

HEBRON BENEFITS AGREEMENT

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND

LABRADOR

AND

CHEVRON CANADA LIMITED

AND

EXXONMOBIL CANADA PROPERTIES

AND

EXXONMOBIL CANADA LTD.

AND

STATOILHYDRO CANADA LTD.

AND

PETRO-CANADA

AND

OIL AND GAS CORPORATION OF NEWFOUNDLAND AND LABRADOR INC.

August 20th, 2008

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HEBRON BENEFITS AGREEMENT

THIS HEBRON BENEFITS AGREEMENT (the "Agreement") dated as of August 20th, 2008 is made by and between each of the following:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR;

CHEVRON CANADA LIMITED, a body corporate, existing under the laws of Canada, having its head office in the City of Calgary, in the Province of Alberta ("Chevron");

EXXONMOBIL CANADA PROPERTIES, a general partnership, formed and existing under the laws of the Province of Alberta, having its head office in the City of Calgary, in the Province of Alberta ("ExxonMobil");

EXXONMOBIL CANADA LTD., a body corporate, incorporated under the laws of Canada, having its head office in the City of Calgary, in the Province of Alberta and a partner in ExxonMobil ("EMC");

STATOILHYDRO CANADA LTD., a body corporate, amalgamated under the laws of Alberta, having its head office in the City of Calgary, in the Province of Alberta ("StatoilHydro");

PETRO-CANADA, a body corporate, incorporated under the laws of Canada, having its head office in the City of Calgary, in the Province of Alberta ("Petro-Canada"); and

OIL AND GAS CORPORATION OF NEWFOUNDLAND AND LABRADOR INC., a body corporate, incorporated under the laws of the Province of Newfoundland and Labrador ("OilCo").

RECITALS

- A. The Provincial Accord Act and the Federal Accord Act provide that before the start of any work program for exploration or field development, a plan must be submitted that is satisfactory to the Board for the employment of Canadians and, in particular, members of the provincial labour force and for providing manufacturers, consultants, contractors and service companies in the Province and other parts of Canada with a full and fair opportunity to participate in the supply of goods and services used in that work or activity; and
- B. In its review of any Canada and Newfoundland and Labrador benefits plan the Board seeks to ensure that first consideration is given to services provided from within the Province and to goods manufactured in the Province, where such goods and services are competitive in terms of fair market price, quality and delivery. The Board also requires that any such plans include particular provisions, consistent with the Canadian Charter of Rights and Freedoms, to ensure that Residents of the Province are given first

consideration for training and employment opportunities in the work program for which the plan is submitted;

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration and in consideration of the premises and the mutual and other covenants and agreements herein contained, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions.

In this Agreement, unless expressly stated to the contrary or the context otherwise requires:

- (A) “Accommodations Module” has the meaning it is given in Section 5.5(C).
- (B) “Accord Acts” means the Federal Accord Act and the Provincial Accord Act.
- (C) “Acquisition Agreement” means the agreement among the Proponents dated the Effective Date and titled “Hebron Acquisition Agreement”.
- (D) “Affiliate” has the same meaning as the words “affiliated persons” in section 251.1 of the Income Tax Act (Canada).
- (E) “Agreement”, “this Agreement” or “the Agreement” means this agreement including all Exhibits attached hereto.
- (F) “Assignment” means an assignment, transfer or other disposition (including a distribution in the course of a winding-up).
- (G) “Benefits Plan” means a Canada-Newfoundland and Labrador benefits plan submitted by the Operator on behalf of the Proponents to the Board under Section 45 of the Accord Acts.
- (H) “Board” means the Canada-Newfoundland and Labrador Offshore Petroleum Board established pursuant to the Accord Acts.
- (I) “BASC” means Bull Arm Site Corporation, a body corporate duly organized and existing under the laws of the Province, and having a head office at the City of St. John’s, in the Province, or any successor owner of the leasehold interest in the Bull Arm Site.
- (J) “Bull Arm Site” means the property (including water lot area) described in Exhibit “E”.

- (K) “Business Day” means any day other than a Saturday, Sunday or a statutory holiday in Calgary, Alberta or St. John's, Newfoundland and Labrador.
- (L) “Canada” means Her Majesty the Queen in Right of Canada or the geographical territory of Canada as the context may require.
- (M) “Claims” includes claims, demands, complaints, actions, suits, causes of action, assessments or reassessments, charges, judgments, debts and liabilities, whether contingent or otherwise.
- (N) “Detailed Engineering” means all detailed engineering and design and associated project management which, with respect to a project similar in nature and scope to the Hebron Project would customarily be performed after Project Sanction, including engineering and design related to: all specifications; 3-D models and drawings; plans and documents for construction, installation and commissioning, operations and maintenance; material take offs, data sheets and purchase order technical requirements; and spares lists.
- (O) “Development Plan” means the first development plan for the Hebron Project (including any amendments thereto other than amendments that involve a fundamental change in the scope of the Hebron Project) submitted to and approved by the Board pursuant to the Accord Acts.
- (P) “Disadvantaged Groups” means disadvantaged individuals or groups of individuals, including aboriginal groups, persons with disabilities, members of visible minorities and other individuals and groups recognized by the Board as being disadvantaged in the context of Benefits Plan requirements (other than women as a distinct group), but does not include women who are not members of these disadvantaged groups.
- (Q) “Dispute” has the meaning it is given in Section 8.1.
- (R) “Dispute Resolution Procedure” means the dispute resolution procedure set forth in Exhibit “B”.
- (S) “Education and Training” shall include expenditures for any or all of the following:
 - (1) support for the establishment and/or maintenance of education and training infrastructure and programs in the Province;
 - (2) support for technology transfer including the advancement of trades, technical and engineering training and on the job training, including orientation and training for women and Disadvantaged Groups in the Province;

- (3) support for chairs and fellowships in the Province;
- (4) scholarships and work terms including those for Residents of the Province who may study or work outside the Province; and
- (5) all training and engineering assignments directly associated with the Hebron Project for Residents of the Province undertaken outside the Province;

provided that expenditures associated with wages and salaries of employees engaged in specific job training and regulatory training requirements are not considered to be an eligible category of expenditure.

(T) “Effective Date” means the first date indicated on the first page of this Agreement.

(U) “Fabrication” shall include:

- (1) preparation, welding and assembly of structural materials and piping, including pipe spools;
- (2) installation of structural materials and piping, including pipe spools;
- (3) installation of electrical, instrumentation, communications, heating, ventilating and air conditioning systems, mechanical equipment, insulation and architectural finishes;
- (4) provision of management and administration to support the contractors' and subcontractors' work;
- (5) integration of prefabricated skids and other prefabricated subcomponents; and
- (6) all infrastructure and temporary works supporting anything described in paragraphs (U)(1) to (5).

(V) “Federal Accord Act” means the *Canada-Newfoundland Atlantic Accord Implementation Act*, S.C. 1987, c. 3, as amended, from time to time, and includes the regulations made and, from time to time, in force under that act.

(W) “FEED” means all front end engineering and design and associated project management activities which, with respect to a project similar in nature and scope to the Hebron Project would customarily be performed prior to Project Sanction, and consists of the preliminary engineering, design and related work that narrows the alternatives in the physical configuration of

certain Project Assets, develops enough detail to define the facilities required and support the estimate for Project Sanction, supports the procurement of any long-lead equipment and material and may support tendering for post-Project Sanction activities.

- (X) “Fiscal Agreement” means the agreement between the Proponents and the Province dated the Effective Date and titled “Hebron Fiscal Agreement”.
- (Y) “Force Majeure” means any act or event that prevents the affected Party from performing its obligations under this Agreement, provided such act or event is beyond the reasonable control of the affected Party and such Party has been unable to overcome such act or event by the exercise of due diligence. Acts or events of force majeure hereunder include strikes and other labour disturbances, acts of God, storms, fires, floods, epidemics, explosions, earthquakes, lightning, riots, insurrections, acts of war and acts of Governmental Authorities subsequent to the date of this Agreement, provided that the effect of such event of force majeure must continue for a period of time of not less than forty-eight (48) hours. Explicitly excluded as force majeure events are: (i) shortage of necessary labour; (ii) an inability to obtain supplies, labour or other services; (iii) lack of finances or changes in economic circumstances of a Proponent; and (iv) any act or event which merely results in the performance of the obligations hereunder being at a cost to the affected Party greater than that which would, but for the occurrence of the act or event, have been incurred by such Party.
- (Z) “Formal Agreements” means this Agreement, the Acquisition Agreement and the Fiscal Agreement, collectively.
- (AA) “GBS” means the stand-alone reinforced concrete gravity-base sub-structure to be constructed for the Hebron Project, as generally identified in Exhibit “D”, the purpose of which is to support the topsides, resist environmental loads and store produced oil prior to shipping.
- (BB) “Gender Equity and Diversity Program” has the meaning given to it in Section 5.11.
- (CC) “Governmental Authority” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation (but specifically excludes OilCo and its Affiliate corporations), court, board, tribunal or dispute settlement panel or body:
 - (1) having jurisdiction over the Hebron Project; or

- (2) exercising, or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over the Hebron Project or any of the Proponents specifically in relation to the Hebron Project.
- (DD) “Hebron Project” means the initial development project using the GBS for the: (i) exploration, development and production of oil from the Lands, excluding any subsea development; (ii) ancillary thereto, the production of gas from the Lands, excluding any subsea tie-back, for use solely for the purpose of production of oil from the Lands, not for commercial production or sale; and (iii) the ownership, construction, operation, maintenance, decommissioning and abandonment of all the assets in which the Proponents hold an undivided interest in relation to such activities.
- (EE) “Income Tax Act (Canada)” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1, as amended from time to time.
- (FF) “Lands” means the lands described in Exhibit “A”.
- (GG) “Minister” means the Minister of Natural Resources in and for the Province.
- (HH) “NL Project Team” means those members of the project team to be established by the Operator in relation to the Hebron Project who are located in the Province.
- (II) “Offshore Area” means the “offshore area” as defined in the Accord Acts.
- (JJ) “Operator” means the Proponent designated by the Proponents as operator in relation to any project developed on the Lands.
- (KK) “Option to Lease Agreement” means the option to lease agreement entered into on the Effective Date between BASC, the Province and the Operator.
- (LL) “Participating Interest” means an undivided share of a Proponent in the Lands as determined by agreements between the Proponents.
- (MM) “Parties” means the parties to this Agreement and "Party" means any one of those parties.
- (NN) “Person” means a natural person, firm, trust, partnership, association, corporation, unincorporated organization, union, government or government agency.
- (OO) “Person Hours” means hours spent by any person doing work on the Hebron Project.

- (PP) “Production Licence” means a production licence issued by the Board.
- (QQ) “Production Start-Up” means the date upon which the cumulative amount of oil transferred at the loading point of the Hebron Project exceeds 3 million (3,000,000) barrels.
- (RR) “Project Assets” means the assets in which the Proponents acquire an undivided interest in relation to the Hebron Project.
- (SS) “Project Sanction” shall be the date on which the Proponents execute the project authorization for expenditure sanctioning the Hebron Project to proceed.
- (TT) “Proponents” means, collectively, Chevron, ExxonMobil (including EMC in its capacity as a partner in ExxonMobil), Petro-Canada, StatoilHydro, OilCo and any successors to, or permitted assigns of, the Participating Interests of any of those Persons, and "Proponent" means any one of those Proponents.
- (UU) “Province” means the Province of Newfoundland and Labrador, Her Majesty the Queen in Right of the Province of Newfoundland and Labrador, or the geographical territory of the Province of Newfoundland and Labrador, as the context may require.
- (VV) “Provincial Accord Act” means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, R.S.N.L. 1990, c. C-2, as amended, and includes the regulations made and, from time to time, in force under that act.
- (WW) “Research and Development” means any scientific research and experimental development recognized under the Income Tax Act (Canada), or the Income Tax Act (Canada) regulations and that is:
- (1) research and development activity in the Province;
 - (2) increased research and development capacity in the Province;
 - (3) Education and Training,
- and, in respect of research and development referenced in (1) and (2) above, includes the systematic investigation or search that is carried out in a field of science or technology by means of experiment or analysis and that is:
- (a) basic research,
 - (b) applied research, or

(c) experimental development,

including, in respect of such systematic investigation or search:

(d) work undertaken with respect to engineering, design, operations research, mathematical analysis, computer programming, data collection, testing or psychological research, where the work is commensurate with needs, and directly in support, of work described in (a), (b) and (c) of this definition that is undertaken in the Province.

In addition to the elements included in the above definition, research and development may extend beyond science and technology to include research in such areas as fiscal regimes, business models and socio-economic and environmental matters where the Board permits such inclusion.

In addition to other elements included in this definition, research and development may include local investments in new and evolving technologies in the Province where the Board permits such inclusion.

(XX) “Residents of the Province” means persons who meet the residency requirements of the Board, as determined by the Board from time to time.

(YY) “Topsides Components” has the meaning it is given in Section 5.5(B).

(ZZ) “Utilities/Process Module” has the meaning it is given in Section 5.5(D).

1.2 Divisions and Headings.

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect or be considered in the construction or interpretation of this Agreement.

1.3 Incorporation of Exhibits.

Exhibits “A”, “B”, “C”, “D”, “E” and “F” are incorporated into and form part of this Agreement. Exhibit “D” is attached and reflects a preliminary design concept for the GBS, the Accommodations Module, the Topsides Components and the Utilities/Process Module.

1.4 Section and Exhibit References.

Unless the context otherwise requires, references to a Section or Exhibit is to this Agreement.

1.5 Number, Gender and Inclusion.

Unless the context otherwise requires, in this Agreement:

- (A) words importing the singular shall include the plural and vice versa;
- (B) other than with respect to Section 5.11, words importing a particular gender shall include all genders; and
- (C) references to “includes” or “including” shall mean “includes (or including) without limitation”.

1.6 Independent Interpretation.

Except, and only to the extent, as expressly set forth in Section 6.1 and Section 2(N) of Exhibit “F”, this Agreement shall be interpreted and enforced without reference to the provisions of any other agreement or document with respect to the Hebron Project made by, between or among any one or more of the Parties, or any one or more of the Parties and other Persons, including any of the other Formal Agreements.

1.7 Currency References.

Unless specifically stated otherwise, all monetary amounts refer to the lawful currency of Canada.

2. FORMAL AGREEMENTS AND AGREEMENT

2.1 Relationship of Formal Agreements.

The Parties acknowledge the execution of all of the Formal Agreements at the same time and that this Agreement:

- (A) is a separate, independent document from the other Formal Agreements; and
- (B) except as expressly stated in Section 6.1 and Section 2(N) of Exhibit “F”, shall not be affected by any other Formal Agreement.

2.2 Interpretation of Agreement.

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and shall be interpreted and enforced without giving paramountcy to any part of this Agreement over any other part.

3. EFFECTIVE DATE AND TERM

3.1 Effective Date.

This Agreement shall become effective upon the Effective Date.

3.2 Term and Survival.

- (A) If, at any time after the tenth anniversary of the Effective Date, the Proponents have not obtained approval from the Board of the Development Plan, absent agreement to the contrary, the Province shall have the right to terminate this Agreement on thirty (30) days' notice to the Proponents.
- (B) Sections 5.9, 5.11, 5.16, 5.17, 5.18 and 5.19, 6, 7, 8, 9, 10, 11 and 12, Exhibits "A", "B" and "C", together with any provision or Exhibit necessary to give effect to or interpret these Sections or Exhibits, remain in force until the termination of the Hebron Project. Section 2 of Exhibit "F" shall remain in full force and effect so long as any matter relevant to that Section of Exhibit "F" is still in existence and has not been finally concluded. All other commitments shall remain in force until Production Start-Up and thereafter shall continue in force only with respect to any matters for which a notice of Dispute may be filed in accordance with the Dispute Resolution Procedure.

3.3 Proponents' Obligations.

- (A) The obligations of the Proponents to provide any of the benefits contemplated by this Agreement, other than the benefits to be provided before Project Sanction, are subject to each of the following having first occurred:
 - (1) the Board has approved a Benefits Plan for the Hebron Project;
 - (2) the federal Minister of Natural Resources and the Minister have approved the Development Plan; and
 - (3) Project Sanction.
- (B) The entering into of this Agreement does not obligate the Proponents to sanction or continue the Hebron Project, which shall be in the sole discretion of the Proponents.
- (C) The Proponents shall provide the Province with notice of Project Sanction within ten (10) Business Days of Project Sanction.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties of Chevron.

Chevron represents and warrants to the Province that, at the date hereof:

- (A) Chevron:
 - (1) is a corporation in good standing under the laws of its jurisdiction of incorporation and is qualified to carry on business in the Province and the Offshore Area; and
 - (2) has the requisite authority, power and qualifications to enter into this Agreement;
- (B) this Agreement has been duly executed and delivered by Chevron and this Agreement constitutes legal, valid and binding obligations of Chevron enforceable against it in accordance with its terms; and
- (C) none of the execution, delivery or performance of this Agreement by Chevron does or, with the giving of notice or the lapse of time or both, will:
 - (1) violate or conflict with any of the provisions of the constituting documents of Chevron; or
 - (2) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which Chevron is a party.

4.2 Representations and Warranties of ExxonMobil and EMC.

ExxonMobil and EMC each represent and warrant to the Province that, at the date hereof:

- (A) ExxonMobil is a general partnership constituted and existing under the laws of the Province of Alberta and is qualified to carry on business in the Province and the Offshore Area and EMC is a corporation constituted and existing under the laws of Canada and is qualified to carry on business in the Province and the Offshore Area;
- (B) the partners constituting ExxonMobil are EMC and ExxonMobil Canada Resources Company;
- (C) each of the partners constituting ExxonMobil:
 - (1) has the requisite power, authority and qualification to be a partner in ExxonMobil; and

- (2) is a corporation in good standing under the laws of its jurisdiction of incorporation and is qualified to carry on business in the Province and the Offshore Area;
- (D) this Agreement has been duly executed and delivered by ExxonMobil and EMC and this Agreement constitutes legal, valid and binding obligations of ExxonMobil and EMC enforceable against them in accordance with its terms;
- (E) none of the execution, delivery or performance of this Agreement by ExxonMobil or EMC does or, with the giving of notice or the lapse of time or both, will:
 - (1) violate or conflict with any of the constituting documents of ExxonMobil or EMC; or
 - (2) conflict with, result in the breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which ExxonMobil or EMC is a party; and
- (F) if the Accord Acts require that a production license be held by a corporation, any production licence or licenses relating to the Lands will be held by EMC or by another Affiliate corporation. If such interest is held by an Affiliate corporation, that Affiliate will be added as a party to this Agreement.

4.3 **Representations and Warranties of Petro-Canada.**

Petro-Canada represents and warrants to the Province that, at the date hereof:

- (A) Petro-Canada:
 - (1) is a corporation in good standing under the laws of its jurisdiction of incorporation and is qualified to carry on business in the Province and the Offshore Area; and
 - (2) has the requisite power, authority and qualification to enter into this Agreement;
- (B) this Agreement has been duly executed and delivered by Petro-Canada and this Agreement constitutes legal, valid and binding obligations of Petro-Canada enforceable against it in accordance with its terms;
- (C) none of the execution, delivery or performance of this Agreement by Petro-Canada does or, with the giving of notice or the lapse of time or both, will:

- (1) violate or conflict with any of the provisions of the constituting documents of Petro-Canada; or
- (2) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which Petro-Canada is a party.

4.4 **Representations and Warranties of StatoilHydro.**

StatoilHydro represents and warrants to the Province that, at the date hereof:

- (A) StatoilHydro:
 - (1) is a corporation in good standing under the laws of its jurisdiction of incorporation and is qualified to carry on business in the Province and the Offshore Area; and
 - (2) has the requisite power, authority and qualification to enter into this Agreement;
- (B) this Agreement has been duly executed and delivered by StatoilHydro and this Agreement constitutes legal, valid and binding obligations of StatoilHydro enforceable against it in accordance with its terms; and
- (C) none of the execution, delivery or performance of this Agreement by StatoilHydro does or, with the giving of notice or the lapse of time or both, will:
 - (1) violate or conflict with any of the provisions of the constituting documents of StatoilHydro; or
 - (2) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which StatoilHydro is a party.

4.5 **Representations and Warranties of OilCo.**

OilCo represents and warrants to the Province that, at the date hereof:

- (A) OilCo:
 - (1) is a corporation in good standing under the laws of the Province and is qualified to carry on business in the Province and the Offshore Area; and
 - (2) has the requisite power, authority and qualification to enter into this Agreement;

- (B) this Agreement has been duly executed and delivered by OilCo and this Agreement constitutes legal, valid and binding obligations of OilCo enforceable against it in accordance with its terms; and
- (C) none of the execution, delivery or performance of this Agreement by OilCo does or, with the giving of notice or the lapse of time or both, will:
 - (1) violate or conflict with any of the provisions of the constituting documents of OilCo; or
 - (2) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which OilCo is a party.

4.6 Representations and Warranties of the Province.

The Province represents and warrants to each Proponent that:

- (A) it has all the requisite power and authority to enter into this Agreement;
- (B) it has duly executed and delivered this Agreement; and
- (C) it has all the requisite power and authority to perform its obligations in accordance with the terms of this Agreement.

4.7 Exclusion of Other Representations and Warranties.

The representations and warranties of a Party expressly set forth in this Agreement are the sole representations and warranties of that Party in respect of the subject matter of this Agreement. All other representations and warranties, whether express or implied, statutory or otherwise, are, to the extent permitted by law, hereby expressly excluded.

5. BENEFITS

5.1 NL Project Team and Office in the Province.

The Operator shall establish a Hebron Project office in the Province with appropriate levels of decision making and the Proponents shall begin to mobilize the NL Project Team to the Province as soon as reasonably possible following the Effective Date. There will be not less than one million (1,000,000) Person Hours of NL Project Team activities in the Province before the date of Production Start-Up, including reservoir and drilling engineering, but excluding the GBS FEED and Detailed Engineering commitments set forth in Sections 5.2 and 5.3. The Proponents shall give first consideration to qualified Residents of the Province as they hire new staff, including management, for the NL Project Team office in the Province.

5.2 FEED Engineering.

- (A) There will be not less than fifty thousand (50,000) Person Hours of FEED for the GBS performed in the Province prior to Project Sanction, which Person Hours shall not include NL Project Team Person Hours.
- (B) For FEED performed outside of the Province, the Proponents will make available, on commercially reasonable terms of employment, engineering, technical or other professional positions to qualified Residents of the Province at the locations where the FEED is performed.
- (C) The Proponents will transition late FEED to the Province for work on components to be fabricated or constructed in the Province, other than the GBS.

5.3 Detailed Engineering.

- (A) The Proponents agree to perform Detailed Engineering of the components to be fabricated in the Province and the GBS (including mechanical fabrication and mechanical outfitting of the GBS) in the Province, in accordance with this Section 5.3 and Section 1 of Exhibit “F”.
- (B) The Proponents agree to perform not less than one million two hundred thousand (1,200,000) Person Hours of Detailed Engineering in the Province, which will include FEED Person Hours in the Province, but excludes FEED Person Hours for the GBS and NL Project Team Person Hours.
- (C) Substantially all Detailed Engineering Person Hours for the GBS and components to be fabricated in the Province in excess of the quantity described in (B) will be done in the Province.
- (D) The Parties acknowledge and agree that the Proponents will only perform Detailed Engineering described in Section 5.3 (A) outside of the Province if:
 - (1) it is generally recognized within the industry as specialized engineering and that because of the duration of the work, location of the particular expertise, and experience associated with the work it is not reasonably feasible to perform it inside the Province; or
 - (2) such Detailed Engineering cannot be obtained in the Province;

provided for both (1) and (2), that any Detailed Engineering taking place outside the Province may only occur if the Proponents have used reasonable efforts to have such Detailed Engineering performed in the Province, including those efforts outlined in Section 1 of Exhibit “F”.

The Parties acknowledge and agree that nothing in this Section 5.3(D) shall in any way impact the continued obligation of the Proponents to perform not less than one million two hundred thousand (1,200,000) Person Hours of Detailed Engineering in the Province pursuant to Section 5.3(B).

- (E) If any specific scope of work of Detailed Engineering referred to in (D) above required to be performed outside the Province exceeds two hundred (200) hours, the Operator will provide notice to the Minister and will include specifics of the:
 - (1) Detailed Engineering to be performed outside the Province, including the duration of the work and the location where it is to be performed;
 - (2) reasons it is being performed outside the Province; and
 - (3) efforts the Operator has made to perform such Detailed Engineering in the Province.
- (F) If the Operator projects that Detailed Engineering Person Hours to be performed outside the Province will result in less than substantially all of the Detailed Engineering Person Hours in excess of one million two hundred thousand (1,200,000) Person Hours being done in the Province, the Operator will notify the Minister setting out the circumstances described in (D) above. If the Minister agrees with the Operator's assessment, the Operator may do such work outside the Province with no adverse consequence to the Operator under this Agreement. If the Minister, acting reasonably, does not agree with the Operator's assessment, the Operator may do such work outside the Province and the Minister may invoke the Dispute Resolution Procedure. In the event a subsequent arbitration is concluded in the Province's favour, the sole remedy available to the Arbitrators for breach of the obligation to perform substantially all of the Detailed Engineering Person Hours in excess of one million two hundred thousand (1,200,000) Person Hours required to be done in the Province shall be an award of equivalent replacement work. Such award shall provide that the equivalent replacement work be similar in timeframe, effort and intensity to that of the work carried out outside the Province and be commenced by the Operator within a reasonable time frame from the date of the arbitral award. In no event shall such work be completed later than three (3) years from the date of such arbitral award, unless the Parties agree otherwise.
- (G) For Detailed Engineering performed outside the Province, the Proponents shall make available, on commercially reasonable terms of employment, engineering, technical or other professional positions to qualified

Residents of the Province at the locations where the Detailed Engineering is performed.

5.4 GBS Construction.

- (A) The Proponents agree to construct the GBS in the Province and the Development Plan shall state that the construction of the GBS is the selected option of the Proponents for the Hebron Project. All GBS civil construction, mechanical fabrication and mechanical outfitting work related to the construction of the GBS, estimated at four million one hundred thousand (4,100,000) Person Hours, shall be performed in the Province, in addition to the FEED and Detailed Engineering to be performed in the Province pursuant to Sections 5.2 and 5.3, respectively.
- (B) The Proponents agree to design and construct the GBS with additional J tubes which will be sufficient to allow for future expansion including potential access by any party (including any or all of the Proponents, or any third party) for production from satellite fields on commercially reasonable terms.

5.5 Fabrication and Other Works.

- (A) The Proponents and the Province agree that the Fabrication of the following components that are generally identified in Exhibit "D" shall take place in the Province:
 - (1) structural steel riser components and assembly of offshore loading system components: riser bases, rigid risers, tie-in spools and buoys;
 - (2) flare boom;
 - (3) heli-deck;
 - (4) lifeboat stations;
 - (5) mechanical outfitting of the GBS;
 - (6) subsea drilling template including local Fabrication of major components of a field mooring system and positioning and docking system;
 - (7) Fabrication related to hook-up and commissioning, as well as actual hook-up and commissioning; and
 - (8) Fabrication related to topsides and GBS mating as well as actual topsides and GBS mating.

- (B) The Proponents agree that the work associated with the Fabrication of the following components that are generally identified in Exhibit D shall be carried out in the Province, subject to the provisions of Section 2 of Exhibit “F”:
 - (1) topsides drilling support module Fabrication and integration; and
 - (2) topsides drilling derrick Fabrication and integration.(referred to as the “Topsides Components”).
- (C) The Proponents agree that the work associated with the Fabrication of the accommodations module that is generally identified in Exhibit D (referred to as the “Accommodations Module”) shall be carried out in the Province, subject to the provisions of Section 2 of Exhibit F.
- (D) The utilities/process module generally identified in Exhibit D (referred to as the “Utilities/Process Module”) will be engineered and constructed as a single module and any contracts related to its engineering and Fabrication shall be bid and awarded on a fully international competitive basis pursuant to the Accord Acts.

5.6 **Procurement and Contracting.**

- (A) The Operator and the main Hebron Project engineering, procurement and construction contractors will have a contracts and procurement office in the Province to coordinate and manage their activities.
- (B) Within three (3) months of the commencement of FEED, the Proponents shall fund and administer a travel budget, not to exceed one million dollars (\$1,000,000), for travel by contractors or suppliers headquartered in the Province to visit engineering offices located outside the Province where such engineering offices have been employed to conduct FEED for the Hebron Project.
- (C) The Proponents agree that, in the Proponents’ requests for proposals and bid packages in relation to the Hebron Project, the Proponents shall require that bidders use standards that meet the requirements of Canadian Governmental Authorities, and use Canadian standards where appropriate.
- (D) The Operator shall conduct early and appropriately-timed supplier development workshops in relation to the Hebron Project for the local service and supply community so contractors can prepare for bidding and establish joint ventures, and promote and encourage technology transfer opportunities.

- (E) The Operator shall provide web based access to procurement opportunities and activities in relation to the Hebron Project.

5.7 Bull Arm Fabrication Site Access.

The Province acknowledges that the Proponents will require full and timely access to the Bull Arm Site in accordance with the Option to Lease Agreement. The Province shall execute the Option to Lease Agreement and, pursuant to section 245 of the *Corporations Act*, R.S.N.L. 1990, c.C-36, the Province shall make a written declaration to BASC to execute the Option to Lease Agreement.

5.8 Labour Relations.

The Province and the Proponents commit to work with all stakeholders to encourage an effective labour relations environment for the Hebron Project in the Province.

5.9 Research and Development.

- (A) The Proponents shall invest one hundred twenty million dollars (\$120,000,000) in Research and Development during the life of the Hebron Project.
- (B) The expenditure of such one hundred twenty million dollars (\$120,000,000) investment in the Province shall be determined and administered by the Proponents in consultation with the Province. This commitment includes a one million dollar (\$1,000,000) contribution to the College of the North Atlantic and Memorial University of Newfoundland and Labrador to enhance skills training prior to Project Sanction.
- (C) Research and Development expenditures made by the Proponents from the Effective Date to the date of Project Sanction but prior to the construction phase of the Hebron Project shall be considered by the Province as having been made during the Hebron Project construction phase.
- (D) The Proponents shall seek Board approval of its plan to invest a fixed amount of one hundred twenty million dollars (\$120,000,000) in Research and Development during the life of the Hebron Project, and the Province shall advise the Board of its full support for such Research and Development plan as described in (A), (B) and (C) above as the entire amount of the Proponents' Research and Development obligations in respect of the Hebron Project.

5.10 Work started in the Province.

Hebron Project work, including construction, Fabrication and engineering, that is started in or transferred to the Province will be completed in the Province, subject to Section 3 of Exhibit “F”.

5.11 Gender Equity and Diversity Program.

- (A) The Parties acknowledge that this Section 5.11 may be subject to the review and approval of certain Governmental Authorities and shall be interpreted in accordance with the policies, practices and directives of those Governmental Authorities.
- (B) After consultation that occurs prior to Development Plan approval with the Board, relevant provincial and federal departments and agencies and stakeholder organizations, the Operator will develop and subsequently implement a Gender Equity and Diversity Program for its Hebron Project activities in the Province (the “Gender Equity and Diversity Program”) for all phases of the Hebron Project. This program will be consistent with the Operator’s corporate diversity policies and will focus on the groups designated and defined under the Canada Newfoundland and Labrador Benefits Plan Guidelines. The objectives of this program will be to:
 - (1) address employment equity for the Hebron Project, including full access to employment opportunities for and employment of qualified women and Disadvantaged Groups in the Hebron Project, with an emphasis on continuous improvement;
 - (2) implement proactive programs and practices that contribute to the creation of an inclusive work environment and corporate culture; and
 - (3) promote accountability and responsibility for diversity.
- (C) The Gender Equity and Diversity Program shall include the following plans:
 - (1) a women’s employment plan and business access strategy (the “WEP”) in which the Operator will establish quantifiable objectives and goals. The Operator agrees that it will initially set such goals by taking into consideration the availability of women in particular occupational categories as identified by Statistics Canada in its Employment Equity Data Report. The WEP will institute ongoing programs and processes to facilitate employment and participation for women in all phases of the Hebron Project, and at all facilities, sites and offices in the Province where work

performed by the Operator and main contractors relating to the Hebron Project is taking place; and

- (2) a diversity plan and business access strategy for Disadvantaged Groups (the “Diversity Plan”) in which the Operator will establish quantifiable objectives and goals. The Diversity Plan will institute ongoing programs and processes to facilitate employment and participation for Disadvantaged Groups in all phases of the Hebron Project, and at all facilities, sites and offices in the Province where work performed by the Operator and main contractors relating to the Hebron Project is taking place.
- (D) The WEP will include the following provisions:
- (1) the Operator will put in place the necessary organizational resources to develop and implement the WEP;
 - (2) the Operator will create training and recruitment programs for women in consultation with training and educational institutions in the Province;
 - (3) the Operator will provide facilities for the Hebron Project that are accommodative of women in terms of living accommodations and a safe and respectful working environment;
 - (4) the Operator will require that each main contractor to the Hebron Project in the Province provide the Operator with a plan for compliance with the WEP, and will require that contracts related to the execution of the Hebron Project in the Province include an acknowledgement from successful bidders that they are aware of the existence and importance of the WEP;
 - (5) the Operator will set longer-term qualitative goals to employ more women in occupational areas where women are historically under-represented;
 - (6) the Operator will develop an implementation schedule, and monitor and report on progress to the Board; and
 - (7) the Operator will consult on development and progress on the WEP in an annual consultation with the Province and other stakeholders, including community groups, the Board and government agencies.
- (E) The Diversity Plan will include the following provisions:
- (1) the Operator will put in place the necessary organizational

resources to provide leadership in consulting community groups, and developing and implementing the Diversity Plan;

- (2) the Operator will create training and recruitment programs for Disadvantaged Groups in consultation with training and educational institutions in the Province;
- (3) the Operator will require that each main contractor to the Hebron Project in the Province provide the Operator with a plan for compliance with the Diversity Plan, and will require that contracts related to the execution of the Hebron Project in the Province include an acknowledgement from successful bidders that they are aware of the existence and importance of the Diversity Plan;
- (4) the Operator will develop an implementation schedule, and monitor and report to the Board; and
- (5) the Operator will consult on development and progress on the Diversity Plan in an annual consultation with the Province and other stakeholders, including community groups, the Board and government agencies.

5.12 **Agreement on Benefits.**

The Province and the Proponents acknowledge and agree that:

- (A) this Agreement will be provided to the Board for monitoring and oversight;
- (B) in consideration of the Proponents entering into this Agreement, the Province shall:
 - (1) accept compliance with this Agreement as sufficient and acceptable compliance by the Proponents with the requirements of the Accord Acts in respect of the subject matter hereof and sufficient and acceptable to the Province and it will so advise the Board;
 - (2) in its review of any fundamental decision relating to the Hebron Project, be satisfied with the application for a Benefits Plan for the Hebron Project submitted by the Operator if the application for the Benefits Plan for the Hebron Project meets the Board's requirements, and the commitments set forth in this Agreement are reflected or otherwise incorporated into the application for the Benefits Plan, to the extent appropriate or agreed; and

- (3) not seek any additional industrial and employment benefits from the Proponents in relation to the Hebron Project beyond those contained in this Agreement;
- (C) notwithstanding any other provision in this Agreement, industrial and employment benefits relating to any exploration, development or production of oil or gas from the Lands by any stand-alone development (other than the GBS), subsea development and tie-back to the GBS or by any other infrastructure other than the GBS, will be the subject of a separate development plan and fundamental decision under the Accord Acts, which development plan and fundamental decision under the Accord Acts shall not in any way be affected by this Agreement. Nothing relating to the development of any other lands shall affect the rights and obligations of the Parties under this Agreement;
- (D) subject to Section 3.2, this Agreement shall continue to be binding upon the Parties subsequent to the approval by the Board of the Benefits Plan for the Hebron Project and the obligations contained in the Benefits Plan for the Hebron Project or any conditions attached to such approval, guidelines or other directives issued by the Board shall be independent from and not in substitution for the obligations under this Agreement; and
- (E) subject to the specific obligations set forth in Section 5, the Province acknowledges and supports the Proponents' right to contract on an internationally competitive basis, with full and fair opportunity for members of the labour force of the Province and Canada and, subject to paragraph 45(3)(d) of the Accord Acts, for manufacturers, consultants, contractors and service companies in the Province and other parts of Canada to participate on such basis, in the supply of goods and services for the Hebron Project, in compliance with section 45 of the Accord Acts.

5.13 Board Authority.

The Parties agree that nothing contained in this Agreement shall be applied or construed so as to limit or affect the authority of the Board to approve and administer a Benefits Plan for the Hebron Project.

5.14 Secondary Processing.

The Proponents are not required to support secondary processing from the Hebron Project in the Province.

5.15 Delivery of Crude.

Crude oil from the Hebron Project shall either be shipped direct to market or, if transshipped, shall be transshipped in the Province.

5.16 Reporting.

The Operator will adhere to the requirements for monitoring and reporting in the Canada-Newfoundland and Labrador Benefits Plan Guidelines and as per the Benefits Plan approved by the Board for the Hebron Project. The Proponents shall submit reports that will provide the Board and the Province with sufficient information to monitor all of the Operator's commitments under this Agreement, whether or not the Benefits Plan approved by the Board for the Hebron Project incorporates or otherwise reflects such commitments.

5.17 Data Collection.

The data contained in the reports provided pursuant to Section 5.16 shall be reported in a format compatible with the requirements of Audit Services Canada and the Newfoundland and Labrador Statistics Agency, or such other form as accepted by the Board from time to time.

5.18 Review Meetings.

Following the submission of the reports provided pursuant to Section 5.16, the Operator shall meet with the Province for the purposes of reviewing the information in the reports and compliance with the requirements of this Agreement.

5.19 Co-ordinators.

The Operator, on behalf of the Proponents, and the Province shall each identify one individual and an alternate who shall have the prime responsibility on their respective behalfs for administering the benefits reporting under this Agreement (the "Co-ordinators"). Each of the Operator and the Province will advise the other of any changes in the appointment of its respective Co-ordinators.

6. ASSIGNMENT

6.1 Assignment.

Where a Proponent makes an assignment of all or part of its interest in the Lands, an assignment by that Proponent of its rights and obligations under this Agreement relating to that assigned interest shall not be effective for the purposes of this Agreement unless:

- (A) such assignment is made in conjunction with the assignment by that Proponent of an equivalent proportion of its interest in the Lands;
- (B) prior to such Assignment becoming effective for purposes of this Agreement, the Proponent and the intended assignee have executed and

delivered to the Province an agreement in form and content substantially the same as the Assignment Agreement contained in Exhibit “C”; and

- (C) the Proponent contemporaneously assigns an equivalent proportion of its rights and obligations under the Formal Agreements to the assignee as part of such transaction, in compliance with the terms contained therein.

6.2 Continuing Liability.

An assigning Proponent who satisfies the requirements of Section 6.1:

- (A) shall be released and discharged from the observance and performance of (i) all terms and covenants of this Agreement, and (ii) all obligations and liabilities which arise or occur on or after the effective date of such assignment with respect to the assigned rights, duties and obligations of the assignor under this Agreement; and
- (B) shall not be released or discharged from the observance and performance of all terms and covenants of this Agreement and any term, covenant, duty, obligation or liability which relates to the rights, duties and obligations of the assignor under this Agreement retained by the assigning Proponent.

7. CONFIDENTIALITY

7.1 Confidentiality.

Subject to the requirements of the *Access to Information and Protection of Privacy Act*, S.N.L. 2002, c.A-1.1 (“**ATIPPA**”), Section 5.12(A) and this Section 7, the Province and the Proponents shall at all times keep confidential the provisions of Exhibit “F” and information and documentation disclosed by the Proponents to the Province for the purposes of implementing this Agreement to the extent such information or documentation meets the third party confidentiality tests set out in the ATIPPA (the “**Commercially Sensitive Information**”) and shall not, without the prior written consent of the other Parties, disclose, trade, copy, summarize, reproduce or otherwise divulge to any Persons the Commercially Sensitive Information.

7.2 Exclusions.

These confidentiality requirements will not apply to any information which:

- (A) after disclosure to a Party, is published or otherwise becomes part of the public domain through no fault of the Party receiving the Commercially Sensitive Information (but only after it is published or becomes part of the public domain);

- (B) was or becomes available to the recipient on a non-confidential basis from a source other than a Party, which disclosure is not in breach or violation of any law or any obligation; or
- (C) is required to be disclosed under laws, stock exchange regulations or by a governmental order, decree or regulation or rule or by order of any competent court. In these circumstances, the Parties will promptly provide all other Parties with notice so that the other Parties may seek a protective order or other appropriate remedy or waive compliance with the requirements of this Agreement. The other Parties will cooperate on a reasonable basis with the Party seeking such a protective order or other remedy. If such protective order or other remedy is not obtained or all Parties waive compliance with the requirements of this Agreement, the Party making disclosure will furnish only that portion of this Commercially Sensitive Information which is legally required to be disclosed and the Parties shall exercise all reasonable efforts and cooperate with the other Parties to obtain reliable assurances that confidential treatment will be accorded the Commercially Sensitive Information so furnished.

7.3 **ATIPPA Treatment.**

The Province acknowledges that the Commercially Sensitive Information obtained from the Proponents is supplied in confidence and contains information of a financial, commercial, labour relations, scientific or technical nature under the ATIPPA, the disclosure of which may significantly harm the Parties' competitive position, interfere significantly with the negotiating positions of the Parties, and result in undue financial loss to the Parties and, to the extent the Commercially Sensitive Information meets the third party confidential information tests set out in ATIPPA, the Parties will refuse to disclose such information if requested by a third party under section 27 of ATIPPA. Where there is a challenge to such refusal, a review by the Access to Information and Privacy Commissioner, and ultimately, the Supreme Court of Newfoundland and Labrador, Trial Division, may occur. The Proponents will be entitled to be represented and make arguments in support of non-disclosure at each step in this process.

7.4 **Representatives.**

- (A) A Party may reveal or permit access to the Commercially Sensitive Information received from any of the other Parties only to the Board and those of a Party's Affiliates, agents, representatives (including lawyers, accountants and financial advisors), ministers, Crown corporations and employees (each a "**Representative**") who need to know the Commercially Sensitive Information, who are informed of the confidential nature of the information, and who are directed to hold the

information in the strictest confidence. The Party shall inform the Board of the confidential nature of the information and shall direct the Board to hold the information in the strictest confidence.

- (B) The Parties will take all reasonable precautions to prevent improper access to or use or disclosure of the Commercially Sensitive Information by the Parties or their Representatives.
- (C) In the event of a breach of this Agreement or any disclosure of Commercially Sensitive Information by the Parties or any of their Representatives, other than as permitted by this Agreement, the Party in breach will notify the other Parties of the nature of the breach upon its discovery.

7.5 Acknowledgement and Commitment.

In the event of a breach, or threatened breach, of any of the foregoing provisions of Section 7, the Parties agree that the harm suffered by the injured Party may not be compensable by monetary damages alone and accordingly, that the injured Party shall, in addition to other available legal or equitable remedies, be entitled to seek an injunction against such breach or threatened breach.

7.6 Termination of Obligations.

The Parties acknowledge that the potential for harm following disclosure of the Commercially Sensitive Information will be reduced with the passage of time. It shall not be a breach of the confidentiality provisions set out in this Section for the Parties to disclose provisions of Exhibit F and the documentation supplied to meet the requirements of Exhibit F upon the occurrence of the following, whichever shall first occur:

- (A) the performance of work outside the Province that the Proponents committed to be performed within the Province; or
- (B) the date of Production Start-Up.

7.7 Province's Right to Disclose.

The Province may, at its discretion and without the prior consent from any other Party, disclose to any Person or entity the existence, general nature and status of matters relating to Exhibit "F", provided that such disclosure shall not be in such detail so as to compromise any Party's interest in the Hebron Project.

8. DISPUTE RESOLUTION

8.1 Disputes.

The Parties agree to resolve any disagreement, dispute, conflict or controversy between them connected with or arising under or relating to this Agreement (“Dispute”) in accordance with the Dispute Resolution Procedure. Notwithstanding the foregoing, the Dispute Resolution Procedure shall not apply to any Disputes pursuant to Sections 7.3 and 11.1.

8.2 Limitation Periods and Interim Relief.

For the purpose of determining any limitation periods that apply under this Agreement, all limitation periods pertaining to a particular Dispute shall be suspended from the time that the Dispute is referred to arbitration under the Dispute Resolution Procedure until thirty (30) days after the termination of that arbitration, or such later date as may be agreed by the applicable Parties. Subject to the preceding sentence, each Party waives all rights it may have to assert the expiry of any such limitation period during that time as a defence or bar in any proceeding hereunder respecting that Dispute.

9. NOTICES

9.1 Form and Delivery.

Notices that are required or permitted under this Agreement will be in writing and will be delivered by hand or by courier to the Party to whom it is to be given at its address for the purposes of this Section:

The Province:	Her Majesty the Queen in Right of the Province of Newfoundland and Labrador P. O. Box 8700, Main Floor East Block, Confederation Building St. John's, Newfoundland and Labrador A1B 4J6 Attention: Deputy Minister of Natural Resources Facsimile: (709) 729-0059 Telephone: (709) 729-2766
Proponents:	Chevron Canada Limited 500-5 Avenue S.W. Calgary, Alberta T2P 0L7 Attention: General Manager, Asset Development Facsimile:(403) 234-5947 Telephone:(403) 234-5000

	ExxonMobil Canada Properties and ExxonMobil Canada Ltd. Suite 1000, 1701 Hollis Street Halifax, Nova Scotia B3J 3M8 Attention: President Facsimile:(902) 490-8779 Telephone:(902) 490-8910
	Petro-Canada Scotia Centre, 235 Water Street St. John's, Newfoundland and Labrador A1C 1B6 Attention: Vice President, East Coast Facsimile:(709) 724-2901 Telephone:(709) 778-3500
	StatoilHydro Canada Ltd. 600 235 Water Street St. John's, Newfoundland and Labrador A1C 1B6 Attention: Vice-President, Field Development Facsimile:(709) 726-9053 Telephone:(709) 726-9091
	Oil and Gas Corporation of Newfoundland and Labrador Inc. P.O. Box 12400 500 Columbus Drive St. John's, Newfoundland and Labrador A1B 4K7 Attention: General Counsel and Corporate Secretary Facsimile:(709) 737-1782 Telephone:(709) 737-1443

9.2 Delivery.

For the purposes of this Agreement, notices given by a Party to any other Party will be considered to have been given at the time of delivery.

9.3 Change of Address.

A Party may give notice of a change of address in the manner provided in Section 9.1, in which event notices shall thereafter be given to that Party at such changed address.

10. RELATIONSHIP

10.1 Proponents.

The Proponents are separately liable for their respective obligations, including any collective obligations set out in this Agreement, in accordance with their respective Participating Interests.

10.2 Operator as Administrator.

In the administration of this Agreement, the Parties agree that the Province is entitled to deal solely with the Operator on behalf of each Proponent and the Operator is duly authorized to act on behalf of each Proponent with respect to that Proponent's obligations under this Agreement. In any proceedings to enforce a Proponent's obligations under this Agreement, the Province will be entitled to enforce those obligations against the Operator. The Parties agree that nothing in this Section affects:

- (A) the separate liability of each Proponent, in accordance with its respective Participating Interest, for its respective obligations, including any collective obligations under this Agreement; or
- (B) the rights and obligations of the Proponents among themselves and between themselves and the Operator.

10.3 Consistent Treatment.

The Province shall, in similar circumstances, afford a similar interpretation and application of the terms of this Agreement to each Proponent to that afforded another Proponent. If a Proponent disagrees with the Province's determination of similar circumstances or similar treatment, the Proponent may submit the disagreement to the Dispute Resolution Procedure under Section 8 by notice to the Province. Each of the Proponents agrees that, for the purposes of any such Dispute Resolution Procedure, the Province may disclose to the Arbitrators and to each Proponent who is a party to the arbitration any information received from any Proponent that is relevant to the Province's position with respect to the determination of similar circumstances or similar treatment pursuant to the arbitration.

10.4 US Tax.

Nothing in this Agreement shall constitute or create a partnership among the Proponents or the Proponents and the Province or between any of them. Except as expressly provided for in this Section, nothing in this Agreement shall constitute any Party as the agent of any other Party, nor shall any Party have, or represent that it has, the authority or power to act or to undertake or create any obligation or responsibility on behalf or in the name of any other Party. The

Parties agree that if this Agreement or the relationship established hereby constitutes a partnership as defined in Section 761(a) of the United States Internal Revenue Code, they elect to be excluded from the application of any sections of Subchapter K of such Code, and the Operator is authorized to execute and file any forms or other documentation as is required for such election.

11. LEGISLATIVE AND REGULATORY STABILITY

11.1 Acknowledgement.

The Province acknowledges that each of the Proponents relies upon the good faith of the Province to maintain substantially the legislative and regulatory framework applicable to the Hebron Project as of the Effective Date, to the extent that doing so is in the public interest and, without limiting the generality of the foregoing, is consistent with governmental responsibilities, including the responsibility for ensuring proper management of its resources, the protection and maintenance of public health, safety and the protection of the environment. Each of the Proponents acknowledges that the Province is relying upon the good faith of the Proponents to carry out their undertakings in respect of this Agreement.

11.2 Assistance.

The Province agrees if requested by the Proponents, to use all reasonable efforts to assist the Proponents in securing commitments from Canada and municipal governments in the Province in regards to the legal and regulatory framework applicable to the Hebron Project and to support the efforts of the Proponents in responding to any future legislative and regulatory changes that may be proposed by Canada or a municipal government in the Province that might adversely affect the Hebron Project, provided such action does not negatively impact the Province or require the Province to take any legislative or regulatory action respecting municipalities.

12. MISCELLANEOUS

12.1 Prior Agreements.

This Agreement comprises the complete and exclusive agreement of the Parties regarding the subject matter of this Agreement and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.

12.2 Courts and Governing Law.

This Agreement shall be subject to and interpreted, construed and enforced in accordance with the laws in force in the Province of Newfoundland and Labrador. Each of the Parties hereby attorns to the exclusive jurisdiction of the

courts of the Province of Newfoundland and Labrador, and all courts of appeal therefrom, for the resolution of any matters arising under this Agreement over which the courts have jurisdiction, as described in Sections 4.5(h) and (i) of the Dispute Resolution Procedure, and in respect of any Disputes pursuant to Sections 7.3 and 11.1.

12.3 Amendment.

No amendment to this Agreement is effective unless made in writing and signed by authorized representatives of all Parties.

12.4 Enurement.

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns as provided for herein.

12.5 Waiver.

No waiver by any Party of this Agreement's terms, provisions or conditions shall be effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver. A Party's failure to pursue remedies for breach of this Agreement or the granting of any time, extensions of time or other indulgences to another Party does not constitute a waiver by such Party of any breach of this Agreement or raise any defense against Claims against a Party for breach of this Agreement. The waiver or failure to require the performance of any covenant or obligation contained in this Agreement or to pursue rights or remedies for breach of this Agreement does not waive a later breach of that or any covenant or obligation.

12.6 Severability.

Each provision of this Agreement is severable and if all or part of any provision is determined to be invalid, unenforceable or illegal or contrary to the binding requirements of a Governmental Authority under any existing or future laws of Canada or the Province by a court or arbitrator of competent jurisdiction or by operation of such laws:

- (A) such determination shall not impair the operation of or affect the validity and enforceability of the remaining provisions of the Agreement; and
- (B) the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

12.7 Force Majeure.

The obligations of each of the Parties hereunder, other than the obligations to make payments of money, shall be suspended during the period and to the extent that such Party is prevented from complying therewith by reason of a condition of Force Majeure provided that such Party shall give notice of the suspension of such obligations for this reason as soon as reasonably possible to the other Parties stating the date and extent of such suspension and the cause thereof. That Party shall update the other Parties about the status of the Force Majeure and that Party's efforts to remedy it at such frequency as is reasonable in the circumstances. That Party shall use all commercially reasonable efforts to remove or overcome the Force Majeure situation as quickly as commercially practicable but it shall not be obligated to settle any labour dispute except on terms acceptable to it. Each Party whose obligations have been suspended as aforesaid shall resume the performance of such obligations as soon as reasonably possible after the removal of the cause and shall so notify all the other Parties that the suspension has terminated.

12.8 Drafting.

Preparation of this Agreement has been a joint effort of the Parties and the resulting Agreement must not be construed more severely against one of the Parties than against any other Party.

12.9 Further Assurances.

Each of the Parties shall at its own cost and expense, from time to time and without further consideration, execute or cause to be executed all documents which are necessary or desirable to give effect to the provisions of this Agreement.

12.10 No Third Party Benefits.

This Agreement is solely for the benefit of the Proponents and the Province and this Agreement does not, and shall not be deemed to, confer upon or give to any other Person any benefit, remedy, claim, liability, reimbursement, cause of action or other right in relation to any of the Parties, nor is it the intent of the Parties that third parties have any right to claim benefits from, or to compel performance by, any of the Parties under this Agreement.

12.11 Counterparts.

This Agreement may be executed in counterparts and a set of counterparts executed by each of the Parties shall constitute a single document. A facsimile or other electronically produced signature page of a counterpart executed by a Party shall be sufficient evidence of execution for the purposes of this section.

The Parties have executed this Agreement as evidenced by the following signatures of authorized representatives of the Parties.

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF
NEWFOUNDLAND AND LABRADOR

Represented by:

Signature: 

Name: D.E. WILLIAMS

Title: Premier

Signature: 

Name: K.M. Dunderdale

Title: Minister NR

OIL AND GAS CORPORATION OF
NEWFOUNDLAND AND LABRADOR INC.

Represented by:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

EXXONMOBIL CANADA PROPERTIES

Represented by:

Signature: _____

Name: _____

Title: _____

EXXONMOBIL CANADA LTD.

Represented by:

Signature: _____

Name: _____

Title: _____

[Counterpart Execution Page to Benefits Agreement]

The Parties have executed this Agreement as evidenced by the following signatures of authorized representatives of the Parties.

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF
NEWFOUNDLAND AND LABRADOR**

Represented by:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

**OIL AND GAS CORPORATION OF
NEWFOUNDLAND AND LABRADOR INC.**

Represented by:

Signature:  _____

Name: E. J. Martin

Title: President & CEO

Signature:  _____

Name: Jim Keating

Title: Vice President

EXXONMOBIL CANADA PROPERTIES

Represented by:

Signature: _____

Name: _____

Title: _____

EXXONMOBIL CANADA LTD.

Represented by:

Signature: _____

Name: _____

Title: _____

[Counterpart Execution Page to Benefits Agreement]

The Parties have executed this Agreement as evidenced by the following signatures of authorized representatives of the Parties.

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF
NEWFOUNDLAND AND LABRADOR**

Represented by:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

**OIL AND GAS CORPORATION OF
NEWFOUNDLAND AND LABRADOR INC.**

Represented by:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

EXXONMOBIL CANADA PROPERTIES

Represented by:

Signature: 

Name: Glenn Scott

Title: President

EXXONMOBIL CANADA LTD.

Represented by:

Signature: 

Name: Glenn Scott

Title: President

[Counterpart Execution Page to Benefits Agreement]

Handwritten initials: DRO and RY

STATOILHYDRO CANADA LTD.

Represented by:

Signature: _____

Name: _____

Title: _____

PETRO-CANADA

Represented by:

Signature: Alan R Brown

Name: A R BROWN

Title: VICE PRESIDENT EAST COAST



CHEVRON CANADA LIMITED

Represented by:

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

[Counterpart Execution Page to Benefits Agreement]

STATOILHYDRO CANADA LTD.

Represented by:

Signature: _____

Name: _____

Title: _____

PETRO-CANADA

Represented by:

Signature: _____

Name: _____

Title: _____

CHEVRON CANADA LIMITED

Represented by:

Signature: Mark A. Nelson

Name: Mark A. Nelson

Title: President

Signature: MH Decter

Name: Marcia H. Decter
Vice-President & Secretary


Title: _____

[Counterpart Execution Page to Benefits Agreement]

STATOILHYDRO CANADA LTD.

Represented by:

Signature:



Name:

R. Bruce Brummitt

Title:

Sr. VP, Offshore Upstream

PETRO-CANADA

Represented by:

Signature:

Name:

Title:

CHEVRON CANADA LIMITED

Represented by:

Signature:

Name:

Title:

Signature:

Name:

Title:

[Counterpart Execution Page to Benefits Agreement]

EXHIBIT "A"
TO THE HEBRON BENEFITS AGREEMENT
LANDS

Land Description:

46°40'N, 48°30'W
Sections: 2-5, 12-14, 21-24, 32-34

46°40'N, 48°15'W
Sections: 72, 73, 82-84, 92-95

46°40'N, 48°15'W
Sections: 24-25, 34-36, 44-47, 54-57, 65-
67, 75-76

46°40'N, 48°15'W
Sections: 33, 43, 53, 63-64, 74, 85-87, 96

All references herein are based upon the land registry system of the Board in effect as of the Effective Date.

**EXHIBIT “B”
TO THE HEBRON BENEFITS AGREEMENT
DISPUTE RESOLUTION PROCEDURE**

**ARTICLE 1
GENERAL**

1.1 Definitions.

In this Exhibit the definitions set forth in the Agreement shall apply, and in addition thereto:

- (a) “**ADR Institute**” means the ADR Institute of Canada, Inc.;
- (b) “**Arbitration Act**” means the *Arbitration Act*, R.S.N.L. 1990, c.A-14;
- (c) “**Arbitration Procedure**” means the provisions of Article 4 of this Exhibit;
- (d) “**Arbitrators**” means a single arbitrator or a three person arbitration panel, as the context may require, appointed pursuant to the Arbitration Procedure;
- (e) “**Information**” means any documents, data, presentation or other information, whether written, oral or otherwise, disclosed by a Party for purposes of this Dispute Resolution Procedure;
- (f) “**Mediation Procedure**” means the provisions of Article 3 of this Exhibit;
- (g) “**Mediator**” means the mediator appointed pursuant to the Mediation Procedure; and
- (h) “**Negotiation Procedure**” means the provisions of Article 2 of this Exhibit.

1.2 Purpose and Sequence of Dispute Resolution.

The purpose of this section is to set forth a framework and procedure pursuant to which each Party agrees to use reasonable efforts to resolve any Disputes that may arise without resort to litigation. Except as expressly set forth herein, the Parties agree to use a three-step process to achieve this goal, which process shall be undertaken in the following order:

- (a) first, by way of negotiation pursuant to the Negotiation Procedure;
- (b) second, by way of mediation pursuant to the Mediation Procedure; and
- (c) third, by way of arbitration pursuant to the Arbitration Procedure.

1.3 Confidentiality.

- (a) All Information disclosed by a Party pursuant to the Negotiation Procedure, Mediation Procedure or the Arbitration Procedure shall be treated as confidential by the Parties and any Mediator or Arbitrator.
- (b) Neither the delivery nor disclosure of Information shall represent any waiver of privilege by a Party disclosing the same.
- (c) Except as required by law, each Party agrees not to disclose Information provided by any other Party for the purposes hereof to any other Person for any other purpose. Further, such Information shall not be used in any subsequent proceedings without the consent of the Party which has made disclosure of the same.
- (d) The Parties agree that any Mediator or Arbitrator appointed hereunder shall not be subpoenaed or otherwise compelled as a witness in any proceedings for any purpose whatsoever in relation to the Agreement.
- (e) Information will not be subject to these provisions of confidentiality if:
 - (i) the Information was already available to the public prior to the commencement of the Negotiation Procedure, the Mediation Procedure or the Arbitration Procedure;
 - (ii) the Information became public through no breach by the Parties, the Mediator or the Arbitrator;
 - (iii) the Information was required to be disclosed by operation of law; or
 - (iv) the Information came into a Party's possession other than through the Negotiation Procedure, Mediation Procedure or Arbitration Procedure and such Information is not subject to another obligation of confidentiality.

ARTICLE 2 NEGOTIATION PROCEDURE

2.1 Negotiation.

- (a) In the event of any Dispute arising out of or in connection with the Agreement, the Parties shall attempt to resolve such Dispute through

discussions involving members of senior management of sufficient level to negotiate in good faith.

- (b) Other than with respect to a Dispute pursuant to Section 2 of Exhibit “F”, such discussions shall commence within three (3) Business Days immediately following receipt of notice of the Dispute from one Party, by the other Parties, and shall be concluded within ten (10) Business Days from such date of receipt. Except to the extent such discussions result in a settlement, such discussions shall be considered without prejudice and off the record. No settlement shall be considered to be reached until it is reduced to writing and signed by all the Parties to the Dispute.
- (c) The Negotiation Procedure shall not apply to a Dispute pursuant to Section 2 of Exhibit “F”.

ARTICLE 3 MEDIATION PROCEDURE

3.1 Mediation.

- (a) Other than with respect to a Dispute pursuant to Section 2 of Exhibit “F”, if the Parties are unable to resolve the Dispute through the Negotiation Procedure, any Party that wishes to pursue further proceedings in relation to such a Dispute may submit the Dispute to non-binding mediation under this Article.
- (b) To submit the Dispute to the Mediation Procedure, any Party may send to all other Parties a written summary of relevant information with respect to the matters that remain in Dispute and the names of three (3) persons (ranking such persons in preference) who are acceptable to the Party initiating the resolution of the Dispute, to act as a sole Mediator (the “**Mediation Notice**”), provided that a mediation respecting that Dispute shall be deemed to be terminated if a Party serves Notice to the other applicable Parties at any time following delivery of the Mediation Notice that it is not prepared to proceed with mediation respecting that Dispute.
- (c) Other than with respect to a Dispute pursuant to Section 2 of Exhibit “F”, any mediation commenced under Section 3.1 of this Exhibit shall continue only until:
 - (i) the Dispute is resolved;
 - (ii) a Party serves Notice to the other Parties that it terminates the mediation; or

- (iii) the Mediator provides the applicable Parties with a written determination that the mediation is terminated because the Dispute cannot be resolved through mediation;

whichever first occurs.

- (d) For all matters other than a Dispute pursuant to Section 2 of Exhibit “F”, if the mediation proceeds, within five (5) Business Days of receiving the Mediation Notice, the other Parties shall send a written response to the Mediation Notice (the “**Mediation Response**”).
- (e) The Mediation Response shall include a summary of information relating to the matters that remain in Dispute and itemize in order of preference the persons proposed as Mediator in the Mediation Notice, or propose another person or persons, up to a maximum of two (2) per responding Party (ranking such persons in preference), as Mediator.

3.2 Appointment of Mediator.

- (a) Other than with respect to a Dispute pursuant to Section 2 of Exhibit “F”, within ten (10) Business Days after receipt of the Mediation Response, the Parties shall attempt to appoint a Mediator to address the applicable matter(s) to which the Dispute pertains.
- (b) Any Mediator shall be impartial and independent of each of the Parties, be an experienced and skilled commercial Mediator, and preferably have experience and knowledge concerning the subject matter of the Dispute.

3.3 If No Agreement as to Who Should Be Mediator.

Other than with respect to a Dispute pursuant to Section 2 of Exhibit “F”, if the Parties are unable to agree upon the appointment of a Mediator within ten (10) Business Days after receipt of the Mediation Response, any Party may make a written request to the ADR Institute that it appoint a single Mediator, provided that the Mediator appointed by the ADR Institute must be a Mediator proposed by one of the Parties, and the ADR Institute shall consider in making such appointment the Mediators as proposed by all the Parties and any order of preference of mediators as indicated by the Parties. The ADR Institute shall be requested to make this determination within ten (10) Business Days of receipt of the request.

3.4 Timelines for Mediation – Dispute Pursuant to Section 2 of Exhibit “F”.

In the case of a Dispute pursuant to Section 2 of Exhibit “F”, Sections 3.1, 3.2 and 3.3 of this Exhibit apply to such a Dispute with the following amendments:

- (1) the Parties shall have the right to file a Mediation Notice at the same time as or immediately following the filing of a notice of Dispute.
- (2) Such mediation shall be mandatory once a Mediation Notice has been delivered to a Party and neither Party may serve a Notice to the other applicable Parties that it is not prepared to proceed with mediation respecting that Dispute.
- (3) Within two (2) Business Days of receiving the Mediation Notice, the other Parties shall send a Mediation Response.
- (4) Within two (2) Business Days after receipt of the Mediation Response the Parties shall meet and attempt to appoint a Mediator to address the applicable matter(s) to which the Dispute pertains.
- (5) If the Parties are unable to agree upon the appointment of a Mediator within four (4) Business Days after receipt of the Mediation Response, any Party may make a written request to the ADR Institute that it appoint a single Mediator, provided that the Mediator appointed by the ADR Institute must be a Mediator proposed by one of the Parties, and the ADR Institute shall consider in making such appointment the Mediators as proposed by all the Parties and any order of preference of mediators as indicated by the Parties. The ADR Institute shall be requested to make this determination within three (3) Business Days of receipt of the request.
- (6) With respect to a mediation commenced with respect to a Dispute arising pursuant to Section 2 of Exhibit "F", the Mediation Procedure will continue only until:
 - (a) the Dispute is resolved; or
 - (b) thirty (30) days from receipt of the Mediation Notice,whichever first occurs.

3.5 The Mediation Process.

- (a) The Parties and each of their representatives shall participate in good faith and in a timely and responsive manner in the Mediation Procedure. A copy of the Mediation Notice and the Mediation Response(s) shall be delivered to the Mediator within two (2) Business Days of his/her appointment. The Parties shall provide such assistance and disclose such Information as may be reasonably necessary, and shall meet together with the Mediator in order to resolve the Dispute.

- (b) The Mediator shall, after consultation with the Parties, set the date, time and place for the mediation as soon as possible after being appointed. In the case of a Dispute pursuant to Section 2 of Exhibit “F”, the Mediator shall set the date, time and place for the mediation to occur no later than twenty (20) days from the date of receipt by the receiving Parties of the Mediation Notice.
- (c) The location of the mediation shall be St. John’s, Newfoundland and Labrador, unless otherwise agreed to by the Parties, and the language of the mediation shall be English.
- (d) For the Mediation of all matters other than those matters with respect to Section 2 of Exhibit “F”, if the mediation is not completed within thirty (30) Business Days after the receipt of the Mediation Notice, the mediation shall be considered to have failed to resolve the Dispute and the Mediation Procedure shall be deemed to be terminated unless the Parties agree in writing to extend the time to resolve the Dispute by mediation.
- (e) For the mediation of any matter referred to in Section 2 of Exhibit “F”, if the mediation is not completed within thirty (30) days after the receipt of the Mediation Notice, the mediation shall be considered to have failed to resolve the Dispute and the Mediation Procedure shall be deemed to be terminated unless the Parties agree in writing to extend the time to resolve the Dispute by mediation.
- (f) The Parties shall each bear their own costs and expenses associated with the mediation, but shall share the common costs of the mediation equally (or in such other proportions as they may agree), including the cost of the Mediator and any facility or services required to be paid for in order to hold the mediation. Any mediation undertaken hereunder shall be non-binding, and except to the extent a settlement is reached, shall be without prejudice and off the record. No settlement shall be considered to be reached until it is reduced to writing and signed by all the Parties to the Dispute.

ARTICLE 4

ARBITRATION PROCESS

4.1 Binding Arbitration.

If the Parties are unable to resolve the Dispute through the Mediation Procedure, any Party that wishes to pursue further proceedings in relation to such a Dispute shall submit the Dispute to binding arbitration under this Article and give notice to all other Parties of such submission. The arbitration shall be administered by the ADR Institute in accordance with the rules that apply to national matters (the “Rules”), except as modified in this Article 4.

4.2 Appointment of Three Person Arbitration Panel.

- (a) Within fifteen (15) Business Days of termination of the mediation under the Mediation Procedure, each Party shall appoint an Arbitrator and provide the other Parties to the Dispute with written notice of such appointment. If more than two Parties are involved in a Dispute, a Party may, if it wishes, align itself with a Party that submits a Dispute to binding arbitration, or alternatively, with a Party that responds to a Dispute submitted to binding arbitration. Such an aligned grouping of Parties shall, within fifteen (15) Business Days of termination of the mediation under the Mediation Procedure, appoint one Arbitrator for the three (3) person arbitration panel, and within the same time period, the other remaining Party shall appoint one Arbitrator for the three (3) person arbitration panel.
- (b) If a Party or aligned grouping of Parties fail to appoint an Arbitrator within the time period provided in this Section 4.2, an Arbitrator shall be chosen on behalf of the such Party who fails to make such appointment by the ADR Institute, but with Section 15 of the Rules being varied so as to require the ADR Institute to deliver to the Operator and the Province an identical list of at least five (5) names of arbitrators the ADR Institute is proposing.
- (c) Within fifteen (15) Business Days of when the first two (2) Arbitrators are chosen, such two (2) Arbitrators shall agree on the appointment of an additional Arbitrator as chair (the “Chair”), and shall give notice to all Parties of the person appointed as Chair. If the first two (2) Arbitrators cannot agree on the Chair within this time period, the Chair shall be chosen by the ADR Institute, but with Section 15 of the Rules being varied so as to require the ADR Institute to deliver to each Party an identical list of at least five (5) names of arbitrators the ADR Institute is proposing.
- (d) If more than two (2) Parties are involved in a Dispute and, despite any aligned grouping, there remain more than two (2) groups of Parties:
 - (i) the Province shall choose one Arbitrator; and
 - (ii) where the other Parties cannot agree on the other Arbitrator, the ADR Institute shall choose the other two (2) Arbitrators and shall also designate one of the three (3) Arbitrators to act as the Chair.

4.3 Place of Arbitration and Language.

The seat and place of hearing of the arbitration shall be St. John’s, Newfoundland and Labrador, and the language of the arbitration shall be English.

4.4 Procedure.

- (a) The Parties may at any time agree in advance as to the manner in which the Arbitrators shall promptly hear witnesses and arguments, review documents and otherwise conduct the Arbitration Procedure. Failing such agreement within ten (10) Business Days from the date of selection or appointment of the Arbitrator, the Arbitrators shall use the Rules and promptly commence and expeditiously conduct the arbitration proceedings. The Parties intend that the arbitration hearing should commence as soon as reasonably practicable following the full appointment of the arbitral tribunal.
- (b) In no event shall the Arbitrators have the jurisdiction to amend or vary the terms of this Dispute Resolution Procedure or of the Rules.
- (c) Arbitration involving issues in dispute common to all Parties shall be conducted by all Parties with the Province in one arbitration, unless the resolution of the issue to be arbitrated involves facts or circumstances specific to any one Party.

4.5 Awards.

- (a) The arbitration award shall be given in writing, shall be binding on the Parties, and shall deal with the question of costs of the arbitration and all other related matters.
- (b) Subject to Section 4.5(d), the Arbitrators may award damages and any other remedy available to them pursuant to the Arbitration Act, at common law, in equity or otherwise.
- (c) Where the Arbitrators determine that the Proponents have breached an obligation to perform work in the Province under this Agreement, the Arbitrators will, subject to Section 4.5(e), make an award requiring performance by the Proponents of replacement work to be performed in the Province. Such replacement work shall be work that would not otherwise have been performed in the Province and shall be comparable in terms of duration, intensity and complexity to the work that is the subject of the Dispute and be commenced by the Operator within a reasonable time frame from the date of the arbitral award. In no event shall such work be completed later than three (3) years from the date of such arbitral award, unless the Parties agree otherwise. This remedy of replacement work shall not be deemed to be an exclusive remedy but shall be in addition to all other remedies available to the Arbitrators.
- (d) Notwithstanding the Rules, the Arbitrators shall not be entitled to order relief of any kind or nature (including any injunction, specific performance or other equitable relief) that causes a delay in the Hebron Project schedule.

- (e) It is acknowledged and agreed that Sections 4.5 (b) and (c) shall not apply to a Dispute which has arisen under the terms of Section 5.3(F) of the Agreement or Sections 1 or 2 of Exhibit “F”, and the Parties agree that the remedies set out in Section 5.3(F) of the Agreement or Sections 1 or 2 of Exhibit “F”, as the case may be, shall be the exclusive remedies available to the Arbitrators for Disputes pursuant to those Sections of Exhibit “F”.
- (f) Until the Arbitrators make an award providing otherwise, each Party shall bear their own costs in relation to the arbitration, but the Proponents (as a group) and the Province shall each share equally (or in such other proportions as they may agree) the common costs of the arbitration, including the cost of or attributable to the Arbitrators or the facilities or services used for the arbitration.
- (g) No arbitration award issued hereunder shall expand or increase the liabilities, obligations or remedies of the Parties beyond those permitted by the Agreement, including the Exhibits.
- (h) There shall be no appeal on the merits from any arbitration award. Arbitration conducted pursuant to this Arbitration Procedure shall be the final and exclusive forum for the resolution of such a Dispute, but nothing shall prevent a Party from applying to the court for a resolution of matters that are subject to the jurisdiction of the courts under the Arbitration Act.
- (i) Judgment upon the arbitration award may be entered in any court having jurisdiction, or application may be made to such court for a judicial recognition of the arbitration award or an order of enforcement thereof, as the case may be.

**EXHIBIT “C”
TO THE HEBRON BENEFITS AGREEMENT
ASSIGNMENT AGREEMENT**

THIS AGREEMENT made this day of , 200 ,

AMONG:
[ASSIGNOR]

- and -

[ASSIGNEE]

- and -

WHEREAS the Assignor is a party to the Benefits Agreement;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises and the covenants and agreements herein set forth, the parties agree as follows:

1. DEFINITIONS

- (A) Unless the context otherwise requires, words and phrases in this Agreement:
 - (1) that are defined in the Benefits Agreement shall have the meanings ascribed to them in the Benefits Agreement; and
 - (2) that are not defined in the Benefits Agreement shall have the meanings ascribed to them in this section 1;
- (B) “Agreement” means this agreement;
- (C) “Assigned Property” means either the legal or beneficial interest or both in all or a portion of an interest in the Lands which is owned by the Assignor immediately prior to the Effective Date, which the Assignor proposes to dispose of to the Assignee as and from the Effective Date and which is specified in Appendix “_”;
- (D) “Assignee” means ●;
- (E) “Assignor” means ●;

- (F) “Benefits Agreement” means the agreement which is entitled “Hebron Benefits Agreement” and is made between the Proponents and the Province, including any amendments thereto; and
- (G) “Effective Date” means the date of execution of this Agreement or such other date as the parties to this Agreement may agree.

2. ASSIGNMENT BY ASSIGNOR

- (A) The Assignor hereby acknowledges that it has agreed to absolutely and unconditionally dispose of the Assigned Property to the Assignee as and from the Effective Date.
- (B) The Assignor does hereby assign, set over, transfer and convey unto the Assignee, as and from the Effective Date, all of the interest of the Assignor in and under the Benefits Agreement, to the extent relevant to the Assigned Property, and all benefit and advantage derived or to be derived therefrom, to have and to hold the same unto the Assignee absolutely, subject to the performance and observance by the Assignee of the terms, conditions and obligations contained in the Benefits Agreement, to the extent relevant to the Assigned Property.

3. ACCEPTANCE BY ASSIGNEE

- (A) The Assignee hereby acknowledges that it has absolutely and unconditionally agreed to acquire the Assigned Property from the Assignor as and from the Effective Date.
- (B) The Assignee hereby accepts the assignment set forth in Section 2(B) and covenants and agrees that it shall at all times from and after the Effective Date be bound by, observe and perform all the terms and provisions to be observed and performed by the Assignor under the Benefits Agreement, that relate to the Assigned Property, to the same extent as if the Assignee had been a party thereto in the place and stead of the Assignor.

4. FURTHER ASSURANCES

The Assignor covenants and agrees with the Assignee that it shall and will, from time to time and at all times hereafter, at the request of the Assignee, execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Assignee all of the interest of the Assignor in and under the Benefits Agreement, that relates to the Assigned Property.

5. FURTHER ASSIGNMENT

Any further assignment of the Benefits Agreement shall be made only in accordance with the provisions of section 6 of the Benefits Agreement.

6. BENEFIT

This Agreement shall enure to the benefit of, and be binding upon, the parties and their respective successors and assigns.

7. NOTICE

The address of Assignee for notices under the Benefits Agreement shall be:

8. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws in force in the Province of Newfoundland and Labrador and the reference to such laws shall not, by the application of conflicts of laws rules, or otherwise, require the application of the laws in force in any jurisdiction other than the Province of Newfoundland and Labrador.

IN WITNESS WHEREOF the parties to this Agreement have executed it as of the date first above written.

[ASSIGNOR]

By:

Name:

Title:

[ASSIGNEE]

By:

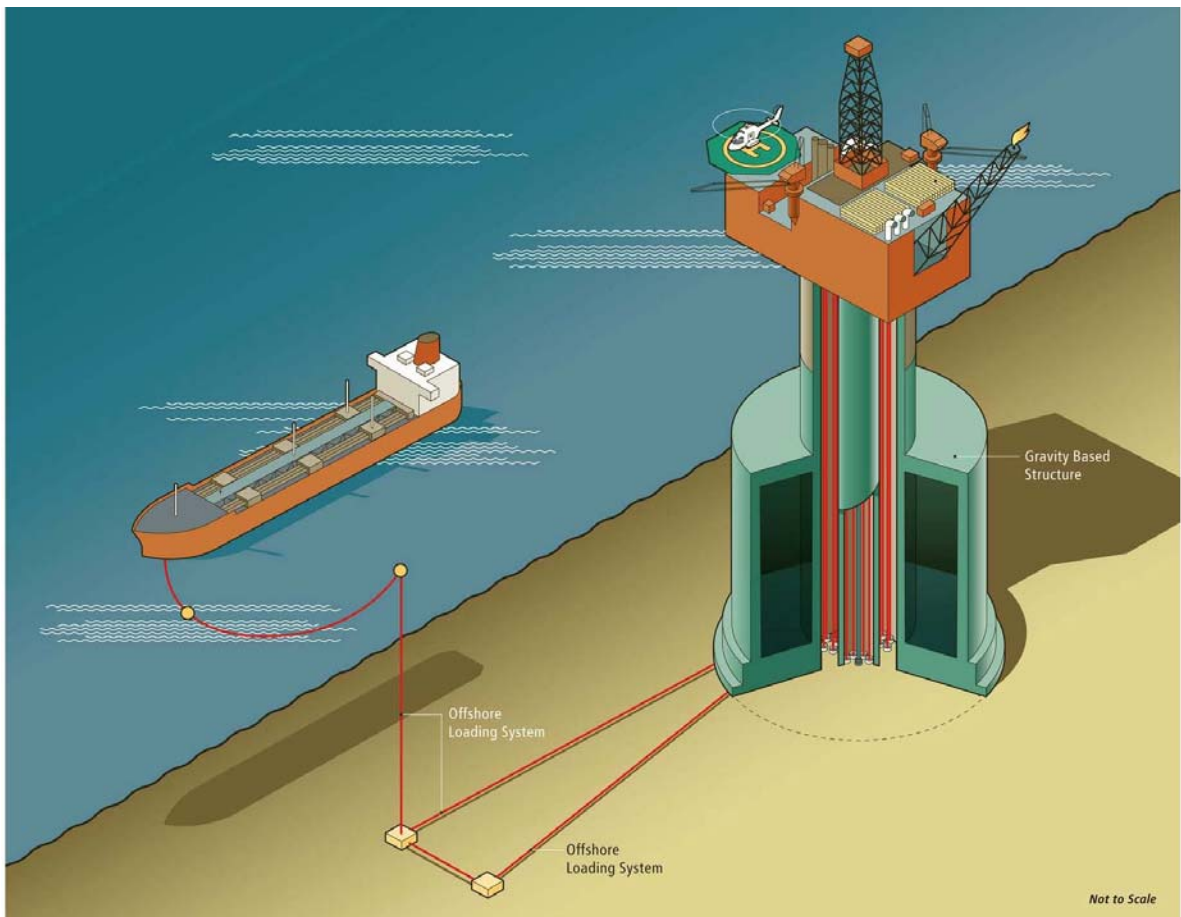
Name:

Title:

**EXHIBIT “D”
TO THE HEBRON BENEFITS AGREEMENT
SCHEMATICS**

General:

The schematic on this page reflects a preliminary design concept for the Hebron Project.



**EXHIBIT “D”
TO THE HEBRON BENEFITS AGREEMENT**

SCHEMATICS

Continued

Topsides:

The schematic on this page reflects a preliminary design concept for the Accommodations Module, the Topsides Components, the Utilities/Process Module and other components for the Hebron Project.

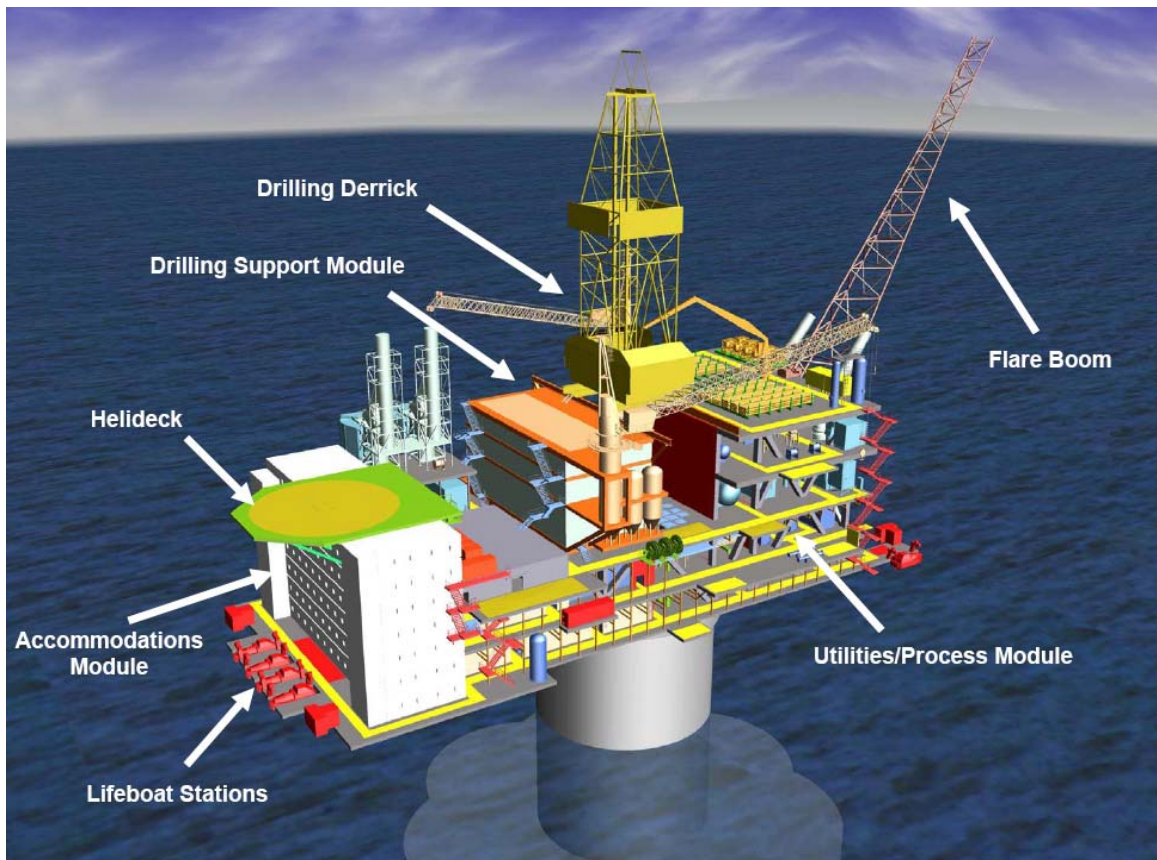


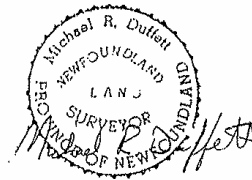
EXHIBIT "E"
TO THE HEBRON BENEFITS AGREEMENT
BULL ARM SITE DESCRIPTION

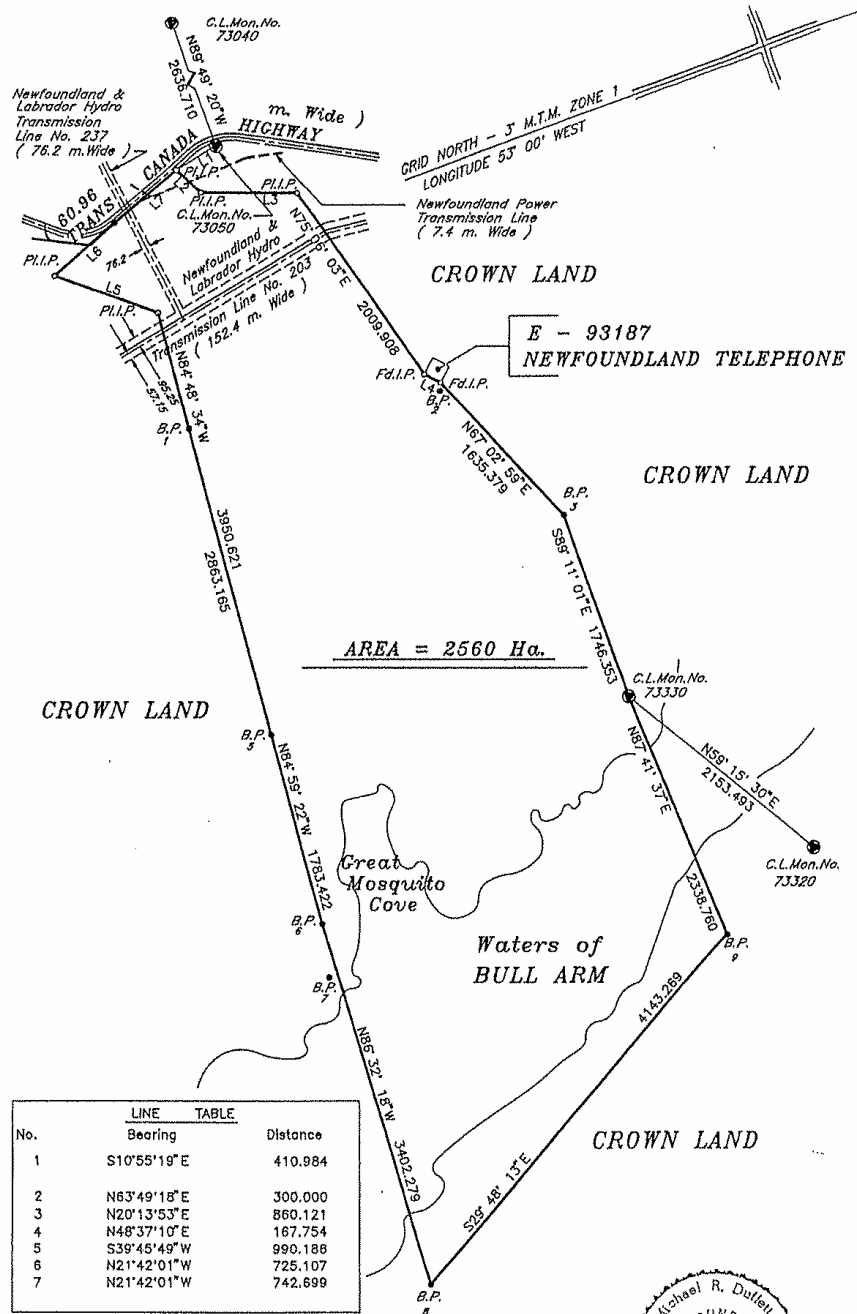
SCHEDULE "A"

All that piece or parcel of land and land covered by water, situate and being on the east side of Trans Canada Highway, in the Electoral District of Bellevue, in the Province of Newfoundland, Canada, and being bounded and abutted as follows; that is to say: Beginning at a point in the eastern limit of Trans Canada Highway (60.96 metres wide) said point being distant four-hundred and ten decimal nine eight four metres on a bearing of south ten degrees fifty-five minutes nineteen seconds east from Crown Land Monument No. 73050, thence turning and running by Crown Land north sixty-three degrees forty-nine minutes eighteen seconds east three-hundred decimal zero zero zero metres, north twenty degrees thirteen minutes fifty-three seconds east eight-hundred and sixty decimal one two one metres, north seventy-five degrees zero six minutes zero three seconds east two-thousand and nine decimal nine zero eight metres, thence turning and running by land applied for from the Crown by Newfoundland Telephone by application No. E-93187, north forty-eight degrees thirty-seven minutes ten seconds east one-hundred and sixty-seven decimal seven five four metres, thence turning and running by Crown Land north sixty-seven degrees zero two minutes fifty-nine seconds east one-thousand six-hundred and thirty-five decimal three seven nine meters, south eighty-nine degrees eleven minutes zero one seconds east one-thousand seven-hundred and forty-six decimal three five three metres, north eighty-seven degrees forty-one minutes thirty-seven seconds east two-thousand three-hundred and thirty-eight decimal seven six zero metres, south twenty-nine degrees forty-eight minutes thirteen seconds east four-thousand one-hundred and forty-three decimal two six nine metres north eighty-six degrees thirty-two minutes eighteen seconds west three-thousand four-hundred and two decimal two seven nine metres, north eighty-four degrees fifty-nine minutes twenty-two seconds west one-thousand seven-hundred and eighty-three decimal four two two metres, north eighty-four degrees forty-eight minutes thirty-four seconds west three-thousand nine-hundred and fifty decimal six two one metres, south thirty-nine degrees forty-five minutes forty-nine seconds west nine-hundred and ninety decimal one eight six metres, north twenty-one degrees forty-two minutes zero one seconds west seven-hundred and twenty-five decimal one zero seven metres to the aforementioned eastern limit of Trans Canada Highway (60.96 metres wide) thence running along the said eastern limit of Trans Canada Highway, north twenty-one degrees forty-two minutes zero one seconds west seven-hundred and forty-two decimal six nine nine metres, more or less to the point of beginning and containing an area of two-thousand five-hundred and sixty (2560) hectares. Which land is more particularly shown and

delinated on the attached plan. All bearings premise that the bearing from Crown Land Monument No. 73060 to Crown Land Monument No. 73040 is north eighty-nine degrees forty-nine minutes twenty seconds west.

The above described piece or parcel of land and land covered by water is subject to a Newfoundland and Labrador Hydro Transmission Line Easement (152.4 metres wide) and (76.2 metres wide) and a Newfoundland Power Transmission Line Easment (7.4 metres wide) which cross the said piece or parcel of land and land covered by water as shown on said attached plan.





No E - 95765

B.P. - Brass Plug set in Rock

Fd.I.P. - Found Iron Pin

Pl.I.P. - Placed Iron Pin

All Lines Cut

All Distances are Horizontal Ground Distances
Reduced to Sea Level.

SCALE = 1 : 40000

