

CONFORMED COPY

Dated 30 May 2007

ADDAX PETROLEUM CORPORATION
and
THE LAW DEBENTURE TRUST CORPORATION p.l.c.

TRUST DEED

constituting
U.S.\$300,000,000 3.75 per cent.
Convertible Bonds due 2012
convertible into Common Shares of
ADDAX PETROLEUM CORPORATION

Linklaters

Ref: KJT/PDXS/KP

Linklaters LLP

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This Trust Deed is made on 30 May 2007 **between:**

- (1) **ADDAX PETROLEUM CORPORATION**, a company whose registered office is at 16, rue Eugène-Pittard, Geneva, P.O. Box 265 CH-1211 Geneva 12, Switzerland (the "**Issuer**"); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, whose principal place of business is at 5th Floor, 100 Wood Street, London EC2V 7EX (the "**Trustee**", which expression shall, where the context so admits, include all persons for the time being the principal trustee or trustees of this Trust Deed).

Whereas:

- (A) The Issuer has by a resolution of its Board of Directors passed on 6 May 2007 authorised the issue of up to U.S.\$300,000,000 in aggregate principal amount of 3.75 per cent. Convertible Bonds due 2012 to be constituted by this Trust Deed.
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

Now this Deed witnesses and it is hereby agreed and declared as follows:

1 Interpretation

1.1 Definitions

The following expressions shall have the following meanings:

"Agents" means, in relation to the Bonds, the Principal Paying, Transfer and Conversion Agent, the Paying, Transfer and Conversion Agent and the Registrar and, in relation to any Further Bonds, means any agent appointed in relation to them;

"Authorised Signatories" means the authorised signatories of the Issuer;

"Bondholder" and (in relation to a Bond) **"holder"** means a person in whose name a Bond is registered in the Register (as defined in Condition 4(a));

"Bonds" means the U.S.\$300,000,000 3.75 per cent. Convertible Bonds due 2012 constituted by this Trust Deed and for the time being outstanding (being on the date hereof U.S.\$300,000,000 in principal amount) or, as the context may require, a specific number of them and includes any replacement Bonds issued pursuant to Condition 13 and (except for the purposes of Clauses 3.1 and 3.2) the Global Bond, together with any Further Bonds constituted as a single series with the Bonds;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"Closing Date" means 30 May 2007;

"Common Shares" means common shares in the capital of the Issuer;

"Conditions" means, in relation to the Bonds, the terms and conditions set out in Schedule 4 and, with respect to any Further Bonds, the terms and conditions set out in a schedule to the supplemental trust deed constituting such Further Bonds as any of the same may from time to time be modified in accordance with the provisions thereof and/or of this Trust Deed and, with respect to Bonds represented by a Global Bond, as modified by the provisions of the relevant Global Bond, and references in this Trust Deed to a particular numbered

Condition shall, in relation to the Bonds, be construed accordingly and shall, in relation to any Further Bonds, be construed as a reference to the provision (if any) in the Conditions thereof which corresponds to the particular Condition of the Bonds;

"Conversion Date" has the meaning specified in Condition 6(h);

"Definitive Bonds" means those Bonds for the time being represented by definitive certificates in the form or substantially in the form set out in Schedule 1;

"Directors" means the directors of the Issuer;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Event of Default" means any of the events described in Condition 10 (or, in respect of any Further Bonds, the relevant Condition) which, if so required by that Condition, has been certified by the Trustee to the Issuer in writing to be, in its opinion, materially prejudicial to the interests of the Bondholders;

"Extraordinary Resolution" has the meaning set out in paragraph 18 of Schedule 3;

"Further Bonds" means any further bonds, notes or debentures issued in accordance with the provisions of Clause 5 and constituted by a deed supplemental to this Trust Deed;

"Global Bond" means the registered global bond representing Bonds in the form or substantially in the form set out in Schedule 2 and/or as the context may require any global bond or note representing Further Bonds or any of them (and **"Global Bonds"** shall be construed accordingly);

"Interest Payment Date" has the meaning provided in Condition 5(a);

"Lead Managers" means Citigroup Global Markets Limited and UBS Limited;

"Original Bonds" means bonds, in the denomination of U.S.\$200,000 each, in registered form comprising the U.S.\$300,000,000 3.75 per cent. Convertible Bonds due 2012, constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them and includes any replacement Bonds issued pursuant to the Conditions and (except for the purposes of Clause 3.1) the Global Bond, the **"Bonds"** unless otherwise expressed;

"outstanding" means, in relation to the Bonds, all the Bonds issued other than (i) those which have been redeemed or repurchased in accordance with the Conditions, (ii) those in respect of which Conversion Rights have been exercised and the Issuer's obligations in relation thereto have been duly performed, (iii) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 5 after such date) have been duly paid to the relevant Bondholder or on its behalf or to the Trustee or to the Principal Paying, Transfer and Conversion Agent as provided in Clause 2 and remain available for payment against presentation and surrender of Bonds, (iv) those which have become void or those in respect of which claims have become prescribed under Condition 12, (v) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds pursuant to Condition 13, (vi) (for the purpose only of determining how many Bonds are

outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 13, (vii) those which have been purchased and cancelled as provided in Condition 7, (viii) the Global Bond to the extent that it shall have been exchanged for definitive registered Bonds pursuant to its provisions; provided that for the purposes of (a) ascertaining the right to attend and vote at any meeting of the Bondholders, (b) the determination of how many Bonds are outstanding for the purposes of the Conditions and Schedule 3 and (c) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders, those Bonds (if any) which are beneficially held by, or are held on behalf of, the Issuer or any Subsidiary of the Issuer and not yet cancelled shall be deemed not to remain outstanding;

"Paying, Transfer and Conversion Agency Agreement" means the Paying, Transfer and Conversion Agency Agreement dated 30 May 2007, as amended from time to time, between the Issuer, the Trustee, the Principal Paying, Transfer and Conversion Agent and the Registrar whereby the initial Principal Paying, Transfer and Conversion Agent and the Registrar were appointed in relation to the Bonds together with any agreement for the time being in force amending or modifying with the approval of the Trustee the aforesaid agreement;

"Paying, Transfer and Conversion Agent" means, in relation to the Bonds, Citigroup Global Markets Deutschland AG & Co. KGaA at its specified office or any Successor Paying, Transfer and Conversion Agent appointed under the Paying, Transfer and Conversion Agency Agreement and, in relation to any Further Bonds which are or may be in registered form, such institution as shall be appointed Paying, Transfer and Conversion Agent for such Further Bonds;

"Potential Event of Default" means an event or circumstance which could, with the giving of notice, lapse of time, issue of a certificate and/or the fulfilment of any other requirement provided for in Condition 10, become an Event of Default;

"Principal Paying, Transfer and Conversion Agent" means, in relation to the Bonds, Citibank, N.A. at its specified office, in its capacity as Principal Paying, Transfer and Conversion Agent (in respect of the Bonds) and, in relation to any Further Bonds, the Principal Paying, Transfer and Conversion Agent appointed in respect of such Further Bonds and in each case any Successor Principal Paying, Transfer and Conversion Agent;

"Registrar" means, in relation to the Bonds, Citigroup Global Markets Deutschland AG & Co. KGaA at its specified office or any Successor Registrar appointed under the Paying, Transfer and Conversion Agency Agreement and, in relation to any Further Bonds which are or may be in registered form, such institution as shall be appointed Registrar for such Further Bonds;

"Securities Act" means the U.S. Securities Act of 1933, as amended;

"specified office" means, in relation to any Agent, either the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to the Bondholders pursuant to Clause 9.10 and Condition 17;

"Subscription Agreement" means the Agreement dated 10 May 2007 between the Issuer and the Lead Managers relating to the issue of and subscription for the Bonds;

"Successor" means, in relation to the Agents, such other or further person as may from time to time be appointed by the Issuer as an Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 9.10 and Condition 17;

"this Trust Deed" means this Trust Deed, the Schedules (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed; and

"trust corporation" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees.

1.2 Construction of Certain References

References to:

- 1.2.1 costs, charges, remuneration or expenses shall include any amount in respect of value added tax, turnover tax or similar tax charged in respect thereof;
- 1.2.2 **"U.S. dollars"** and **"U.S.\$"** shall be construed as references to the lawful currency for the time being of the United States of America;
- 1.2.3 **"C\$"** shall be construed as a reference to the lawful currency for the time being of Canada;
- 1.2.4 **"approval not to be unreasonably withheld or delayed"** or like references shall mean, when used in this Trust Deed or the Conditions, in relation to the Trustee that, in determining whether to give consent, the Trustee shall have regard to the interests of Bondholders only and any determination as to whether or not its approval is unreasonably withheld or delayed shall be made on that basis;
- 1.2.5 any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England and Wales, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto and any other similar, analogous or corresponding event under the insolvency laws of any applicable jurisdiction;
- 1.2.6 words denoting the singular number only shall include the plural number also and *vice versa*;
- 1.2.7 words denoting one gender only shall include the other gender;
- 1.2.8 words denoting persons only shall include firms and corporations and vice versa; and
- 1.2.9 any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

1.3 Conditions

Words and expressions defined in the Conditions and not defined in the main body of this Trust Deed shall when used in this Trust Deed have the same meanings as are given to them in the Conditions.

1.4 Headings

Headings shall be ignored in construing this Trust Deed.

1.5 Schedules

The Schedules are part of this Trust Deed and shall have effect accordingly.

1.6 Enforceability

If at any time any provision of this Trust Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Trust Deed nor the legality, invalidity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

2 Amount of the Bonds and Covenant to Pay

2.1 Amount of the Bonds

The aggregate principal amount of the Bonds is limited to an amount not exceeding U.S.\$300,000,000 .

2.2 Covenant to Pay

The Issuer will, on any date on which the Bonds or any of them become due to be redeemed in accordance with this Trust Deed or the Conditions, unconditionally pay to or to the order of the Trustee in U.S. dollars in same day funds the principal amount of the Bonds becoming due for redemption on that date (together with interest, if any, in accordance with the Conditions) and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the aggregate principal amount of the Bonds outstanding as set out in Condition 5 provided that (i) every payment of any sum due in respect of the Bonds made to, or to the account of, the Principal Paying, Transfer and Conversion Agent as provided in the Paying, Transfer and Conversion Agency Agreement shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders and (ii) in the event that (following, if so required, due presentation of a Bond) upon redemption, payment of the aggregate principal amount is improperly withheld or refused such Bond will continue to bear interest in accordance with Condition 5(b). The Trustee will hold the benefit of this covenant on trust for the Bondholders.

2.3 Discharge

Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Issuer or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to such extent be a good discharge to the Issuer or the Trustee, as the case may be.

2.4 Payment after Default

2.4.1 At any time after a Potential Event of Default or an Event of Default has occurred, the Trustee may:

- (i) by notice in writing to the Issuer and the Agents, require the Agents, until notified by the Trustee to the contrary, so far as permitted by any applicable law:
 - (a) to act thereafter as agents of the Trustee under this Trust Deed and the Bonds on the terms of the Paying, Transfer and Conversion Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other out-of-pocket expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed) and thereafter to hold all Bonds and all moneys, documents and records held by them in respect of Bonds to the order of the Trustee; or
 - (b) to deliver all Bonds, all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs provided that such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Paying, Transfer and Conversion Agent. With effect from the issue of any such notice to the Issuer and until such time as the notice is withdrawn, proviso (i) to Clause 2.2 shall not apply.

3 Form of the Bonds; Issue of the Bonds

3.1 The Global Bond

On issue of the Original Bonds, the Global Bond will be issued representing the aggregate principal amount of the Original Bonds and the Issuer shall procure that the appropriate entries be made in the register of Bondholders by the Registrar to reflect the issue of such Bonds. The Global Bond will be registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg or its nominee. The Bonds represented by the Global Bond shall be subject to its terms in all respects and entitled to the same benefits under this Trust Deed as individual Bonds.

3.2 Definitive Bonds

Definitive Bonds in registered form in authorised denominations, if issued, will be delivered upon exchange of the Global Bond as provided therein. Such Bonds may be printed or typed and need not be security printed unless otherwise required by applicable stock exchange requirements.

3.3 Form

Definitive Bonds and the Global Bond will be in or substantially in the respective forms set out in Schedules 1 and 2. Definitive Bonds will be endorsed with the Conditions.

3.4 Signature

The Global Bond will be signed manually or in facsimile by one or more Authorised Signatories or Directors duly authorised for the purpose or manually by any duly authorised attorney of the Issuer and in any case will be authenticated manually by or on behalf of the Registrar. Definitive Bonds (if issued) will be signed manually or in facsimile by one or more Authorised Signatories or Directors duly authorised for the purpose and in any case will be authenticated manually by or on behalf of the Registrar. Bonds (including the Global Bond) so executed and authenticated will be binding and valid obligations of the Issuer.

4 Stamp Duties and Taxes

4.1 Stamp Duties

Except as provided in Condition 4(c), the Issuer will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in respect of the creation, issue and offering of the Bonds, and the execution or delivery of this Trust Deed. The Issuer will also indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in relation to which the liability to pay arises directly as a result of any action taken, in accordance with the Conditions and this Trust Deed, by or on behalf of the Trustee or, as the case may be, (where entitled under Condition 15 to do so) the Bondholders to enforce the obligations of the Issuer under this Trust Deed, the Paying, Transfer and Conversion Agency Agreement or the Bonds.

4.2 Change of Taxing Jurisdiction

If the Issuer becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to Canada or any political subdivision or any authority thereof or therein having power to then the Issuer will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 9 with the substitution for, or (as the case may require) the addition to, the references in that Condition to Canada of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer has become so subject. In such event this Trust Deed and the Bonds will be read accordingly.

5 Further Issues

5.1 Liberty to Create

The Issuer may from time to time without the consent of the Bondholders create and issue Further Bonds having the same terms and conditions in all respects as the Bonds (or in all respects except for the first payment of interest on them) and so that such Further Bonds shall be consolidated and form a single series with the Bonds or any Further Bonds.

5.2 Means of Constitution

Any Further Bonds created and issued pursuant to the provisions of Clause 5.1 above forming a single series with the Bonds or Further Bonds of any series constituted by deed supplemental to this Trust Deed, and any other Bonds of any series created may, with the consent of the Trustee, be so constituted. The Issuer shall prior to the issue of any Further Bonds to be so constituted execute and deliver to the Trustee a deed supplemental to this Trust Deed (if applicable duly stamped) and containing covenants by the Issuer in the form *mutatis mutandis* of Clause 2 of this Trust Deed in relation to the principal amount and interest in respect of such Further Bonds and such other provisions (corresponding to any of the provisions contained in this Trust Deed) as the Trustee shall reasonably require.

5.3 Noting of Supplemental Deeds

A memorandum of every such supplemental deed shall be endorsed by the Trustee on this Trust Deed and by the Issuer on the duplicate(s) of this Trust Deed.

5.4 Notice of Further Issues

Whenever it is proposed to create and issue any Further Bonds, the Issuer shall give to the Trustee not less than seven days' notice in writing of its intention to do so, stating the amount of Further Bonds proposed to be created or issued.

5.5 Separate Series

Any Further Bonds not forming a single series with the Bonds or Further Bonds of any series shall form a separate series and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of Clause 5.2, Clauses 4, 8, 10 to 20 (inclusive), Clause 21 and Clause 22 and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Bonds of each series and in such Clauses and Schedule the expressions "**Bonds**" and "**Bondholders**" shall be construed accordingly.

6 Application of Moneys received by the Trustee

6.1 Declaration of Trust

All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will, regardless of any appropriation of all or part of them by the Issuer be held by the Trustee (subject to the provisions of Clause 6.2) upon trust to apply them:

- 6.1.1 first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to the Trustee) in carrying out its functions under this Trust Deed;
- 6.1.2 secondly, in payment of any amounts owing in respect of the Bonds *pari passu* and rateably; and
- 6.1.3 thirdly, in payment of the balance (if any) to the Issuer for itself.

Without prejudice to this Clause 6.1, if the Trustee holds any moneys which represent principal or interest or other sums in respect of Bonds which have become void or in respect of which claims have become prescribed under Condition 12, the Trustee will hold such moneys upon the trusts set out in this Clause 6.1.

6.2 Accumulation

If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 6.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its absolute discretion, invest such moneys in accordance with Clause 6.3. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under the control of the Trustee and available for such payment, amount to at least 10 per cent. of the principal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 6.1.

6.3 Investment

Any moneys held by the Trustee may be invested in the name or under the control of the Trustee (or, if required to comply with any applicable law, a custodian, co-trustee or separate trustee appointed by it) in any investments or other assets in any part of the world whether or not they produce income or placed on deposit in the name or under the control of the Trustee (or, if required to comply with any applicable law, a custodian, co-trustee or separate trustee appointed by it) at such bank or other financial institution and in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a Subsidiary, holding company (within the meaning of section 736 of the Companies Act 1985) or associated company of the Trustee it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments for or into other such investments or convert any moneys so deposited into any other currency, and will not be responsible for any loss occasioned thereby, whether by depreciation in value, fluctuation in exchange rates or otherwise.

7 Covenant to Comply with Provisions

The Issuer hereby covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Trustee and the Bondholders. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be

read and construed as one document with the Bonds. The provisions contained in Schedule 3 shall have effect in the same manner as if set forth herein.

8 Conversion

8.1 Conversion Right

The holder of each Bond will have the right to convert each authorised denomination thereof into fully paid Common Shares, as provided in the Conditions.

8.2 Undertaking in respect of Conversion Rights

The Issuer hereby undertakes to issue Common Shares upon conversion of the Bonds as required by the Conditions.

8.3 Adjustment to the Conversion Price

The Issuer hereby undertakes to and covenants with the Trustee that, so long as any of the Bonds remains outstanding, it will whenever the Conversion Price falls to be adjusted pursuant to the Conditions:

- 8.3.1 as soon as practicable deliver to the Trustee a certificate signed by two Authorised Signatories or Directors (which the Trustee shall be entitled to accept without further enquiry as sufficient evidence of the correctness of the matters therein referred to) setting forth brief particulars of the event giving rise to the adjustment, the adjusted Conversion Price, the date on which the adjustment takes effect and such other particulars and information as the Trustee may reasonably require; and
- 8.3.2 promptly and in any event within 14 days thereafter give notice to the Bondholders in accordance with Condition 17 of the adjustment to the Conversion Price.

8.4 Notice of Adjustment to the Conversion Price

Simultaneously with the announcement of any event which will require the Conversion Price to be adjusted pursuant to the Conditions the Issuer will give notice thereof to the Bondholders in accordance with Condition 17 advising them of the date on which the relevant adjustment of the Conversion Price is likely to become effective.

9 Covenants

So long as any Bond is outstanding, the Issuer will:

9.1 Books of Account

Keep, and procure that each of Principal Subsidiary keeps, proper books of account and, at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee has reasonable grounds for believing that any such event has occurred, so far as permitted by applicable law, allow, and procure that each Principal Subsidiary will allow, the Trustee and anyone appointed by it to whom the Issuer and/or the relevant Principal Subsidiary has no reasonable objection, upon reasonable notice access to the books of account of the Issuer and/or the relevant Principal Subsidiary, respectively, at all times

during normal business hours for the purpose of the performance and discharge of its functions hereunder, provided that nothing in this paragraph shall oblige the Issuer or any of its Principal Subsidiaries to disclose confidential information concerning business associates;

9.2 Notice of Events of Default; Change of Control; Proposed Redemption

Notify the Trustee in writing immediately upon becoming aware of the occurrence of any Event of Default or Potential Event of Default or Change of Control or breach of any undertaking under Condition 11 or of any proposed redemption pursuant to Condition 7(b) or 7(c);

9.3 Information

So far as permitted by applicable law, give to the Trustee such information as it reasonably requires and which is necessary for the performance and discharge of its functions hereunder;

9.4 Financial Statements etc.

Send to the Trustee, as soon as reasonably practicable after the issue or publication thereof, in the case of annual financial statements in any event within 180 days of the end of each financial year three copies in English of every consolidated balance sheet, profit and loss account, report or other notice, statement or circular issued, or that legally or contractually is required to be issued, to the shareholders or creditors (or any class of them) of the Issuer;

9.5 Certificate of Directors

Send to the Trustee, within 14 days after its annual audited consolidated balance sheet and profit and loss account being made available to its shareholders, and also within 14 days after any request by the Trustee a certificate of the Issuer signed by any two Authorised Signatories or Directors to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") being not more than five days before the date of the certificate, no Event of Default or Potential Event of Default or other breach of this Trust Deed by the Issuer has occurred since the date of this Trust Deed or (if later) the Certification Date of the last such certificate (if any) or, if such an event has occurred, giving details of it and the Issuer has complied with its obligations under this Trust Deed;

9.6 Notices to Bondholders

Send to the Trustee not less than three days before the date of publication, for the Trustee's approval (such approval not to be unreasonably withheld or delayed), a copy of the draft form of each notice to the Bondholders to be published in accordance with Condition 17 and (if appropriate) complying with the requirements of the United Kingdom Listing Authority, and upon publication two copies of each notice so published (such approval not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom of any such notice which is an invitation or inducement to engage in investment activity);

9.7 Further Acts

So far as permitted by applicable law, do all such further things as may be necessary in the reasonable opinion of the Trustee to give effect to this Trust Deed;

9.8 Notice of Late Payment

Promptly upon request by the Trustee give notice to the Bondholders of any unconditional payment to the Principal Paying, Transfer and Conversion Agent or the Trustee of any sum due in respect of the Bonds made after the due date for such payment;

9.9 Listing

At all times use its reasonable endeavours to obtain and maintain the listing and trading of such Bonds on the London Stock Exchange plc. If, however, it is unable to do so, having used such endeavours, or if the Issuer delivers to the Trustee a certificate of the Issuer signed by two Authorised Signatories or Directors that the maintenance of such listing or admission to trading is unduly onerous, the Issuer shall instead use its best endeavours to obtain and maintain a listing of the Bonds and/or admission to trading of the Bonds on such other stock exchange or competent listing authority as is commonly used for the quotation or listing of equity-linked debt securities as the Issuer may decide;

9.10 Change in Agents

Give not less than 14 days' prior notice to the Bondholders of any future appointment or any resignation or removal of any Agent (other than an automatic termination of the appointment of any Agent under Clause 18.3.4 of the Paying, Transfer and Conversion Agency Agreement when such notice shall be given promptly upon the Issuer becoming aware of the same) or of any change by any Agent of its specified office and not make any such appointment or removal without the written approval of the Trustee;

9.11 Bonds held by the Issuer etc.

Send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer signed by any two Authorised Signatories or Directors setting out the total number of Bonds which, at the date of such certificate, were beneficially held by or are held on behalf of the Issuer or any Subsidiary of the Issuer and which had not been cancelled;

9.12 Register

Deliver or procure the delivery to the Trustee of an up-to-date copy of the Register in respect of the Bonds, certified as being a true, accurate and complete copy, at such times as the Trustee may reasonably require; and

9.13 Principal Subsidiaries

Give to the Trustee at the same time as sending the certificate as referred to in Clause 9.5 or within 14 days of a request by the Trustee, a certificate of or report from the Auditors addressed to the Trustee listing those Subsidiaries of the Issuer which as at the last day of the last financial year of the Issuer or as at the date or for the period specified by the Trustee in such request were Principal Subsidiaries.

10 Remuneration and Indemnification of the Trustee

10.1 Normal Remuneration

So long as any Bond is outstanding, the Issuer will pay to the Trustee by way of remuneration for its services as trustee such sum as may be agreed between them in a letter on or about the date hereof. Such remuneration will accrue from day to day from the date of this Trust Deed and shall be payable on such dates as may be agreed between the Issuer and the Trustee. However, if any payment to a Bondholder of the moneys due in respect of any Bond is improperly withheld or refused, such remuneration will continue to accrue as from the date of such withholding or refusal until payment to such Bondholder is duly made.

10.2 Extra Remuneration

At any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee finds it expedient in the interests of Bondholders or necessary, or is requested by the Issuer, to undertake duties which the Trustee (acting in the interests of Bondholders) considers to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer will pay such additional remuneration as may be agreed between them or, failing agreement as to any of the matters in this Clause (or as to such sums referred to in Clause 10.1), as determined by an independent investment bank or securities firm of international repute in London (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales, the expenses involved in such selection and approval and the fee of such independent investment bank being borne by the Issuer. The determination of such independent investment bank will, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Bondholders.

10.3 Expenses

The Issuer will also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in relation to the preparation and execution of this Trust Deed and the carrying out of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any capital, stamp, registration, documentary or other similar taxes or duties properly paid by the Trustee in connection with any legal proceedings brought or contemplated by the Trustee against the Issuer for enforcing any obligation under this Trust Deed, the Paying, Transfer and Conversion Agency Agreement, or the Bonds.

10.4 Payment of Expenses

All such costs, charges, liabilities and expenses properly incurred and payments properly made by the Trustee referred to in Clause 10.3 will be payable or reimbursable by the Issuer within 14 days of demand by the Trustee and:

- 10.4.1** in the case of payments made by the Trustee prior to such demand will (if not paid within 10 days of such demand) carry interest from the date on which the demand is made at the rate of two per cent. per annum over the base rate of National

Westminster Bank plc on the date on which such payments were made by the Trustee; and

- 10.4.2 in all other cases will carry interest at such rate from 30 days after the date on which the demand is made or (where the demand properly specifies that payment is to be made on an earlier date) from such earlier date.

10.5 Indemnity

The Issuer will on demand by the Trustee indemnify it in respect of Amounts or Claims properly paid or incurred by it in acting as Trustee under this Trust Deed (including (1) any Agent/Delegate Liabilities and (2) in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities). "**Amounts or Claims**" are losses, liabilities, costs, claims, actions, demands or expenses and "**Agent/Delegate Liabilities**" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates appointed pursuant to this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 10.5.

10.6 Provisions Continuing

The provisions of Clauses 10.3, 10.4 and 10.5 shall survive the satisfaction and discharge of the terms of this Trust Deed and will continue in full force and effect in relation to the Trustee even if it may have ceased to be Trustee.

11 Provisions Supplemental to The Trustee Act 1925 and the Trustee Act 2000

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows:

11.1 Advice

The Trustee may act on the opinion or advice of, or information obtained from, any expert or a certificate or report or confirmation of any accountants (including the Auditors), financial advisers, investment bank, lawyer or expert in each case whether or not addressed to the Trustee and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise, and will not be responsible to anyone for any loss occasioned by so acting. Any such opinion, advice, certificate, report or information may be sent or obtained by letter or facsimile transmission and the Trustee will not be liable to anyone for acting in good faith on any opinion, advice, certificate, report or information purporting to be conveyed by such means even if it contains some error or is not authentic. The Trustee shall be obliged to accept and be entitled to rely without liability on any such report, confirmation or certificate where the Issuer procures delivery of the same pursuant to its obligation to do so under a condition hereof and such report, confirmation or certificate shall be conclusive and binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

11.2 Trustee to Assume Due Performance

The Trustee need not notify anyone of the execution of this Trust Deed or do anything to ascertain whether any Event of Default or Potential Event of Default or Change of Control

has occurred and will not be responsible to Bondholders or any other person for any loss arising from any failure by it to do so and, until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its obligations under this Trust Deed and the Bonds.

11.3 Resolutions of Bondholders

The Trustee will not be responsible for having acted in good faith upon a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed or to be a written resolution made in accordance with paragraph 19 of Schedule 3 even though it may later be found that there was a defect in the constitution of such meeting or the passing of such resolution or that such resolution was not valid or binding upon the Bondholders.

11.4 Certificate Signed by Directors

The Trustee may call for and may accept as sufficient evidence of any fact or matter or of the expediency of any act a certificate of the Issuer signed by any two Authorised Signatories or Directors to any fact or matter upon which the Trustee may, in the exercise of any of its functions, require to be satisfied or to have information or to the effect that, in the opinion of the person or persons so certifying, any particular act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss that may be occasioned by acting on any such certificate.

11.5 Deposit of Documents

The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

11.6 Nominees

In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.

11.7 Discretion of Trustee

Save as expressly provided in this Trust Deed, the Trustee will have absolute and uncontrolled discretion as to the exercise of its functions hereby vested in the Trustee and will not be responsible for the exercise or non-exercise thereof nor for any loss, liability, cost, claim, action, demand, expenses or inconvenience which may result from their exercise or non-exercise, but, whenever the Trustee is under the provisions of this Trust Deed or the Bonds bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

11.8 Agents

Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).

11.9 Delegation

Whenever it considers it expedient in the interests of the Bondholders, the Trustee may delegate to any person and on any terms (including power to sub-delegate) all or any of its functions, provided that the Trustee may not delegate the right to determine whether an Event of Default or Potential Event of Default has occurred unless prior to such delegation the Trustee provides to the Issuer confirmation in writing that the Trustee has been advised by its legal advisers that it should delegate that right (with or without any other rights, trusts, powers, authorities, and discretions) to another person because of a conflict of interest or possible conflict of interest and/or other similar circumstances which the Trustee may face, or be subjected to, as the Trustee of this Trust Deed if it were not to delegate that right.

11.10 Forged Bonds

The Trustee will not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry in the Register or any Bond purporting to be such and later found to be forged or not authentic.

11.11 Confidentiality

Unless ordered to do so by a court of competent jurisdiction, the Trustee shall not be required to disclose to any Bondholder or any third party any confidential financial or other information made available to the Trustee by the Issuer and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

11.12 Determinations Conclusive

As between itself and the Bondholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Every such determination, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive in the absence of manifest error and shall bind the Trustee and the Bondholders.

11.13 Currency Conversion

Where it is necessary or desirable for any purpose in connection with the terms of this Trust Deed or the Conditions to convert any sum from one currency to another, it will (unless otherwise provided herein (including in the Conditions) or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Bondholders.

11.14 Events of Default

The Trustee may determine whether or not an Event of Default or a Potential Event of Default is in its opinion capable of remedy and/or whether or not any event is in its opinion materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding upon the Issuer and the Bondholders.

11.15 Payment for and Delivery of Bonds

The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds, the exchange of the interests between the Bonds represented by Global Bonds or the delivery of definitive registered Bonds to the persons entitled to them.

11.16 Bonds held by the Issuer etc.

In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under Clause 9.11) that no Bonds are for the time being held by or on behalf of the Issuer or any Subsidiary of the Issuer.

11.17 Interests of Bondholders

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed or any proposed substitution in accordance with Clause 15.2 or any determination made pursuant to Clause 15.1), the Trustee shall have regard to the interests of the Bondholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment of any tax arising in consequence of any such exercise upon individual Bondholders.

11.18 No Responsibility for Common Share Value

The Trustee shall not at any time be under any duty or responsibility to any Bondholder to determine whether any facts exist which may require any adjustment of the Conversion Price or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or in this Trust Deed provided to be employed, in making the same and will not be responsible or liable to the Bondholders or any other person for any loss arising from any failure by it to do so. The Trustee shall not at any time be under any duty or responsibility in respect of the validity or value (or the kind or amount) of Common Shares or of any other securities, property or cash, which may at any time be made available or delivered upon the conversion of any Bond; and it makes no representation with respect thereto. The Trustee shall not be responsible for any failure of the Issuer to make available or deliver any Common Shares, share certificates or other securities or property or make any payment upon the exercise of the Conversion Right in

respect of any Bond or of the Issuer to comply with any of the covenants contained in this Trust Deed.

11.19 Enforcement of Rights

As referred to in Condition 16, the Trustee need not take any action or proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one quarter in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction.

11.20 Breach of Undertakings

The Trustee assumes no responsibility for ascertaining whether or not (i) a breach of any of the undertakings in Condition 11 shall have occurred or (ii) any such breach shall have been rectified or (iii) any adjustment falls to be made to the Conversion Price as a result thereof and shall have no liability to any person for not so doing. Unless and until the Trustee has actual knowledge of any of the above events it shall be entitled to assume that no such event has occurred. The Trustee shall not be liable for any loss arising from any determination or calculation made pursuant to the Conditions or from any failure or delay in making any such determination or calculation.

11.21 Responsibility for Agents etc.

If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause (an "**Appointee**"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or misconduct or default of any substitute appointed by the Appointee.

11.22 Incurrence of Financial Liability

Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion hereunder if it has grounds for believing the repayment of the funds or adequate indemnity against such risk or liability is not reasonably assured to it.

11.23 Financial Adviser

The Trustee has no responsibility for the accuracy or otherwise of any determination made by a Financial Adviser pursuant to the Conditions.

11.24 Reliance on Certification of Clearing System

The Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to the Issuer or any Bondholder by reason only of either having accepted as valid or not having rejected any certificate or other document issued by any clearing system as to the nominal amount of the Bonds beneficially owned by any person or any other matter (and any such certificate or other document so accepted by the Trustee shall, in the absence of manifest error, be conclusive and binding for all purposes) and any such certificate or other document may comprise any

form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of the Bonds is clearly identified together with the amount of such holding.

11.25 Legal Opinions

The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion.

11.26 Trustee not Responsible

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto. In addition the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder.

11.27 Right to Deduct or Withhold

Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

11.28 Responsibility for Statements etc.

The Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, or any other agreement or document relating to the transactions contemplated in this Trust Deed or under such other agreement or document.

11.29 Not bound to act

(Without prejudice to the provisions of the definition of Financial Adviser) the Trustee shall not be bound to take any action in connection with this Trust Deed or any obligations arising hereunder including, without prejudice to the generality of the foregoing, forming

any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer will be able to indemnify and/or secure it against all liabilities which may be properly incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure it and on such demand being made the Issuer shall be obliged to make payment of all such sums in full.

11.30 Trustee's reliance on certificates and reports of the Auditors

The Trustee may act, or not act, and rely on (and shall have no liability to Bondholders for doing so) certificates or reports provided by the Auditors whether or not addressed to the Trustee and whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability of the Auditors (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same).

11.31 Consideration of Circumstances

Where it is necessary for the Trustee to consider whether one of the events in Condition 10 is or is not materially prejudicial to the interests of Bondholders, or when deciding how to exercise its discretion under Condition 10 by giving notice to the Issuer that the Bonds are due and repayable, the Trustee shall have regard only to the ability of the Issuer to pay principal in relation to the Bonds and not the Conversion Rights or their value, and the Trustee shall have no liability to any Bondholder for doing so.

12 Trustee liable for negligence

Section 1 of the Trustee Act 2000 shall not apply to any function of the Trustee provided that if the Trustee fails to show the degree of care and diligence required of it as trustee (having regard to the provisions of this Trust Deed) nothing in this Trust Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it may be guilty.

Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

13 Waiver and Proof of Default

13.1 Waiver

The Trustee may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms and conditions as seem expedient to it, any breach, continuing breach or proposed breach by the Issuer of any of the provisions of this Trust Deed or the Bonds or determine that any Event of Default or Potential Event of Default will not be treated as such for the purposes of this Trust Deed provided that the Trustee will not do so in contravention

of any express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 but so that no such direction or request will affect any previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Bondholders and, if the Trustee so requires, will be notified to the Bondholders as soon as practicable.

13.2 Proof of Default

If it is proved that as regards any specified Bond the Issuer has made default in paying any sum due to the relevant Bondholder such proof will (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Bonds which are then payable.

14 Trustee not precluded from entering into Contracts

Neither the Trustee nor any director or officer of a corporation acting as a Trustee, whether acting for itself or in any other capacity, will be precluded from becoming the owner of, or acquiring any interest in, or holding, or disposing of, any Bonds or any Common Shares or securities of the Issuer or any of its Subsidiaries, holding companies (within the meaning of section 736 of the Companies Act 1985) or associated companies with the same rights as it would have had if the Trustee were not the Trustee or from entering into or being interested in any contracts or transactions with the Issuer or any of its Subsidiaries, holding companies (within the meaning of section 736 of the Companies Act 1985) or associated companies or from acting on, or as depositary or agent for, any committee or body of holders of any securities of the Issuer or any of its Subsidiaries, holding companies (within the meaning of section 736 of the Companies Act 1985) or associated companies and will not be liable to account for any profit resulting therefrom.

15 Modification and Substitution

15.1 Modification

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of this Trust Deed, any trust deed supplemental to this Trust Deed, the Paying, Transfer and Conversion Agency Agreement, any agreement supplemental to the Paying, Transfer and Conversion Agency Agreement, the Bonds or the Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to this Trust Deed, any trust deed supplemental to this Trust Deed, the Paying, Transfer and Conversion Agency Agreement, any agreement supplemental to the Paying, Transfer and Conversion Agency Agreement, the Bonds or the Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Such power does not extend to any such modification as is mentioned in the proviso to paragraph 16 of Schedule 3. Any such modification or authorisation shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders promptly in accordance with Condition 17.

15.2 Substitution

15.2.1 The Trustee may, without the consent of the Bondholders, agree with the Issuer to the substitution in place of the Issuer (or any previous substitute under this paragraph) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer, holding company of the Issuer (within the meaning of section 736 of the Companies Act 1985), a Subsidiary of such holding company or a Newco (the "**Substituted Obligor**"), provided that:

- (i) the Bonds are unconditionally and irrevocably guaranteed by the Issuer in a form and manner satisfactory to the Trustee;
- (ii) the Trustee is satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution;
- (iii) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed and the Bonds (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in this Trust Deed and the Bonds as the principal debtor in place of the Issuer (or, as the case may be, of any previous substitute under this Clause 15.2);
- (iv) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "**Issuer's Territory**"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for the references in that Condition to the Issuer's Territory of references to the Substituted Territory whereupon the Trust Deed and the Bonds will be read accordingly;
- (v) if any two Authorised Signatories or Directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- (vi) the London Stock Exchange plc shall have confirmed to the Issuer that, after giving effect to such substitution, the Bonds shall continue to be listed and traded on the London Stock Exchange;
- (vii) the Bonds continue to be convertible (in whole or in part) into Common Shares as provided in the Conditions with such amendments as the Trustee shall consider appropriate;
- (viii) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders; and
- (ix) the Trustee may in the event of such substitution agree without the consent of the Bondholders to a change of law governing this Trust Deed and/or the Bonds and/or the Paying, Transfer and Conversion Agency Agreement provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

15.2.2 Release of Issuer and Substitute Obligor: Any such agreement by the Trustee pursuant to this Clause 15.2 will, if so expressed, operate to release the Issuer (or any such previous substitute) from any or all of its obligations under this Trust Deed and the Bonds. Not later than 14 days after the execution of any such documents and after compliance with such requirements, notice of the substitution will be given to the Bondholders.

15.2.3 Completion of Substitution: Upon the execution of such documents and compliance with such requirements, the Substituted Obligor will be deemed to be named in this Trust Deed and the Bonds as the principal debtor in place of the Issuer (or of any previous substitute under this Clause 15.2) and this Trust Deed and the Bonds will be deemed to be modified in such manner as shall be necessary to give effect to the substitution. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 17.

16 Appointment, Retirement and Removal of the Trustee

16.1 Appointment

Subject as provided in Clause 16.2 below, the Issuer will have the power of appointing new trustees but no person will be so appointed unless previously approved by an Extraordinary Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Bondholders in accordance with Condition 17 as soon as practicable.

16.2 Retirement and Removal

Any Trustee may retire at any time on giving not less than three months' prior notice in writing to the Issuer without giving any reason and without being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of any sole trustee or sole trust corporation will not become effective until a trust corporation is appointed as successor Trustee. If a sole trustee or sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal under this Clause, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee, but if the Issuer has failed to do so within three months of such notice being given or since the date of such Extraordinary Resolution, the Trustee may exercise the power of appointing a successor trustee.

16.3 Co-Trustees

The Trustee may, despite Clause 16.1, by notice in writing to the Issuer appoint anyone to act as an additional Trustee jointly with the Trustee:

16.3.1 if the Trustee considers such appointment to be in the interests of the Bondholders;

16.3.2 for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or

16.3.3 for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction against the Issuer of either a judgment already obtained or any of the provisions of this Trust Deed.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by notice in writing to the Issuer and such person remove any person so appointed. At the request of the Trustee, the Issuer will do all things as may be required to perfect such appointment or removal and irrevocably appoints the Trustee to be their attorney in their name and on their behalf to do so.

16.4 Competence of a Majority of Trustees

If there are more than two Trustees the majority of such Trustees will (provided such majority includes a trust corporation) be competent to carry out all or any of the Trustee's functions.

17 Currency Indemnity

17.1 Currency of Account and Payment: United States dollars (the “Contractual Currency”) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed and the Bonds, including damages, other than in relation (i) to Clause 10.1 for which the Contractual Currency is the currency of payment as specified in such letter referred to in Clause 10.1 and (ii) to Clauses 10.2 to 10.6 inclusive for which the Contractual Currency shall be the currency in which the costs, charges, liabilities and expenses or Amounts or Claims referred to herein were incurred or paid unless otherwise agreed between the Issuer and the Trustee.

17.2 Extent of discharge: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer), by the Trustee or any Bondholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

17.3 Indemnity: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds, the Issuer will indemnify it against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any purchase referred to in Clause 17.2.

17.4 Indemnity separate: The indemnities in this Clause 17 and in Clause 10.5 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Bonds or any other judgment or order.

18 Communications

Any communication shall be by letter delivered personally or facsimile transmission in the English language:

in the case of the Issuer, to it at:

16, rue Eugène-Pittard
Geneva
P.O. Box 265
CH-1211 Geneva 12
Switzerland

Fax no.: +41 22 702 9400
Attention: Chief Financial Officer

and in the case of the Trustee, to it at:

5th Floor
100 Wood Street
London EC2V 7EX

Fax no.: +44 20 7606 0643
Attention: Manager, Commercial Trusts

Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

19 Purchase or Redemption by the Issuer of its own Common Shares

The Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem its own shares (including Common Shares) without the consent of the Bondholders.

20 Governing Law and Jurisdiction

20.1 Governing Law

This Trust Deed shall be governed by and construed in accordance with English law.

20.2 Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed and the Bonds and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Bonds ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the non-exclusive jurisdiction of such courts and waive any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

20.3 Service of Process

The Issuer irrevocably appoints AOG Advisory Services Ltd, at its registered office for the time being, currently at 66 Warwick Square, London SW1V 2AL to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, the Issuer irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

21 Counterparts

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart. The Trustee agrees that any counterpart of this Trust Deed held by it shall be held in England, provided that nothing in this Clause 21 shall prevent the Trustee from taking any such counterpart out of England where in the opinion of the Trustee it is necessary for it to do so in order to enforce any of its rights under this Trust Deed or the Bonds or where it is necessary for the Bondholders to do so in order to enforce their rights under this Trust Deed when entitled to do so.

22 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms. The parties to this Trust Deed shall have the right to amend, vary or rescind any provision of this Trust Deed without the consent of any such third party.

This Trust Deed is delivered on the date stated at the beginning.

Schedule 1
Form of Definitive Bonds

On the front:

Common Code: 030095758

ISIN: XS0300957585

THE BONDS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO US PERSONS, AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

ADDAX PETROLEUM CORPORATION

(registered in Canada under the Canada Business Corporations Act, as amended)

U.S.\$300,000,000 3.75 per cent. Convertible Bonds due 2012

convertible into Common Shares of

ADDAX PETROLEUM CORPORATION

The Bonds represented by this certificate form part of a series designated as specified in the title (the "**Bonds**") of Addax Petroleum Corporation (the "**Issuer**"). The Bonds are constituted by a trust deed dated 30 May 2007 (the "**Trust Deed**") between the Issuer and The Law Debenture Trust Corporation p.l.c as Trustee (the "**Trustee**"). The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") endorsed hereon. Terms defined in the Trust Deed have the same meanings when used herein.

The Issuer hereby certifies that [●] of [●] is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of U.S.\$[●]. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Bond is issued such amount or amounts as shall become due and payable from time to time in respect of such Bonds and otherwise to comply with the Conditions.

The Bonds represented by this certificate are convertible into fully paid Common Shares in Addax Petroleum Corporation subject to and in accordance with the Conditions and the Trust Deed.

The statements set forth in the legend above are an integral part of the Bond or Bonds in respect of which this certificate is issued and by acceptance thereof each holder agrees to be subject to and bound by the terms and provisions set forth in such legend

This definitive registered Bond is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments in respect of this definitive registered Bond.

This definitive registered Bond shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This definitive registered Bond is governed by, and shall be construed in accordance with, English law.

Issued as of [●]

ADDAX PETROLEUM CORPORATION

By:

Authorised Director

Certificate of Authentication

Certified by or on behalf of the Registrar that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds.

CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGAA

(as Registrar)

(without warranty, recourse or liability)

By:

Authorised Signatory

Dated:

On the back:

[The Terms and Conditions of the Bonds will be inserted]

FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers to

[]

[]

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

U.S.\$[] principal amount of the Bond(s) in respect of which this definitive Bond is issued, and all rights under it or them, and irrevocably constitutes and appoints [] as attorney to transfer such principal amount on the books kept for registration thereof, with full power of substitution.

Dated [] [].

Signed [] Certifying Signature

Note:

- (i) The signature to this transfer must correspond with the name as it appears on the face of this Bond.
- (ii) A representative of the registered Bondholder should state the capacity in which he signs e.g. executor.
- (iii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered Bondholder or be certified by a recognised bank, notary public or in such other manner as the relevant Paying, Transfer and Conversion Agent may require.

Schedule 2

Form of Global Bond

THE BONDS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO US PERSONS, AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

Common Code: 030095758

ISIN: XS0300957585

ADDAX PETROLEUM CORPORATION

(registered in Canada under the Canada Business Corporations Act, as amended)

U.S.\$300,000,000 3.75 per cent. Convertible Bonds due 2012

convertible into Common Shares of

ADDAX PETROLEUM CORPORATION

The Bonds in respect of which this Global Bond is issued form part of the series designated as specified in the title (the "**Bonds**") of Addax Petroleum Corporation (the "**Issuer**").

The Issuer hereby certifies that The Bank of Citivic Nominees Limited is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of

U.S.\$300,000,000

(THREE HUNDRED MILLION UNITED STATES DOLLARS)

or such other amount as is shown on the register of Bondholders as being represented by this Global Bond and is duly endorsed (for information purposes only) in the third column of Schedule A to this Global Bond. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Global Bond is issued, such amount or amounts as shall become due and payable from time to time in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a Trust Deed dated 30 May 2007 (the "**Trust Deed**") between the Issuer and The Law Debenture Trust Corporation p.l.c as trustee (the "**Trustee**") and are subject to the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 4 to the Trust Deed, as modified by the provisions of this Global Bond. Terms defined in the Trust Deed have the same meaning when used herein.

This Global Bond is evidence of entitlement only.

Title to the Bonds passes only on due registration of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Global Bond is issued.

Exchange

Owners of beneficial interests in the Bonds in respect of which this Global Bond is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive registered Bonds if (1) either Euroclear or Clearstream, Luxembourg (or any other clearing system as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Global Bond may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (2) there shall have occurred and be continuing an Event of Default.

On or after the Exchange Date, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bonds in registered form, printed in accordance with any applicable legal and stock exchange requirements and in, or substantially in, the form set out in the Trust Deed. Such definitive Bonds will be registered in the name of the accountholders at Clearstream, Luxembourg and Euroclear which previously had Bonds credited to the accounts.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which the banks are open for business in the city in which the specified office of the Registrar is located.

The Conditions are modified as follows in so far as they apply to the Bonds represented by this Global Bond as issued.

The statements set out in the legend above are an integral part of the Bond or Bonds in respect of which this Global Bond is issued and by acceptance hereof each holder or beneficial owner of the Bonds evidenced by this Global Bond or any owner of an interest in such Bonds agrees to be subject to and bound by the terms of such legend.

Meetings

The holder hereof shall be treated as having one vote in respect of each U.S.\$200,000 principal amount of Bonds represented by this Global Bond. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system with an interest in the Bonds represented by this Global Bond on confirmation of entitlement and proof of his identity.

Conversion

Subject to the requirements of Euroclear and Clearstream, Luxembourg, the Conversion Right attaching to Bonds represented by this Global Bond may be exercised by the presentation of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bond together with this Global Bond to the Principal Paying, Transfer and Conversion Agent or such other Agent as shall have been notified to the holder of this Global Bond for such purpose for annotation and the principal amount of the Bonds will be reduced in the Register accordingly. The provisions of Condition 6 of the Bonds will otherwise apply.

A holder of an interest in Bonds that were initially issued to a purchaser in Canada and who exercises the Conversion Right in respect of such Bonds within the hold period of 4 months following the Closing Date will receive Common Shares in certificated form on the Company's share register in Canada. The certificate in respect of such Common Shares will contain a legend relating to the four month hold (from the Closing Date) and will relate to the applicable Canadian transfer restrictions. Such Common Shares will not be freely tradeable with the Issuer's other

outstanding Common Shares for so long as such transfer restrictions apply and will only be transferable pursuant to a further exemption from the prospectus requirements of applicable Canadian securities laws.

Tax Election Option of the Bondholders

The option of the Bondholders provided for in Condition 7(c) may be exercised by the holder of this Global Bond by giving notice to any Paying, Transfer and Conversion Agent within the time limits relating to the deposit of Bonds in Condition 7(c) and substantially in the form of the Bondholders Tax Election Notice as set out in Schedule 3 to the Paying, Transfer and Conversion Agency Agreement. Such notice shall be obtainable from the specified office of any Paying, Transfer and Conversion Agent and shall state the number of Bonds in respect of which the option is exercised. Upon exercise of the option the relevant Bondholder shall present this Global Bond to the Registrar for annotation in Schedule A hereto accordingly.

Redemption at Option of the Bondholders

The Bondholders' put option in Condition 7(e) may be exercised by the holder of this Global Bond giving notice to the Principal Paying, Transfer and Conversion Agent of the principal amount of Bonds in respect of which the option is exercised and presenting this Global Bond for endorsement or exercise within the time limits specified in such Conditions and the principal amount of the Bonds will be reduced in the Register accordingly.

Trustee's Powers

In considering the interests of Bondholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds represented by this Global Bond.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds represented by this Global Bond shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of Bonds in such principal amounts.

Redemption or Purchase and Cancellation

Cancellation of any Bond following its redemption or purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal in respect of Bonds represented by this Global Bond will be made against presentation and, if no further payment falls to be made in respect of the Bonds, surrender of this Global Bond to or to the order of the Principal Paying, Transfer and Conversion Agent or such other Agent as shall have been notified to the holder of this Global Bond for such purpose.

Notices

So long as Bonds are represented by this Global Bond and this Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg, notices to the holders of such Bonds may be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions, except that the Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading.

Prescription

Claims against the Issuer in respect of principal and interest on the Bonds while the Bonds are represented by the Global Bond will become prescribed after a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

This Global Bond shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Bond is governed by, and shall be construed in accordance with, English law.

In Witness whereof the Issuer has caused this Global Bond to be signed on its behalf.

Dated 30 May 2007

ADDAX PETROLEUM CORPORATION

By:

By:

Authorised Director/Officer

Authorised Director/Officer

(or by its duly authorised attorney)

(or by its duly authorised attorney)

Certificate of Authentication

Certified by or on behalf of the Registrar that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds.

CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGAA

(as Registrar) (without warranty, recourse or liability)

By:

Authorised Signatory

Dated 30 May 2007

SCHEDULE A

SCHEDULE SHOWING CHANGES IN THE PRINCIPAL AMOUNT OF THE BONDS REPRESENTED BY THIS GLOBAL BOND

The following shows the principal amount of the Bonds represented by this Global Bond as a result of (i) exercise of Conversion Rights or (ii) redemption or purchase and cancellation of Bonds or (iii) transfer of Bonds:

Date of Conversion/Transfer/ Redemption/ Purchase and cancellation/ (stating which)	Amount of change in principal amount of Bonds represented by this Global Bond	Principal amount of Bonds represented by this Global Bond following such change	Notation made by or on behalf of the Principal Paying, Transfer and Conversion Agent
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Schedule 3

Provisions for meetings of Bondholders

- 1 (a)(i) A holder of a Bond may by an instrument in writing (a **"form of proxy"**) in the form available from the specified office of any Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Agent not later than 24 hours before the time fixed for any meeting, appoint any person (a **"proxy"**) to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders.
- (ii) A holder of a Bond which is a corporation may by delivering to any Agent not later than 24 hours before the time fixed for any meeting a resolution of its Directors or other governing body in English authorise any person to act as its representative (a **"representative"**) in connection with any meeting or proposed meeting of Bondholders.
- (iii) Any proxy appointed pursuant to sub-paragraph 1(a)(i) above or representative appointed pursuant to sub-paragraph (a)(ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bond shall be deemed for such purposes not to be the holder. The Issuer and the Trustee shall be entitled to assume that any proxy has been validly appointed and that such appointment remains in effect unless notice of revocation is given to the Issuer at its registered office not less than 24 hours prior to the time fixed for the meeting or, thereafter, to the Chairman of the meeting.
- (b) Forms of proxy shall be valid for so long as the relevant Bonds shall be duly registered in the name(s) of the registered holder(s) certified in the name of the appointor but not otherwise and notwithstanding any other provision of this Schedule and during the validity thereof the proxy shall, for all purposes in connection with any meeting of holders of Bonds, be deemed to be the holder of the Bonds of the relevant Series to which such form of proxy relates.
- 2 The Issuer or the Trustee may at any time convene a meeting of Bondholders. If it receives a written request by Bondholders holding at least 10 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Bondholders. Every meeting shall be held at a time and place approved by the Trustee.
- 3 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting, be given in the manner provided in the Conditions and shall specify, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall include a statement to the effect that the holders of Bonds may appoint proxies by executing and delivering a form of proxy in English to the specified office of an Agent not later than 24 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution in English of their Directors or other governing body and by delivering an executed copy of such resolution to the Agent not later than 24 hours before the time fixed for the meeting.
- 4 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may act as chairman of a meeting but if no such nomination is made or if the person nominated

is not present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

- 5 At a meeting one or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted unless the requisite quorum be present at the commencement of business. The quorum at a meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate a clear majority of the Bonds for the time being outstanding provided that the quorum at any meeting the business of which includes any of the matters specified in the proviso to paragraph 16 shall be one or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than two-thirds in principal amount of the Bonds for the time being outstanding.
- 6 If within 15 minutes from the time fixed for a meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall stand adjourned once only to such date, not less than 14 nor more than 42 days later, and to such place as the chairman may decide. At such adjourned meeting one or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution for the purpose of effecting any of the modifications specified in the proviso to paragraph 16 the quorum shall be one or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-third in principal amount of the Bonds for the time being outstanding. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
- 7 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.
- 8 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.
- 9 Each question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a proxy or representative.
- 10 Unless a poll is (before or on the declaration of the result of the show of hands) demanded at a meeting by the chairman, the Issuer, the Trustee or by one or more persons holding one

- or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than 2 per cent. in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 11 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
 - 12 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
 - 13 The Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend or speak at a meeting of Bondholders unless he is the holder of a Bond or is a proxy or a representative.
 - 14 On a show of hands every holder who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each U.S.\$200,000 principal amount of Bonds held or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
 - 15 A proxy need not be a Bondholder.
 - 16 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution:
 - (i) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer whether or not such rights arise under this Trust Deed;
 - (ii) to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds, or other obligations or securities of the Issuer or any other entity;
 - (iii) to assent to any modification of this Trust Deed or the Bonds which shall be proposed by the Issuer or the Trustee;
 - (iv) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
 - (v) to give any authority, direction or sanction required to be given by Extraordinary Resolution;
 - (vi) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer on them

any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

- (vii) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under this Trust Deed or the Bonds;
- (viii) to approve a proposed new Trustee and to remove a Trustee; and
- (ix) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 5 and, in the case of an adjourned meeting, in the proviso to paragraph 6 shall apply in relation to any Extraordinary Resolution for the purpose of paragraph 16(ii) or (vii) or the purpose of making any modification to the provisions contained in this Trust Deed or the Bonds which would have the effect of:

- (i) modifying the maturity of the Bonds (other than deferring the earliest date on which the Bonds may be redeemed pursuant to Condition 7(b)(i) or the dates on which interest is payable in respect of the Bonds; or
- (ii) reducing or cancelling the principal amount of, or interest on, the Bonds or reducing the amount payable on redemption of the Bonds; or
- (iii) modifying or cancelling the Conversion Rights, other than a Newco Scheme Modification; or
- (iv) modifying the provisions concerning the making of a Bond Repurchase Offer; or
- (v) increasing the Conversion Price other than in accordance with the Conditions; or
- (vi) changing the currency of any payment in respect of the Bonds or the due date or dates for any payment in respect of the Bonds;
- (vii) changing the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c) or Clause 15.2);
- (viii) modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
- (ix) amending this proviso.

17 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.

18 The expression “**Extraordinary Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than 75 per cent. of the votes cast.

19 A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid as an

Extraordinary Resolution passed at a meeting of Bondholders convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

- 20** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 21** Subject to all other provisions contained in this Trust Deed the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them or regarding the making of resolutions in writing as the Trustee may in its sole discretion determine including (without limitation) such regulations and requirements as the Trustee thinks reasonable to satisfy itself that persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and that those who purport to attend or vote at a meeting or to sign a written resolution are entitled to do so.
- 22** If the Trustee so directs, this Schedule 3 shall apply equally to Bondholders and to holders of any securities issued pursuant to the Conditions as if references in it to "Bonds" and "Bondholders" were also to such securities and their holders respectively.

Schedule 4

TERMS AND CONDITIONS OF THE BONDS

The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.

The issue of the U.S.\$300,000,000 3.75 per cent. Convertible Bonds due 2012 (the “**Bonds**”), which expression shall, unless otherwise indicated, include any Further Bonds) was (save in respect of any Further Bonds) authorised by a resolution of the board of directors of Addax Petroleum Corporation (the “**Issuer**”) passed on 6 May 2007. The Bonds are constituted by a trust deed dated 30 May 2007 (the “**Trust Deed**”) between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds. The Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 30 May 2007 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee and Citibank, N.A. (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as principal paying, transfer and conversion agent under the Agency Agreement), the paying, transfer and conversion agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Paying, Transfer and Conversion Agents under the Agency Agreement) and Citigroup Global Markets Deutschland AG & Co. KGaA in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement). Copies of the Trust Deed and the Agency Agreement are available for inspection at the office of the Trustee at Fifth Floor, 100 Wood Street, London EC2V 7EX, and at the specified offices of the Paying, Transfer and Conversion Agents and the Registrar.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Status

(a) *Form and Denomination*

The Bonds are in registered form, serially numbered, in principal amounts of U.S.\$200,000 and integral multiples thereof (“**authorised denominations**”).

(b) *Title*

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it) and no person will be liable for so treating the holder.

*The Bonds will initially be represented by interests in a global bond in registered form without coupons attached (the “**Global Bond**”) which will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear Bank S.A./N.V. and Clearstream Banking, société*

anonyme. The Global Bond will be exchangeable for Bonds in definitive form only upon the occurrence of certain limited events as described under "Summary of Provisions relating to the Bonds while represented by the Global Bond".

(c) *Status*

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves. The payment obligations of the Issuer under the Bonds rank at least *pari passu* with all its other existing and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by law.

2 Negative Pledge

So long as any of the Bonds remain outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a "Security Interest") upon the whole or any part of its present or future property or assets to secure any indebtedness or any guarantee in respect of any indebtedness unless, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

- (a) all amounts payable by the Issuer under the Bonds and the Trust Deed are secured equally and rateably with such indebtedness or guarantee, as the case may be, to the satisfaction of the Trustee; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by the Issuer under the Bonds and the Trust Deed either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

3 Definitions

In these Conditions, unless otherwise provided:

"Additional Common Shares" has the meaning provided in Condition 6(c).

"Auditors" means the auditors for the time being of the Issuer or, if they are unable or unwilling to carry out any action requested of them under the Trust Deed or the Bonds, such other firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee for the purpose or, failing such nomination, as selected by the Trustee.

"Bondholder" and "holder" mean the person in whose name a Bond is registered in the Register (as defined in Condition 4(a)).

"business day" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

"C\$" and "Canadian dollars" means Canadian dollars.

"Capital Distribution" has the meaning provided in Condition 6(b)(ii)(A).

"Cash Dividend" has the meaning provided in Condition 6(b)(ii)(B).

"Change of Control" has the meaning provided in Condition 6(b)(ix);

“Change of Control Period” has the meaning provided in Condition 6(b)(ix).

“Closing Date” means 30 May 2007.

“Common Shares” means common shares of no par value in the share capital of the Issuer.

“Conversion Date” has the meaning provided in Condition 6(h).

“Conversion Notice” has the meaning provided in Condition 6(h).

“Conversion Period” has the meaning provided in Condition 6(a).

“Conversion Price” has the meaning provided in Condition 6(a).

“Conversion Right” has the meaning provided in Condition 6(a).

“Current Market Price” means, in respect of a Common Share at a particular date, the average of the Volume Weighted Average Price of a Common Share for the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Common Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Common Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of first public announcement of such Dividend (or entitlement); or
- (b) if the Common Shares to be issued or transferred and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Common Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of first public announcement of such Dividend (or entitlement),

and provided further that if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Common Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Common Share as at the date of the first public announcement of such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of a Common Share is not available on one or more of the said five dealing days, then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by a Financial Adviser.

“dealing day” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business, other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time.

“Dividend” means any dividend or distribution to Shareholders (including a Spin-Off) whether of money, shares or property, (including without limitation an issue of Common Shares, or other Securities), provided that:

- (a) where a Dividend in money is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Common Shares or other property, then for the purposes of this definition the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such money amount and (ii) the Current Market Price of such Common Shares or the Fair Market Value of such other property (as at the date of the first public announcement of such Dividend or if later, the date on which the number of Common Shares (or amount of property, as the case may be) which may be issued or transferred and delivered is determined);
- (b) a purchase or redemption or buy back of shares of the Issuer by the Issuer or any Subsidiary of the Issuer shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Common Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Common Share (before expenses) on any one day (a **“Specified Share Day”**) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the closing prices of the Common Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Common Shares at some future date at a specified price, on the five dealing days immediately preceding the date of such announcement, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in cash in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Common Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Common Shares determined as aforesaid and (ii) the number of Common Shares so purchased, redeemed or bought back; and
- (c) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Common Shares, the provisions of paragraph (b) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by a Financial Adviser.

“equity share capital” means, in relation to a company, its issued share capital excluding any part of that capital which, neither as regards dividends nor as regards capital, carries any right to participate beyond a specified amount in the remaining assets of the company upon liquidation or on a distribution of assets.

“Exempt Newco Scheme” means a Newco Scheme (as defined below) where immediately after completion of the relevant Plan of Arrangement (as defined below) the common shares of Newco (as defined below) are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine.

“Extraordinary Dividend” has the meaning provided in Condition 6(b)(ii)(B).

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by a Financial Adviser provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Spin-Off Securities, Securities, options, warrants or other rights are publicly

traded in a market of adequate liquidity (as determined by a Financial Adviser), the Fair Market Value (a) of such Spin-Off Securities or Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Spin-Off Securities or Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five dealing days on the relevant market commencing on such date (or, if later, the first such dealing day such Spin-Off Securities, Securities, options, warrants or other rights are publicly traded); (iv) where Spin-Off Securities, Securities, options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such Spin-Off Securities, Securities, options, warrants or other rights shall be determined in good faith by a Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Common Share, the dividend yield of a Common Share, the volatility of such market price, prevailing interest rates and the terms of such Spin-Off Securities, Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof; (v) in the case of (i) translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date and (vi) in the case of (i) and (ii) disregarding any withholding or deduction required to be made on account of tax and any associated tax credit.

"Final Maturity Date" means 31 May 2012.

"Financial Adviser" means an investment bank of international repute appointed by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as reasonably determined by the Trustee), appointed by the Trustee following notification to the Issuer provided that the Trustee has no obligation to make such appointment unless it has been indemnified and/or provided with security to its satisfaction in respect of the costs, fees and expenses of such adviser.

"Further Bonds" means any further Bonds issued pursuant to Condition 18 and consolidated and forming a single series with the then outstanding Bonds.

"Group" means the Issuer and its Subsidiaries taken as a whole.

"indebtedness for borrowed money" means any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of (i) money borrowed or raised (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

"Insiders" has the meaning provided in the Securities Act (Ontario), R.S.O. 1990, c. S.5, as am.

"Interest Payment Date" has the meaning provided in Condition 5(a).

"Newco Scheme" means a plan of arrangement or analogous proceeding (a **"Plan of Arrangement"**) which effects the interposition of a company (**"Newco"**) between the Shareholders of the Issuer immediately prior to the Plan of Arrangement (the **"Existing Shareholders"**) and the Issuer; provided that only common shares of Newco are issued to Existing Shareholders and that immediately after completion of the Plan of Arrangement the only shareholders of Newco are the Existing Shareholders and that all Subsidiaries of the Issuer immediately prior to the Plan of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after the Plan of Arrangement and that the Issuer (or

Newco) holds, directly or indirectly, the same percentage of the common shares and Voting Rights of or in respect of those Subsidiaries as was held by the Issuer immediately prior to the Plan of Arrangement.

“Non-Cash Dividend” has the meaning provided in Condition 6(b)(ii)(A).

“Optional Redemption Date” has the meaning provided in Condition 7(b).

“Optional Redemption Notice” has the meaning provided in Condition 7(b).

“Parity Value” means, in respect of any dealing day, the U.S. dollar amount calculated as follows:

$$PV = OS \times MP$$

where:

PV = the Parity Value

OS = the number of Common Shares that would fall to be delivered on the exercise of Conversion Rights in respect of a Bond in the principal amount of U.S.\$200,000, assuming the Conversion Date to be such dealing day

MP = the closing price for the Common Shares as published by or derived from the Relevant Stock Exchange on such dealing day (provided that if on any such dealing day the Common Shares shall have been quoted cum-Dividend or cum-any other entitlement the closing price on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of the first public announcement of such Dividend or entitlement), translated, if not in U.S. dollars, into U.S. dollars at the Prevailing Rate on such dealing day.

a “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“Prevailing Rate” means, in respect of any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 p.m. (London time) on that date as appearing on or derived from the Relevant Page or if such rate cannot be determined at such time, the rate prevailing as at or about 12 p.m. (London time) on the immediately preceding day on which such rate can be so determined.

“Principal Subsidiary” of the Issuer at any time shall mean any Subsidiary of the Issuer (not being a Subsidiary falling within sub-paragraph (iv) of the definition of “Project Finance Indebtedness” and whose only indebtedness for borrowed money is Project Finance Indebtedness):

- (i) whose (a) earnings on ordinary activities before tax or (b) gross assets represent 10 per cent. or more of the consolidated earnings on ordinary activities before tax of the Issuer and its Subsidiaries or, as the case may be, consolidated gross assets of the Issuer and its Subsidiaries, in each case as calculated by reference to the then latest audited financial statements of such Subsidiary and the then latest audited consolidated financial statements of the Issuer provided that (i) in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation of the above shall until the consolidated audited financial statements of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest consolidated financial statements of the Issuer adjusted in such manner as may be appropriate to consolidate the latest audited financial

statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary in such financial statements, (ii) if, in the case of any Subsidiary, no audited financial statements are prepared, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be determined by reference to its unaudited annual financial statements (if any) or on the basis of *pro forma* financial statements, (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements of the Issuer and (iv) if the latest financial statements of any Subsidiary of the Issuer are not prepared on the basis of the same accounting principles, policies and practices of the latest consolidated audited financial statements of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on *pro forma* financial statements or, as the case may be, consolidated financial statements of such Subsidiary prepared on the same accounting principles, policies and practices as adopted in the latest consolidated audited financial statements of the Issuer, or an appropriate restatement or adjustment to the relevant financial statements of such Subsidiary; or

- (ii) to which is transferred all or substantially all of the business, undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary of the Issuer, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary of the Issuer and the transferee Subsidiary shall cease to be a Principal Subsidiary of the Issuer under the provisions of this sub-paragraph (ii) upon publication of its next audited financial statements but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary of the Issuer on or at any time after the date on which such audited financial statements have been published by virtue of the provisions of sub-paragraph (i) above or (as a result of another transfer to which this sub-paragraph (ii) applies) before, on or at any time after such date by virtue of the provisions of this sub-paragraph (ii).

Notwithstanding the foregoing, no Subsidiary whose indebtedness comprises only Project Finance Indebtedness shall be a Principal Subsidiary.

A certificate of two Directors of the Issuer that, in their opinion, a Subsidiary is or is not, or was or was not, at any particular time or during any particular period, a Principal Subsidiary may be relied upon by the Trustee and, if so relied upon, shall, in the absence of manifest or proven error, be conclusive and binding on all concerned.

“Project Finance Company” means a Subsidiary of the Issuer which:

- (a) is a single-purpose company whose sole business comprises a project for the ownership, creation, construction, improvement, development or exploitation of its assets; and
- (b) has no indebtedness other than Project Finance Indebtedness.

“Project Finance Indebtedness” means any present or future indebtedness incurred by a Project Finance Company in connection with its particular project where the provider of the indebtedness has no recourse against the Issuer or any of its Subsidiaries or their assets, other than:

- (i) recourse to the assets owned by that Project Finance Company in connection with that project (the “Project Assets”); and/or
- (ii) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from the Project Assets or the business of owning, acquiring, constructing, developing, maintaining and/or operating the Project Assets; and/or
- (iii) (A) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any Security Interest given over the Project Assets

(and/or any other assets primarily used in the business of owning, acquiring, constructing, creating, developing, maintaining and/or operating the Project Assets) or the income, cash flow or other proceeds deriving therefrom (or given over shares or the like in the capital of the Project Finance Company) to secure such indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up or dissolution of the Issuer or any of its Subsidiaries (other than a Project Finance Company) or to appoint or procure the appointment of any receiver, trustee, liquidator, administrator, administrative receiver or similar officer in respect of the Issuer or any of its Subsidiaries (other than a Project Finance Company) or any of its assets (save for the Project Assets the subject of such Security Interest); and/or (B) recourse against the assets, income, cashflow, proceeds or shares or the like subject to a Security Interest referred to in this paragraph (iii); and/or

- (iv) recourse under any form of assurance, undertakings or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) or under an indemnity for breach of an obligation or representation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition other than costs to complete tests or project completion tests) of the Issuer or any of its Subsidiaries; and/or
- (v) recourse against a Project Finance Company for the purpose of enforcing a Security Interest against it, so long as:
 - (i) the recourse is limited to recoveries in respect of the Project Assets; and
 - (ii) if the Project Assets do not comprise all or substantially all of the Project Finance Company's business, the provider of the indebtedness has contractually agreed not to exercise any right to take any step towards its winding-up or dissolution or the appointment of a receiver, trustee, liquidator, administrator, administrative receiver or similar officer in respect of it or its assets (other than the Project Assets); and/or
- (vi) recourse against the Issuer or any of its Subsidiaries solely to enable enforcement of any Security Interest given by it over shares or the like in the capital of the Project Finance Company.

"Record Date" has the meaning provided in Condition 8(c).

"Reference Date" has the meaning provided in Condition 6(a).

"Relevant Currency" means Canadian dollars or, if at the relevant time or for the purposes of the relevant calculation or determination, the Toronto Stock Exchange is not the Relevant Stock Exchange, the currency in which the Common Shares are quoted or traded on the Relevant Stock Exchange at such time.

"Relevant Date" means, in respect of any Bond, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer or to the Bondholders in accordance with Condition 17 that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"Relevant Event" has the meaning provided in Condition 6(l).

"Relevant Event Period" has the meaning provided in Condition 7(e).

"Relevant Notice" has the meaning provided in Condition 6(g).

"Relevant Page" means the relevant page on Bloomberg or such other information service provider that displays the relevant information.

"Relevant Stock Exchange" means (i) in respect of the Semi-Annual Period commencing on the Closing Date, the Toronto Stock Exchange; and (ii) in respect of any subsequent Semi-Annual Period, the Relevant Stock Exchange in respect of the preceding Semi-Annual Period, unless the Issuer shall on the London business day immediately succeeding the last day of such preceding Semi-Annual Period have delivered to the Trustee a certificate of the Issuer signed by two Directors of the Issuer that the average daily trading volume in respect of the Common Shares on any other stock exchange or securities market on which the Common Shares are listed or quoted or dealt in (and have been so listed or quoted or dealt in throughout the preceding Semi-Annual Period) shall have been greater than 150 per cent. of the average daily trading volume in respect of the Common Shares on such Relevant Stock Exchange, in which case the Relevant Stock Exchange in respect of the relevant Semi-Annual Period shall be such other stock exchange or securities market and such Relevant Stock Exchange as so determined shall be the Relevant Stock Exchange for the purposes of any relevant calculation or determination to be made (including a determination of Current Market Price) as at any date falling within the relevant Semi-Annual Period (including any constituent calculation or determination, including a determination of Volume Weighted Average Price for the purposes of determining Current Market Price, to be made for the purpose of such calculation or determination). For the purposes of determining the average daily trading volume of the Common Shares where the Common Shares are represented by certificates or depositary or other receipts which are listed or quoted or dealt in on the relevant stock exchange or securities market, such average daily trading volume shall be determined by dividing the average daily trading volume of such certificates or depositary or other receipts by the number of Common Shares represented by such certificate or depositary or other receipts at the relevant time.

"Repurchase Acceptance Notice" has the meaning provided in Condition 7(e).

"Repurchase Date" has the meaning provided in Condition 7(e).

"Repurchase Price" has the meaning provided in Condition 7 (e).

"Retroactive Adjustment" has the meaning provided in Condition 6(c).

"Securities" means any securities including, without limitation, Common Shares, or options, warrants or other rights to subscribe for or purchase or acquire Common Shares.

"Semi-Annual Date" means 30 November and 31 May in each year.

"Semi-Annual Period" means the period commencing on (and including) a Semi-Annual Date and ending on (but excluding) the next following Semi-Annual Date, with the first Semi-Annual Period commencing on 30 May 2007.

"Shareholders" means the holders of Common Shares.

"Specified Date" has the meaning provided in Condition 6(b)(vi) and (vii).

"Spin-Off" means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders as a class (but excluding the

issue and allotment of common shares by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

“Spin-Off Securities” means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

“Subsidiary” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half of the outstanding voting shares in the share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board or directors or equivalent body whether or not such company or corporation beneficially owns, directly or indirectly, more than half of the outstanding voting shares in the share capital.

“Tax Redemption Date” has the meaning provided in Condition 7(c).

“Tax Redemption Notice” has the meaning provided in Condition 7(c).

“U.S. dollars” and **“U.S.\$”** means United States dollars.

“Volume Weighted Average Price” means, in respect of a Common Share, Security or, as the case may be, a Spin-Off Security, on any dealing day, the volume-weighted average price of a Common Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Common Share) from Bloomberg page AQR or (in the case of a Security (other than a Common Share) or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by a Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Common Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, and provided that for the purposes of Conditions 6(o) and 7(e) only, if any Dividend or other entitlement in respect of the Common Shares is announced on or prior to the relevant Conversion Date (in the case of Condition 6(o)) or on or prior to the last day of the Change of Control Period or, as the case may be, the Relevant Event Period (in the case of Condition 7(e)) in circumstances where the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date (in the case of Condition 6(o)) or on or after the last day of the Change of Control Period or, as the case may be, the Relevant Event Period (in the case of Condition 7(e)) and if on any such dealing day in the Net Share Settlement Calculation Period or, as the case may be, the Repurchase Price Calculation Period the price determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Common Share as at the date of the first public announcement of such Dividend or entitlement.

“Voting Security” means any security of the Issuer (other than a debt security) carrying a right to vote at a general meeting of Shareholders either in all circumstances or in some circumstances that have occurred and are continuing.

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders or Existing Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as a Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Common Shares or any issue of Common Shares by way of Dividend.

For the purposes of Conditions 6(b), (c), (h) and (i), Condition 7(h) and Condition 11 only, (a) references to the “issue” of Common Shares shall include the transfer and/or delivery of Common Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Common Shares held by or on behalf of the Issuer or any of its respective Subsidiaries (and which, in the case of Condition 6(b)(iii) and (v), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “in issue”.

4 Registration and Transfer of Bonds

(a) Registration

The Issuer will cause a register (the “Register”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and exchanges of Bonds.

(b) Transfer

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(c) and 4(d), be transferred in whole or in part in an authorised denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Trustee.

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7(b) or 7(c); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(h); (iii) in respect of which a holder shall have accepted a Bond Repurchase Offer pursuant to Condition 7(e) or (iv) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 8(c)) in respect of any payment of interest on the Bonds.

5 Interest

(a) *Interest Rate*

The Bonds bear interest from and including the Closing Date at the rate (the “Interest Rate”) of 3.75 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in equal instalments in arrear on 30 November and 31 May in each year (each an “Interest Payment Date”), save that the first payment of interest will be made on 30 November 2007 in respect of the period from (and including) the Closing Date to (but excluding) 30 November 2007 and the amount of interest payable in respect of each U.S.\$200,000 principal amount of Bonds on such date will be U.S.\$3,770.83.

If interest is required to be calculated for a period other than an Interest Period it will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

“Interest Period” means the payment period beginning on (and including) the Closing Date and ending on (but excluding) 30 November 2007, being the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(j)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying, Transfer and Conversion Agent has notified

Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6 Conversion of Bonds

(a) *Conversion Period and Conversion Price*

Subject to Condition 6(o) (*Net Share Settlement*) and otherwise as provided below, each Bond shall entitle the holder to convert into Common Shares, which shall be issued as fully paid, subject to and as provided in these Conditions (a “**Conversion Right**”).

The number of Common Shares to be issued or transferred and delivered on exercise of a Conversion Right shall (subject as aforesaid) be determined by dividing the principal amount of the Bonds to be converted (translated into Canadian dollars at the fixed rate of C\$1.108 = U.S.\$1.0) by the conversion price (the “**Conversion Price**”) in effect on the relevant Conversion Date.

The initial Conversion Price is C\$56.0612 per Common Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(h) whereupon the Issuer shall (subject as provided in these Conditions) procure the delivery, to or as directed by the relevant Bondholder of Common Shares issued as fully paid as provided in this Condition 6.

Subject to, and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 1 October 2007 to the close of business on the date falling seven Toronto and Geneva business days prior to the Final Maturity Date (both days inclusive) or, if such Bond is to be redeemed pursuant to Condition 7(b) or 7(c) prior to the Final Maturity Date, then up to the close of business on the seventh Toronto and Geneva business day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to the close of business (at the place where the relevant Bond is delivered for conversion) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the Final Maturity Date; provided that Conversion Rights may be exercised prior to 1 October 2007 (but not prior to 10 July 2007) during a Change of Control Period; and provided further that, in each case, if the final such date for the exercise of Conversion Rights is not a business day at the place where the relevant Bond is delivered for conversion, then the period for exercise of the Conversion Right by Bondholders at such place shall end on the immediately preceding business day at such place.

Conversion Rights in respect of a Bond may not be exercised following the acceptance of a Bond Repurchase Offer by the holder thereof pursuant to Condition 7(e).

Conversion Rights may not be exercised following the giving of notice by the Trustee pursuant to Condition 10.

Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).

The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the “**Conversion Period**”.

Conversion Rights may only be exercised in respect of an authorised denomination. Where Conversion Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven business days, in the place of the specified office of the Registrar, following the relevant Conversion Date deliver such new Bond to the Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

Fractions of Common Shares will not be delivered on conversion or pursuant to Condition 6(c) and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Common Shares to be delivered on conversion or pursuant to Condition 6(c) are to be registered in the same name, the number of such Common Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Common Shares.

The Issuer will procure that Common Shares to be issued or transferred and delivered on conversion will be issued or transferred and delivered to the holder of the Bonds completing the relevant Conversion Notice or his nominee. Such Common Shares will be deemed to be issued or transferred and delivered as of the relevant Conversion Date. Any Additional Common Shares to be issued or transferred and delivered pursuant to Condition 6(c) will be deemed to be issued or transferred and delivered as of the date the relevant Retroactive Adjustment takes effect or as at the date of issue or transfer and delivery of Common Shares if the adjustment results from the issue or transfer and delivery of Common Shares (each such date, the “**Reference Date**”).

(b) Adjustment of Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

- (i) If and whenever there shall be a consolidation, reclassification or subdivision of the Common Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Common Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- B is the aggregate number of Common Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

(ii)

- (A) If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Common Share on the first date on which the Common Shares are traded on the Relevant Stock Exchange ex- the relevant Non-Cash Dividend or, in the case of a purchase, redemption or buy-back of Common Shares or any depositary or other receipts or certificates representing Common Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, the date on which such Common Shares (or depositary or other receipts or certificates) are purchased, redeemed or bought back or, in the case of a Spin-Off, is the Current Market Price of a Common Share on the first date on which the Common Shares are traded ex- the relevant Spin-Off; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Common Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Common Shares entitled to receive the relevant Non-Cash Dividend (or, in the case of a purchase, redemption or buy back of Common Shares or any depositary or other receipts or certificates representing Common Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Common Shares in issue immediately prior to such purchase, redemption or buy back).

Such adjustment shall become effective on the first date on which the Common Shares are traded ex-the relevant Capital Distribution on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Common Shares or any depositary or other receipts or certificates representing Common Shares, on the date such purchase, redemption or buy back is made or, in any such case if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

“Capital Distribution” means any Non-Cash Dividend.

“Non-Cash Dividend” means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

- (B) If and whenever the Issuer shall pay any Extraordinary Dividends to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Extraordinary Dividend by the following fraction:

$$\frac{A - B}{A - C}$$

where:

- A is the Current Market Price of one Common Share on the first date on which the Common Shares are traded ex-the Relevant Dividend on the Relevant Stock Exchange;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Common Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Common Shares entitled to receive the relevant Dividend; and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Fiscal Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Cash Dividends per Common Share paid or made in respect of such Relevant Fiscal Year (where C shall be zero if such previous Cash Dividends per Common Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Fiscal Year). For the avoidance of doubt "C" shall equal the Threshold Amount in respect of the Relevant Fiscal Year where no previous Cash Dividends per Common Share have been paid in such Relevant Fiscal Year.

Such adjustment shall become effective on the first date on which the Common Shares are traded ex-the Relevant Dividend on the Relevant Stock Exchange.

"Extraordinary Dividend" means any Cash Dividend (the **"Relevant Dividend"**) paid or made in respect of a fiscal year of the Issuer (the **"Relevant Fiscal Year"**), if (a) the Fair Market Value of the Relevant Dividend per Common Share or (b) the sum of (i) Fair Market Value of the Relevant Dividend per Common Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Cash Dividend or Cash Dividends per Common Share paid or made in respect of that Relevant Fiscal Year, exceeds the Threshold Amount, and in that case the Extraordinary Dividend is the Relevant Dividend.

"Threshold Amount" means in respect of any Relevant Fiscal Year, the amount per Common Share corresponding to the fiscal year set out below (adjusted *pro rata* for any adjustments to the Conversion Price made pursuant to the provisions of this Condition 6(b)).

	Amount (C\$)
In respect of the fiscal year ending:	
31 December 2007	0.25
31 December 2008	0.29
31 December 2009	0.33
31 December 2010	0.38
31 December 2011	0.44
31 December 2012	0.50

"Cash Dividend" means (i) any Dividend which is to be paid or made in money (in whatever currency), but other than one falling within paragraph (b) of the definition of "Spin-Off" and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend.

- (C) For the purposes of the above, the Fair Market Value of a Cash Dividend shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the first date on which the Common Shares are traded ex- the relevant Cash Dividend on the Relevant Stock Exchange and in the case of a Non-Cash Dividend, the Fair Market Value of the relevant Dividend shall be the Fair Market Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets or money.
- (D) In making any calculations for the purposes of this Condition 6(b)(ii), such adjustments (if any) shall be made as a Financial Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Common Shares or the issue of Common Shares by way of Dividend or any increase in the number of Common Shares in issue in relation to the fiscal year of the Issuer in question, or (ii) any change in the fiscal year of the Issuer.
- (iii) If and whenever the Issuer shall issue Common Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Common Shares, in each case at a price per Common Share which is less than 95 per cent. of the Current Market Price per Common Share on the dealing day immediately preceding the first date on which the Common Shares are traded on the Relevant Stock Exchange ex-options, ex-warrants or ex-rights (the "ex-date") of the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Common Shares in issue at close of business on the dealing day immediately preceding the ex-date;
- B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Common Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Common Share; and
- C is the number of Common Shares issued or, as the case may be, the maximum number of Common Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the date of issue of such Common Shares, options, warrants or other rights.

- (iv) If any Securities (other than Common Shares or options, warrants or other rights to subscribe for or purchase any Common Shares) shall be issued by the Issuer to Shareholders as a class by way of rights or there shall be granted to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Common Shares or options, warrants or other rights to subscribe for or purchase Common Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Common Share on the dealing day immediately preceding the first date on which the Common Shares are traded on the Relevant Stock Exchange ex-rights, ex-options or ex-warrants (the "ex-date"); and
- B is the Fair Market Value on the dealing day immediately preceding the ex-date of the portion of the rights attributable to one Common Share.

Such adjustment shall become effective on the date of issue of the Securities or grant of such rights.

- (v) If and whenever the Issuer shall issue (otherwise than as mentioned in sub-paragraph (b)(iii) above) wholly for cash any Common Shares (other than Common Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Common Shares) at a price per Common Share which is less than 95 per cent. of the Current Market Price per Common Share on the dealing day immediately preceding the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Common Shares in issue immediately before the issue of such Common Shares or the grant of such options, warrants or rights;
- B is the number of Common Shares which the aggregate consideration (if any) receivable for the issue of such Common Shares would purchase at such Current Market Price per Common Share; and
- C is the number of Common Shares to be issued pursuant to such issue of such Common Shares.

Such adjustment shall become effective on the date of issue of such Common Shares or, as the case may be, the date of grant of such options, warrants or rights.

- (vi) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in sub-paragraphs (b)(iii), (b)(iv) or (b)(v) above) shall issue wholly for cash any Securities (other than the Bonds, which term shall for this purpose exclude any Further Bonds), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Common Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Common Shares or shall issue or grant any options, warrants or rights to convert into, purchase or subscribe for Common Shares, and the consideration per Common Share receivable upon conversion, exchange, subscription, purchase or redesignation is less than 95 per cent. of the Current Market Price per Common Share on the dealing day immediately preceding the date of the first public

announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Common Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Common Shares which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Common Shares so issued);
- B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or upon the exercise of any such options, warrants or rights or, as the case may be, for the Common Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Common Share; and
- C is the maximum number of Common Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto or upon exercise of such options, warrants or rights at the initial conversion, exchange, exercise or subscription price or rate or, as the case may be, the maximum number of Common Shares which may be issued or arise from any such redesignation;

provided that if at the time of issue of the relevant Securities or date of issue or grant of such options, warrants or rights (as used in this sub-paragraph (b)(vi) the "Specified Date") such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or conversion are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this sub-paragraph (b)(vi), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Securities or, as the case may be, the grant of such rights.

- (vii) If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) as are mentioned in sub-paragraph (b)(vi) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Common Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Common Share on the dealing day immediately preceding the date of the first public announcement of the proposals for such modification, the Conversion Price shall be

adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Common Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Common Shares which have been issued, less the number of such Common Shares so issued);
- B is the number of Common Shares which the aggregate consideration (if any) receivable for the Common Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Common Share or, if lower, the existing conversion, exchange or subscription price of such Securities; and
- C is the maximum number of Common Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as a Financial Adviser shall consider appropriate for any previous adjustment under this sub-paragraph or sub-paragraph (b)(vi) above;

provided that if at the time of such modification (as used in this sub-paragraph (b)(vii) the "Specified Date") such number of Common Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this paragraph (b)(vii), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such Securities.

- (viii) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under sub-paragraphs (b)(ii), (iii), (v) or (vi) above or (ix) below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Common Share on the relevant dealing day) or under sub-paragraph (b)(iv) above and other than in relation to an Offer or a Plan, as defined in sub-paragraph (b)(ix) below)) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Common Share on the dealing day immediately preceding the date on which the terms of such offer are first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Common Share.

Such adjustment shall become effective on the first date on which the Common Shares are traded ex-rights on the Relevant Stock Exchange.

(ix) If:

- (i) an offer is made to all (or as nearly as may be practicable all) Shareholders to acquire the whole or any part of the issued Voting Securities of the Issuer (an "Offer"); or
- (ii) any person proposes a Plan of Arrangement with regard to such acquisition (other than an Exempt Newco Scheme) (a "Plan");

and (such Offer or Plan having become or been declared unconditional in all respects, or in the case of a Plan, having become effective) more than 50 per cent. of the issued Voting Securities of the Issuer have or will become beneficially owned by any person or persons acting together, or an event occurs which has a like or similar effect or any person or persons acting together acquires more than 50 per cent. of the Voting Securities of the Issuer (a "Change of Control"), then upon any exercise of Conversion Rights where the Conversion Date falls during the period (the "Change of Control Period") commencing on the occurrence of the Change of Control and ending 30 calendar days following the Change of Control or, if later, 30 calendar days following the date on which a Relevant Notice as required by Condition 6(g) is given, the Conversion Price (the "Change of Control Conversion Price") shall be as determined pursuant to the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

- COCCP = means the Change of Control Conversion Price
- OCP = means the Conversion Price in effect on the relevant Conversion Date, disregarding the application of this paragraph (b)(ix)
- CP = means 40 per cent. (expressed as a fraction)
- c = means the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date
- t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date

If a Relevant Event shall occur (other than a Relevant Event that is a consolidation, amalgamation or merger effected in connection with a prior Change of Control), the holder of a Bond shall be entitled to exercise the right (the "Relevant Event Conversion Right") to be treated for all purposes as if such holder had exercised Conversion Rights in respect of such Bond and the relevant Conversion Date had fallen on the last day for the determination of the outstanding Common Share entitled to participate in, or otherwise subject to, the Relevant Event and by reference to a Conversion Price determined pursuant to the above formula as if reference in such formula to "OCP" was a reference to the Conversion Price on the last day on which the Common Shares are capable of being traded on the Relevant

Stock Exchange and reference to “the date the Change of Control occurs” was a reference to the date the Relevant Event becomes effective.

The Relevant Event Conversion Right may be exercised by a Bondholder by delivering (by not later than the second Toronto and Geneva business day prior to the last day of the Relevant Event Period) the relevant Bond to the specified office of any Paying, Transfer and Conversion Agent during its usual business hours, accompanied by a duly completed and signed Conversion Notice in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent. Relevant Event Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Conversion Notice is delivered is located. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

A Conversion Notice, once delivered, shall be irrevocable.

- (x) If the Issuer (after consultation with the Trustee) determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of sub-paragraphs (b)(i) to (ix) above), the Issuer shall, at its own expense and acting reasonably, request a Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph (b)(x) if such Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(b) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by a Financial Adviser to be in its opinion appropriate to give the intended result and provided further that, for the avoidance of doubt, the issue of Common Shares pursuant to the exercise of Conversion Rights shall not result in an adjustment to the Conversion Price.

For the purpose of any calculation of the consideration receivable or price pursuant to sub-paragraphs (iii), (v), (vi) and (vii), the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Common Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Common Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be

deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Common Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement of the terms of issue of such Securities or, as the case may be, such options, warrants or rights, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Common Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Common Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency it shall be converted into the Relevant Currency at the Prevailing Rate on the date of the first public announcement of the terms of issue of such Common Shares or, as the case may be, Securities; and
- (d) in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Common Shares or Securities or options, warrants or rights, or otherwise in connection therewith.

(c) *Retroactive Adjustments*

If the Conversion Date in relation to the conversion of any Bond shall be after the record date or other due date for the establishment of entitlement for any consolidation, reclassification or sub-division as is mentioned in Condition 6(b)(i), or any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6(b)(ii), (iii), (iv) or (viii), or after any such issue or grant as is mentioned in Condition 6(b)(v) and (vi) but falls before the relevant adjustment becomes effective under Condition 6(b) (such adjustment, a “**Retroactive Adjustment**”), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or transferred and delivered to the converting Bondholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Common Shares (if any) (the “**Additional Common Shares**”) as, together with the Common Shares issued or to be transferred and delivered on conversion of the relevant Bond (together with any fraction of a Common Share not so issued), is equal to the number of Common Shares which would have been required to be issued or delivered on conversion of such Bond if the relevant adjustment (more particularly referred to in the said provisions of Condition 6(b)) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date.

(d) *Decision of a Financial Adviser*

If any doubt shall arise as to the appropriate adjustment to the Conversion Price, the Issuer shall consult a Financial Adviser and the written opinion of such Financial Adviser in respect of such adjustment to the Conversion Price shall be conclusive and binding on all parties, save in the case of manifest error.

(e) *Share Option Plans*

No adjustment will be made to the Conversion Price where Common Shares or other Securities (including rights, warrants and options) are issued, transferred, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, consultants, employees or former employees, officers or former officers (including Directors holding or formerly holding executive office or the personal service company of any such person) and Insiders or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to any security based compensation arrangement (as defined under the rules of the Toronto Stock Exchange) that has been approved by Shareholders in a general and/or special meeting.

(f) *Rounding Down and Notice of Adjustment to the Conversion Price*

On any adjustment, the resultant Conversion Price, if not an integral multiple of C\$0.001, shall be rounded down to the nearest whole multiple of C\$0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders in accordance with Condition 17 and the Trustee promptly after the determination thereof.

(g) *Change of Control/Relevant Event*

No later than 15 calendar days following the first public announcement of an Offer or a Plan and within 15 days of the date of such Offer or Plan resulting in a Change of Control or, as the case may be, no later than 15 calendar days following the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 17 (a "Relevant Notice"). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to accept a Bond Repurchase Offer (following a Change of Control or Relevant Event, as the case may be) from the Issuer as provided in Condition 7(e).

The Relevant Notice shall also specify:

- (i) the nature of the proposed Change of Control (or actual Change of Control, as the case may be) or the nature of the Relevant Event;
- (ii) in the case of a Change of Control, the Conversion Price immediately prior to the occurrence of the Change of Control and the Change of Control Conversion Price (on the basis of such Conversion Price) applicable pursuant to Condition 6(b)(ix) during the Change of Control Period and, if different, the Conversion Price for the purposes of determining the Repurchase Price pursuant to Condition 7(e);

- (iii) in the case of a Relevant Event the Conversion Price immediately prior to the occurrence of the Relevant Event and the Conversion Price (or the basis of such Conversion Price) applicable in the case of the exercise by a Bondholder of the Relevant Event Conversion Right pursuant to Condition 6(b)(ix) and, if different, the Conversion Price for the purposes of determining the Repurchase Price pursuant to Condition 7(e);
- (iv) the closing price of the Common Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of such notice;
- (v) in the case of a Relevant Notice given within 15 days of such Offer or Plan resulting in a Change of Control or given in respect of a Relevant Event that is a sale or transfer of all, or substantially all, of the assets of the Issuer, the terms of the Bond Repurchase Offer, including the Repurchase Date and the last day of the Change of Control Period or Relevant Event Period, as the case may be; and
- (vi) such other information relating to the proposed Change of Control (or actual Change of Control, as the case may be) or Relevant Event as the Trustee may reasonably require.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible to Bondholders or any other person for any loss arising from any failure by it to do so.

(h) Procedure for exercise of Conversion Rights

The Conversion Right may be exercised by a Bondholder during the Conversion Period by delivering the relevant Bond to the specified office of any Paying, Transfer and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a "Conversion Notice") in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Conversion Notice is delivered is located. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the "Conversion Date") shall be the second Toronto and Geneva business day following the date of the delivery of the Bonds and the Conversion Notice and, if applicable, the making of any payment to be made as provided below.

A Bondholder exercising a Conversion Right shall be responsible for paying directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any taxes or capital, stamp, issue and registration and transfer taxes and duties payable in Canada (or any province or territory thereof) in respect of the allotment and issue of any Common Shares on such conversion or in respect of the delivery of any Common Shares on such conversion (including any Additional Common Shares), which shall be paid by the Issuer) and such Bondholder shall be responsible for paying all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with such conversion. For the avoidance of doubt, the Trustee shall not be responsible for determining whether such taxes or capital, stamp, issue and registration and transfer taxes and duties are payable or the amount thereof and it shall not be

responsible or liable for any failure by the Issuer to pay such taxes or capital, stamp, issue and registration and transfer taxes and duties.

Common Shares to be issued on exercise of Conversion Rights will be issued, at the option of the Bondholder exercising its Conversion Right as specified in the Conversion Notice, either:

- (a) in "book-entry" form eligible for deposit at The Canadian Depository for Securities Limited ("CDS") (or any successor licensed clearance and settlement facility applicable to the Common Shares), or
- (b) in certificated form registered in the name of or as directed by the Bondholder in the relevant Conversion Notice,

and in the case of (a) the Common Shares will be credited to the CDS Participant account specified in the Conversion Notice, or in the case of (b) the certificate for the Common Shares will be mailed to the relevant Bondholder (at the risk of such Bondholder) to the address specified in the Conversion Notice, or if a Bondholder does not specify a valid CDS Participant account in the Conversion Notice, a certificate for the Common Shares will be mailed to the relevant Bondholder (at the risk of such Bondholder) to the address specified in the Register, in each case by a date which is generally expected to be not later than three Toronto business days after the relevant Conversion Date or, in the case of Common Shares to be delivered pursuant to Condition 6(o), not later than three Toronto business days after the end of the Net Share Settlement Calculation Period. If at any time the Common Shares are listed on any stock exchange other than or in addition to the Toronto Stock Exchange, Common Shares to be issued on conversion of the Bonds (including any Additional Common Shares) may also be delivered in such manner as is customary for shares traded on such stock exchange on which the Common Shares are admitted or listed to trading at such time, or if not admitted or listed for trading on a stock exchange at such time, may be delivered in registered, certificated form.

(i) *Common Shares*

- (i) Common Shares issued or transferred and delivered upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the fully paid Common Shares in issue on the relevant Conversion Date or, in the case of Additional Common Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Common Shares or, as the case may be, Additional Common Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.
- (ii) Save as provided in Condition 6(j), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(j) *Interest on Conversion*

If any notice requiring the redemption of any Bonds is given pursuant to Condition 7(b) or 7(c) on or after the fifteenth calendar day prior to a record date in respect of any Dividend or distribution payable in respect of the Common Shares which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) and where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next

following such record date, interest shall accrue at the applicable Interest Rate on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to, a U.S. dollar account with a bank in New York City in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(k) Legend on Conversion

Where Conversion Rights are exercised prior to 1 October 2007 during a Change of Control Period in accordance with Condition 6(a), then the certificate that is issued representing the Common Shares will bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE 1 OCTOBER 2007.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON TSX.”

If the holder of the Bond or any beneficial purchaser wishes to resell any Common Shares acquired on exercise of Conversion Rights at any time prior to 1 October 2007, they must contact the Issuer, and any such resales must be made in compliance with all applicable laws.

(l) Consolidation, Amalgamation or Merger

Without prejudice to any other provision of these Conditions, in the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing entity), or any sale or transfer of all, or substantially all, of the assets of the Issuer (any such event, a “Relevant Event”), the Issuer will forthwith notify the Bondholders of such event in accordance with Condition 17 and will cause the corporation resulting from such consolidation, amalgamation or merger of the corporation which shall have acquired such assets, as the case may be, to execute a trust deed supplemental to the Trust Deed to ensure that the holder of each Bond then outstanding will have the right (during the period in which such Bond shall be convertible) to convert such Bond, on such terms as a Financial Adviser shall determine to be fair and reasonable (taking into account, if such is the case, that the Conversion Price was not able to be fully adjusted in connection with the Relevant Event pursuant to these Conditions as a result of applicable laws and regulations from time to time (if any), including the rules of the Toronto Stock Exchange), into the class and the amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Common Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer provided, however, that the consideration into which the Bonds will be convertible will be limited to common shares or other prescribed securities (as defined by Regulation 6208 to the Income Tax Act (Canada)) of the resulting corporation as specified by the board of directors of the Issuer. The Issuer will take all steps necessary to ensure that, on a Relevant Event, the Bondholders will receive the aggregate number and value of shares,

other securities or other property to which they are entitled as a result of the Relevant Event and that such shares or securities will be prescribed securities as defined in Regulation 6208 of the Income Tax Act (Canada), which includes shares or securities not redeemable by the holder thereof within 5 years from the issue date of the Bonds. Such supplemental trust deed will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in this Condition 6. The above provisions of this paragraph (l) will apply, *mutatis mutandis*, to any subsequent consolidations, amalgamations, mergers, sales or transfers.

(m) *Purchase or Redemption of Common Shares*

The Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back its own shares (including Common Shares) or any depositary or other receipts or certificates representing the same without the consent of the Bondholders.

(n) *No duty to Monitor*

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible or liable to the Bondholders for any loss arising from any failure by it to do so.

(o) *Net Share Settlement*

The Issuer may make an election from time to time (a "Net Share Settlement Election"), by giving prior notice (a "Net Share Settlement Notice") to the Trustee and to the Bondholders in accordance with Condition 17, to satisfy the exercise of Conversion Rights by a Bondholder relating to any Bonds held by such holder and in respect of which the Conversion Date falls on or after the Election Date specified in such Net Share Settlement Notice and prior to the Revocation Date specified in any subsequent notice of revocation (a "Notice of Revocation") of such Net Share Settlement Election as provided below by:

- (i) paying to the relevant Bondholder the Cash Conversion Amount; and
- (ii) delivering to the relevant Bondholder the Net Shares.

The Issuer shall pay the Cash Conversion Amount by not later than the fifth New York City business day following the end of the Net Share Settlement Calculation Period by transfer to a U.S. dollar account with a bank in New York City specified by the relevant Bondholder in the relevant Conversion Notice.

The Conversion Shares shall be delivered as provided in Condition 6(h).

"Cash Conversion Amount" means the sum of the Daily Cash Conversion Amounts as determined in respect of each dealing day in the Net Share Settlement Calculation Period.

"Converted Bonds" means the aggregate principal amount of the Bonds held by a Bondholder and in respect of the relevant Conversion Rights shall have been exercised.

"Daily Cash Conversion Amount" means, in respect of a dealing day, the lesser of (i) an amount equal to one-thirtieth of the Converted Bonds and (ii) the Daily Conversion Value in respect of such dealing day translated into U.S. dollars at the Prevailing Rate on such dealing day (rounded, if necessary to five decimal places, with 0.000005 being rounded up).

"Daily Conversion Value" means, in respect of any dealing day, the amount determined in accordance with the following formula:

$$\frac{ROS \times VWAP}{30}$$

where

ROS means the Reference Common Shares

VWAP means the Volume Weighted Average Price of a Common Share on such dealing day

“Daily Net Shares” means in respect of any dealing day in respect of which the Daily Conversion Value exceeds one-thirtieth of the Converted Bonds (with the Converted Bonds for such purpose being translated into Canadian dollars at the Prevailing Rate on such dealing day), the number of Common Shares determined in accordance with the following formula (rounded if necessary to five decimal places, with 0.000005 being rounded up):

$$\frac{A}{VWAP}$$

where

A means the Daily Conversion Value on such dealing day minus one-thirtieth of the Converted Bonds (with the Converted Bonds for such purpose being translated into Canadian dollars at the Prevailing Rate on such dealing day).

VWAP means the Volume Weighted Average Price of a Common Share on such dealing day.

“Election Date” means the date specified as such in a Net Share Settlement Notice and which shall not be earlier than ten nor later than fifteen days after the date such notice is given.

“Net Share Settlement Calculation Period” means the period of 30 consecutive dealing days commencing on and including the dealing day immediately following the relevant Conversion Date (or the next dealing day if such Conversion Date is not a dealing day).

“Net Shares” means the sum of the Daily Net Shares (if any) determined in respect of each dealing day in the Net Share Settlement Calculation Period, rounded down, if necessary, to the nearest whole number.

“Reference Common Shares” means, in respect of the exercise of Conversion Rights, the number of Common Shares determined by dividing the Converted Bonds by the Conversion Price in effect on the relevant Conversion Date, rounded down, if necessary, to the nearest whole number.

“Revocation Date” means the date specified as such in a Notice of Revocation and which shall not be earlier than ten nor later than fifteen days after the date such notice is given.

(p) *Additional Cash Amount*

If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Bondholder, and a Net Share Settlement Election was in effect on the relevant Conversion Date, the Issuer shall pay to the relevant Bondholder an additional amount (the “Additional Cash Amount”) equal to the Volume Weighted Average Price on the Reference Date of such number of Common Shares equal to that by which the number of Reference Common Shares would have been increased if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date, converted into U.S. dollars at the Prevailing Rate on the relevant Reference Date.

The Issuer will pay the Additional Cash Amount not later than seven days following the Reference Date by transfer to a U.S. dollar account maintained with, a bank in New York City in accordance with instructions contained in the relevant Conversion Notice.

(q) Minimum Conversion Price

Without prejudice to Condition 7(e), the Conversion Price shall not be reduced below the level permitted by applicable laws and regulations from time to time (if any), including the rules of the Toronto Stock Exchange and the Issuer undertakes not to take and agrees to procure that no Subsidiary shall take or approve or consent to any action that would or might reasonably be expected to give rise to an adjustment of the Conversion Price pursuant to Condition 6(b)(i) to (viii) or (x) to below such level (unless, where applicable, exempted by the Toronto Stock Exchange, and so that such adjustment may be made in full pursuant to these Conditions).

The Issuer undertakes to take reasonable steps to obtain any exemption, permission or consent to make any adjustment to the Conversion Price pursuant to these Conditions.

As at the Closing Date, the Issuer was subject to the regulations of the Toronto Stock Exchange and pursuant to these regulations the initial Minimum Conversion Price is C\$34.60, being the volume weighted average price of the Common Shares for the five dealing days prior to 9 May 2007 (the date on which the Issuer notified the Toronto Stock Exchange of the issue of the Bonds), less a discount of 15 per cent.

7 Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(b) or 7(c).

(b) Redemption at the Option of the Issuer

On giving not less than 45 nor more than 60 days' notice (an "Optional Redemption Notice") to the Trustee and to the Bondholders (which notice shall be irrevocable) in accordance with Condition 17, the Issuer may redeem all but not some only of the Bonds on the date (the "Optional Redemption Date") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date:

- (i) at any time on or after 20 June 2010, if the Parity Value on each of at least 20 consecutive dealing days ending not earlier than 5 days prior to the giving of the Optional Redemption Notice shall have been at least U.S.\$260,000; or
- (ii) if, at any time prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds); or
- (iii) within the period of 45 days after the end of the Change of Control Period; or
- (iv) within the period of 45 days following a Relevant Event that is a sale or transfer of all, or substantially all, of the assets of the Issuer.

(c) *Redemption for Taxation Reasons*

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders (which notice shall be irrevocable) redeem (subject to the second following paragraph) all, and not some only, of the Bonds on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer certifies to the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts in respect of payments on Bonds pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Canada or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above which shall be conclusive and binding on the Bondholders.

On the Tax Redemption Date, the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued interest to such date.

If the Issuer gives a notice of redemption pursuant to this Condition 7(c), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment to be made on such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts on the Bonds shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by Canada or any political subdivision or any authority thereof or therein having power to tax. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent together with the relevant Bonds on or before the day falling 15 days prior to the Tax Redemption Date.

(d) *Optional and Tax Redemption Notices*

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Common Shares as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

(e) *Bond Repurchase Offer*

Following the occurrence of a Change of Control or a Relevant Event that is a sale or transfer of all, or substantially all, of the assets of the Issuer, the Issuer shall in the Relevant Notice make an offer (a “**Bond Repurchase Offer**”) to the Bondholders to purchase all of the Bonds then outstanding at the Repurchase Price together with accrued interest to the Repurchase Date.

To accept such Bond Repurchase Offer, the holder of a Bond must deliver a duly completed and signed notice of acceptance, in the form for the time being current, obtainable from the specified office of the Principal Paying, Transfer and Conversion Agent (a “**Repurchase Acceptance Notice**”) at any time in the Change of Control Period or, as the case may be, the Relevant Event Period. The “**Repurchase Date**” shall be the 14th calendar day after the expiry of the Change of Control Period or, as the case may be, the Relevant Event Period.

Payment in respect of any such Bond shall be made by transfer to a U.S. dollar account with a bank in New York City specified by the relevant Bondholder in the Repurchase Acceptance Notice.

A Repurchase Acceptance Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of the Repurchase Acceptance Notices delivered as aforesaid on the Repurchase Date.

“**Relevant Event Period**” means the period commencing on the occurrence of a Relevant Event and ending 30 calendar days following the Relevant Event or, if later, 30 calendar days following the date on which the Relevant Event Notice is given.

“**Repurchase Price**” means, in respect of a Bond:

- (i) if the Conversion Price is not able to be fully adjusted pursuant to Condition 6(b)(ix) in relation to the Change of Control or, as the case may be, the Relevant Event that is a sale or transfer of all, or substantially all, of the assets of the Issuer as a result of applicable laws and regulations from time to time (if any), including the rules of the Toronto Stock Exchange, the higher of:
 - (A) the principal amount of such Bond; and
 - (B) the amount (the “**adjusted principal amount**”) determined in accordance with the following formula:

$$APA = \sum_{n=1}^N \frac{1}{N} \times S \times VWAP$$

where:

- APA is the adjusted principal amount.
- N is 5, being the number of days in the Repurchase Price Calculation Period.
- VWAP is the Volume Weighted Average Price of a Common Share on the nth dealing day in the Repurchase Price Calculation Period.
- S is the number of Common Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of such Bond by the Conversion Price in effect on the last day of the Change of Control Period or, in the case of a Relevant Event, on the last day on which the Common Shares are capable of being traded on the Relevant Stock

Exchange, with the Conversion Price for this purpose being determined in accordance with the provisions of Condition 6(b)(ix) notwithstanding that this would otherwise be at a level below that permitted by the Toronto Stock Exchange for the purposes of determining the number of Common Shares deliverable upon exercise of Conversion Rights pursuant to Condition 5(a);

or

- (ii) if the Conversion Price is able to be fully adjusted pursuant to Condition 6(b)(ix) in relation to the Change of Control or, as the case may be, the Relevant Event that is a sale or transfer of all, or substantially all, of the assets of the Issuer, the principal amount of such Bond.

“Repurchase Price Calculation Period” means the period of 5 consecutive dealing days commencing on the dealing day following the end of the Change of Control Period or, as the case may be, the Relevant Event Period.

(f) Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall, subject to compliance with applicable laws and regulations, be made available to all Bondholders alike.

(g) Cancellation

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries shall be surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation and may not be reissued or re-sold.

(h) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice of acceptance of a Bond Repurchase Offer given by a Bondholder pursuant to Condition 7(e) shall prevail over any other notice of redemption given pursuant to this Condition 7, whether given before, after or at the same time as any notice of acceptance of a Bond Repurchase Offer under Condition 7(e), and the Issuer shall make a Bond Repurchase Offer notwithstanding that it may have given a notice of redemption pursuant to Condition 7(b) or (c) and in such case, the Optional Redemption Date or Tax Redemption Date shall be postponed to the 14th calendar day after the expiry of the Change of Control Period or, as the case may be, the Relevant Event Period.

8 Payments

(a) Principal

Payment of principal in respect of the Bonds and accrued interest payable on a redemption of the Bonds other than on an Interest Payment Date will be made to the persons shown in the Register at the close of business on the Record Date and subject to the surrender of the Bonds at the specified office of the Registrar or of any of the Paying, Transfer and Conversion Agents.

(b) Interest and other Amounts

- (i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.
- (ii) Payments of all amounts other than as provided in Condition 8(a) and (b)(i) will be made as provided in these Conditions.

(c) Record Date

"Record Date" means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

(d) Payments

Each payment in respect of the Bonds pursuant to Condition 8(a) and (b)(i) will be made by transfer to a U.S. dollar account with a bank in New York City as notified to the Registrar by the relevant Bondholder by no later than the relevant Record Date.

The Issuer will not be required to make any such payment in respect of the Bonds until 6 business days after the Bondholder has provided the necessary account details for payment in accordance with this Condition 8(d).

(e) Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(f) Delay in payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day, (ii) if the Bondholder is late in surrendering the relevant Bond or (iii) if the Bondholder does not provide the necessary account details for payment in accordance with these Conditions.

(g) Business Days

In this Condition, **"business day"** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business, in New York City and Toronto and (where such surrender is required by these Conditions) in the place of the specified office of the Registrar or relevant Paying, Transfer and Conversion Agent, to whom the relevant Bond is or surrendered.

(h) Paying, Transfer and Conversion Agents, etc.

The initial Paying, Transfer and Conversion Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or the Registrar and appoint additional or other Paying, Transfer and Conversion Agents or Registrar, provided that it will (i) maintain a Principal Paying, Transfer and Conversion Agent or another Registrar, (ii) maintain Paying, Transfer and Conversion Agents having specified offices in at least two major European cities including, for so long as the Bonds are admitted to the Official List of the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **"UK Listing Authority"**) and admitted to trading on the

London Stock Exchange plc (the "LSE") and the rules of the UK Listing Authority and/or the LSE so require, a Paying, Transfer and Conversion Agent having a specified office in London, (iii) a Paying, Transfer and Conversion Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (v) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(i) *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

9 Taxation

All payments made by or on behalf of the Issuer in respect of the Bonds will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Bond:

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Canada otherwise than merely by holding the Bond; or
- (b) (in the case of a payment on redemption) if the Bond is surrendered more than 30 days after the Relevant Date, or in any case if the relevant Bondholder does not provide the necessary account details for payment in accordance with these Conditions within 24 days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amount had the Issuer been obliged, following the surrendering of the Bond (in the case of payment on redemption) and providing the necessary account details for payment in accordance with these Conditions, to make the payment on the last day of the period of 30 days following the Relevant Date; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law (whether or not of a Member State of the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Paying, Transfer or Conversion Agent.

References in these Conditions and the Trust Deed to principal, Repurchase Price and/or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

This Condition 9 shall not apply in respect of payments on any Bonds which are the subject of an election by the relevant Bondholder pursuant to Condition 7(c) (*Redemption for Taxation Reasons*).

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall (subject in each case to being indemnified and/or secured to its satisfaction and provided that in the case of paragraphs (b), (d) or (e) and, in relation to a Principal Subsidiary only, paragraphs (f), (g), (h) and (j) the Trustee shall have certified to the Issuer that in its opinion such event is materially prejudicial to the interests of the Bondholders), give notice to the Issuer that the Bonds are, and they shall accordingly thereby immediately become, due and repayable at their principal amount together with accrued interest if any of the following events (each an "Event of Default") shall have occurred:

- (a) default is made for more than 10 days in the payment on the due date of any amount payable in respect of any of the Bonds; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (including a failure to make a Bond Repurchase Offer) and (unless in the opinion of the Trustee, certified in writing to the Issuer, the default is incapable of remedy) is not remedied within 30 days (or such longer period as the Trustee may permit) after the Issuer shall have received from the Trustee written notice of such default requiring it to be remedied; or
- (c)
 - (i) any other present or future indebtedness for borrowed money of the Issuer or any Subsidiary of the Issuer becomes due and payable prior to its stated maturity by reason of an event of default (however described); or
 - (ii) any such indebtedness is not paid when due or within any originally applicable grace period; or
 - (iii) the Issuer or any Subsidiary of the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for borrowed money,

and the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$25,000,000 (or its equivalent in other currencies). For the purposes of this paragraph (c), "indebtedness for borrowed money" shall exclude Project Finance Indebtedness; or

- (d) a distress, attachment, execution or other legal process is levied or enforced on or against all or any substantial part of the property, assets or revenues of the Issuer or any Principal Subsidiary of the Issuer which is not discharged, removed, stayed or paid within 30 days; or
- (e) any mortgage, charge, pledge, lien or other encumbrance or security interest, present or future, created or assumed by the Issuer or any Principal Subsidiary of the Issuer becomes enforceable and steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator or other similar person); or

- (f) the Issuer or any Principal Subsidiary of the Issuer (i) is or states that it is insolvent or unable to pay its debts, (ii) stops, suspends or threatens to stop or suspend payment of all or substantially all of its indebtedness, or (iii) makes or enters into a general assignment or an arrangement, reorganisation or composition or compromise with or for the benefit of its creditors (other than in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation permitted under paragraph (i)); or
- (g) an order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer or any Principal Subsidiary of the Issuer; or
- (h) the Issuer or any Principal Subsidiary of the Issuer ceases or threatens to cease to carry on the whole or substantially the whole of its business (other than in the case of a Principal Subsidiary, as a result of a *bona fide* disposal of such business or its assets) except for the purposes of and in connection with a Newco Scheme and except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary of the Issuer, where that Principal Subsidiary is solvent or its undertaking and assets are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer; or
- (i) a final judgment or judgments of a court or courts of competent jurisdiction for the payment of money aggregating in excess of U.S.\$25,000,000 (or its equivalent in the relevant currency of payment) are rendered against the Issuer or any Principal Subsidiary of the Issuer and which judgments are not bonded, discharged or stayed pending appeal within 60 days (or such longer period as the Trustee may permit) after the Latest Date, or are not discharged within 60 days (or such longer period as the Trustee may permit) after the later of the expiration of such stay and the Latest Date; or
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any substantial part of the assets of the Issuer or any Principal Subsidiary of the Issuer; or
- (k) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) above.

“Latest Date” means the latest of (i) the entry of such judgment; (ii) if such judgment specifies a date by which it must be satisfied, the date so specified; and (iii) the time allowed or specified under applicable law for such judgment to be bonded, discharged or stayed pending appeal.

11 Undertakings

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- (a) not modify the rights attaching to the Common Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Common Shares but so that nothing in this Condition 11(a) shall prevent:
 - (i) any consolidation, reclassification or subdivision of the Common Shares; or
 - (ii) any modification of such rights which is not, in the opinion of a Financial Adviser, materially prejudicial to the interests of the holders of the Bonds; or
 - (iii) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(f) relating to the carry forward of adjustments

or the fact that the consideration per Common Share receivable therefore is at least 95 per cent. of the Current Market Price per Common Share, otherwise result, in an adjustment to the Conversion Price; or

- (iv) any issue of equity share capital or modification of rights attaching to the Common Shares, where prior thereto the Issuer shall have instructed a Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in an decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);
- (b) procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Common Shares shall subsequently be granted such rights exercisable at a consideration per Common Share which is less than 95 per cent. of the Current Market Price per Common Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Common Shares of differing nominal values, save where such Common Shares have the same economic rights;
- (c) not reduce its issued share capital, except:
 - (i) pursuant to the terms of issue of the relevant share capital; or
 - (ii) by means of a purchase or redemption of share capital of the Issuer to the extent permitted by applicable law; or
 - (iii) where the reduction does not involve any distribution of assets; or
 - (iv) pursuant to a Newco Scheme or a Spin-off; or
 - (v) where the reduction is permitted by applicable law and the Trustee is advised by a Financial Adviser, acting as an expert, that the interests of the Bondholders will not be materially prejudiced by such reduction; or
 - (vi) where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 6(f) relating to the carry forward of adjustments, result in) an adjustment to the Conversion Price,

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as they may from time to time enjoy pursuant to applicable law to purchase its Common Shares and any depositary or other receipts or certificates representing Common Shares without the consent of Bondholders;

- (d) if any Offer is made or if any Plan is proposed, give notice of such Offer or Plan to the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such Offer or Plan may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an Offer or Plan has been recommended by the board of directors of the Issuer, or where such an Offer has become or been declared unconditional in all respects or has become effective, use all reasonable endeavours to procure that a like Offer or Plan is

extended to the holders of any Common Shares issued during the period of the Offer or Plan arising out of the exercise of the Conversion Rights by the Bondholders;

- (e) in the event of a Newco Scheme the Issuer shall take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) immediately after completion of the Plan of Arrangement (i) such amendments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged for common shares in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed and (ii) the common shares of Newco are:
 - (A) admitted to listing on the Relevant Stock Exchange; or
 - (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market;
- (f) use its best endeavours to ensure that the Common Shares issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Common Shares may then be listed or quoted or dealt in;
- (g) not change the jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject generally unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Bonds;
- (h) if there is a change in the Relevant Stock Exchange, notify the Trustee and the Bondholders in accordance with Condition 17 by not later than 7 days after the commencement of the relevant Semi-Annual Period; and
- (i) for so long as any Bond remains outstanding and subject to the occurrence of a Change of Control, use its reasonable endeavours to ensure that (i) its issued and outstanding Common Shares shall be admitted to listing and to trading on the Toronto Stock Exchange or such other regulated stock exchange located in a major financial centre on which the Common Shares are primarily listed and (ii) it remains a "reporting issuer" or the like for purposes of applicable Canadian securities laws of at least one province where it has that designation on the Closing Date.

The Issuer has undertaken in the Trust Deed to deliver to the Trustee annually a certificate of the Issuer, as to there not having occurred an Event of Default or Potential Event of Default since the date of the last such certificate or if such event has occurred as to the details of such event. The Trustee will be entitled to rely on such certificate and shall not be obliged to independently monitor compliance by the Issuer with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or Repurchase Price) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment and thereafter any principal, interest or other sums payable in respect of such Bonds shall be forfeited and revert to the Issuer.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13 Replacement of Bonds

If any Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying, Transfer and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

14 Meetings of Bondholders, Modification and Waiver, Substitution

(a) *Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds (other than deferring the earliest date on which the Bonds may be redeemed pursuant to Condition 7(b)(i)) or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds or modifying or cancelling the Conversion Rights, (iii) to modify or cancel the Conversion Rights, other than pursuant to or as a result of any amendments to these Conditions and the Trust Deed made pursuant to and in accordance with the provisions of Condition 11(g) ("Newco Scheme Modification"), (iv) to modify the provisions concerning the making of a Bond Repurchase Offer; (v) to increase the Conversion Price other than in accordance with these Conditions, (vi) to change the currency of any payment in respect of the Bonds, (vii) to change the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), or (viii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed). An Extraordinary Resolution is a resolution in respect of which not less than three-quarters of the votes cast shall have been in favour at a meeting of Bondholders duly convened and held in accordance with the Trust Deed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

No consent or approval of Bondholders shall be required in connection with any Newco Scheme Modification.

(b) *Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bond or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine that any Event of Default or a Potential Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders promptly in accordance with Condition 17.

(c) *Substitution*

The Trustee may, without the consent of the Bondholders, agree with the Issuer to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer subject to (a) the Bonds being unconditionally and irrevocably guaranteed by the Issuer and (b) the Bonds continuing to be convertible or exchangeable into Common Shares as provided in these Conditions *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 17.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

15 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any

such proceedings or any other action in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

16 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants (including the Auditors), financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under a condition hereof or any provision of the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

17 Notices

All notices regarding the Bonds will be valid if published in a leading daily newspaper having circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of such first publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

So long as the Bonds are represented by a Global Bond and such Global Bond is held on behalf of a clearing system, and where the rules of the London Stock Exchange plc so permit, notices to Bondholders shall be given by delivery of the relevant notice to such clearing system for communication by them to their respective accountholders instead of in accordance with Condition 17.

18 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue. Any further notes, bonds or debentures consolidated and forming a single series with the outstanding notes, bonds

or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds or debentures of other series in certain circumstances where the Trustee so decides.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 (United Kingdom).

20 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Agency Agreement and the Bonds are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds ("Proceedings") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer has irrevocably appointed AOG Advisory Services Ltd at its registered office for the time being, currently at 66 Warwick Square, London SW1V 2AL as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

This Deed is delivered on the date stated at the beginning by

ADDAX PETROLEUM CORPORATION, a company incorporated
in Canada

By: **MICHAEL EBSARY**

By: **CRAIG KELLY**

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

By: **JULIAN MASON JEBB**

By: **DAI TAKEKAWA**