual notice of the same, promptly notify Purchaser and provide details upon the occurrence of:

(i) any written notice of default or termination received or given by Seller with respect to the Contracts,

(ii) any written notice of any pending or threatened claim, demand, action, suit, inquiry or proceeding related to the Contracts,

(iii) any material damage, destruction or loss to major assets under the Contracts, or

(iv) any event or condition between the date of this Agreement and the Approval Date that:

(1) would have a material adverse effect on the business, operations, financial condition or results of operations under the Contracts, taken as a whole, or

(2) would render impossible Purchaser's right to the Assigned Interest save for any event or condition which is a matter of general knowledge in the international oil and gas industry;

(b) consult with and seek consent of Purchaser before voting on all material decisions under the Contracts which in the opinion of Seller, would have an impact on the Assigned Interest in excess of 20% of the Price, (including any well locations and well AFEs issued under the JOA) provided that, for the avoidance of doubt, Seller will not be bound to act in accordance with Purchaser's instruction.

(c) continue to carry on the Seller's obligations in relation to the Contracts in the ordinary and usual course of business;

(d) subject to any confidentiality obligations of the Seller, provide to the Purchaser all data and information the Purchaser would normally expect to receive as a participant in the Contracts, including but not limited to resolutions and minutes of the Operating Committee, technical proposals and audited and unaudited operating statements.

7.2 Mutual Obligations

During the Interim Period, Purchaser and Seller shall not take any action nor fail to take any action prior to the Approval Date that would result in a breach of any of its representations and warranties under this Agreement.

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7.3 Seller not to act in breach of Contracts

Notwithstanding anything in this Agreement, Seller shall not be obliged to act in breach of its obligations to JOA Counter Parties, the Appropriate Authorities or other third parties pursuant to the Contracts.

8. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

8.1 Seller's Representations and Warranties

Except as otherwise disclosed on the Schedules and the Disclosure Letter, Seller makes the following representations and warranties to Purchaser as of the Signing Date:

(a) **Seller's Rights**

Seller holds the rights to the Assigned Interest, free and clear of any Charges other than the Charges in favour of the other parties to the Concession Agreement and applicable Laws/Regulations and in favour of the JOA Counterparties. The Contracts are in full force and effect and no notice of default, termination, revocation, withdrawal or breach affecting the Assigned Interest under any of the Contracts has been received or given by Seller and no circumstances are known to the Seller which would entitle it or any other party to give such notice. The Concession Agreement together with applicable Laws/Regulations, contain the entirety of the obligation of Seller to the Appropriate Authorities, and no other understanding or agreement exists between Seller and the Appropriate Authorities in relation to the subject matter of the Concession Agreement except as otherwise disclosed under this Agreement.

(b) **Documents**

Seller has provided Purchaser with complete and correct copies of the Documents and the information in the Documents is complete accurate and not misleading and to the best of Seller's knowledge, information and belief, there are no material or documents which would cause any of the same to be rendered inaccurate or misleading.

(c) **Claims and Litigation**

To the best knowledge, information and belief of Seller, there are no material claims, demands, actions, suits, governmental inquiries, or proceedings pending or threatened in connection with the Contracts which would have an adverse effect upon the consummation of the transactions contemplated by this Agreement.

(d) **Books and Accounts**

Seller has kept proper and consistent accounts, books and records, of its activities relating to its operations conducted with respect to

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the Contracts and such books, accounts and records are up to date in all material respects.

(e) **Tax**

There is no dispute or disagreement outstanding nor is any contemplated with any Taxation Authority regarding liability or potential liability to any Taxation or duty (including in each case penalties or interest) recoverable or payable in relation to the Assigned Interest.

(f) **Consents and Approvals**

To the best knowledge, information and belief of Seller, all licences, agreements, consents, permissions and approvals necessary for the conduct of all operations carried out in relation to the Concession Agreement have been duly obtained and complied with in all material respects or have been duly applied for.

(g) **Health and safety matters:**

(i) No notice pursuant to any legislation regulating matters of health and safety in relation to the Concession Agreement prohibiting or suspending any activities thereunder in relation to the Contracts has been served on the Seller, which is still current;

(ii) the Seller has not been notified of any threat of service of such a notice; and

(iii) the Seller has not been notified of the occurrence of any major health or safety incident that would materially affect the value of the Contracts.

(h) **Environmental matters:**

To the best knowledge, information and belief of the Seller, neither the Seller nor the Operator:

(i) has received any demand or notice under any Environmental Law in force at the Signing Date with respect to a material breach thereof related to the Contracts;

(ii) is reasonably aware of any material environmental damage;

(iii) no complaint has been made or filed with the Seller or the Operator by the Appropriate Authorities in respect of the Contracts relating to any material environmental damage or material injury or alleged material damage or injury.

(i) **Information**

Seller has provided and will continue to provide the Purchaser with access to complete copies of all material geological, geophysical,

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and well data and any other material information possessed by the Seller relating to the Contracts. All work programs, budgets, operating committee resolutions and authorities for expenditure approved or deemed approved under the JOA, on and from the Effective Date have been disclosed in full by the Seller.

(j) **Insolvency**

Seller is not insolvent or in liquidation and no proceedings have been brought or threatened for the purpose of winding up Seller or placing it under official management.

(k) **Compliance with Laws**

To the best knowledge, information and belief of Seller, Seller's business with respect to the Block and Joint Operations in the Block have been developed, carried out and maintained in compliance with all applicable laws and Seller has not received any notice alleging any default or violation of any law.

(l) **Sole Risk**

Neither the Seller nor, to the best knowledge, information and belief of the Seller, any of the JOA Counterparties, has issued a sole risk notice under the JOA, and no sole risk operations have been proposed or carried out by it or by any of the JOA Counterparties.

(m) **Anti-corruption**

Neither the Seller nor, to the best knowledge, information and belief of the Seller, any of the JOA Counterparties, has made any payments or given anything of value to officials, officers or employees of the Government of Egypt or any agency, department or instrumentality of such government in connection with the Concession.

8.2 Purchaser's Representations and Warranties

Purchaser makes the following representations and warranties as of the Signing Date:

(a) Purchaser warrants that it will have sufficient cash, available lines of credit or other sources of available funds to enable it to fulfil all of its obligations under the Concession Agreement and this Agreement.

(b) to the Purchaser's best knowledge, information and belief there are no material actions, claims, demands, governmental inquiries, proceedings or suits, pending or threatened, against the Purchaser which, if resolved in a manner adverse to the Purchaser, would have a material adverse effect upon the ability of the Purchaser to carry out its obligations under this Agreement or the Concession Agreement.

(c) the signature and performance of this Agreement by Purchaser does not and will not result in the creation or imposition of any Charges or restrictions of any nature on the Assigned Interest assigned to Purchaser hereunder.

8.3 Mutual Representations and Warranties

The Parties make the following representations and warranties to each other as of the Signing Date:

(a) **Corporate Authority**

Each Party is duly incorporated and validly existing under the laws of the country where it is incorporated. To the extent required, each Party is qualified to conduct business in Egypt as necessary for the performance of the Concession Agreement and the JOA. Each Party has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by each Party and constitutes a legal, valid and binding obligation of each Party, enforceable against each Party in accordance with its terms.

(b) **Other Representations and Warranties**

Except as disclosed in the Schedules and the Disclosure Letter, the execution, delivery, and performance of this Agreement by each Party, the consummation of the transactions contemplated hereby, and the compliance with the provisions hereof will not, to the best of each Party's knowledge and belief:

(i) violate any applicable Laws/Regulations, judgment, decree or award;

(ii) contravene the organisation documents of a Party; or

(iii) result in a violation of a term or provision, or constitute a default or accelerate the performance of an obligation under any contract or agreement executed by a Party.

(iv) result in termination of any document except as a result of the execution and performance of the JOA Deed of Amendment, which, as a matter of law, will be deemed to amend the JOA.

(c) All representations and warranties given under this clause 8 shall, for the contractual term set forth herein, be deemed repeated and valid, true and correct as of the Approval Date, and each Party shall inform the other Party of any material changes to the facts in the representations and warranties prior to the Approval Date.

(d) Reference in this clause 8 to the best knowledge, information and belief of the Party giving the warranty shall not imply an obligation on the part of that Party to make enquiry other than of its directors and senior managers.

8.4 Disclaimer of Other Representations and Warranties

Save only to the extent set out in the warranties listed in clauses 8.1 to 8.3, neither Party makes any representations or warranties in respect of any matter or thing and disclaims all liability and responsibility for any representation, warranty, statement, opinion, information or advice made or communicated (orally or in writing) to the other Party (including, without limiting the generality of the foregoing, any representation, warranty, statement, opinion or information or advice made or communicated to the other Party by any officer, shareholder, stockholder, director, employee, agent, consultant or representative of such Party or any of its Affiliates) and such Party acknowledges and affirms that it has not relied upon any such representation, warranty, statement, opinion or information in entering into and carrying out the transactions contemplated by this Agreement.

8.5 The representations and warranties in clauses 8.1 to 8.3 shall:

(a) cease after the first anniversary of the Approval Date save and except in respect of matters which have been the subject of a bona fide written claim made before such date by a Party to the other Party and the notifying Party has issued and served a writ on the other Party within a further 6 months of such notice (regardless of when the grounds for such claim are discovered by the Notifying Party); and

(b) not give rise to any claim or claims for damages by a Party in respect of alleged breaches of the other Party's representations and warranties unless the claim (or the aggregate of the claim and claims already made) exceeds US$250,000 and provided that neither Party shall in any circumstances have any liability under or pursuant to this Agreement exceeding the Price.

8.6 Purchaser shall not be entitled to claim that any fact, matter or circumstance causes any of the Warranties to be breached if fairly disclosed in sufficient detail to enable Purchaser to identify the nature and scope of the fact, matter or circumstance in the Disclosure Letter or in any document referred to in the Disclosure Letter (including the Documents) where a copy of such document had been previously made available to the Purchaser or delivered with the Disclosure Letter.

8.7 If a Party receives any claim from a third party or becomes aware of any fact which is reasonably likely to result in a claim against the other Party pursuant to the warranties listed in clauses 8.1 to 8.3, the recipient Party shall promptly notify the other Party thereof. The notified Party shall then be entitled to require the recipient Party to take any action it may reasonably request to resist such third party claim including but not limited to the conducting of any appeal, dispute, compromise or defence thereof and of any incidental negotiations but at all times in consultation with the other Party. The recipient Party will give the other Party all co-operation, access and assistance for the purpose of considering such claim as it may reasonably require provided that the recipient Party is indemnified and held harmless by the other Party from and against any and all claims, damages or losses and reasonable costs and expenses it may incur in connection therewith.

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8.8 Neither Party shall do any act or thing, or authorise any act or thing to be done over which it has control or which it can otherwise by the exercise of any right or power reasonably prevent from being done without the approval, concurrence or assistance of the other Party which would reasonably prevent any of the warranties from being true and accurate if repeated as at Completion by reference to circumstances then existing.

8.9 If a Party has paid to the other Party an amount in discharge of a claim or claims under the Warranties listed in clauses 8.1 to 8.3 and the other Party recovers (whether by payment, discount, credit or otherwise) from a third party (including any taxation authority) a sum which would not have been received but for the circumstances giving rise to the claim in respect of which the payment by the paying Party was made, the other Party shall repay to the paying party an amount equal to either the amount the paying Party shall have so paid to the other Party or the sum received from the third party less any costs or expenses incurred in recovering the same (whichever shall be the lower).

8.10 Nothing herein shall be deemed to relieve any Party from any common law duty to mitigate any loss or damage incurred by it.

8.11 If there is discovered a material breach of a representation or warranty between the date of this Agreement and the Approval Date, the non-breaching party may terminate this Agreement by giving notice to the other Party, in accordance with clause 11, within 14 days of it having actual knowledge of the relevant breach.

8.12 In the case of those representations and warranties of Seller, Seller shall make all reasonable and diligent enquiries but shall not be responsible for the accuracy or completeness of any information or other answer provided by the Operator in response to such enquiries unless Seller is shown to have had actual knowledge they were incorrect or incomplete, or ought to have known they were incorrect or incomplete having regard to other facts and circumstances known to Seller.

9. TAX

9.1 Tax Obligations

Each Party shall be responsible for reporting and discharging its own tax measured by the profit or income of the Party and the satisfaction of such Party's share of all contract obligations under the Contracts and under this Agreement. Each Party shall protect, defend and indemnify each other Party from any and all loss, cost or liability arising from the indemnifying Party's failure to report and discharge such taxes or satisfy such obligations. The Parties intend that all income and all tax benefits (including deductions, depreciation, credits and capitalisation) with respect to the expenditures made by the Parties hereunder will be allocated by the Appropriate Authorities to the Parties based on the share of each tax item actually received or borne by each Party. If such allocation is not accomplished due to the application of the Laws / Regulations or other action of the Appropriate Authorities, the Parties shall attempt to adopt mutually agreeable arrangements that will allow the Parties to achieve the financial results intended. Seller shall use reasonable, commercial endeavours in order to ensure it provides each Party, in a timely manner

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and at such Party's sole expense, with such information with respect to joint operations as such Party may reasonably request for preparation of its tax returns or responding to any audit or other tax proceeding.

9.2 Joint Levy

If interpretation or enforcement of the Contracts by the Appropriate Authorities imposes joint and several liability on the Parties for any levy, charge or tax, the Parties shall cross indemnify each other to the extent that such levy, charge or tax is owed by one Party individually.

10. CONFIDENTIALITY

10.1 Except as otherwise provided in the Concession Agreement and the JOA, each Party agrees that:

(a) in this Agreement, Confidential Information shall mean all information, analyses, compilations, studies, documents or other material (whether communicated orally, in written form, in electronic form or through any other media), geological and geophysical data, maps, models and interpretations obtained by one Party (**"Receiving Party"**) from the other Party (**"Disclosing Party"**), or any of its direct and indirect affiliates or associated companies (together the **"Disclosing Party Group"** and each a **"Disclosing Party Group Member"**) or any of its advisors in connection with this Agreement, and/or the Contracts and/or any Disclosing Party Group Member, together with any analyses, compilations, studies, documents or other material (written or otherwise) prepared by the Receiving Party or its Representatives (as defined in clause 10.1(b)) and which reflect or incorporate such information, provided that Confidential Information shall not include information or material:

(i) which at the time of its disclosure is, or which thereafter becomes (other than as a result of any act or default by the Receiving Party or its Representatives), part of the public domain; or

(ii) which the Receiving Party can show was in the Receiving Party's possession, or in the possession of one or more of the Receiving Party's Affiliates, or in the possession of the Receiving Party's Representatives (as defined in clause 10.1(b)) at the time of disclosure and was not obtained, directly or indirectly, under a confidentiality obligation; or

(iii) which is acquired independently from a third party that represents that it has the right to disseminate such information at the time it is acquired by the Receiving Party; or

(iv) which is developed by the Receiving Party independently of the Confidential Information received from any Disclosing Party Group Member.

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(b) Subject to clause 17.11, all Confidential Information, the Agreement, the proposed terms of the Agreement the existence and contents of this Agreement, the fact that discussions are taking place and the fact that a Party has requested or received Confidential Information will be kept confidential by that Party, and its employees, agents, external attorneys, advisors and representatives (collectively the "**Representatives**") and shall not, without the prior written consent of the other Party, be disclosed by that Party or its Representatives to any third party.

(c) The Confidential Information received by one Party shall not be used by that Party or its Representatives otherwise than in connection with this Agreement.

(d) Each Party agrees to reveal the Confidential Information received from the other Party only to such Party's Representatives who need to know the Confidential Information for the purpose of this Agreement and who, prior to receipt of any Confidential Information, shall have agreed in writing (such agreement being confirmed by the Recipient) to be bound by obligations of confidentiality to the Disclosing Party on the terms of this Agreement. Each Party hereby agrees to procure compliance herewith, and to be responsible for any breach hereof, by its Representatives.

11. NOTICES

All notices authorised or required between the Parties by any of the provisions of this Agreement shall be in writing in English and delivered in person or by courier service or by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and properly addressed to the intended recipient. Oral communication does not constitute notice for purposes of this Agreement, telephone numbers for the Parties are listed below as a matter of convenience only. A notice given under any provision of this Agreement shall be deemed delivered only when received by the person to whom such notice is directed, and the time for such person to deliver any notice in response to such originating notice shall run from the date the originating notice is received. "**Received**" for purposes of this clause shall mean actual delivery of the notice to the address of the intended recipient specified hereunder.

The notice details for the Seller are as follows:

Name: Kuwait Energy Company KSCC

Address: P.O. Box 5614, Salmiya 22067, Kuwait

Attention: Harry Saul VP Exploration and Divestments

Facsimile: + 965 5755679

Email: harry.saul@kec.com.kw

Telephone: + 965 575 5657 ext 307

Mobile: +965 9721 6556

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The notice details for the Purchaser are as follows:

Name:	East West Petroleum
Address:	200, 638 -11th Avenue S.W.
	Calgary, Alberta Canada T2R 0E2
Attention:	Greg Renwick
Facsimile:	+1 972 964 6662
Email:	grenwick@eastwestpetroleum.ca
Telephone:	+1 972 955 7251

12. LAW AND DISPUTE RESOLUTION

12.1 Governing Law

This Agreement is governed by and must be interpreted in accordance with laws of England and Wales, to the exclusion of any conflicts of laws principles that could require the application of any other law.

12.2 Dispute Resolution

"Dispute" means any dispute, controversy or claim arising out of or in connection with this Agreement (including but not limited to any dispute regarding its formation, validity, binding effect, interpretation, performance, breach, termination or the consequences of its nullity).

12.3 Mutual Discussions:

The Parties shall attempt, in good faith and for a period of 40 days after the receipt by one Party of a notice from any other Party of the existence of the Dispute (**"Discussion Period"**), to settle the Dispute, in the first instance, by discussions between the Parties. The commencement of any such effort to resolve the Dispute shall not prevent the Parties commencing or continuing an arbitration in accordance with clause 12.4.

12.4 Arbitration

(a) **Referral to Arbitration**

Except as provided in this Agreement to be determined by an Independent Accountant any Dispute that cannot be settled, by discussions between the Parties in accordance with clause 12.3, shall be finally settled by arbitration (**"Arbitration"**).

(b) **Procedural Matters**

(i) **Rules**: Subject to this clause 12.4, the Arbitration proceedings shall be conducted according to the Rules of Arbitration of the International Chamber of Commerce (**"ICC"**) (**"Rules"**).

(ii) **Arbitrator**: The number of arbitrators shall be 3 (the **"Arbitrators"**).

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(iii) Each Party shall appoint one arbitrator within 30 days of the filing of the arbitration, and the 2 arbitrators so appointed shall select the presiding arbitrator within 30 days after the latter of the 2 arbitrators have been appointed.

(iv) If a Party fails to appoint its Party-appointed arbitrator or if the 2 arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time, the remainder of the 3 arbitrators not yet appointed shall be appointed in accordance with the ICC Rules.

(v) The Arbitrators shall not have the powers of an *amiable compositeur* or resolve the Dispute *ex aequo et bono*.

(vi) **Place of Arbitration**: The place of the Arbitration shall be London.

(vii) **Language**: The Arbitration shall be conducted in the English language.

(viii) **Communications**: Any notice of Arbitration, response or other communication given to or by a Party in connection with the Arbitration shall be given and deemed received as provided for in clause 11.

(ix) **Evidence**: The IBA Rules on the Taking of Evidence in International Commercial Arbitration shall apply.

(x) **Consolidation**: In order to facilitate the comprehensive resolution of related disputes, all Disputes between the Parties may be brought in a single arbitration. Upon the request of a party to an Arbitration, the Arbitrators shall consolidate the Arbitration with any other potential arbitration relating to a Dispute, if either:

(xi) all parties concerned agree; or

(xii) the arbitral tribunal determines that:

(1) there are issues of fact or law common to the arbitrations so that a consolidated arbitration would be more efficient than separate arbitrations; and

(2) no party would be unduly prejudiced as a result of such consolidation through undue delay or otherwise.

The Parties shall give effect to such consolidation.

(c) **Award**

(i) **Interest**: The Arbitrators shall have the power to award interest. Interest shall be awarded at the Agreed Interest Rate.

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(ii) **Currency of Award:** The award shall be made and payable in U.S. Dollars.

(d) **Award Binding**

(i) **Final Decision:** The award shall be final and binding. Judgment on the award may be entered and enforced by any court of competent jurisdiction.

(i) **No Appeal:** There shall be no appeal to any court or other body or tribunal from the award.

(ii) **Court Action:** No Party to a Dispute shall be entitled to commence or maintain any action in a court of law, or before any other body or tribunal, in respect of that Dispute until an award has been made in accordance with this clause 12 and then only for the enforcement of the Award, provided that no provision hereof shall prevent a Party to the Dispute from applying to any court of competent jurisdiction for interim or conservatory measures.

12.5 **Continued Performance:** Each Party shall continue to perform all its obligations under this Agreement notwithstanding the existence of a Dispute, the reference of the Dispute to Arbitration pursuant to clause 12.4 and/or pending the making of the award or determination by an Independent Accountant.

13. FORCE MAJEURE

If as a result of Force Majeure, any Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused and for such reasonable period thereafter as may be necessary for the Party to put itself in the same position that it occupied prior to the Force Majeure, but for no longer period, but only if and to the extent that:

(a) such circumstance or event, despite the exercise of reasonable diligence by the affected Party, could not have been avoided, prevented or removed, by the affected Party;

(b) the affected Party has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such circumstance or event on the affected Party's ability to perform its obligations under this Agreement and to mitigate the consequences thereof; and

(c) such circumstance or event is not the direct or indirect result of the failure of the affected Party to perform any of its obligations under this Agreement. The Party claiming Force Majeure shall notify the other Parties of the Force Majeure within a reasonable time after the occurrence of the facts relied on and shall keep all Parties informed of all significant developments. Such notice shall give reasonably full particulars of the Force Majeure and also estimate the period of time which the Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in a commercially reasonable manner but shall not be obligated to settle any labour dispute except on terms acceptable to it. All such disputes shall be handled within the sole discretion of the affected Party. For the purposes of this Agreement, **"Force Majeure"** shall have the same meaning as is set out in the Concession Agreement.

14. DEFAULT

14.1 Default

If either Party fails to pay the amounts due under any provision of this Agreement by the applicable dates, that Party shall be in default and such amounts shall accrue interest at the Agreed Interest Rate plus 5 percentage points calculated from the due date until the date of payment.

14.2 Reassignment

If the Purchaser fails to perform its obligations under clause 4, Seller shall have the option, exercisable at any time after 7 business days from Seller's notice to Purchaser of Purchaser's failure to timely fulfil its obligations under clause 4, provided that the obligations are still not performed, to require that Purchaser reassign the Assigned Interest to Seller free of cost. In that event, Purchaser shall execute any and all such documents as are necessary for such reassignment in the same form and manner as the original assignment; and, assist in obtaining and required approval of the Appropriate Authorities of such reassignment.

15. INDEMNITY

15.1 Subject to clauses 8.5, 8.12 and 15.2, each Party hereby indemnifies and holds harmless and shall keep indemnified and held harmless every other Party from and against all costs and liabilities, arising from, incidental to, or by virtue of, or out of the non-performance or breach of its obligations under this Agreement (including, without limitation, breach of any representation or warranty in clause 8) by the first mentioned Party.

15.2 Notwithstanding clause 15.1, no Party shall be liable to any other Party for, and each Party hereby discharges and releases every other Party from any liability for indirect losses including without limitation loss of profits and loss of opportunity.

16. ASSIGNMENT OF AGREEMENT

Neither Party shall assign the whole or any part of its rights or interests under this Agreement to a third party, except that they shall be entitled to assign to an Affiliate provided that:

(a) any necessary consent and approval of the Appropriate Authorities to such assignment shall have been obtained;

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(b) such Affiliate shall have demonstrated to the satisfaction of Seller or Purchaser (as the case may be) its financial responsibility and capability to discharge the obligations under this Agreement, the JOA and the Concession Agreement; and

(c) the assigning Party provides an undertaking in a form reasonably acceptable by the other Party that it will continue to be bound by the provisions of this Agreement as if it continued to be a Party.

17. GENERAL PROVISIONS

17.1 Relationship of Parties

The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorise any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.

17.2 Further Assurances

Each of the Parties shall do all such acts and execute and deliver all such documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

17.3 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party whether of a like or of a different character. Except as expressly provided in this Agreement, no Party shall be deemed to have waived, released or modified any of its right under this Agreement unless such Party has expressly stated, in writing, that it does waive, release or modify such right.

17.4 Joint Preparation

Each provision of this Agreement shall be construed as though all Parties participated equally in the drafting of the same. Consequently, the Parties acknowledge that any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

17.5 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such

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invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

17.6 Modifications

There shall be no modification of this Agreement except by written consent of all Parties.

17.7 Priority of Agreement

In the event of any conflict between the provisions of the main body of this Agreement and its Schedules, the provisions of the main body of the Agreement shall prevail. Except as provided clause 1, in the event of any conflict between this Agreement and the JOA, this Agreement shall prevail. In the event of any conflict between this Agreement and the Concession Agreement, this Agreement shall prevail unless such would be in violation of English law or the terms of the Concession Agreement.

17.8 Costs

Each Party shall pay its own costs and expenses in relation to the negotiation, preparation and execution of this Agreement and all documents ancillary hereto, including but not limited to costs for obtaining the satisfaction of the Conditions Precedent.

17.9 Interpretation

(a) **Headings:** The topical headings used in this Agreement are for convenience only and shall not be construed as having any substantive significance or as indicating that all of the provisions of this Agreement relating to any topic are to be found in any particular clause.

(b) **Singular and Plural:** Reference to the singular includes a reference to the plural and vice versa.

(c) **Gender:** Reference to any gender includes a reference to all other genders.

(d) **Clause:** Unless otherwise provided, reference to any recital, clause or a Schedule means a recital, clause or Schedule of the Agreement.

(e) **Include:** **"include"** and **"including"** shall mean to be inclusive without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense.

(f) **Day:** day means calendar day.

(g) **Business Day:** business day means on which banks in Kuwait and South Australia are generally open for the transaction of business, but not a Friday, Saturday, Sunday or public holiday.

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17.10 Counterpart Execution

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided that no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Seller is authorised to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

17.11 Public Announcements

No public announcement or statement regarding the terms or existence or this Agreement shall be made without prior written consent of all Parties; provided that, notwithstanding any failure to obtain such approval, no Party shall be prohibited from issuing or making any such public announcement or statement to the extent it is necessary to do so in order to comply with the applicable laws, rules or regulations of any government, legal proceedings or stock exchange having jurisdiction over such Party or its Affiliates, however, any such required public announcement shall include only that portion of information which the disclosing Party is advised by written opinion of counsel (including in-house counsel) is legally required. Such opinion shall be delivered to the other Parties prior to any such public announcement.

17.12 Rights of third parties

The Parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person not a Party.

17.13 Entirety

(a) This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, discussions, negotiations, representations; and

(b) No oral explanation or information provided by either Party to the other Party, before or after the execution of this Agreement, shall affect the interpretation or meaning of this Agreement or constitute any collateral agreement, understanding or warranty between the Parties regarding the subject matter of this Agreement.

(c) Each party confirms and represents that it is not relying on any information not contained in or provided for by this Agreement in entering into this Agreement and undertaking to be bound by its provisions.

17.14 No Merger

Except to the extent that an obligation created by this Agreement has already been completely discharged, the obligations created by this Agreement shall not merge or terminate on Completion but shall continue after Completion and indefinitely until such time as they are completely discharged.

17.15 No Deductions, Withholdings Or Set Off

All payments by a Party to the other Party, pursuant to the terms of this Agreement and the Contract, shall be made:

(a) free of any condition or restriction;

(b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and

(c) without exercising any right of setoff whether contractual, statutory or implied by general law.

17.16 Survival

Notwithstanding any provision hereof, upon termination of this Agreement, clauses 9, 10, 11 and 12 and the obligations thereunder shall survive termination of this Agreement.

18. FACILITATION PAYMENTS AND ANTI-CORRUPTION

Each Party undertakes to the other that in connection with this Agreement, it will comply with all applicable laws, rules, regulations, decrees and/or official government orders of Arab Republic of Egypt relating to anti-bribery and anti-money laundering.

IN WITNESS of their agreement each Party has caused its duly authorised representative to sign this instrument on the date set out in the first sentence of this Agreement.

For and on behalf of)
Kuwait Energy Egypt Limited)

SAKA AKBAR
Name

Executed by **East West Petroleum Corp**)
)
)

GREGORY K. RENWICK
Name

Schedule A List of Documents

1989.6.21 Concession Agreement granted to EGPC and Kriti Oil and Gas S.A.

1990.1.4 Law 14 for 1989 Ratification of the Concession Agreement

1995.11.16 Law No 16/1995 amending the Gas Pricing provision of the Concession Agreement

1996.5.23 Deed of Assignment Kriti assigns 80% Interest in the Concession Agreement to Gharib Oil Fields as amended by the 1997.04.08 approval of Minister of Petroleum to correct the name in the 1996.5.23 Deed.

1996.9.5 Joint Operating Agreement between Gharib Oil Fields and Kriti Oil and Gas SA

1996.12.12 Development Lease Commerical Discovery notice approved by the Minister of Petroleum on 1996.12.15.

1996.12.12 being the effective date of the EGPC and Contractor (as defined in the Concession Agreement as Amended) formed an operating company named BURG EL ARAB ("**BURAPETCO**") pursuant to Article V1 and Annex "D" of the Concession Agreement as Amended and approved by the Minister of Petroleum and Mineral Resources 15 December 1996.

2006.5.6 Farmout Agreement Gharib Oil Fields Kuwait Energy Egypt Limited and amendment to JOA Work Program procedure

2006.9.25 Deed of Assignment Gharib Oil Fields assigns 30% Interest in the Concession Agreement to Kuwait Energy Egypt Limited.

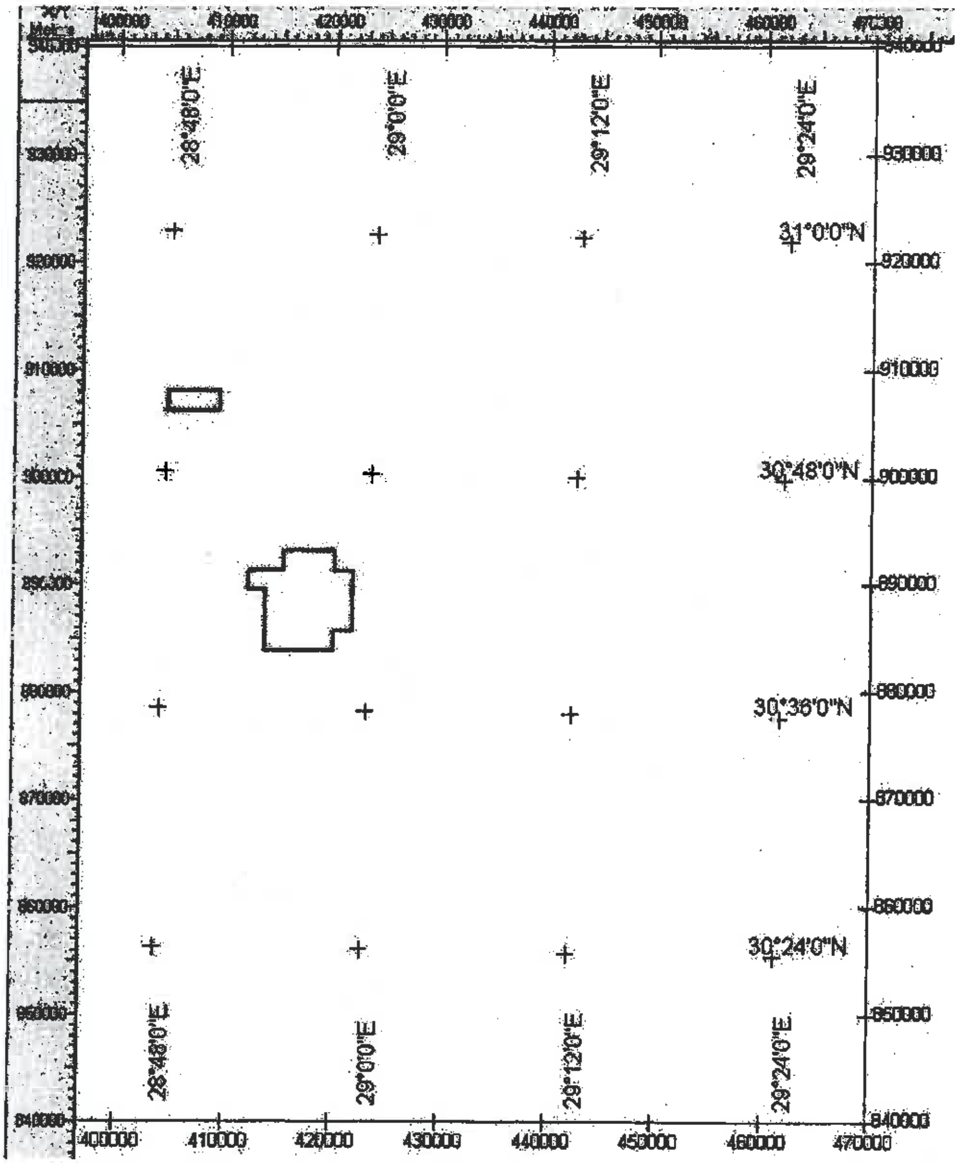
2007.3.26 Deed of Assignment Kriti Oil and Gas SA assigns 20% Interest in the Concession Agreement to Kuwait Energy Egypt Limited

2007.11.14 Joint Operating Agreement Deed of Amendment Kriti Oil and Gas SA assigns 20% Interest in the Joint Operating Agreement to Kuwait Energy Egypt Limited

2009.8.4 EGPC Approval appointment of Kuwait Energy Egypt Limited as Operator.

2010.1.28 Deed of Assignment Gharib Oil Fields assigns 25% Interest in the Concession Agreement to Kuwait Energy Egypt Limited

Schedule B Contract Area



SCHEDULE C to Sale and Purchase agreement

between Kuwait Energy Egypt Limited and East West Petroleum Corp

Deed of Assignment

Burg El Arab Area

Concession Agreement

This Deed of Assignment is made and entered into on this ...., day of .... 2010 by and between **Kuwait Energy Egypt Limited** a company incorporated under the laws of the British Virgin Islands (hereinafter "**Kuwait Energy**") as ASSIGNOR; AND

[insert name of EWP entity] (hereinafter "**East West**") as ASSIGNEE

WHEREAS:

A. Kuwait Energy holds certain rights, privileges, duties and obligations under the Concession agreement dated 21 June 1989 issued by Law No. 14 of 1990 as amended by Law No. 16 of 1995 (hereinafter referred to as "Concession Agreement") entered into by the Government of the Arab Republic of Egypt ("Government"), the Egyptian General Petroleum Corporation ("EGPC") and Kriti Oil & Gas S.A. ("Kriti") for Petroleum Exploration and Exploitation covering the Burg El Area in the Western Desert, as described in Annex "A" and outlined in Annex "B" of the Concession Agreement.

B. By a Deed of Assignment dated 23 May 1996 Kriti assigned an 80% Interest in the Concession Agreement to Gharib Oil Fields as amended by the 1997.04.08 approval of Minister of Petroleum to correct the name in the 1996.5.23 Deed.

C. By Deed of Assignment dated 25 September 2006 Gharib Oil Fields assigned (37.5% of its 80% interest) a 30% Interest in the Concession Agreement to Kuwait Energy.

D. By Deed of Assignment dated 26 March 2007 Kriti assigned a 20% Interest in the Concession Agreement to Kuwait Energy.

E. By Deed of Assignment dated 28 January 2010 Gharib Oil Fields assigns 25% Interest in the Concession Agreement to Kuwait Energy Egypt Limited

F. Kuwait Energy wishes to assign an undivided 20% interest of its rights, interests, privileges, duties and obligations in the Concession Agreement to East West and East West wishes to accept such Assignment.

G. Pursuant to Article XXI of the Concession Agreement, EGPC must review and approve the text of this Assignment.

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H. Such Assignment is subject to the approval of the Government of the Arab Republic of Egypt.

NOW, THEREFORE, the Parties to this Assignment agree as follows:

1 This Assignment is made in accordance with the provisions of Article XXI of the Concession Agreement.

2 Kuwait Energy hereby assigns an undivided 20% interest which represents part of its rights, interests, privileges, duties and obligations in the aforementioned Concession Agreement to East West and East West accepts such Assignment.

Upon the approval of this Deed of Assignment, the interests of the parties constituting the Contractor under the Concession Agreement shall be as follows:

Kuwait Energy	55%
East West	20%
Gharib Oil Fields	25%

3. This Deed of Assignment shall be binding upon and inure to the benefits of its parties hereto, their successors and assignees.

4. Kuwait Energy (ASSIGNOR) states that it has duly fulfilled all its obligations under the aforementioned Concession Agreement as of the date of this Deed of Assignment.

5. East West (ASSIGNEE) hereby expressly states that it is bound by all the provisions and covenants contained in the Concession Agreement and any modifications or additions in writing, as well as any contracts concluded by Kuwait Energy (ASSIGNOR) with EGPC in implementation thereof that may have been made up to the date of this Deed of Assignment.

6. Kuwait Energy and East West state that the rights and privileges of both the Government and EGPC contained in the Concession Agreement shall not be prejudiced, by the provisions of this Deed of Assignment.

7. Pursuant to Article (XXI) paragraph (d) of the Concession Agreement, East West Petroleum states that it, together with Kuwait Energy and Gharib Oil Fields shall be vis-a-vis the Government and EGPC jointly and severally liable for the performance of the obligations of Contractor under the Concession Agreement.

8. Kuwait Energy (the OPERATOR) through its office in the A.R.E. shall be the entity to which, from which and in whose name all notifications related to or in connection with the Concession Agreement shall be made.

9. This Assignment shall be effective as of the date of the approval of the Government.

In Witness Whereof, the Assignment parties have duly executed this Assignment on this...........day of .... 2010.

ASSIGNOR:

Executed by **Kuwait Energy Egypt Limited**

____

____

Name

ASSIGNEE:

Executed by)
[name of East West Petroleum affiliate])

____

Name

The above mentioned Deed of Assignment dated ... ..of ....2010, of the Burg El Arab Area, Western Desert Concession Agreement in the Arab Republic of Egypt in approved and accepted.

EGYPTIAN GENERAL PETROLEUM CORPORATION

Name:

Title :

Signature : ....

MINISTRY OF PETROLEUM

Name:

Title :

Signature: ....

L/R

SCHEDULE D to Sale and Purchase agreement

between Kuwait Energy Egypt Limited and East West Petroleum Corp

Deed of Amendment to the Burg El Arab Joint Operating Agreement

THIS DEED is made and entered into on 2010

BETWEEN

Kuwait Energy Egypt Limited, a company incorporated under the laws of the British Virgin Islands registration number 1023567 (**"Assignor"**)

Gharib Oil Fields, a company under the laws of ___(**"Gharib"**); and

[insert name and details of affiliate of East West Petroleum Corp ("Assignee").

WHEREAS

(A) Assignor and Gharib are parties to the JOA.

(B) Assignor and Assignee have entered into the SPA relating to the purchase by Assignee from Assignor of the Assigned Interest.

(C) The Parties hereby agree to amend the JOA to reflect the transfer to Assignee of the Assigned Interest, to provide for certain undertakings and a release on the terms as set out in this Deed, and to make certain other amendments to the JOA.

IT IS AGREED:

1. **DEFINITIONS**

Any capitalised word, term or phrase used in this Deed including the recitals, but not specifically defined in this Deed shall have the meaning ascribed to such word, term or phrase in the JOA;

"Assigned Interest" means an undivided 20% Participating Interest;

"Completion" means the date on which completion of the transfer of the Assigned Interest from Assignor to Assignee takes place in accordance with the terms of the SPA;

"Concession Agreement" means the concession agreement dated 21 June 1989 for petroleum exploration and exploitation covering the onshore BURG EL ARAB area in the Western Desert, Arab Republic of Egypt;

"EGPC" means the Egyptian General Petroleum Corporation;

"JOA" means the Joint Operating Agreement dated 5 September 1996 between Gharib Oil Fields and Kriti Oil and Gas SA as amended by Deed of Amendment dated 14 November 2007 including any further amendment thereof;

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"**Party**" means each of the entities first listed above referred individually and collectively as the "**Parties**";

"**SPA**" means a Sale and Purchase Agreement dated [ ] 2010;

"**Transfer Effective Date**" means 00.01 a.m., Cairo time, 1 November 2010.

2. **DEED EFFECTIVE DATE**

2.1 The terms of this Deed shall come into effect on Completion.

2.2 Assignor shall notify Gharib that Completion has taken place as soon as reasonably practicable following Completion.

3. **UNDERTAKINGS AND RELEASE**

3.1 With effect from the Transfer Effective Date, Assignee:

(a) undertakes to perform, discharge and observe all obligations and liabilities on the part of Assignor in relation to the Assigned Interest under the JOA and the Concession Agreement which would, but for this Deed, fall to be performed, discharged or observed by Assignor on and after the Transfer Effective Date; and

(b) agrees to be bound by all the provisions of the JOA and the Concession Agreement in relation to the Assigned Interest by which Assignor would, but for this Deed, be bound on and after the Transfer Effective Date.

3.2 Gharib:

(a) consents to the assignment of the Assigned Interest to the Assignee;

(b) unconditionally releases and discharges Assignor from all obligations and liabilities whatsoever under the JOA in relation to the Assigned Interest which fall to be performed, discharged or observed on or after the Transfer Effective Date; and

(c) accepts the liability of Assignee in respect of the JOA in relation to the Assigned Interest with effect from the Transfer Effective Date.

4. **AMENDMENTS**

4.1 With effect from the Transfer Effective Date the JOA shall be amended as follows:

(a) Assignee shall be added as a party to the JOA;

(b) The Participating Interests as detailed in Article 3.1 of the JOA shall be amended to read as follows:

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Assignor	55%
Assignee	20%
Gharib	25%

(c) Article 6.1 shall be amended by replacing the last paragraph with the following:

"The Operating Committee shall consist of one representative appointed by each Party. Each Party shall give Notice to all other Parties of the name of its representative and of any alternate representative. The representative or alternate may be replaced from time to time by like Notice. A representative may bring to meetings of the Operating Committee any advisers. The representative of a Party, or in the absence of the representative, his alternate, shall be deemed authorised to represent and bind the Party with respect to any matter which is within the powers of the Operating Committee."

(d) Article 13 of the JOA shall be amended to provide for notice details of Assignee as follows:

Name:	East West Petroleum
Address:	200, 638 -11th Avenue S.W. Calgary, Alberta Canada T2R 0E2
Attention:	Greg Renwick
Facsimile:	+1 972 964 6662
Email:	grenwick@eastwestpetroleum.ca
Telephone:	+1 972 955 725

5. **GENERAL**

5.1 Save as expressly provided in this Deed, all other provisions of the JOA shall remain in full force and effect and binding on the parties thereto, insofar as the same are binding on those parties immediately prior to the date hereof.

5.2 The Parties agree that no term of this Deed shall be enforceable under the Concession Agreements (Rights of Third Parties) Act 1999 by any person who is not a party to this Deed.

5.3 Any dispute under or in connection with this Deed or the JOA among the Parties to this Deed shall be resolved in accordance with Article 18 of the JOA.

5.4 This Deed shall be governed by and construed in accordance with the laws of England and Wales.

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5.5 This Deed may be executed in multiple identical counterparts, each of which shall constitute an original of this Deed, but all the counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF this document has been executed and delivered as a deed the day and year before first written.

Executed as a deed by **Kuwait Energy Egypt Limited** acting by:

Authorised signatory

____
Name

Executed as a deed by [insert name of affiliate of **East West Petroleum**] in the presence of:

Authorised signatory

____
Name

Executed as a deed by **Gharib Oil Fields** acting by:

Authorised signatory

____
Name

Authorised signatory

GR

Schedule E Independent Accountant

1 If there is a referral to the Independent Accountants pursuant to this Agreement, the provisions of this Schedule shall apply.

2 Independent Accountants means a firm of independent internationally recognised accountants with significant experience in Egyptian oil and gas joint venture accounting, the identity of which is to be agreed by the Seller and the Purchaser within 7 business days of a notice being given by either Party to the other Party requiring such agreement or failing such agreement to be nominated on the application of either Party by or on behalf of the President (for the time being) of the Institute of Chartered Accountants in England and Wales.

3 The Independent Accountants shall be engaged jointly by the Seller and the Purchaser on the terms set out in this Schedule.

4 Each Party shall prepare a written statement on the Disputed Amounts which, together with any relevant documents, shall be submitted simultaneously to the Independent Accountants and to the other Party.

5 Each Party may submit to the Independent Accountants one set of written comments on the other Party's written statement, a copy of which is to be provided simultaneously to the other Party.

6 The Independent Accountants shall:

(a) be entitled to stipulate the time periods within which the Parties shall prepare and submit the written statement and written comments referred to in paragraphs 4 and 5 (above) (such time periods to be at least 14 days) and to disregard any written statement or comments not delivered to the Independent Accountants within the time periods so stipulated;

(b) be entitled to require both Parties and their respective accountants to attend one or more meetings and to make enquiries of them about any matters which the Independent Accountants consider relevant;

(c) permit each Party to be present while oral submissions are being made by the other Party;

(d) in the absence of agreement between the Parties, be entitled to determine the procedure to be followed in undertaking their determination, insofar as the procedure is not set out herein; and

(e) be entitled to appoint advisers (including legal advisers) if required.

7 The Parties shall each use all reasonable endeavours to procure that the Independent Accountants are given all such assistance and access to documents and other information as they may reasonably require in order to make their determination.

8 The Purchaser shall keep up to date and make available to the Independent Accountants and the Seller all books and records (including supporting documentation) relating to the Contracts and Joint Property.

9 The Independent Accountants shall be requested to give their decision on matters in dispute within 30 days of the date of their appointment.

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10 The Independent Accountant's determination shall:

(a) be limited to whether any arguments for the alteration to the Completion Statement put forward by the Purchaser are correct, and if so, what alterations should be made to correct any inaccuracy or error in the Completion Statement;

(b) be given in writing in the English language; and

(c) include the reasoning supporting the determination.

11 Save in the case of fraud or manifest error, the Independent Accountant's determination shall be final and binding on the Parties.

12 The Independent Accountants shall act as experts and not as arbitrators.

13 Each Party shall each bear their own costs incurred in respect of the dispute resolution process under this Schedule, provided that, if the Independent Accountant's determination is in favour of a Party, the other Party shall bear all reasonable costs of the successful Party in respect of the dispute resolution process under this Schedule.

14 The costs of the Independent Accountants (including their expenses and the costs of any advisers to the Independent Accountants) shall be borne by the Parties in such proportions as the Independent Accountants shall determine in their absolute discretion or, in the absence of any such determination, by the Parties equally.

15 Each Party and the Independent Accountants shall, and shall procure that their respective advisers shall, keep all information and documents provided to them pursuant to this Schedule confidential for the period ending on the date 3 years after the Completion Date, and shall not use the same for any purpose, except in connection with the preparation of the Completion Statement, the proceedings of the Independent Accountants or another matter arising out of this Agreement or in defending any claim relating to this Agreement.