

Provisions that, if included, would be seriously prejudicial to the interests of Pan Orient Energy Corp. or would violate confidentiality provisions have been redacted from this document.

Execution copy

Dated 23rd May 2012

- (1) **PAN ORIENT ENERGY CORP.**
- (2) [Intentionally redacted - Name of Purchaser]

SALE AND PURCHASE AGREEMENT
for the entire issued share
capital of Pan Orient Energy (Thailand) Ltd.

MAYER • BROWN
JSM

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Sale and Purchase Agreement (Redacted)

Documents in the Agreed Terms

Assignment of Debt
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Deed of Indemnity in respect of Taxation
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Minutes of board meeting of the Subsidiary on Completion
Resignation letter of director of the Company
Resignation letter of director of the Subsidiary

THIS AGREEMENT is dated 23rd May 2012 and made between:

- (1) **PAN ORIENT ENERGY CORP.**, a company incorporated in Alberta whose registered office is at 4500 Bankers Hall East, 855 2nd Street S.W., Calgary Alberta AB T2P 4K7, Canada (the "**Seller**"); and
- (2) [Intentionally redacted – Name of Purchaser] (the "**Purchaser**").

BACKGROUND:

- (A) The Seller owns the entire issued share capital of Pan Orient Energy (Thailand) Limited, a company incorporated in Bermuda, details of which are set out in Part 1 of Schedule 1 (*Details of the Company*).
- (B) The Company owns [Intentionally redacted – details of share capital] shares in the capital of Pan Orient Resources (Thailand) Limited [Intentionally redacted – details of share capital], a company incorporated in Thailand, details of which are set out in Part 2 of Schedule 1 (*Details of the Subsidiary*).
- (C) The Company holds the Block SW1 Concession (as defined below) and the Subsidiary holds the Block L33/43 Concession and the Block L44/43 Concession (each defined below), each of which is subject to a 40% participation interest being held by the Company and the Subsidiary, as applicable, on trust for Carnarvon (defined below).
- (D) The Seller has agreed to sell the entire issued shares in the capital of the Company and the benefit of the Shareholder Loans (as defined below) to the Purchaser [Intentionally redacted – details of share capital] for the consideration and upon the terms set out in this Agreement.

IT IS AGREED that:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined terms

In this Agreement and the Background:

"Accounts" means the audited Annual Financial Statements for the years ended 31 December 2011 (comprising Statements of financial position, Statements of income and Statements of change in equity / head office's equity) of the Branch (including 100% of the Block SW1 Concession) and the Subsidiary (including 100% of the Block L44/43 Concession and Block L33/43 Concession) as at the Accounts Date together in each case with all notes, reports and statements required by law, or by the accounting standards set out in the relevant auditor's report, to be annexed to them;

"Additional Retention" means an additional amount (if any) paid into Escrow Account No. 1 pursuant to Clause 5.8;

"Accounts Date" means 31 December 2011;

"Affiliate" means in relation to a party any other person that controls or is controlled by that party or is controlled by a person that controls that party. For the purposes of this definition "control" means in relation to a person the ability to direct the management and affairs of that person whether by the ownership of voting securities,

representation on the board of directors or otherwise and "controlled" shall be construed accordingly;

"Agreed Terms" means, in relation to any document, that document in the terms agreed between the parties and initialled for identification purposes only by or on behalf of each party prior to the execution of this Agreement or, in cases where a document is expressed to be in the Agreed Terms but has not been so initialed, in the terms to be reasonably agreed between the parties;

"Agreed Working Capital Payment" means the US\$ equivalent of Baht [Intentionally redacted – amount of working capital payment] (which is calculated as shown in the Agreed Working Capital Statement) which results by applying the average closing mid market rates quoted by The Hongkong and Shanghai Banking Corporation (Thailand branch) on the three Business Days immediately preceding Completion;

"Agreed Working Capital Statement" means the working capital adjustment statement attached as Schedule 5;

[Intentionally redacted – references to issue addressed by, and amount of a component of, Contingency Fund]

"Amount Claimed" means in respect of any Notified Claim the amount claimed in respect of the relevant Notified Claim;

"Applicable Law" means, with respect to any person, any statute, treaty, law, ordinance, rule, regulation, order, writ, injunction, judicial decision, decree or other legally binding requirement of any Governmental Authority (including any Environmental Laws) applicable to such person or any of its respective properties, assets, officers, directors, employees, consultants or agents (in connection with such officer's, director's, employee's, consultant's or agent's activities on behalf of such person);

"Assets" means the assets referred to in paragraph 10 of Schedule 3;

"Assignment of Debt" means the deed of that name in the Agreed Terms to be entered into on Completion pursuant to which the Seller will assign to the Purchaser the benefit of the Shareholder Loans;

"Auditors" means KPMG Phoomchai Audit Limited, 48th-51st Floors Empire Tower, 195 South Sathorn Road, Bangkok 10120, Thailand;

"Basic Documents" has the meaning given to it in paragraph 6.5 of Schedule 3;

"Block L33/43 Concession" means the Concession granted under those Concession Documents under paragraph 2 in Part 2 of Schedule 7;

"Block L44/43 Concession" means the Concession granted under those Concession Documents under paragraph 3 in Part 2 of Schedule 7;

"Block SW1 Concession" means the Concession granted under those Concession Documents in Part 1 of Schedule 7;

"Branch" means the local branch of the Company registered in Thailand on 17th March 1998 with commercial registration number Or. 9651;

"Business Day" means a day (not being a Saturday or Sunday) when banks generally are open in Calgary, Bangkok, and [Intentionally redacted – Purchaser location] for the transaction of general banking business;

"Carnarvon" means Carnarvon Thailand Limited, having a place of business at [Intentionally redacted – address];

"Carnarvon Interest" means (i) a 40% participation interest in the Block SW1 Concession held on trust for Carnarvon by POET, and (ii) a 40% participation interest in each of the Block L33/43 Concession and the Block L44/43 Concession held on trust for Carnarvon by PORT;

[Intentionally redacted – reference to a dispute]

"Claim" means, as applicable, any claim for a breach of any of the Warranties or in respect of the Indemnified Matters;

"Companies Act" means the Companies Act 2006 of the United Kingdom of Great Britain and Northern Ireland;

"Company" or **"POET"** means Pan Orient Energy (Thailand) Ltd. which for practical purposes includes the Branch details of which are given in Part 1 of Schedule 1 (*Details of the Company*);

"Completion" means completion of the sale and purchase of the Purchase Shares [Intentionally redacted – details of share capital] and the benefit of the Shareholder Loans under this Agreement;

"Completion Date" means the date on which Completion occurs;

"Concessions" means together, the Block SW1 Concession, the Block L33/43 Concession and the Block L44/43 Concession, and **"Concession"** shall mean any of them;

"Concession Documents" means the POET Concession Documents and the PORT Concession Documents;

"Connected Person" has the meaning given to that expression in s252 Companies Act;

"Contingency Account" has the meaning ascribed to that term in Clause 7.2(a);

"Contingency Fund" means [Intentionally redacted - amount of contingency fund];

[Intentionally redacted – reference to lease arrangements]]

"Deed of Indemnity in respect of Taxation" means a deed of that name in the Agreed Terms to be executed and delivered by the Seller, the Purchaser, the Company and the Subsidiary on Completion pursuant to which the Seller agrees to indemnify the Purchaser, the Company and the Subsidiary in respect of Taxation as set forth in that deed;

[Intentionally redacted – reference to intercompany agreements]

"DMF" means Department of Mineral Fuels of the Government of the Kingdom of Thailand;

"Deposit" means the amount of [Intentionally redacted – amount of deposit] which has been advanced on behalf of the Purchaser to the Deposit Escrow Agent prior to the date of this Agreement and including any interest earned thereon;

"Deposit Escrow Agent" means Bennett Jones LLP;

"Deposit Escrow Agreement" means the escrow agreement entered into between (1) [Intentionally redacted – identity of Purchaser affiliate] (2) the Seller and (3) the Deposit Escrow Agent on 19th March 2012;

"Directors" means the directors of the Company and the Subsidiary named in Schedule 1 (*Details of the Company and Details of the Subsidiary*);

"Disclosed" means a fact, matter, event or circumstance fairly disclosed (to a standard sufficient to enable the Purchaser to identify the nature and scope of the matter disclosed) by the Disclosure Documents and **"Disclosure"** shall be construed accordingly;

"Disclosure Documents" means those documents contained in the list set out in Schedule 15 (*Disclosure Documents*);

"Encumbrance" means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security; or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption); or any agreement or arrangement to create any of the same;

"Environment" means any of the following media namely air, water or land including those media within buildings or other natural or man made structures above or below ground and any living organisms or ecosystems;

"Environmental Authority" means any court, government, agency or authority (in each case whether, international, national or local) or agency having judicial, regulatory or administrative authority under Environmental Laws;

"Environmental Laws" means any applicable laws, including any common law, statute, statutory instrument, treaty, regulation, directive, decision, by-law, circular, code, guidance plan, order, notice, demand, decree, injunction, resolution or judgment, which relate to Environmental Matters and which are in force or effect from time to time;

"Environmental Matters" means any of the following:

- (a) protection of the Environment;
- (b) pollution or contamination;
- (c) the production, generation, manufacture, processing, handling, keeping, possession, presence, storage, distribution, use (including as a building material), treatment, supply, receipt, sale, purchase, removal, transport, importation, exportation, disposal, release, spillage, deposit, escape, discharge, leak, emission, leaching or migration of Hazardous Substances or Hazardous Waste;
- (d) exposure of any human or any other living organism to Hazardous Substances or Hazardous Waste;
- (e) the creation of any noise, vibration, radiation, common law or statutory nuisance, or other impact on the Environment;
- (f) any other matters relation to the condition, protection, maintenance, restoration or remediation of the Environment or any part of it; and/or

(g) human health and safety;

"Environmental Permits" means all or any authorisations, certificates, approvals, permits, licences, registrations, notifications or consents (and all conditions attaching thereto) required under any Environmental Laws for the operation of the Branch and the Subsidiary or the occupation or use of any of the Properties;

"Escrow Account No. 1" means the account referred to in Clause 7.1 to be opened in the name of the Purchaser with the Escrow Agent into which the Retention is to be paid;

"Escrow Account No. 2" means the account referred to in Clause 7.1 to be opened in the name of the Purchaser with the Escrow Agent into which the Agreed Working Capital Payment is to be paid;

"Escrow Agent" means [Intentionally redacted – identity of escrow agent];

"Escrow Agreement" means the escrow agreement in the Agreed Terms to be entered into between (1) the Seller (2) the Purchaser and (3) the Escrow Agent on Completion;

"Fixed Payment" means the sum of [Intentionally redacted – amount of fixed payment];

"Event" means any transaction, act, omission or occurrence of whatever nature;

[Intentionally redacted - references to issue addressed by, and amount of a component of, Contingency Fund]

"Governmental Authority" means any foreign, domestic, federal, territorial, state, provincial or local governmental authority, quasi-governmental authority, instrumentality, court, government or self-regulatory organization, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing;

"Group" means together, the Company and the Subsidiary;

"Hazardous Substances" means any poisonous, noxious, dangerous, hazardous, radioactive, toxic, flammable, carcinogenic, corrosive, infectious, mutagenic, teratogenic, irritant or explosive materials or substances or any constituent or any mixture of any of them (including any petroleum or petroleum derived substance) and/or any other materials or substances that are regulated under any Environmental Law;

"Hazardous Waste" means any waste defined as such under Applicable Law including Notification of the Ministry of Industry on Disposal of Waste or Unusable Materials B.E. 2948(2005);

"Hydrocarbons" means crude oil, natural gas, casinghead gas, associated gas, condensate, sulphur, natural gas liquids, plant products and other liquid or gaseous hydrocarbons produced in association therewith (including coalbed gas and carbon dioxide);

"Indemnified Matters" means those matters described or referred to in Schedule 6;

"Independent Accountants" has the meaning given in Schedule 9 (*Determination of Leakage*);

[Intentionally redacted – reference to intercompany agreement]

"IOA" means , as the context requires, either one or more or all of (i) an International Operating Agreement dated 29th February 2008 and made between POET and Carnarvon governing their joint operations in the Block SW1 Concession, (ii) an International Operating Agreement dated 29th February 2008 and made between PORT and Carnarvon governing their joint operations in the Block L33/43 Concession, and (iii) an International Operating Agreement dated 29th February 2008 and made between PORT and Carnarvon governing their joint operations in the Block L44/43 Concession;

"JOA" means a Joint Operating Agreement dated 7th December 2000 and made between POET and Carnarvon governing their joint operations in the Block SW1 Concession;

"Joint Confirmation" has the meaning given in Schedule 9 (*Determination of Leakage*);

"Leases" means [Intentionally redacted – reference to lease arrangements] the Office Leases and the Offsite Storage Leases;

"Leakage" means, in relation to the Branch and the Subsidiary, any of the matters set out in Schedule 10 (*Leakage*) in respect of the period from the Accounts Date up to and including Completion, [Intentionally redacted – details of leakage exceptions];

"Leakage Statement" means the final binding statement agreed or determined pursuant to Clause 3.3 and Schedule 9 (*Determination of Leakage*);

"Letter Agreement" means the offer letter from [Intentionally redacted – reference to Purchaser affiliate] to the Seller dated 10 February 2012 and accepted by the Seller on 23rd February 2012;

"Longstop Date" means 13th June 2012, or such other date as the Seller and the Purchaser may agree;

"Losses" in respect of any matter, event or circumstance includes all losses, claims, demands, actions, proceedings, damages financial and other penalties and other payments, costs, expenses or other liabilities of any kind, but excluding any indirect or consequential losses, or exemplary or punitive damages;

"Management Accounts" means the unaudited monthly management accounts of the Branch (including 100% of the Block SW1 Concession) and the Subsidiary (including 100% of the Block L44/43 and Block L33/43 Concession) for the months of January 2012 to March 2012, copies of which have been Disclosed;

"Management Services Agreements" means, as the context requires, any one or more of the agreements, particulars of which are set out in Schedule 11;

"Material Adverse Event" means any cause, condition or event arising from or attributable to any acts, events, omissions or accidents beyond the reasonable control of the parties and limited to strikes, lock-outs or other industrial disputes, act of God, war, riot, civil commotion, malicious damage, acts of terrorism, pandemic or epidemic, earthquake, severe flood, fire, explosion, major environmental problem or political unrest, in each case, the effect of which is to have a materially adverse impact on the exploration and production activities of the Group;

[Intentionally redacted – details of share capital]

"Notified Claim" a notification on or before the Retention Release Date to the Seller by or on behalf of the Purchaser of a Claim in accordance with Clause 7.1(g)(i) (*Payments from Escrow Account No. 1*);

"Office Leases" means [Intentionally redacted – details of office leases];

"Offsite Storage Leases" means the leases, brief particulars of which are set forth in parts F1 and G1 of Schedule 12;

"Other Documents" means the Deed of Assignment, the Deed of Indemnity in respect of Taxation, [Intentionally redacted – reference to other document], the Deposit Escrow Agreement (as supplemented by the Supplemental Deposit Escrow Agreement) and the Escrow Agreement;

"Outside Date" means the date 3 weeks after the Longstop Date;

"Plugging and Abandonment" and "plug and abandon" and its derivatives mean all plugging, replugging, abandonment, equipment removal, disposal or restoration associated with the Assets, including, but not limited to, all plugging and abandonment, removal, surface restoration (including restoration of wetlands, marshes and water bottoms restoration), site clearance and disposal of the wells, well cellars, structures and personal property located on or associated with the Assets, the removal and capping of all associated flowlines, field transmission and gathering lines, the removal of underwater obstructions, pit closures, the restoration of the surface, site clearance, and any disposal of related Hazardous Waste materials, including NORM and asbestos, all in accordance with Applicable Laws and the terms and conditions of the leases, beneficial interests, easements and contracts, and Governmental Authorities;

"POES" means Pan Orient Energy (Siam) Ltd., an indirect, wholly-owned subsidiary of the Seller;

"POET Concession Documents" means those documents listed in Part 1 of Schedule 7;

"PORT Concession Documents" means those documents listed in Part 2 of Schedule 7;

"Properties" means all land within the Concession areas owned or leased or used by POET and/ or PORT, and all tangible assets brought onto or erected on such land by or on behalf of POET and/or PORT for the purpose of carrying on oil and gas exploration, production, sale and delivery activities and all associated works;

"Proceedings" means any proceedings, suit or action arising out of or in connection with this Agreement;

"Product" means saleable Hydrocarbons produced by or on behalf of POET and PORT from all wells drilled (whether before or after the date of this Agreement) within the boundaries of the Concessions;

"Purchase Price" means the purchase price specified in Clause 3.1 (*Purchase Price*);

"Purchaser's Group" means any of the following from time to time: the Purchaser, its subsidiaries and subsidiary undertakings and any holding company or parent undertaking of the Purchaser and all other subsidiaries and subsidiary undertakings of any holding company or parent undertaking of the Purchaser and **"member of the Purchaser's Group"** shall be construed accordingly;

"Purchaser's Lawyers" means [Intentionally redacted – identity of Purchaser's lawyers];

"Purchase Shares" means [Intentionally redacted – details of share capital] in the capital of the Company representing 100% of the issued share capital of the Company at Completion;

"Release Notice" means an instruction to the Escrow Agent signed jointly by the Seller and the Purchaser in accordance with the terms of the Escrow Agreement in substantially the form set out in Schedule III thereto;

"Remedial Action" means:

- (a) investigating, sampling, monitoring, assessing, analysing, removing, remedying, cleaning up, making good, modifying, restoring, improving, abating, containing or ameliorating the presence in or effect on the Environment, the Properties, any other property or any human or other living organism of, any Hazardous Substances or Hazardous Waste, including the removal from any structure of Hazardous Substances or Hazardous Waste incorporated into that structure (whether above or below ground, natural or man made and including all pipes and tanks);
- (b) securing compliance of the Company and the Subsidiary and/or the Properties with all Environmental Laws and Environmental Permits;
- (c) such other action or steps as may be reasonably required to assess, avoid, mitigate, abate, remedy or prevent any nuisance or other effect on the Environment; and/or
- (d) the obtaining of any expert technical and/or legal advice required in relation to any of the matters in paragraphs (a), (b) or (c) above;

"Retention" means a sum of [Intentionally redacted – amount of retention] being an amount to be retained out of the Fixed Payment and to be paid into the Escrow Account at Completion or, as the case may be, the balance in the Escrow Account after any payment from the Escrow Account to the Seller or the Purchaser pursuant to Clause 7.1 (*Escrow Account*) together with all interest earned on the amounts credited from time to time to the Escrow Account;

"Retention Release Date" means the day that is eighteen (18) months following the Completion Date;

"Review Period" has the meaning given in Schedule 9 (*Determination of Leakage*);

"Revised Longstop Date" means the date (if any) notified by the Purchaser to the Seller pursuant to Clause 4.4 (*Time Limits*), the date (if any) automatically selected pursuant to Clause 4.2(b) (*Fulfilment*) or Clause 4.3(b) (*Waiver*), or such other date as the Seller and the Purchaser may agree;

"Seller's Group" means any of the following from time to time: the Seller, its subsidiaries and subsidiary undertakings except the Company and the Subsidiary and any holding company or parent undertaking of the Seller and all other subsidiaries and subsidiary undertakings of any holding company or parent undertaking of the Seller and **"member of the Seller's Group"** shall be construed accordingly;

"Seller's Lawyers" means Bennett Jones LLP, Calgary, Alberta, Canada;

"Shareholder Loans" means the interest free loans owing by the Company to the Seller [Intentionally redacted – amounts of shareholder loans] further details of which are set out in Schedule 16 (*Details of Shareholder Loans*);

[Intentionally redacted – reference to an indemnity]

"Subsidiary" or **"PORT"** means Pan Orient Resources (Thailand) Ltd. details of which are given in Part 2 of Schedule 1 (*Details of the Company*);

"Supplemental Deposit Escrow Agreement" means the supplemental agreement entered into on the date of this Agreement between (1) [Intentionally redacted – identity of Purchaser affiliate] (2) the Purchaser (3) the Seller and (4) the Deposit Escrow Agent which amends the Deposit Escrow Agreement;

"Tax" or **"Taxation"** means and includes all forms of taxation and statutory, governmental, supra governmental, state, local governmental or municipal impositions, duties, contributions, deductions, withholdings and levies whenever imposed and all penalties, charges, costs and interest relating to any of them;

"Tax Authority" means any Tax or other authority, body or person (whether inside or outside the Thailand) competent to impose any liability to Tax;

[Intentionally redacted – amount of a component of the Contingency Fund]

"Tax Liability" means any liability of the Company, the Branch or the Subsidiary (as the case may be) to make payment or increased payment of, in respect of or on account of Tax;

"Unsatisfied Amounts Claimed" means at any date an amount equal to the aggregate of:

- (a) the whole or part of an Amount Claimed pursuant to a Notified Claim made before that date for which the Seller has accepted liability or for which it has been finally decided the Seller is liable but which liability has not in either case been satisfied; and
- (b) any remaining Amount Claimed pursuant to a Notified Claim made before that date which the Purchaser has not withdrawn and for which the Seller has not accepted liability and in respect of which it shall not have been finally decided whether or not the Seller is liable in circumstances where proceedings have been commenced or six (6) months have not elapsed since the date of the relevant Notified Claim;

"Warranties" means the warranties set out in Schedule 3 (Warranties) given and made by the Seller in favour of the Purchaser;

"Well" means a well for the production of oil, gas and other Hydrocarbons, or any of them, as well as a well used for the injection of fluids into the earth, including oil wells, gas wells, shut-in wells, temporarily abandoned wells, injection wells, salt water injection wells, pressure maintenance wells, vertical wells and horizontal wells;

"Working Capital Adjustment Payment" means the amount equal to any Leakage between the Accounts Date and the Completion Date; and

"Working Capital Payment Date" means the date that is 7 days after the Working Capital Adjustment Payment has been finally determined pursuant to Schedule 9.

1.2 Contents page and headings

In this Agreement, the contents page and headings are included for convenience only and shall not affect the interpretation or construction of this Agreement.

1.3 Meaning of references

In this Agreement, unless the context requires otherwise, any reference to:

- (a) this **Agreement** includes the Background and Schedules which form part of this Agreement for all purposes;
- (b) the **Background** is to the statements about the background to this Agreement made above, a **Clause** or to a **Schedule** is, as the case may be, to a clause of or a schedule to this Agreement and any reference in a Schedule to a **Part** or **Paragraph** is to a part or paragraph of that Schedule;
- (c) a **company** is to any company, corporation or other body corporate wherever and however incorporated or established;
- (d) a **document** is to that document as supplemented, otherwise amended, replaced or novated from time to time;
- (e) any **English statutory provision** or **English legal term** for any action, remedy, method of judicial proceeding, document, legal status, court, official or any other legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English statutory provision or English legal term;
- (f) the masculine, feminine or neuter **gender** respectively includes the other genders and any reference to the singular includes the plural (and vice versa);
- (g) **including** means "including without limitation" (with related words being construed accordingly), **in particular** means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things;
- (h) **indemnify** and to **indemnifying** any person against any Losses by reference to a matter, event or circumstance includes indemnifying and keeping him indemnified immediately on demand against all Losses from time to time made, suffered or incurred by that person as a direct or indirect result of that matter, event or circumstance;
- (i) a **party** or **either party** or the **parties** is to a party or the parties (as the case may be) to this Agreement and shall include any permitted assignees of a party;
- (j) a **person** includes any individual, firm, company, corporation, government, state or agency of state or any association, trust or partnership (whether or not having a separate legal personality);

- (k) **baht or THB** is to the lawful currency from time to time of Thailand and **dollars, \$ or US\$** is to the lawful currency from time to time of the United States of America;
- (i) a **statute** or **statutory provision** includes any consolidation, re-enactment, modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the date of this Agreement would extend or increase the liability of either party to the other under this Agreement;
- (ii) a **time of the day** is to local time in [Intentionally redacted – Purchaser location] and references to a **day** are to a period of 24 hours running from midnight to midnight; and
- (iii) **writing** shall include any modes of reproducing words in a legible and non-transitory form.

1.4 Companies Act definitions

In this Agreement, the words and expressions "**accounting reference period**", "**body corporate**", "**holding company**", "**parent undertaking**", "**subsidiary**" and "**subsidiary undertaking**" have the meanings given to them in the Companies Act.

2. AGREEMENT TO SELL AND PURCHASE AND DEPOSIT

2.1 Sale and purchase

The Seller shall sell and the Purchaser shall purchase, the entire legal and beneficial ownership in the Purchase Shares and the benefit of the Shareholder Loans, together with all rights now and after the date of this Agreement attaching to them. [Intentionally redacted – details of share capital]

2.2 Seller's covenant

The Seller covenants that:

- (a) it has full power and the right to transfer the legal and beneficial title in the Purchase Shares and the benefit of the Shareholder Loans;
- (b) the Purchase Shares, [Intentionally redacted – details of share capital] and the benefit of the Shareholder Loans shall on Completion be free from all Encumbrances and from all other rights exercisable by third parties; and
- (c) [Intentionally redacted – details of share capital]

2.3 Completion simultaneous

The Purchaser shall not be obliged to complete the purchase of any of the Purchase Shares [Intentionally redacted– details of share capital] and the benefit of the Shareholder Loans unless the sale of all the Purchase Shares [Intentionally redacted–

details of share capital] and the benefit of the Shareholder Loans is completed simultaneously.

2.4 Waiver of pre-emption rights

- (a) The Seller irrevocably waives all rights of pre-emption over or other rights to restrict the transfer of the Purchase Shares and the benefit of the Shareholder Loans conferred either by the articles of association of the Company or in any other way.
- (b) [Intentionally redacted– details of share capital]

2.5 Rights accruing to Purchase Shares [Intentionally redacted– details of share capital]

From and after Completion the Purchaser shall be entitled to exercise all rights attached or accruing to the Purchase Shares [Intentionally redacted– details of share capital] and the benefit of the Shareholder Loans, including the right to receive all dividends, distributions or any return of capital declared, paid or made by the Company in respect of the Purchase Shares [Intentionally redacted– details of share capital].

2.6 Deposit

The Deposit has been paid to the Deposit Escrow Agent by [Intentionally redacted – identity of Purchaser affiliate] before the execution of this Agreement. Following execution of the Supplemental Deposit Escrow Agreement, the Deposit is deemed to have been paid on behalf of the Purchaser. The Deposit will henceforth be held and applied upon the following terms and conditions:

- (a) the Deposit together with all interest accrued on it will upon Completion represent part payment of the Fixed Payment and will be paid to the Seller upon Completion as provided in Schedule 2 (*Completion Arrangements*);
- (b) if Completion does not take place because the Purchaser has failed to perform any one or more of its obligations under Clause 5.9 (*Obligations of Purchaser to Facilitate Completion*) or Schedule 2 (*Completion Arrangements*), and this Agreement is terminated by the Seller, the Deposit (together with all accrued interest on it) will be paid to the Seller upon such termination;
- (c) if Completion does not take place because the Seller has failed to perform any one or more of its obligations under Schedule 2 (*Completion Arrangements*), or because any necessary shareholder approval of Seller is not granted as contemplated in Clause 4.2(b), and this Agreement is terminated by the Purchaser, the Deposit will be paid (together with all accrued interest on it less any applicable deductions or withholdings required on account of any taxation) to the Purchaser upon such termination; or
- (d) if Completion fails to take place for any other reason and this Agreement is terminated howsoever, the Deposit (together with accrued interest on it less any applicable deductions or withholdings required on account of any taxation) will be paid to the Purchaser upon termination,

and as soon as the right of any of the parties to receive the Deposit (or any part of it) arises, the Seller will, and the Purchaser will (or if necessary procure that [Intentionally redacted – identity of Purchaser affiliate] will), give joint instructions to the Deposit Escrow Agent instructing the release or payment of the Deposit (together with all interest accrued on it less any applicable deductions or withholdings required on account of any taxation) to the person entitled to it in accordance with this Clause 2.6 (*Deposit*). This Clause 2.6 supersedes and replaces paragraph 5 in the Letter Agreement (which paragraph is no longer effective) and paragraphs 4 and 5 of the Deposit Escrow Agreement (which paragraphs are no longer effective).

3. PURCHASE PRICE AND WORKING CAPITAL

3.1 Purchase Price

The price for the sale and purchase of the Purchase Shares and the benefit of the Shareholder Loans ("**Purchase Price**") shall be an amount equal to the Fixed Payment plus the Agreed Working Capital Payment less the Working Capital Adjustment Payment (if any).

3.2 Payment of Purchase Price

- (a) The Purchase Price shall be satisfied by the payment on Completion of:
 - (i) the Fixed Payment (which shall be satisfied in part by the release of the Deposit to the Seller) less (1) the Retention (which shall be paid into Escrow Account No. 1 on Completion in accordance with and for the purposes of Clause 7.1 (*Escrow Account*)) and (2) the Contingency Fund (which shall be paid into the Contingency Account in accordance with and for the purposes of Clause 7.2 (*Contingency Fund*) and (3) Additional Retention (if any); and
 - (ii) the Agreed Working Capital Payment, (which shall be paid into Escrow Account No. 2),

in each case by way of electronic transfer for same day value.

3.3 Determination of Leakage

The parties will comply with their respective obligations pursuant to Schedule 9 (*Determination of Leakage*).

3.4 Payments following determination of Leakage

Subject to the parties having complied with their obligations pursuant to Clause 3.3, on the Working Capital Payment Date:

- (a) an amount equal to Leakage (if any) plus interest earned on such amount whilst held in Escrow Account No.2 shall be paid to the Purchaser; and
- (b) the balance shall be paid to the Seller

and the parties shall procure that the above amounts are so paid.

4. CONDITIONS

4.1 Conditions

Completion is conditional upon the following conditions being or remaining satisfied:

- (a) [Intentionally redacted – details of a condition precedent];
- (b) [Intentionally redacted– details of a condition precedent];
- (c) [Intentionally redacted– details of a condition precedent]
- (d) [Intentionally redacted– details of a condition precedent]
- (e) [Intentionally redacted– details of a condition precedent];
- (f) there is no Material Adverse Event in existence; and
- (g) Seller shall have obtained all required approvals from the TSX Venture Exchange, on terms and conditions acceptable to the Seller and the Purchaser, each acting reasonably.

each a "**Condition**" and together the "**Conditions**".

4.2 Fulfilment

- (a) The Seller shall use all reasonable endeavours to procure that each of the Conditions referred to in Clauses 4.1(a) to (d) and (g) is fulfilled, in the case of Clauses 4.1(a) to (d) by the time and date set out in Clause 4.4 (unless waived in accordance with Clause 4.3) and, in the case of Clause 4.1(g), by the date which is selected as the Revised Longstop Date pursuant to Clause 4.2(b).
- (b) In the event that the Condition in Clause 4.1(g) cannot be satisfied unless shareholder approval of the Seller is obtained, the Revised Longstop Date shall be deemed to have been selected (pursuant to Clause 4.4(a) (*Time Limits*)) and automatically extended to the day that is 90 days from the day the Parties became aware that such approval is required, and the Seller shall in good faith take all steps necessary to seek such shareholder approval within that date. The Seller shall give the Purchaser the opportunity to review any associated disclosure announcement and shall consider any comments of the Purchaser thereon in a commercially reasonable manner. If the Seller is required to obtain shareholder approval but such approval is not granted on the first occasion on which it is sought the Purchaser may without liability terminate this Agreement by notice in writing in which event (A) the Deposit shall promptly be released to the Purchaser in accordance with Clause 2.6(c); and (B) the Seller shall make an additional cash payment to the Purchaser of a sum equal to [Intentionally redacted – amount of break fee] (both parties declaring that this sum represents a reasonable pre-estimate of the loss, cost damage and expense incurred by the Purchaser in negotiating and entering into this Agreement, and in conducting its due diligence investigation of the Company and the Subsidiary); and these payments shall be a full and final settlement and discharge of all liabilities of the Seller to the Purchaser under or in connection with this Agreement and its termination.

4.3 Waiver

- (a) The Conditions referred to in Clauses 4.1(a) to (d) (or any of them) may be waived by the Purchaser and to be effective any such waiver shall be in writing and delivered by the Purchaser to the Seller provided that any waiver of the Conditions referred to in Clauses 4.1(a) to (d) is on the basis that the Seller will continue to use its best endeavours to procure satisfaction of such Conditions following Completion.
- (b) The Condition referred to in Clause 4.1(e) can only be waived by the Seller and the Purchaser jointly. In the event that the Condition in Clause 4.1(e) ceases to be satisfied before Completion, the Seller and the Purchaser shall in good faith use their best endeavours, for a period of not less than 30 days from the date they become aware of any relevant order, to remove any relevant order, in which event, the Revised Longstop Date shall be deemed to have been selected and automatically extended to the day that is the later of the Outside Date, the Revised Longstop Date as calculated pursuant to Clause 4.2(b) (*Fulfilment*), or the day that is 30 days from the date the Parties became aware of any such order. If the relevant order cannot be removed within the time limit referred to in this Clause 4.3(b), this Agreement will terminate in which event, except as provided in Clause 2.6 (*Deposit*) and Clause 23.3 (*Consequences of termination or cessation of this Agreement*), this Agreement shall cease to have effect immediately after that time on that date.
- (c) The Condition referred to in Clause 4.1(f):
 - (i) may be waived by the Seller and the Purchaser jointly; or
 - (ii) may be waived by the Purchaser unilaterally,provided that in either case, in no event shall either Party be entitled to bring any Claim against the other arising out of the relevant Material Adverse Event.
- (d) The Condition referred to in Clause 4.1(g) can only be waived by the Seller.

4.4 Time limits

Subject to Clause 4.2(b) (*Fulfilment*) and Clause 4.3(b) (*Waiver*), if any Condition referred to in Clause 4.1(a) to (d) and (f) is not fulfilled or waived at or before 5pm on the Longstop Date, then the Purchaser may by notice in writing to the Seller either:

- (a) select a Revised Longstop Date which shall be a date as soon as reasonably practical taking into consideration the time required for the relevant Condition to be fulfilled but in any event being no later than the Outside Date; or
- (b) terminate this Agreement, in which event, except as provided in Clause 2.6 (*Deposit*) and Clause 23.3 (*Consequences of termination or cessation of this Agreement*), this Agreement shall cease to have effect immediately after that time on that date.

4.5 Revised time limits

If the Purchaser has selected a Revised Longstop Date pursuant to Clause 4.4(a) (*Time Limits*) or the Revised Longstop Date shall have been extended pursuant to Clause 4.2(b) (*Fulfilment*) or Clause 4.3(b) (*Waiver*) and any Condition referred to in Clause 4.1(a) to (g) is not fulfilled or waived at or before 5 pm on the Revised Longstop Date, then either the Seller or the Purchaser may by notice in writing to the other terminate this Agreement, in which event, except as provided in Clause 2.6 (*Deposit*), Clause 4.2(b) (*Fulfilment*) and Clause 23.3 (*Consequences of termination or cessation of this Agreement*), this Agreement shall cease to have effect immediately after that time on that date.

4.6 Notification of other party

Upon:

- (a) either party becoming aware that any of the Conditions has been satisfied or has become or is likely to become incapable of satisfaction by the Longstop Date or the Revised Longstop Date or the Outside Date (as the case may be), that party shall immediately notify the other party of that fact;
- (b) the Purchaser becoming satisfied that all the Conditions set out in Clause 4.1(a) to (d) either have been fulfilled and/or waived in accordance with Clause 4.3, it will notify the Seller of such fact and of the date which Completion is to take place (which shall be on a Business Day, not earlier than 10 days and not later than 17 days after the date of such notice); and
- (c) the Seller becoming aware that approval is needed from the TSX Venture Exchange, it will provide details thereof to the Purchaser and keep the Purchaser informed as to progress in respect thereof.

5. COMPLETION AND ACTIONS PENDING COMPLETION

5.1 Completion

Completion shall take place at the offices of the Purchaser's Lawyers on the date specified in the Purchaser's notice referred to in Clause 4.6(b), or if shareholder approval of the Seller referred to in Clause 4.2(b) is required, the date which falls 5 Business Days after the Revised Longstop Date, or such other date as the parties may agree in writing.

5.2 Completion arrangements

At Completion the Seller and the Purchaser shall simultaneously do those things listed in Schedule 2 (*Completion arrangements*).

5.3 Receipt

Receipt by:

- (a) the Seller's Lawyers of any monies or completed documentation to be provided by the Purchaser in satisfaction of any of the obligations of the Purchaser under this Agreement; or

- (b) the Purchaser's Lawyers of any completed documentation to be provided by the Seller in satisfaction of any of the obligations of the Seller under this Agreement,

shall in each case be accepted as a full and complete discharge of that obligation.

5.4 Compliance with obligations

- (a) The Seller shall not be obliged to complete this Agreement unless the Purchaser complies with its obligations under Clause 5.2 and Schedule 2, Paragraph 3 (*Purchaser's obligations at Completion*).
- (b) The Purchaser shall not be obliged to complete this Agreement unless the Seller complies with its obligations under Clause 5.2 and Schedule 2, Paragraphs 1 (*Seller's obligations to deliver*) and 2 (*Board meeting of the Company*).

5.5 Remedies for non-compliance

- (a) If either party (the "**Defaulting Party**") fails to comply with any of its obligations under Clause 5.2 and Schedule 2 (*Completion arrangements*) the Purchaser (if the Defaulting Party is the Seller) or the Seller (if the Defaulting Party is the Purchaser) may in addition to and without prejudice to all its other rights and remedies (but subject to Clause 5.5(b) below):
 - (i) defer Completion to a date not more than 20 Business Days after the date of this Agreement (so that the provisions of this Clause shall apply to Completion as so deferred);
 - (ii) proceed to Completion (without limiting its rights under this Agreement);
 - (iii) terminate this Agreement without liability on its part to the Defaulting Party; or
 - (iv) waive all or any of the obligations of the Defaulting Party.
- (b) If this Agreement is terminated under sub-clause (a)(iii) above then:
 - (i) if the Defaulting Party is the Purchaser, the Deposit shall promptly be released to the Seller in accordance with Clause 2.6(b); and this payment shall be a full and final settlement and discharge of all liabilities of the Purchaser to the Seller under or in connection with this Agreement and its termination;
 - (ii) if the Defaulting Party is the Seller: (A) the Deposit shall promptly be released to the Purchaser in accordance with Clause 2.6(c); and (B) the Seller shall make an additional cash payment to the Purchaser of a sum equal to [Intentionally redacted – amount of break fee] (both parties declaring that this sum represents a reasonable pre-estimate of the loss, cost damage and expense incurred by the Purchaser in negotiating and entering into this Agreement, and in conducting its due diligence

investigation of the Company and the Subsidiary); and these payments shall be a full and final settlement and discharge of all liabilities of the Seller to the Purchaser under or in connection with this Agreement and its termination.

5.6 Obligations of Seller pending Completion

Pending Completion (or earlier termination of this Agreement) the Seller shall procure that:

- (a) the Company and the Subsidiary shall operate its respective business as a going concern in the ordinary course and no transaction outside the ordinary course shall take place or be agreed without the prior written consent of the Purchaser;
- (b) it shall not incur costs between the date of this Agreement and Completion which are repayable by the Company and/or the Subsidiary under the Management Services Agreements in aggregate in excess of [Intentionally redacted – threshold amount]; and
- (c) (except as expressly required by this Agreement) the Company and the Subsidiary shall not without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed) take any of the following actions:
 - (i) the creation, allotment, issue, repayment, repurchase or redemption of any shares or loan capital or grant of options over or rights to subscribe for or convert into any shares or loan capital;
 - (ii) the alteration of its memorandum or articles of association or the Basic Documents or any other contract with a value over [Intentionally redacted– threshold amount];
 - (iii) the reorganisation of share capital in any way (including any reduction in share capital, any variation of share rights, any subdivision or consolidation or any redenomination);
 - (iv) other than for the purpose of authorising or facilitating the performance of any obligation of the Seller under this Agreement, the proposal or passing of any shareholders' resolution or other decision of the shareholders;
 - (v) the establishment of a subsidiary or subsidiary undertaking;
 - (vi) the acquisition of any shares or other interest in a body corporate or participation in any partnership or joint venture;
 - (vii) the creation of any Encumbrance over any assets or the giving of any guarantee or undertaking in respect of a third party, other than any Encumbrance created in the ordinary course of business;

- (viii) the borrowing of any money or obtaining of any advance or credit exceeding [Intentionally redacted– threshold amount], other than in the ordinary course of business;
- (ix) the provision of any credit or making of any loan or advance to or for the benefit of any person exceeding [Intentionally redacted– threshold amount], other than in the ordinary course of business;
- (x) the disposal of or acquisition of any business or any material part of a business or any other material assets of any nature, other than in the ordinary course of business;
- (xi) the entry into any contract with a value over [Intentionally redacted– threshold amount] other than in the ordinary course of business, or any contract, commitment, obligation, agreement or arrangement on non-arm's length terms;
- (xii) the amendment of the terms of or termination, assignment or disposal of the Concessions or the Leases, [Intentionally redacted - reference to a condition precedent];
- (xiii) other than in the ordinary course of business, the incurring of any expenditure or liability, in either case, of a capital nature exceeding [Intentionally redacted– threshold amount] in aggregate;
- (xiv) the commencement, settlement or abandonment of any litigation or similar proceedings or admission of any liability in respect thereto;
- (xv) other than in the ordinary course of business, the entry into, variation, amendment of the terms of or termination of any service agreement, contract of employment or consultancy agreement which provides for salary, fees, bonuses and pension contributions and other benefits (contractual or non-contractual) of any nature whatsoever;
- (xvi) the adoption of any bonus scheme for the benefit of any director, other officer or employee or the payment or award of any bonus under any scheme;
- (xvii) the provision of any credit or making of any loan or advance to or for the benefit of any of the directors, other officers or employees;
- (xviii) the declaration, payment or making of any dividend or other distribution other than as permitted under Schedule 10; or
- (xix) the agreement to do any of the things referred to in this Clause 5.6.

5.7 Acts or omissions before Completion

- (a) The Seller shall not do or permit any act or omission before Completion which would make any of the Warranties inaccurate or misleading in any material respect if they were given at any time up to and as at Completion by reference to the facts and circumstances then subsisting.

- (b) The Seller shall promptly notify the Purchaser in writing if prior to Completion it becomes aware of any matter which means that:
 - (i) any of the Warranties was when given inaccurate or misleading in any material respect;
 - (ii) any of the Warranties would be inaccurate or misleading in any material respect if given at any time up to and as at Completion by reference to the facts and circumstances then subsisting; or
 - (iii) there has been a breach of any of the provisions of Clause 5.6.

5.8 Rights of the Purchaser pending Completion

The Purchaser shall have the right to terminate this Agreement without liability on its part by notice in writing to the Seller prior to Completion if the Purchaser becomes aware of any of the Warranties being inaccurate or misleading or of any breach of Clause 5.6 in circumstances where the Seller has not remedied such matter to the reasonable satisfaction of the Purchaser and the effect of the relevant matter could reasonably be expected to result in the Purchaser being able to bring a Claim against the Seller in respect thereof for [Intentionally redacted– threshold amount] or more. If there are actual or bona fide alleged breaches with a value of less than [Intentionally redacted– threshold amount], Completion shall occur but the Purchaser shall pay at Completion as Additional Retention an amount equal to the value of the relevant Claim, which shall be deducted from the Fixed Payment. The Additional Retention amount shall be disbursed appropriately as and when the relevant matters are resolved.

5.9 Obligations of Purchaser to Facilitate Completion

- (a) The Purchaser shall provide to the Seller in a timely manner all information reasonably required by the Seller to facilitate the delivery by the Seller of an executed share transfer form in respect of the Purchase Shares pursuant to paragraph 1(a) of Schedule 2.
- (b) [Intentionally redacted – details of share capital]

5.10 Disclosure Documents

Following the execution of this Agreement, the Seller and the Purchaser will in good faith work together with a view to preparing before Completion a duplicate series of non-rewritable CDs or other electronic storage media which will contain an electronic copy of the Disclosure Documents.

6. WARRANTIES AND INDEMNITY OF SELLER

6.1 Warranties accurate

The Seller warrants to the Purchaser that each of the Warranties is at the date of this Agreement in all respects accurate and not misleading.

6.2 Exceptions to Warranties

[Intentionally redacted – details of Warranty exceptions]

6.3 Limitations on claims

The Warranties are subject to the matters set out in Schedule 4 (*Limitations on claims*).

6.4 Waiver of claims against the Company and others

The Seller irrevocably agrees to waive any claim it may have against the Company or the Subsidiary or each of their respective officers or employees in respect of any information or advice supplied for the purpose of assisting the Seller to give a Warranty or prepare the contents of Schedule 15, provided that this waiver shall not apply in the case of fraud, wilful misconduct, or deliberate or wilful concealment by the person claiming the benefit of the waiver.

6.5 Company and Subsidiary and others entitled to benefit

The Company, the Subsidiary and their respective officers or employees may enforce the provisions of Clause 6.4 pursuant to the Contracts (Rights of Third Parties) Act 1999 provided that:

- (a) this Agreement may be varied from time to time without the consent of all or any of those persons; and
- (b) none of those persons may assign any of their respective rights under this Clause 6.5 either in whole or in part.

6.6 Warranties separate and independent

The Seller agrees that each of the Warranties is separate from and independent of any other warranty.

6.7 When limitations on claims not applicable

The limitations contained in Schedule 4 (*Limitations on claims*) shall not apply to any claim which arises as the consequence of, or is delayed as a result of, fraud, wilful misconduct or deliberate or wilful concealment by the Seller.

6.8 Meaning of "so far as the Seller is aware"

If any of the Warranties are expressed to be given "to the Seller's knowledge", "so far as the Seller is aware" or "to the best of the knowledge information and belief of the Seller", or words to that effect, the Seller shall be deemed to have knowledge only of [Intentionally redacted - details of definition of "knowledge"].

6.9 Warranties deemed repeated at Completion

The Warranties shall be deemed to be repeated at Completion as if any express or implied reference in the Warranties to the date of this Agreement was replaced by a reference to the Completion Date.

6.10 Seller's Indemnity

- (a) The Seller undertakes to indemnify the Purchaser on behalf of itself and the Company and the Subsidiary against, and covenants to pay the Purchaser a

sum equal to, any Losses suffered by the Purchaser, the Company or the Subsidiary in connection with:

- (i) subject to the limitations set out in Schedule 4 (*Limitations under the Warranties*) any breach of the Warranties; and
- (ii) without prejudice to the generality of the foregoing, the Indemnified Matters,

avoiding in any event any double payment in respect of the same event or matter.

- (b) If any third party makes a claim, or notifies an intention to make a claim, against the Purchaser, the Company and/or the Subsidiary (each an "**Indemnified Party**") in respect of an Indemnified Matter or a matter for which the Purchaser is entitled to an indemnity under Clause 6.10(a), which may reasonably be considered likely to give rise to a liability under this indemnity, the Indemnified Party shall:

- (i) as soon as reasonably practicable, give written notice of the Claim to the Seller, specifying the nature of the Claim in reasonable detail;
- (ii) not make any admission of liability, agreement or compromise in relation to the Claim without the prior written consent of the Seller (such consent not to be unreasonably conditioned, withheld or delayed);
- (iii) give the Seller and its professional advisers access at reasonable times (on reasonable prior notice) to its premises and its officers, directors, employees, agents, representatives or advisers, and to any relevant assets, accounts, documents and records within the power or control of the Indemnified Party, so as to enable the Seller and its professional advisers to examine them and to take copies (at the Seller's expense) for the purpose of assessing the Claim; and
- (iv) (subject to the Seller providing security to the Indemnified Party to its reasonable satisfaction against any claim, liability, costs, expenses, damages or losses which may be incurred) (i) take such action as the Seller may reasonably request to avoid, dispute, compromise or defend the Claim or, (ii) upon notice to the Indemnified Party, permit Seller to assume carriage of the compromise or settlement of the matter and the conduct of any related legal, administrative, or other proceedings provided that the Seller keeps the Purchaser fully informed and takes account of any reasonable suggestions of the Purchaser with respect thereto.

- (c) Nothing in this clause shall restrict or limit the Indemnified Party's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.

7. ESCROW ACCOUNT AND CONTINGENCY FUND

7.1 Escrow Account

- (a) Payment into Escrow Accounts. Upon Completion the Purchaser shall pay the Retention into Escrow Account No. 1 and the Agreed Working Capital Payment into Escrow Account No. 2 (such accounts, together, the "**Escrow Accounts**").
- (b) Operation in accordance with Escrow Agreement. The Escrow Accounts will be operated by the Escrow Agent in accordance with the Escrow Agreement which shall be delivered to the Escrow Agent at or after Completion.
- (c) [Intentionally redacted - escrow account details and procedures]
- (d) [Intentionally redacted - escrow account details and procedures]
- (e) [Intentionally redacted - escrow account details and procedures]
- (f) [Intentionally redacted - escrow account details and procedures]
- (g) [Intentionally redacted - escrow account details and procedures]
- (h) [Intentionally redacted - escrow account details and procedures]
- (i) [Intentionally redacted - escrow account details and procedures]
- (j) [Intentionally redacted - escrow account details and procedures]
- (k) [Intentionally redacted - escrow account details and procedures]
- (l) [Intentionally redacted - escrow account details and procedures]

7.2 Contingency Fund

- (a) Payment into separate bank account. On Completion the Purchaser shall procure the payment of the Contingency Fund into a separate bank account ("**Contingency Account**") in the name of the Purchaser, and the Contingency Fund shall be applied solely in accordance with the provisions of this Clause 7.2;
- (b) [Intentionally redacted - contingency fund details and procedures]
- (c) [Intentionally redacted - contingency fund details and procedures]
- (d) [Intentionally redacted - contingency fund details and procedures]
- (e) [Intentionally redacted - contingency fund details and procedures]
- (f) [Intentionally redacted - contingency fund details and procedures]
- (g) [Intentionally redacted - contingency fund details and procedures]

- (h) [Intentionally redacted - contingency fund details and procedures]
- (i) [Intentionally redacted - contingency fund details and procedures]

8. WARRANTIES OF PURCHASER

8.1 Purchaser's warranties

The Purchaser warrants to the Seller at the date of this Agreement that:

- (a) it has full power to enter into and perform this Agreement and this Agreement constitutes legal, valid, binding and enforceable obligations on the Purchaser in accordance with its terms;
- (b) it is entering into this Agreement on its own behalf and not on behalf of any other person;
- (c) the execution and delivery of, and the performance of its obligations under, this Agreement will not:
 - (i) result in a breach of any provision of its memorandum or articles of association or any instrument or agreement to which it is bound; or
 - (ii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound;
- (d) all consents, permissions, approvals and agreements which are necessary for the Purchaser to obtain in order to enter into and perform this Agreement in accordance with its terms have been unconditionally obtained in writing;
- (e) no petition has been issued or order made for the winding up of the Purchaser and no meeting has been convened for the purpose of considering a resolution for the winding up of the Purchaser nor has any such resolution been passed;
- (f) no application has been made to the court or order made for the administration of the Purchaser and no notice has been given of intention to appoint an administrator of the Purchaser;
- (g) no provisional liquidator, liquidator, administrative receiver or other receiver, administrator, trustee or other similar officer has taken possession of or been appointed over, and no encumbrancer has taken possession of, the whole or any part of the property of the Purchaser;
- (h) no distress, execution, sequestration or other process has been levied or enforced on or against the whole or any part of the property of the Purchaser;
- (i) the Purchaser is not unable to pay its debts or has stopped paying its debts as they fall due.

8.2 Warranties deemed repeated on Completion

The warranties of the Purchaser in Clause 8.1 shall be deemed to be repeated at Completion as if any express or implied reference in such warranties to the date of this Agreement was replaced by a reference to the Completion Date.

8.3 Purchaser's Indemnity

The Purchaser undertakes to indemnify the Seller against, and covenants to pay the Seller a sum equal to, any Losses suffered by the Seller in connection with any breach of the warranties of the Purchaser set out in Clause 8.1.

9. CONFIDENTIALITY AND ANNOUNCEMENTS

9.1 Confidentiality

Subject to Clause 9.2, each party shall treat as strictly confidential:

- (a) the existence, provisions or subject matter of this Agreement or of any document or agreement entered into pursuant to this Agreement;
- (b) the negotiations relating to this Agreement; and
- (c) all information received or obtained as a result of entering into or performing this Agreement which relates to the other party or the business, financial or other affairs of the other party.

9.2 Exceptions

Either party may disclose information referred to in Clause 9.1 (including by way of press or public announcement or the issue of a circular) which would otherwise be confidential if and to the extent that the disclosure is:

- (a) approved by the other party in writing in advance;
- (b) required by the law of any relevant jurisdiction or by a court of competent jurisdiction;
- (c) lawfully required by any securities or investment exchange or regulatory or governmental body to which either party is subject;
- (d) required to vest in that party the full benefit of this Agreement;
- (e) made to the professional advisers, auditors or bankers of that party or of any other member of the Seller's Group (in the case of the Seller) or of any other member of the Purchaser's Group (in the case of the Purchaser) subject to the condition that the party making the disclosure shall procure that those persons comply with Clause 9.1 as if they were parties to this Agreement;
- (f) made to the officers or employees of that party or of any other member of the Seller's Group (in the case of the Seller) or of any other member of the Purchaser's Group (in the case of the Purchaser) who need to know the information for the purposes of the transactions effected or contemplated by this Agreement subject to the condition that the party making the disclosure

shall procure that those persons comply with Clause 9.1 as if they were parties to this Agreement; or

- (g) of information that has already come into the public domain through no fault of that party,

provided that any information disclosed pursuant to Clause 9.2(b) or 9.2(c) shall be disclosed only after notice to the other party (except where that notice is prohibited by law) and the disclosing party shall take reasonable steps to consult and co-operate with the other party regarding the content, timing and manner of that disclosure.

9.3 No limit in time

The restrictions contained in this Clause shall continue to apply after the termination of this Agreement and, following Completion, shall continue to apply for 3 years following Completion.

10. COSTS

- (a) Except to the extent this Agreement provides otherwise, each party shall be responsible for all the costs, charges and expenses incurred by it in connection with and incidental to the negotiation, preparation and completion of this Agreement, the other documents referred to in this Agreement and the sale and purchase under this Agreement.
- (b) Each of the Seller and the Purchaser shall bear 50% of the cost of the Escrow Agent.

11. ENTIRE AGREEMENT

11.1 Entire agreement

This Agreement and each document referred to in it together represent the whole and only agreement between the parties in relation to the sale and purchase of the Purchase Shares and supersede any previous agreement whether written or oral between the parties in relation to that subject matter. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of this Agreement.

11.2 No reliance

Each party acknowledges that in entering into this Agreement it is not relying on any representation, warranty or other statement relating to the subject matter of this Agreement which is not set out in this Agreement, and each party agrees that neither it nor any of its Connected Persons shall have any claim or remedy in respect of, any statement, representation, warranty, promise, forecast, undertaking, assurance, collateral contract or other provision made by or on behalf of any other party (or any of its Connected Persons) which is not expressly set out in this Agreement or any Other Document, provided that this Clause shall not exclude any liability (or remedy in respect of) fraudulent misrepresentation.

12. CONTINUING EFFECT

Each provision of this Agreement shall continue in full force and effect after Completion, except to the extent that any provision has been fully performed on or before Completion.

13. INVALIDITY

If all or any part of any provision of this Agreement shall be or become illegal, invalid or unenforceable in any respect under the law of any jurisdiction that shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of the remainder of that provision and/or all other provisions of this Agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision and/or all other provisions of this Agreement.

14. AMENDMENTS, WAIVERS AND RIGHTS

14.1 Amendments

No amendment or variation of the terms of this Agreement shall be effective unless it is made or confirmed in a written document signed by each party.

14.2 Waivers

No delay in exercising or non-exercise by a party of any right, power or remedy provided by law or under this Agreement or any other document referred to in it shall impair, or otherwise operate as a waiver or release of, that right, power or remedy. Any waiver or release must be specifically granted in writing signed by the party granting it and shall:

- (a) be confined to the specific circumstances in which it is given;
- (b) not affect any other enforcement of the same or any other right; and
- (c) (unless it is expressed to be irrevocable) be revocable at any time in writing.

Any single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

14.3 Rights and remedies

The only right or remedy of a party in relation to any statement, representation, warranty, undertaking, assurance, collateral contract or other provision set out in this Agreement (or any agreement entered into in furtherance of the transaction contemplated by this Agreement) shall be for breach of this Agreement (or the relevant agreement) to the exclusion of all other rights and remedies.

15. FURTHER ASSURANCE

15.1 General Provisions

The parties shall from time to time at their own cost do, perform, sign, execute and deliver all such acts, deeds, documents and things (or procure the doing, performance, signing, execution or delivery of them) as the other party shall reasonably require, in a form and in terms reasonably satisfactory to that other party, to give full effect to this Agreement and to secure to that other party the full benefit of the rights, powers and remedies conferred upon it by this Agreement.

15.2 Specific Provisions

- (a) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (b) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (c) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (d) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (e) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (f) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (g) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]
- (h) [Intentionally redacted – details of specific pre-Completion or post-Completion obligation]

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each of the parties has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument. The parties will confirm execution and exchange of this Agreement by way of sending to each other a scanned copy of this Agreement and will thereafter send an original signed copy to the other party.

17. INTEREST

If either party fails to pay on the due date any amount payable by it under this Agreement (whether determined by agreement or pursuant to an order of a court or otherwise), interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the rate of 2% per annum

over the rate of interest per annum announced from time to time by [Intentionally redacted – name of bank], or any successor thereto at its preferred lending rate for U.S. dollar commercial demand loans made to its preferred customers. All interest under this Clause shall be calculated on a 360 day year basis. That interest shall accrue on a daily basis and be compounded quarterly and payable on demand.

18. PAYMENTS

18.1 Payments to be made without set-off or withholding

All payments to be made under this Agreement (other than the Purchase Price) shall be made in full without any set-off or counterclaim and free from any deduction or withholding save as may be required by law in which event the deduction or withholding will not exceed the minimum amount which it is required by law to deduct or withhold and the payer will simultaneously pay to the payee such additional amounts as will result in the receipt by the payee of a net amount equal to the full amount which would otherwise have been receivable had no deduction or withholding been required.

18.2 Grossing up

If any amount (other than the Purchase Price) payable to a party (payee) by the other party pursuant to this Agreement is subject to Tax, that amount shall be paid so as to ensure that the net amount retained by the payee after taking the Tax into account is equal to the full amount which would have been retained by the payee but for the Tax.

19. ASSIGNMENT

19.1 No assignment

Subject to Clause 19.2, a party may not (whether at law or in equity) without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed) assign, transfer, grant any security interest over, hold on trust or deal in any other manner with the benefit of the whole or any part of this Agreement, nor subcontract any or all of its obligations under this Agreement, nor purport to do any of the same.

19.2 Assignment to Affiliate

Either party (the "**Assigning Party**") may assign all or any of its rights under this Agreement to one or more of its Affiliates subject to the condition that the Assigning Party will procure that, before any assignee subsequently ceases to be an Affiliate, that assignee shall assign back to the Assigning Party, or to another Affiliate of the Assigning Party (which itself shall then be deemed to be an assignee of the Assigning Party for the purposes of this Clause 19.2) so much of the benefit of this Agreement as has been assigned to it, provided that the liability of the other party as a result of the assignment shall not be greater than its liability had no assignment occurred and that any purported assignment in contravention of this Clause 19.2 shall be void.

19.3 Purchaser's Group entitled to benefit

Without prejudice to the Purchaser's rights and remedies under this Agreement, the Seller acknowledges and agrees that each other member of the Purchaser's Group has

the benefit of and may enforce the provisions of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 provided that:

- (a) this Agreement may be varied from time to time without the consent of all or any of those persons and s2(1)(a) to (c) Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement;
- (b) none of those persons may assign any of their respective rights under this Clause 19.3 either in whole or in part; and
- (c) no member of the Purchaser's Group may take any steps to enforce all or any of its rights under this Agreement without the Purchaser's prior written consent and without first having appointed the Purchaser as its agent to have sole conduct of all Proceedings involving that person.

19.4 Seller's Group entitled to benefit

Without prejudice to the Seller's rights and remedies under this Agreement, the Purchaser acknowledges and agrees that each other member of the Seller's Group has the benefit of and may enforce the provisions of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 provided that:

- (a) this Agreement may be varied from time to time without the consent of all or any of those persons and s21(1)(a) to (c) Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement;
- (b) none of those persons may assign any of their respective rights under this Clause 19.4 either in whole or in part; and
- (c) no member of the Seller's Group may take any steps to enforce all or any of its rights under this Agreement without the Seller's prior written consent and without first having appointed the Seller as its agent to have sole conduct of all Proceedings involving that person.

20. NOTICES

20.1 Form of notices

All communications relating to this Agreement shall be in writing in English and delivered by hand or facsimile (to the extent only that a facsimile number is provided in this Agreement) to the party concerned at the relevant address or number (as the case may be) shown in Clause 20.3 (or such other address or number as may be notified from time to time in accordance with this Clause by the relevant party to the other parties).

20.2 When notices take effect

Any communication shall take effect:

- (a) if delivered (whether by post, by hand or by courier), upon delivery; and

- (b) if sent by facsimile, when a complete and legible copy of the communication, whether that sent by facsimile or a hard copy sent by post or delivered by hand, has been received at the appropriate address.

20.3 Initial details of the parties

The initial details for the purposes of Clause 20.1 are:

Party: Pan Orient Energy Corp.
Address: Suite 1505, 505 - 3rd Street S.W., Calgary, Alberta T2P 3E6, Canada

Facsimile No: +1 403 294 1780
For the attention of: Jeff Chisholm, President and Chief Executive Officer

Party: [Intentionally redacted – Purchaser identity]
Address: [Intentionally redacted – Purchaser address]
Facsimile No: [Intentionally redacted – Purchaser fax number]
For the attention of: [Intentionally redacted - Purchaser contact person]

21. CURRENCY CONVERSION

For the purpose of converting amounts specified from THB to US\$ and vice versa, the rate of exchange to be used in converting such amounts shall be US\$ equivalent which results by applying the average closing mid market rates quoted by The Hong Kong and Shanghai Banking Corporation (Thailand branch) on the three Business Days immediately preceding the date of conversion.

22. THIRD PARTY RIGHTS

Save as provided in Clauses 6.5 (*Company and Subsidiary and others entitled to benefit*), 19.3 (*Purchaser's Group entitled to benefit*) and 19.4 (*Seller's Group entitled to benefit*), the parties do not intend any term of this Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999.

23. PROVISIONS RELATING TO THIS AGREEMENT

23.1 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with English law.

23.2 Jurisdiction

The parties irrevocably agree that the English courts shall have non-exclusive jurisdiction to settle any dispute which may arise under or in connection with this Agreement or the legal relationships established by this Agreement.

23.3 Consequences of termination or cessation of this Agreement

Upon this Agreement ceasing to have effect pursuant to Clause 4.4 (*Time Limits*) or upon termination of this Agreement pursuant to Clause 5.5 (*Remedies for non-compliance*) or Clause 5.8 (*Rights of the Purchaser pending Completion*):

- (a) the provisions of this Clause 23.3 and Clauses 1 (*Definitions and interpretation*), 9 (*Confidentiality and announcements*), 10 (*Costs*), 14 (*Amendments, waivers and rights*), 17 (*Interest*), 18 (*Payments*), 20 (*Notices*), 21 (*Currency Conversion*), 23.1 (*Governing law*) and 23.2 (*Jurisdiction*) shall survive such cessation or termination (as the case may be) and continue in full force and effect; and
- (b) subject to applicable obligations under Clause 5.5(b), all other rights and obligations of the parties shall immediately cease (without prejudice to the parties' accrued rights and liabilities under this Agreement at the time it ceases to have effect or is terminated (as the case may be)).

23.4 No Rights of Rescission or Termination

Save as otherwise provided in this Agreement neither Party shall be entitled to rescind or terminate this Agreement other than pursuant to any such rights that arise in respect of fraud or fraudulent misrepresentation.

EXECUTION:

The parties have shown their acceptance of the terms of this Agreement by executing it after the Schedules.

**SCHEDULE 1
KEY INFORMATION**

Part 1

Details of the Company

Name	:	Pan Orient Energy (Thailand) Ltd.
Date of incorporation	:	26th August 1988
Place of incorporation	:	Bermuda
Company number	:	13934
Registered office	:	Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda
Directors	:	[Intentionally redacted - names of directors]
Secretary	:	Appleby Corporate Services (Bermuda) Limited
Issued share capital	:	[Intentionally redacted – details of share capital]
Members	:	Pan Orient Energy Corp.
Accounting reference date	:	31 December
Auditors	:	KPMG Phoomchai Audit Ltd. (for the Branch, including 100% of the Block SW1 Concession)
Tax residence	:	Bermuda
Thai Branch	:	<ol style="list-style-type: none">1. Established on 17th March 19982. Commercial registration number: Or.96513. Registered address: No.555 Rasa Office Tower II, 12th Floor Unit 1203, Phaholyothin Road, Chatuchak, Bangkok Metropolis.4. Branch manager: [Intentionally redacted - name of Branch Manager]

Part 2

Details of the Subsidiary

Name	:	Pan Orient Resources (Thailand) Ltd.
Date of incorporation	:	19th September 1996
Place of incorporation	:	Thailand
Company number	:	0105539104535
Registered office	:	No.555 Rasa Office Tower II, 12th Floor Unit 1203, Phaholyothin Road, Chatuchak, Bangkok Metropolis.
Directors	:	[Intentionally redacted - names of directors]
Secretary	:	N/A
Issued share capital	:	[Intentionally redacted - details of share capital]
Members	:	[Intentionally redacted - details of members]
	:	
Accounting reference date	:	31 December
Auditors	:	KPMG Phoomchai Audit Ltd. (including 100% of the Block L44/43 Concession and Block L33/43 Concession)
Tax residence	:	Thailand

SCHEDULE 2 COMPLETION ARRANGEMENTS

All of the matters set out in this Schedule 2 shall take place simultaneously.

1. SELLER'S OBLIGATIONS TO DELIVER

The Seller shall deliver to the Purchaser:

- (a) a duly executed share transfer form in respect of the Purchase Shares in favour of the Purchaser, together with related share certificates for the Purchase Shares and any power of attorney or other authority under which that transfer form has been executed;
- (b) [Intentionally redacted – reference to specific share transfer documents];
- (c) a certified copy of the minutes of a meeting of the directors of the Seller in the Agreed Terms authorising the execution and delivery by the Seller of this Agreement and of any other documents referred to herein which the Seller is a party to;
- (d) new share certificates and a certified copy of the register of members of the Company, evidencing the registration of the Purchase Shares in the name of the Purchaser or as it may direct;
- (e) [Intentionally redacted - reference to specific shares]
- (f) the Assignment of Debt duly executed by the parties thereto other than the Purchaser;
- (g) the Deed of Indemnity in respect of Taxation duly executed by the Seller, the Company and the Subsidiary as at the date of this Agreement;
- (h) [Intentionally redacted – reference to other document]; and
- (i) the Escrow Agreement duly executed by the Seller;
- (j) resignation letters, in the Agreed Terms, from [Intentionally redacted - directors names] as directors of the Company and from [Intentionally redacted – directors names] as directors of the Subsidiary.

2. BOARD MEETING OF THE COMPANY AND THE SUBSIDIARY

The Seller shall cause to be duly held a meeting of the respective boards of directors of the Company and the Subsidiary validly to effect or execute or validly to resolve to effect or execute:

- (a) in the case of the Company, the approval of the said transfer of the Purchase Shares to the Purchaser, the issue to the Purchaser of share certificates in respect of those shares and the registration of the Purchaser as holder of those shares;

- (b) [Intentionally redacted – reference to specific share transfer approvals]
- (c) the appointment of such persons as directors and secretary of the Company and the Subsidiary as are nominated by the Purchaser within 7 days after the date of this Agreement, subject in each case to those persons consenting to such appointment; and
- (d) the resignation as directors of the Company of [Intentionally redacted – names of directors] and the resignation as directors of the Subsidiary of [Intentionally redacted - names of directors], in each case, in the Agreed Terms,

and the Seller shall supply duly signed minutes of the meeting in the Agreed Terms to the Purchaser on Completion.

3. **SHAREHOLDER RESOLUTIONS OF THE COMPANY AND THE SUBSIDIARY**

If it is necessary under Applicable Law, the Seller shall cause to be held a meeting of the respective shareholders of the Company and the Subsidiary for the purpose of considering and passing resolutions so that:

- (a) such persons nominated by the Purchaser pursuant to Paragraph 2(c) are designated as the authorised director, of the Company;
- (b) such persons nominated by the Purchaser pursuant to Paragraph 2(c) are designated as the authorised directors of the Subsidiary,

or, if allowed by Applicable Law, the Seller shall procure that written resolutions are passed instead.

4. **PURCHASER'S OBLIGATIONS AT COMPLETION**

The Purchaser shall:

- (a) procure that the amount of the Fixed Payment less the Retention, less the Contingency Fund less Additional Retention (if any) and less the Deposit shall immediately be paid by way of electronic transfer for same day value to the bank account of the Seller, details of which are set out below:

[Intentionally redacted – Seller's bank account details]

- (b) procure that the Retention, the Additional Retention (if any) and the Agreed Working Capital Payment shall immediately be paid by way of electronic transfer for same day value into Escrow Account No. 1 (in the case of the Retention) and Escrow Account No. 2 (in the case of the Agreed Working Capital Payment) and that the Contingency Fund shall be paid in the same way into the Contingency Account;
- (c) deliver to the Seller a certified copy of the minutes of a meeting of the directors of the Purchaser in the Agreed Terms authorising the execution and delivery by the Purchaser of this Agreement, the Assignment of Debt, the Deed of Indemnity in respect of Taxation, the Escrow Agreement and any other documents referred to herein which the Purchaser is a party to;

- (d) deliver to the Seller counterparts of the Assignment of Debt, [Intentionally redacted – reference to other document], the Deed of Indemnity in respect of Taxation and the Escrow Agreement duly executed by the Purchaser.

5. **DEPOSIT**

The Seller and the Purchaser shall give (or procure the giving of) joint instructions to the Deposit Escrow Agent to pay the Deposit to the Seller's account referred to in paragraph 4 (a) of this Schedule.

SCHEDULE 3 WARRANTIES

1. CORPORATE MATTERS

1.1 Particulars in Schedule 1

The particulars of the Company and the Subsidiary given in Schedule 1 (*Key Information*) are true and complete and not misleading.

1.2 Constitution

- (a) The Company is duly incorporated, validly existing and in good standing under the laws of Bermuda and the Branch is duly registered and validly existing under the laws of Thailand, and the Company/Branch has all requisite corporate power, capacity and authority to own its properties and to carry on its business as presently conducted.
- (b) The Subsidiary is duly incorporated and validly existing under the laws of Thailand and has all requisite power, capacity and authority to own its properties and to carry on its business as presently conducted.

1.3 Purchase Shares

- (a) The Purchase Shares comprise 100% of the allotted and issued share capital of the Company, and all of them are fully paid up and have been issued in accordance with the Company's memorandum and articles of association.
- (b) The Seller is the legal and beneficial owner of the Purchase Shares.
- (c) The Purchase Shares are free from all Encumbrances and no commitment has been given to create an Encumbrance affecting the Purchase Shares (or any unissued shares or debentures or other unissued securities of the Company).

1.4 Shares in the Subsidiary

- (a) The Company is the legal and beneficial owner of all of the shares in the Subsidiary [Intentionally redacted - details of share capital].
- (b) The shares in the Subsidiary have been issued in accordance with the Subsidiary's articles of association, are fully paid and free from all Encumbrances and no commitment has been given to create an Encumbrance affecting the shares in the Subsidiary (or any unissued shares or debentures or other unissued securities of the Subsidiary).

1.5 No options

There are in existence no rights or options to the issue, allotment or transfer of any loan or share capital of the Company or the Subsidiary.

1.6 **Statutory books**

The register of members and all other statutory books of the Company and the Subsidiary are in the possession of the Company and the Subsidiary respectively, have been properly kept and contain a true and complete record of all matters with which they should deal. All returns, resolutions and other documents necessary to be filed by the Company and the Subsidiary with any authority in any jurisdiction have been duly filed and were correct when filed.

1.7 **No interest in other companies**

The Company and the Subsidiary:

- (a) do not hold or beneficially own, and have not agreed to acquire, any securities of any corporation (save for the Company's shareholding in the Subsidiary);
- (b) are not and have not agreed to become a member of any partnership or other unincorporated association, joint venture or consortium;
- (c) have not, outside of their respective countries of incorporation, any branch or permanent establishment other than the Branch; and
- (d) have not allotted or issued any securities that are convertible into shares.

1.8 **Memorandum and articles of association**

The copies of the memorandum and articles of association of the Company and the Subsidiary provided to the Purchaser are complete, accurate and up to date and have embodied in or annexed to them copies of all resolutions passed, or acts of Court made prior to the date of this Agreement which are required by law to be so attached.

2. **CAPACITY OF SELLER**

In relation to the Seller:

- (a) it has full power to enter into and perform this Agreement and this Agreement constitutes legal, valid, binding and enforceable obligations of the Seller in accordance with its terms;
- (b) it is entering into this Agreement on its own behalf and not on behalf of any other person;
- (c) the execution and delivery of, and the performance of its obligations under, this Agreement will not:
 - (i) result in a breach of any provision of its memorandum or articles of association or any instrument or agreement to which it is bound; or
 - (ii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound; or
 - (iii) conflict with, or result in a breach of, any consents, licences, approvals, registrations or authorisations to which the Seller is subject (or any

conditions attaching thereto) issued or published by any governmental or regulatory authority; and

- (d) with the exception of any required approvals from the TSX Venture Exchange, any approvals which may be required by the Government of Thailand and any required approvals referenced in Clauses 4.1(a) – (d) (*Conditions*), all consents, permissions, approvals and agreements which are necessary for the Seller to obtain in order to enter into and perform this Agreement in accordance with its terms have been unconditionally obtained in writing.

3. ACCOUNTING AND RECORDS

3.1 General

All the accounts, ledgers and other financial records of the Branch and the Subsidiary required to be kept by Applicable Law have in all material respects been properly and accurately kept.

3.2 Accounts

The Accounts:

- (a) have been prepared in accordance with accounting standards, policies, principles and practices as set out in the Accounts and in accordance with the Applicable Law and regulations;
- (b) give a true and fair view of the assets, liabilities and financial affairs generally of the Branch (including 100% of the Block SW1 Concession) and the Subsidiary (including 100% of the Block L44/43 Concession and Block L33/43 Concession) as at the Accounts Date and of the income and equity position of the Branch and the Subsidiary in respect of the financial period for which they were prepared; and
- (c) make full provision for all known liabilities and all bad and doubtful debts and make proper provision in accordance with good accounting practice for all contingent liabilities.

3.3 Management Accounts

The Management Accounts give, in relation to the Branch (including 100% of the Block SW1 Concession) and Subsidiary (including 100% of the Block L44/43 Concession and Block L33/43 Concession), a materially accurate view of its assets, liabilities and financial position for the period from January to March 2012 and were prudently prepared. To the Seller's knowledge, since the last date to which the Management Accounts were prepared, there has been no material deterioration in the financial position of the Company and the Subsidiary.

4. CURRENT FINANCIAL AFFAIRS

4.1 Affairs since the Accounts Date

Since the Accounts Date:

- (a) the Branch and the Subsidiary have carried on their business in a normal and proper manner with a view to maintaining the same as a going concern;
- (b) neither the Branch nor the Subsidiary have disposed of any assets or assumed or incurred any liabilities (including contingent liabilities) or made any payment other than in the ordinary course of its business and (in the case of disposals of assets) for full value received in money or money's worth; and
- (c) neither the Branch nor the Subsidiary have passed any resolution in general meeting or paid or declared any dividend or distribution.

4.2 Guarantees

There is not now outstanding in respect of the Company or the Branch or the Subsidiary any guarantee or agreement for indemnity or for suretyship either given by or for the benefit of the Company or the Branch or the Subsidiary.

4.3 Borrowings

Neither the Company nor the Branch nor the Subsidiary has borrowings or indebtedness (other than ordinary trade payables and the Shareholder Loans) having the commercial effect of borrowings.

5. CURRENT TRADING AFFAIRS

5.1 Compliance with laws

To the Seller's knowledge, the Company, the Branch and the Subsidiary have at all times complied in all material respects with all Applicable Laws and are not subject to any undertaking or order in any jurisdiction in which it carries on business or has assets.

5.2 No litigation

Neither the Company nor the Branch nor the Subsidiary has been served with notice of, or is otherwise aware of, any actual or threatened legal proceeding, suit, action, litigation, arbitration or tribunal proceeding, prosecution or any governmental or regulatory investigation by or against the Company or the Branch or the Subsidiary.

5.3 No illegal financial inducements

No commissions, discounts, rebates or other inducements, whether of cash or in kind, have been given by or on behalf of the Company or the Branch or the Subsidiary or their respective officers or employees where the same are capable of forming the basis of criminal prosecution of, or civil action against, the Company, the Branch or the Subsidiary or any of their respective officers or employees.

5.4 Licences, permits, consents and authorities

To the Seller's knowledge, the Company, the Branch and the Subsidiary have all necessary licences (including statutory licences), permits, consents and authorities (public and private) for the proper and effective carrying on of their oil exploration and production business in the manner in which such business is now carried on. All these licences, permits, consents and authorities are valid and subsisting and the Seller

knows of no reason why any of them should be suspended, cancelled or revoked. So far as the Seller is aware, there are no factors that might in any way prejudice the continuance or renewal of any of those licences, permits, consents or authorities and the Company, the Branch and the Subsidiary are not restricted by contract from carrying on any activity in Thailand.

5.5 No power of attorney

No power of attorney given by the Company or the Branch or the Subsidiary is now in force or effect, other than a power of attorney granted in favour of the General Manager that will replace the former General Manager [Intentionally redacted - name of General Manager], which power of attorney will be granted prior to Completion and will be on substantially the same terms as the power of attorney that was granted to [Intentionally redacted - name of General Manager].

6. CONCESSIONS, JOA AND IOA

6.1 POET Concession Documents

POET is registered with the DMF as the sole concessionaire in respect of the Block SW1 Concession, free and clear of any Encumbrance. Other than as provided in the POET Concession Documents [Intentionally redacted – reference to title qualifications], POET owns 100% of Block SW1 Concession, free and clear of any Encumbrance. The particulars of the Block SW1 Concession shown in Part 1 of Schedule 8 are true complete and accurate in all material respects.

6.2 PORT Concession Documents

PORT is registered with the DMF as the sole concessionaire in respect of the Block L33/43 Concession and the Block L44/43 Concession, free and clear of any Encumbrance. Other than as provided in the PORT Concession Documents, [Intentionally redacted– reference to title qualifications], PORT owns 100% of Block L33/43 Concession and the Block L44/43 Concession, free and clear of any Encumbrance. The particulars of the Block L33/43 Concession and the Block L44/43 Concession shown in Part 2 of Schedule 8 are true complete and accurate in all material respects.

6.3 No third party interests in the Concessions

Subject to the Concession Documents, [Intentionally redacted – reference to title qualifications], neither POET nor PORT has entered into, or agreed to enter into, any agreement, arrangement or understanding with any person which may preclude POET or PORT from earning and enjoying 100% of the economic benefit of its interest in the Concession(s) or may otherwise prejudice its rights under this Agreement.

6.4 Concessions binding

Each of the Concession Documents, and the Concessions granted thereunder, is in full force and effect; neither POET nor PORT is in breach or default thereunder; and no event has occurred that with notice or lapse of time would constitute a breach or default by POET or PORT under, or permit termination or modification of, any Concession Document or any Concession. To the Seller's knowledge the Seller has provided to the Purchaser a true copy of all documents relating to the Concessions that are in Seller's possession and there are no other amendments, supplements or

modifications thereto that have not been duly disclosed to the Purchaser. To the Seller's knowledge, the rights granted to POET and PORT under each such Concession Document have not been further amended, supplemented, modified, diminished or withdrawn, and to the best knowledge of the Seller, no such diminution or withdrawal, in whole or in part, has been threatened or is contemplated.

6.5 **No breach**

- (a) With respect to the Concession Documents, the JOA and the IOA, (together, the "**Basic Documents**") to the Seller's knowledge and in all material respects:
- (i) [Intentionally redacted - exception to Warranty] no party is in breach or default with respect to any of its material obligations pursuant to the Basic Documents, or any regulations incorporated therein or governing same;
 - (ii) all material payments due under the Basic Documents (including, joint interest or other billings due under the IOAs) due thereunder have been made by the party liable and there is no currently outstanding obligation, debt or other liability relating to any of the Concessions that has not been paid or performed on or before the date of this Agreement, and all obligations, debts or other liabilities relating to the Concessions relating to periods on or prior to the date of this Agreement have been paid or performed in full;
 - (iii) no party to any Basic Documents has given or threatened to give notice of any action to terminate, cancel, rescind or procure a judicial reformation of any Basic Documents or any provision thereof;
 - (iv) all of POET's and PORT's obligations as Operator under the JOA and/or the IOA requiring performance on or before the date of this Agreement have been duly performed;
 - (v) subject to any requisite consents or conditions to assignment provided for in the Basic Documents, the execution of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach of, constitute default under, or result in a violation of the material provisions of any Basic Document.
- (b) [Intentionally redacted - details of specific Warranty],

6.6 **Taxes in respect of Concessions**

All taxes, assessments, royalties, fees, special remuneratory benefits, governmental charges and other payments imposed in respect of the Concessions or upon the income, profit and revenues derived therefrom or otherwise payable pursuant to the Concession Documents and any works programmes submitted under them have been duly paid.

6.7 **No prepayments received**

Neither POET nor PORT has received any material prepayment in respect of the sale of any of the Product from the Properties and neither of them has entered into any agreement which contains a "take or pay" clause or similar arrangement that has obligated it to deliver any Hydrocarbons at some future time without then or thereafter receiving full payment therefor. Neither POET nor PORT is currently obligated to "make up" any deliveries of oil or gas to any third parties out of future production from any of the Concessions.

6.8 **No notices or filings required**

[Intentionally redacted – Warranty qualification], no notices to, filings with, or authorizations, consents or approvals from any Governmental Authority or any other person is required in order to effectively transfer the Purchase Shares to the Purchaser [Intentionally redacted – Warranty qualification].

6.9 **Conduct of petroleum operations**

In conducting petroleum operations as operator in any area within the Concessions POET and PORT have at all times:

- (a) exercised such degree of diligence, prudence and foresight as would be reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions; and
- (b) operated in accordance with good oilfield practice being all those things that are generally accepted as good and safe in:
 - (i) the carrying on of exploration for petroleum;
 - (ii) petroleum recovery operations;
 - (iii) the storage, transport, distribution and sale of Product.

6.10 **Wells**

All of the Wells drilled by the Company and the Subsidiary pursuant to the Concession Documents have been drilled and completed in accordance with the Concession Documents (and works programmes approved thereunder) and within the boundaries of the Concessions [Intentionally redacted – Warranty qualification] or within the limits otherwise permitted by contract, pooling or unit agreement, and Applicable Law, and all drilling and completion of such Wells and all development and operations have been conducted in compliance with all Applicable Law, the Concession Documents and all works programmes agreed and licences issued under them, and judgments, orders and decrees of any Governmental Authority and no such Well is subject to penalties on allowables after the date hereof because of any overproduction or any other violation of Applicable Law, the Concession Documents or any work programmes agreed or licences issued under them or judgments, orders or decrees of any Governmental Authority which would prevent such well from being entitled to its full legal and regular allowable from and after the date hereof as prescribed by any Governmental Authority.

6.11 **[Intentionally redacted – details of specific Warranty]**

7. **[INTENTIONALLY REDACTED - – DETAILS OF SPECIFIC WARRANTY]**

8. **CONTRACTS (OTHER THAN BASIC DOCUMENTS)**

All contracts and agreements to which the Company and the Subsidiary are a party, and which are of material importance to the carrying on of their respective business, are Disclosed and other than the Basic Documents and contracts with a value of less than US [Intentionally redacted – threshold amount] per annum:

- (a) are in full force and effect and binding on the Company and the Subsidiary (as the case may be) and, so far as the Seller is aware, the other parties to it;
- (b) neither the Seller nor, to the Seller's knowledge, any other party, is in material default under such contracts; and
- (c) no written notice of termination of any such contracts has been received or served by the Company or the Subsidiary.

9. **EMPLOYEES AND PENSIONS**

9.1 **Details of employees**

There are contained in the Disclosure Documents full and complete particulars of:

- (a) any written service or employment agreement or (as appropriate) any standard form of particulars of employment applicable and issued to employees;
- (b) his name, age, sex and date of commencement of employment; and
- (c) particulars of any collective agreement affecting his terms of employment, including disciplinary or grievance procedures and any procedures to be followed in the case of redundancy or dismissal,

for all employees whose remuneration (including benefits) would exceed [Intentionally redacted – threshold amount] per annum or whose contract cannot be terminated on less than 3 months' notice. The Subsidiary has no employees.

9.2 **No contracts of service**

There are no subsisting contracts for the provision by any person of any consultancy services to the Company or the Subsidiary.

9.3 **No employee benefits**

- (a) Neither the Company nor the Subsidiary has any profit-sharing, share option or share incentive schemes or other employee benefit plans in relation to any employee and no collective bargaining agreements or agreements or arrangements with trade unions relating to the employees.
- (b) Any stock options which had been granted to Edward Steven Bush in connection with his employment with the Company, the Branch and/or the

Subsidiary have lapsed and/or been cancelled without any liability on the part of the Company, the Branch and/or the Subsidiary.

9.4 All obligations fulfilled

To the Seller's knowledge, the Company and the Subsidiary have in all material respects complied with, discharged and fulfilled all requirements, liabilities and obligations (whether statutory or contractual) in relation to their employees including all relevant legislation and codes of practice under any applicable laws in relation to employment or employees and has paid all relevant contributions to the social security system.

9.5 No compensation

No liability has been incurred by the Company or the Subsidiary which remains outstanding for employees terminated prior to the Completion Date.

9.6 Pensions

Other than as required by law, there is not in operation any pension or life assurance scheme in respect of which the Company or the Subsidiary has any legally binding liability to contribute.

10. ASSETS

10.1 Title to the assets

All of the assets owned by the Company and the Subsidiary are the sole, absolute property of the Company and the Subsidiary (as the case may be) and there is not outstanding any Encumbrance over the whole or any part of the undertaking, property or assets of the Company and the Subsidiary and none of the assets now owned by the Company or the Subsidiary is the subject of any Encumbrance or factoring arrangement or any hire purchase, leasing, lease, purchase or credit sale agreement.

The assets, properties and rights owned by the Company and the Subsidiary, or to which they have contractual rights of use, constitute all of the assets necessary for the Company and the Subsidiary to carry on business and conduct petroleum operations in accordance with good oilfield practice as described in paragraph 6.9(b).

11. CONTRACTS WITH CONNECTED PERSONS

- (a) Save for the Management Services Agreements, there is not outstanding any indebtedness or other liability (actual or contingent) and no agreement between the Company or the Subsidiary (on the one part) and the Seller or any Connected Person of the Seller (on the other part).
- (b) Neither the Seller nor any Connected Person of the Seller is entitled to a claim of any nature against the Company or the Subsidiary or has assigned to any person the benefit of a claim against the Company or the Subsidiary to which the Seller or any Connected Person of the Seller would otherwise be entitled.
- (c) Other than Management Services Agreements, neither the Company nor the Subsidiary is a party to any agreement or arrangement which is not entirely of an arm's length nature.

12. **INSURANCE**

12.1 **Existing policies**

Each of the insurance policies maintained by or on behalf of the Company and the Subsidiary is Disclosed.

12.2 **Status of insurance policies**

Each of the insurance policies maintained by or on behalf of the Company is valid and enforceable and is not void or voidable, and to the Seller's knowledge neither the Company nor the Subsidiary has done anything or omitted to do anything which would render any such policy void or voidable.

12.3 **No claims**

To the Seller's knowledge, no claims have been made under any of the insurance policies maintained by or on behalf of the Company or the Subsidiary.

13. **TAXATION**

13.1 **Payment of tax**

The Company and the Subsidiary have duly paid all Taxation which they are or have been liable to pay or account for prior to the date of this Agreement.

13.2 **Tax provisions in the Accounts**

The provisions or reserves for Taxation in the Accounts (other than deferred Taxation) are sufficient (on the basis of the rates of Taxation current at the date of those Accounts) to cover all Taxation for which the Company and the Subsidiary were at the Accounts Date liable.

13.3 **Tax since the Accounts Date**

Since the Accounts Date neither the Company nor the Subsidiary have been involved in any transaction which has given or may give rise to a liability to Taxation on the Company or the Subsidiary (or would have given or might give rise to such a liability but for the availability of any relief) other than Taxation arising from transactions in the ordinary course of business.

13.4 **Residence for Taxation purposes**

The Company is resident in Bermuda for taxation purposes. The Branch and the Subsidiary are resident in Thailand for taxation purposes.

13.5 **Administration and compliance**

(a) To the Seller's knowledge all material returns, notifications, computations, elections, registrations, and accounts required to be filed for the purposes of Taxation have been duly filed by the Company and the Subsidiary. The Company and the Subsidiary have:

(A) furnished all information in the form required by a Tax Authority; and

(B) made all payments notified to them as being due.

- (b) To the Seller's knowledge no material returns, notifications, computations, elections, registrations, accounts or payments are the subject of any disputes generally or appeal or are yet to be determined by or are subject to agreement with any Tax Authority nor, so far as the Seller is aware, is there likely to be any dispute, investigation or enquiry with or by any Tax Authority.
- (c) The Company and the Subsidiary have in their possession all material records and documentation which it is obliged to hold, preserve and retain under any Applicable Law relating to Taxation.
- (d) To the Seller's knowledge neither the Company nor the Subsidiary will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any period occurring after the Completion Date, as a result of any (i) change in the method of accounting for a pre-Completion period, (ii) instalment sale or open transaction disposition or intercompany transaction made on or before the Completion Date, or (iii) prepaid amount received on or prior to the Completion Date.

13.6 Penalties

[Intentionally redacted – Warranty qualification] neither the Company nor the Subsidiary has become liable to pay any penalty, surcharge, fine or interest in respect of Tax and, so far as the Seller is aware, no such liability will arise on or after Completion.

13.7 Audits by Tax Authority

Neither the Company nor the Subsidiary has in the last 3 years been subject to any investigation, discovery or access order by any Tax Authority and so far as the Seller is aware there are no circumstances existing which make it likely that an audit, investigation, discovery or access order will be made (other than ordinary course tax department audits).

13.8 Employees

All obligations to make deductions in respect of payments of salary or other emoluments or benefits (whether in money or money's worth) to employees of the Company of or on account of Taxation or any social levy or insurance have been complied with and all amounts due to any Tax Authority or other Governmental Authority in respect of the same have been duly and promptly paid.

13.9 Stamp duty

The Company and the Subsidiary have paid all transfer taxes and stamp taxes or duties payable on any instruments or documents which are in the possession of the Company and the Subsidiary and which are necessary to establish the title of the Company and the Subsidiary to any asset, or to enforce any rights.

13.10 **Clearances**

Neither the Company nor the Subsidiary has applied for any taxation clearance since the Accounts Date.

14. **PROPERTY**

14.1 **No property**

- (a) The Properties are the only real properties owned, used or occupied by the Company and the Subsidiary.
- (b) Neither the Company nor the Subsidiary has any right of ownership, right of use, option, right of first refusal or contractual obligation to purchase, or any other legal or equitable right affecting any land or buildings other than the Properties.

14.2 **Particulars of the Properties**

The particulars of the Properties contained in Schedule 12 (including as to the ownership thereof) are true, complete and accurate in all material respects.

14.3 **[Intentionally redacted – details of specific Warranty]**

14.4 **Buildings, structures etc.**

To the Seller's knowledge, all buildings, Wells and other structures erected within the boundaries of the Concessions in connection with petroleum operations have been erected and are used in compliance with Applicable Law and are of safe construction and fit for purpose.

14.5 **All necessary surface access rights**

There are appurtenant to each Property, all surface access rights necessary for their current use and enjoyment (without restriction as to time or otherwise). Access to each Property is over public roads maintained at public expense and over Company roads maintained at the Company's expense and such roads immediately abut each Property at each point where access is gained.

14.6 **No adverse consequences of change of control of Company**

None of the Properties is held on terms that would allow any owner, landlord or other third party to change those terms, or terminate the right of the Company or the Subsidiary to hold the Property, by reason of the change of control of the Company effected pursuant to this Agreement.

14.7 **Absence of subsidence etc.**

None of the Properties has suffered from any of the following:

- (a) subsidence;
- (b) heave; or
- (c) landslip.

14.8 Leases

- (a) The Leases are in full force and effect.
- (b) No party to any of the Leases has served notice on the other to terminate or vary it and the Seller is not aware of any reason why any of the Leases will not be extended by the applicable lessor on the application of POET.
- (c) To the Seller's knowledge, POET has at all times complied in all material respects with its obligations as lessee under each of the Leases.
- (d) To the Seller's knowledge, no event has occurred or matter or circumstance arisen that would entitle the lessor under any of the Leases to serve notice of termination thereof.
- (e) To the Seller's knowledge, the applicable lessor under the Leases has at all times complied in all material respects with its obligations as lessor under each of the Leases.
- (f) No dispute is ongoing between the lessor and POET under any of the Leases and the Seller knows of no circumstances that might give rise to any such dispute.
- (g) The particulars of the Leases set forth in Schedule 12 are true, complete and accurate in all material respects.

15. NO INSOLVENCY

15.1 No winding up

No petition has been issued or order made for the winding up of the Seller, the Company or the Subsidiary and no meeting has been convened for the purpose of considering a resolution for the winding up of the Seller, the Company or the Subsidiary nor has any such resolution been passed.

15.2 No administration

No application has been made to the court or order made for the administration of the Seller, the Company or the Subsidiary and no notice has been given of intention to appoint an administrator of the Seller, the Company or the Subsidiary.

15.3 No appointment of officer

No provisional liquidator, liquidator, administrative receiver or other receiver, administrator, trustee or other similar officer has taken possession of or been appointed over, and no encumbrancer has taken possession of, the whole or any part of the property of the Seller, the Company or the Subsidiary and, so far as the Seller is aware, no circumstances exist which would justify or entitle the appointment of any of the same.

15.4 **No distress**

No distress, execution, sequestration or other process has been levied or enforced on or against the whole or any part of the property of the Seller, the Company, the Branch or the Subsidiary and, so far as the Seller is aware, none are threatened or proposed.

15.5 **Able to pay debts**

None of the Company, the Branch or the Subsidiary is unable to pay its debts and none has stopped paying its debts as they fall due.

16. **GENERAL**

16.1 **Effect of sale**

Neither the acquisition of the Purchase Shares [Intentionally redacted – details of share capital] by the Purchaser nor compliance with the terms of this Agreement will:

- (a) give rise to, or cause to become exercisable, any right of pre-emption over the Purchase Shares or any shares in the Subsidiary;
- (b) result in a breach of contract, law, regulation, order, judgment, injunction, undertaking, decree or other like imposition; or
- (c) entitle any person to receive from the Company or the Subsidiary any finder's fee, brokerage or other commission in connection with the purchase of the Purchase Shares hereunder.

17. **ENVIRONMENTAL MATTERS**

17.1 **Compliance with Environmental Laws**

To the Seller's knowledge, the Company, the Subsidiary and any person who previously owned, controlled or operated on all or any part of the Properties (a "**Previous Operator**"), has at all times complied with all Environmental Laws and Environmental Permits which, in relation to the Company and the Subsidiary only, are or have been applicable to the conduct of all or any part of the operations of the Company and the Subsidiary generally (including at any properties previously owned or occupied by the Company and the Subsidiary) or, in relation to a Previous Operator only, are or have been applicable to the conduct of any business historically undertaken at the Properties generally, (in each case including the occupation or use of the Properties).

17.2 **Environmental Permits valid and subsisting**

All Environmental Permits held by the Company or the Subsidiary are valid and subsisting and none have been suspended, revoked, cancelled, restricted, or not renewed.

17.3 **No works required**

Other than annual monitoring programs to be conducted each year under the Environmental Impact Assessment approvals, no works are or will be necessary to

secure compliance with Environmental Laws or Environmental Permits and all necessary or appropriate action in connection with the application for, renewal or extension of any necessary or appropriate Environmental Permits has been taken.

17.4 **No impact by Hazardous Substances or Hazardous Waste**

To the Seller's knowledge, none of the assets of the Company or the Subsidiary (including the Properties) nor any properties previously owned, controlled or occupied by the Company or the Subsidiary have been directly or indirectly affected by, and the Company and the Subsidiary have not caused or permitted and the Seller has not been aware of, any spillage, discharge, release, escape, migration, leaching, deposit or emission (whether deliberate or accidental) of any Hazardous Substances or Hazardous Waste which has resulted or may result in:

- (a) pollution or contamination of the Environment;
- (b) an Environmental Authority in the exercise of its powers, duties and functions in relation to Environmental Law or Environmental Permits requiring the carrying out of Remedial Action;
- (c) damage or injury to any natural person; or
- (d) any liability whatsoever under Environmental Laws,

and there are no circumstances which may give rise to the same.

17.5 **No litigation**

To the Seller's knowledge, neither the Seller, the Company, the Subsidiary nor (so far as the Seller is aware) any Previous Operator has received any indication, notice, complaint, enquiry, information or communication (whether formal or informal) from any local authority, agency, body, other Environmental Authority or third party and there is no actual, pending or threatened civil, criminal or administrative action, proceeding or suit alleging that:

- (a) the Seller (in relation to the Company and the Subsidiary), the Company, the Subsidiary or, in relation to the Properties, any Previous Operator, is or might be responsible for all or any part of the cost of any Remedial Action;
- (b) any Environmental Permit may be suspended, revoked, cancelled, restricted, amended or not renewed; and/or
- (c) the Seller (in relation to the Company and the Subsidiary), the Company or the Subsidiary is or might be responsible for any illness, injury or accident in relation to any person,

and to the Seller's knowledge there are no circumstances that may lead to the same.

SCHEDULE 4
LIMITATIONS ON CLAIMS

[Information regarding Limitations on Claims was intentionally redacted]

SCHEDULE 5

AGREED WORKING CAPITAL STATEMENT

[Information regarding Agreed Working Capital Statement was intentionally redacted]

SCHEDULE 6
INDEMNIFIED MATTERS

[Information regarding Indemnified Matters was intentionally redacted]

SCHEDULE 7
CONCESSION DOCUMENTS

[Information regarding Concession Documents was intentionally redacted]

SCHEDULE 8
CONCESSIONS

[Information regarding Concessions was intentionally redacted]

SCHEDULE 9

DETERMINATION OF LEAKAGE

[Information regarding Determination of Leakage was intentionally redacted]

SCHEDULE 10

LEAKAGE

[Information regarding Leakage was intentionally redacted]

SCHEDULE 11

MANAGEMENT SERVICES AGREEMENTS

[Information regarding Management Services Agreements was intentionally redacted]

SCHEDULE 12
THE PROPERTIES

[Information regarding The Properties was intentionally redacted]

SCHEDULE 13
TRANSITIONAL SERVICES ARRANGEMENTS

[Information regarding Transitional Services Arrangements was intentionally redacted]

SCHEDULE 14

[Information regarding Schedule 14 was intentionally redacted]

SCHEDULE 15
DISCLOSURE DOCUMENTS

[Information regarding Disclosure Documents was intentionally redacted]

SCHEDULE 16

DETAILS OF SHAREHOLDER LOANS

[Information regarding Details of Shareholder Loans was intentionally redacted]