

# HIBERNIA SOUTHERN EXTENSION BENEFITS AGREEMENT

---

AMONG

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

- AND -

EXXONMOBIL CANADA PROPERTIES

- AND -

EXXONMOBIL CANADA LTD.

- AND -

EXXONMOBIL CANADA HIBERNIA COMPANY LTD.

- AND -

PETRO-CANADA HIBERNIA PARTNERSHIP

- AND -

SUNCOR ENERGY INC.

- AND -

CHEVRON CANADA RESOURCES

- AND -

CHEVRON CANADA LIMITED

- AND -

CANADA HIBERNIA HOLDING CORPORATION

- AND -

MURPHY ATLANTIC OFFSHORE OIL COMPANY LTD.

- AND -

STATOIL CANADA LTD.

- AND -

NALCOR ENERGY – OIL AND GAS INC.

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**HIBERNIA SOUTHERN EXTENSION BENEFITS AGREEMENT**

**THIS HIBERNIA SOUTHERN EXTENSION BENEFITS AGREEMENT** dated as of February 16, 2010 is made by and between each of the following:

**AMONG:**

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR**

-and-

**EXXONMOBIL CANADA PROPERTIES**, a partnership established under the laws of Alberta, having an office in St. John's, Newfoundland and Labrador, in its capacity as a Proponent and as the Unit Operator ("**EMCP**")

-and-

**EXXONMOBIL CANADA HIBERNIA COMPANY LTD.**, a body corporate incorporated pursuant to the laws of Canada, having an office in St. John's, Newfoundland and Labrador ("**EMCHCL**")

-and-

**EXXONMOBIL CANADA LTD.**, a body corporate incorporated pursuant to the laws of Canada, having an office in St. John's, Newfoundland and Labrador ("**EMCHCL**")

-and-

**PETRO-CANADA HIBERNIA PARTNERSHIP**, a partnership established under the laws of Alberta, having an office in St. John's, Newfoundland and Labrador ("**PCHP**")

-and-

**SUNCOR ENERGY INC.**, a body corporate amalgamated under the laws of Canada, having an office in St. John's, Newfoundland and Labrador ("**Suncor**")

-and-

**CHEVRON CANADA RESOURCES**, a partnership established under the laws of Alberta, having an office in St. John's, Newfoundland and Labrador ("**CCR**")

-and-

**CHEVRON CANADA LIMITED.**, a body corporate incorporated pursuant to the laws of Canada, having an office in St. John's, Newfoundland and Labrador ("**Chevron**")

-and-

**CANADA HIBERNIA HOLDING CORPORATION**, a body corporate incorporated pursuant to the laws of Canada, having an office in Calgary, Alberta ("**CHHC**")

-and-

**MURPHY ATLANTIC OFFSHORE OIL COMPANY LTD.**, a body corporate incorporated pursuant to the laws of Canada, having an office in Calgary, Alberta ("**Murphy**")

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DRO G  
R. M. RB*

-and-

**STATOIL CANADA LTD.**, a body corporate incorporated pursuant to the laws of Alberta, having an office in St. John's, Newfoundland and Labrador ("**Statoil**")

-and-

**NALCOR ENERGY – OIL AND GAS INC.**, a body corporate incorporated pursuant to the laws of Newfoundland and Labrador, having an office in St. John's, Newfoundland and Labrador ("**Nalcor Oil**")

## RECITALS

- A. WHEREAS this Agreement shall be in respect of the development of oil in the Lands pursuant to the Development Plan.
- B. WHEREAS this Agreement sets forth the benefit commitments associated with the development of the Lands pursuant to the Development Plan, and may be supplementary to any and all Accord Acts benefit obligations and obligations imposed by the Board.
- C. WHEREAS the Federal Accord Act and the Provincial Accord Act provide that the Proponents must file a plan for the employment of Canadians and in particular members of the labour force of Newfoundland and Labrador providing manufacturers, consultants, contractors, and service companies in the Province and other parts of Canada with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the plan, with first consideration given to services provided within the Province and goods manufactured within the Province.

**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:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

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

- (1) "**Accord Acts**" means the Federal Accord Act and the Provincial Accord Act.
- (2) "**Acquisition Agreement**" means the agreement among the Proponents dated the Effective Date and titled "Hibernia Southern Extension Acquisition Agreement".
- (3) "**Affiliate**" has the same meaning as the words "affiliated persons" in section 251.1 of the Income Tax Act (Canada).
- (4) "**Agreement**", "**this Agreement**" or "**the Agreement**" means this agreement including all Schedules attached hereto.
- (5) "**Allocation Agreement**" means the agreement among the Parties dated February 16, 2010 and titled "Hibernia Development Project Allocation Agreement", as amended.
- (6) "**Assignment**" means an assignment, transfer or other disposition (including a distribution in the course of a winding-up).

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- (7) **"ATIPPA"** has the meaning it is given in Section 6.1.
- (8) **"Benefits Plan"** means a Canada-Newfoundland and Labrador benefits plan submitted by the Unit Operator on behalf of the Proponents to the Board under Section 45 of the Accord Acts.
- (9) **"Block"** means a section of a reservoir that is separated from an adjacent section of such reservoir by one or more faults and for purposes of this Agreement shall be interpreted in a manner consistent with the Development Plan.
- (10) **"Board"** means the Canada-Newfoundland and Labrador Offshore Petroleum Board established pursuant to the Accord Acts.
- (11) **"Business Day"** means any day other than a Saturday, Sunday or a statutory holiday in St. John's, Newfoundland and Labrador.
- (12) **"Canada"** means Her Majesty the Queen in Right of Canada or the geographical territory of Canada as the context may require.
- (13) **"Claims"** includes claims, demands, complaints, actions, suits, causes of action, assessments or reassessments, charges, judgments, debts and liabilities, whether contingent or otherwise.
- (14) **"Commercially Sensitive Information"** has the meaning it is given in Section 6.1.
- (15) **"Development Plan"** means the first amendment to the Hibernia development plan approved pursuant to the Accord Acts after the date hereof.
- (16) **"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.
- (17) **"Dispute"** has the meaning it is given in Section 7.1.
- (18) **"Dispute Resolution Procedure"** means the dispute resolution procedure set forth in Schedule "A".
- (19) **"Diversity Plan"** has the meaning it is given in Section 4.5.
- (20) **"Education and Training"** shall include expenditures for any or all of the following:
- (a) support for the establishment and/or maintenance of education and training infrastructure and programs in the Province;
  - (b) 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;
  - (c) support for chairs and fellowships in the Province;
  - (d) scholarships and work terms including those for Residents of the Province who may study or work outside the Province; and
  - (e) all training and engineering assignments directly associated with the Project for Residents of the Province undertaken outside the Province;

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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.

- (21) "**EL1093**" means Exploration Licence 1093 issued by the Board dated January 15, 2005, provided that upon the issuance of the first significant discovery licence or the first production licence or other similar right that is issued and that supersedes such exploration licence in relation to the geographic area that is currently the subject of EL1093, all references to EL1093 shall instead be read as referring to that successor significant discovery licence, production licence or other similar right.
- (22) "**EL1093 Area**" means the geographic area specified as the "Lands" in EL1093.
- (23) "**EL1093/PL1005 Royalty Agreement**" means the agreement dated February 16, 2010 and titled the "EL1093/PL1005 Royalty Agreement", as amended.
- (24) "**Effective Date**" means the first date indicated on the first page of this Agreement.
- (25) "**Energy Corporation Act**" means the *Energy Corporation Act*, S.N.L. 2007, c. E-11.01.
- (26) "**Federal Accord Act**" means the *Canada-Newfoundland Atlantic Accord Implementation Act*, S.C. 1987, c. 3, and includes the regulations made and, from time to time, in force under that Act.
- (27) "**Federal Act**" has the meaning it is given in Section 6.3(A).
- (28) "**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.
- (29) "**Formal Agreements**" means this Agreement, the Acquisition Agreement and the Royalty Agreements, collectively.
- (30) "**Gender Equity and Diversity Program**" has the meaning given to it in Section 4.5.
- (31) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation (but specifically excludes Nalcor Oil, CHHC and their Affiliate corporations), court, board, tribunal or dispute settlement panel or body:
- (a) having jurisdiction over the Project; or
  - (b) exercising, or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over the Project or any of the Proponents specifically in relation to the Project.

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- (32) "**Groups**" has the meaning set forth in the Unit Agreement.
- (33) "**Income Tax Act (Canada)**" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c. 1.
- (34) "**Joint Operating Agreement**" has the meaning set forth in the Unit Agreement.
- (35) "**Lands**" means the Unit Intervals as of the Effective Date.
- (36) "**Licence Areas**" means the PL1001 Area, the PL1005 Area or the EL1093 Area, as the context requires.
- (37) "**Offshore Area**" means the "offshore area" as defined in the Accord Acts.
- (38) "**PL1001**" means that production licence dated March 21, 1990, numbered 1001 and issued by the Board to the licensees thereof.
- (39) "**PL1001 Area**" means the geographic area specified as the "Lands" in PL1001.
- (40) "**PL1001 Hibernia Royalty Agreement**" means the agreement dated September 1, 1990 and titled the "Hibernia Development Project Royalty Agreement", as amended.
- (41) "**PL1005**" means that production licence dated January 14, 2003, numbered 1005, as defined in the Board land registry system and issued by the Board to the licensees thereof.
- (42) "**PL1005 Area**" means the geographic area specified as the "Lands" in PL1005.
- (43) "**Parties**" means the parties to this Agreement and "**Party**" means any one of those parties.
- (44) "**Person**" means a natural person, firm, trust, partnership, association, corporation, unincorporated organization, union, government or government agency.
- (45) "**Project**" means the development of oil in the Lands pursuant to the Development Plan.
- (46) "**Project Sanction**" means the final approval by the Proponents to fund the engineering, procurement and construction of the subsea template and associated subsea facilities to be installed in connection with the development of the Unit as described in the Development Plan.
- (47) "**Proponents**" means, collectively, EMCP (including EMCL in its capacity as a partner in EMCP), EMCHCL, PCHP (including Suncor in its capacity as a partner in PCHP), CCR (including Chevron in its capacity as a partner in CCR), CHHC, Murphy, Statoil and Nalcor Oil and any successors to, or permitted assigns of, the Unit Interests of any of those Persons, and "Proponent" means any one of those Proponents.
- (48) "**Province**" means the Province of Newfoundland and Labrador, Her Majesty 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.
- (49) "**Provincial Accord Act**" means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, R.S.N.L. 1990, c. C-2, and includes the regulations made and, from time to time, in force under that act.
- (50) "**Representative**" has the meaning it is given in Section 6.4.

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(51) "**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:

- (i) research and development activity in the Province;
- (ii) increased research and development capacity in the Province; or
- (iii) Education and Training;

and, in respect of research and development referenced in (i) and (ii) above, includes the systematic investigation or research 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 research:

- (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.

(52) "**Residents of the Province**" means persons who meet the residency requirements set out in the *Elections Act, 1991*, S.N.L. 1992 c. E-3.1.

(53) "**Royalty Agreements**" means the PL1001 Hibernia Royalty Agreement, the EL1093/PL1005 Royalty Agreement and the Allocation Agreement.

(54) "**Unit**" means the Hibernia Southern Extension Unit created pursuant to the Unit Agreement.

(55) "**Unit Agreement**" means the agreement titled the "Amended and Restated Unit Agreement", as amended.

(56) "**Unit Facilities**" has the meaning set forth in the Unit Agreement.

(57) "**Unit Interest**" means the interest or interests in the Unit pursuant to the Unit Agreement.

(58) "**Unit Intervals**" means that portion of the reservoir or reservoirs which are as of the Effective Date:

- (a) the Hibernia-Sand Reservoir(s) illustrated in Schedule "C" – Figure 1, Figure 2;

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(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 5.1, this Agreement shall be interpreted and enforced without reference to the provisions of any other agreement or document 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.

**1.8 Agreements**

References herein to any agreement shall be a reference to that agreement as of the date of this Agreement.

**1.9 Laws, Regulations and Authorizations**

Any reference herein to any law, statute, regulation, approval, authorization, permit, decision, plan, order or other enactment other than the Development Plan shall be a reference to that law, statute, regulation, approval, authorization, permit, decision, plan, order or other enactment as amended, extended, replaced or superseded from time to time.

**1.10 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 paramourcy to any part of this Agreement over any other part.

**1.11 Unit Operator**

(A) Each Proponent agrees to direct the Unit Operator to fulfill the Unit Operator's obligations under this Agreement.

(B) If a Proponent other than EMCP is designated as the Unit Operator it shall comply with the terms of this Agreement in performing its role as Unit Operator.

**1.12 Hibernia Development Commercial Arrangements**

The Province acknowledges that the Proponents (other than Nalcor Oil) submitted a Hibernia development plan amendment to the Board on February 1, 2010. As soon as practicable following the date hereof, the Province agrees that it will advise the Board that the Province is satisfied with the commercial arrangements relating to such amendment.

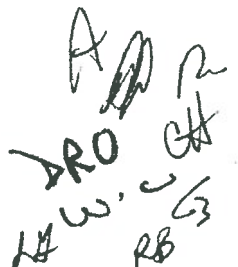
**ARTICLE 2  
EFFECTIVE DATE AND TERMINATION**

**2.1 Effective Date**

This Agreement shall become effective upon the Effective Date.

**2.2 Term and Survival**

This Agreement shall remain in force until the termination of the Project.



### 2.3 Termination

If, at any time after the fifth 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.

### 2.4 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 Project;
  - (2) the Development Plan has been approved pursuant to the Accord Acts; and
  - (3) Project Sanction.
- (B) The entering into of this Agreement does not obligate the Proponents to sanction or continue the 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 after Project Sanction.

## ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

### 3.1 Representations and Warranties of Chevron Partnership and Chevron.

CCR and Chevron each represent and warrant to the Province that, at the date hereof:

- (A) CCR 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 Chevron 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 CCR are Chevron and Chevron Canada Development Company;
- (C) each of the partners constituting CCR:
- (1) has the requisite power, authority and qualification to be a partner in CCR; 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 CCR and Chevron and this Agreement constitutes legal, valid and binding obligations of CCR and Chevron enforceable against them in accordance with its terms; and
- (E) none of the execution, delivery or performance of this Agreement by CCR or Chevron 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 CCR or Chevron; or

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- (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 CCR or Chevron is a party.

### 3.2 Chevron Liability for CCR

Chevron is a general partner in CCR. Notwithstanding that Chevron may cease to be a general partner in CCR, Chevron shall be fully and absolutely liable to the Province for all obligations of CCR to the Province under this Agreement until the Province may agree otherwise.

### 3.3 No Reduction of Chevron Liability

Chevron, CCR and the Province acknowledge that, as a result of the requirements of the Federal Accord Act, Chevron must be the Person(s) named in PL1001, PL1005 and EL1093 but Chevron holds all such interests for and on behalf of CCR. The Province may grant time, renewals, extensions, indulgences, releases, discharges and otherwise deal with CCR without in any way limiting or lessening the liability of Chevron under this Agreement except to the extent that it results in any reduction of the liability of CCR and, thus, Chevron. The obligations of Chevron under this Agreement shall not be terminated, limited or lessened by the termination of the existence of CCR.

### 3.4 Representations and Warranties of ExxonMobil Partnership and ExxonMobil.

EMCP and EMCL each represent and warrant to the Province that, at the date hereof:

- (A) EMCP 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 EMCL 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 EMCP are EMCL and ExxonMobil Resources Canada Company;
- (C) each of the partners constituting EMCP:
  - (1) has the requisite power, authority and qualification to be a partner in EMCP; 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 EMCP and EMCL and this Agreement constitutes legal, valid and binding obligations of EMCP and EMCL enforceable against them in accordance with its terms; and
- (E) none of the execution, delivery or performance of this Agreement by EMCP or EMCL 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 EMCP or EMCL; 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 EMCP or EMCL is a party.

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### 3.5 EMCL Liability for EMCP

EMCL is a general partner in EMCP. Notwithstanding that EMCL may cease to be a general partner in EMCP, EMCL shall be fully and absolutely liable to the Province for all obligations of EMCP to the Province under this Agreement until the Province may agree otherwise.

### 3.6 No Reduction of EMCP Liability

EMCL, EMCP and the Province acknowledge that, as a result of the requirements of the Federal Accord Act, EMCL must be the Person(s) named in PL1001 and PL1005 and in the future significant discovery licence or production licence issued in substitution for EL1093 but EMCL holds all such interests for and on behalf of EMCP. The Province may grant time, renewals, extensions, indulgences, releases, discharges and otherwise deal with EMCP without in any way limiting or lessening the liability of EMCL under this Agreement except to the extent that it results in any reduction of the liability of EMCP and, thus, EMCL. The obligations of EMCL under this Agreement shall not be terminated, limited or lessened by the termination of the existence of EMCP.

### 3.7 Representations and Warranties of Petro-Canada Partnership and Suncor

PCHP and Suncor each represent and warrant to the Province that, at the date hereof:

- (A) PCHP 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 Suncor 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 PCHP are Suncor and Petro-Canada (Hibernia) Inc.;
- (C) each of the partners constituting PCHP:
  - (1) has the requisite power, authority and qualification to be a partner in PCHP; 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 PCHP and Suncor and this Agreement constitutes legal, valid and binding obligations of PCHP and Suncor enforceable against them in accordance with its terms; and
- (E) none of the execution, delivery or performance of this Agreement by PCHP or Suncor 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 PCHP or Suncor; 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 PCHP or Suncor is a party.

### 3.8 Suncor Liability for PCHP

Suncor is a general partner in PCHP. Notwithstanding that Suncor may cease to be a general partner in PCHP, Suncor shall be fully and absolutely liable to the Province for all obligations of PCHP to the Province under this Agreement until the Province may agree otherwise.

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### 3.9 No Reduction for PCHP Liability

Suncor, PCHP and the Province acknowledge that, as a result of the requirements of the Federal Accord Act, Suncor must be the Person(s) named in PL1001, PL1005 and EL1093 but Suncor holds all such interests for and on behalf of PCHP. The Province may grant time, renewals, extensions, indulgences, releases, discharges and otherwise deal with PCHP without in any way limiting or lessening the liability of Suncor under this Agreement except to the extent that it results in any reduction of the liability of PCHP and, thus, Suncor. The obligations of Suncor under this Agreement shall not be terminated, limited or lessened by the termination of the existence of PCHP.

### 3.10 Representations and Warranties of EMCHCL

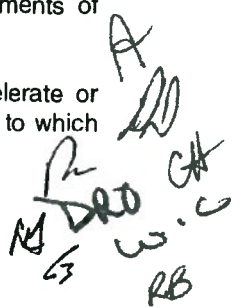
EMCHCL represents and warrants to the Province that, at the date hereof EMCHCL:

- (A) 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
- (B) has the requisite power, authority and qualification to enter into this Agreement;
- (C) this Agreement has been duly executed and delivered by EMCHCL and this Agreement constitutes legal, valid and binding obligations of EMCHCL enforceable against it in accordance with its terms; and
- (D) none of the execution, delivery or performance of this Agreement by EMCHCL 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 EMCHCL; 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 EMCHCL is a party.

### 3.11 Representations and Warranties of CHHC.

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

- (A) 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
- (B) has the requisite power, authority and qualification to enter into this Agreement;
- (C) this Agreement has been duly executed and delivered by CHHC and this Agreement constitutes legal, valid and binding obligations of CHHC enforceable against it in accordance with its terms; and
- (D) none of the execution, delivery or performance of this Agreement by CHHC 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 CHHC; 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 CHHC is a party.



**3.12 Representations and Warranties of Murphy.**

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

- (A) 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
- (B) has the requisite power, authority and qualification to enter into this Agreement;
- (C) this Agreement has been duly executed and delivered by Murphy and this Agreement constitutes legal, valid and binding obligations of Murphy enforceable against it in accordance with its terms; and
- (D) none of the execution, delivery or performance of this Agreement by Murphy 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 Murphy; 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 Murphy is a party.

**3.13 Representations and Warranties of Statoil.**

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

- (A) 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
- (B) has the requisite power, authority and qualification to enter into this Agreement;
- (C) this Agreement has been duly executed and delivered by Statoil and this Agreement constitutes legal, valid and binding obligations of Statoil enforceable against it in accordance with its terms; and
- (D) none of the execution, delivery or performance of this Agreement by Statoil 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 Statoil; 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 Statoil is a party.

**3.14 Representations and Warranties of Nalcor Oil.**

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

- (A) 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
- (B) has the requisite power, authority and qualification to enter into this Agreement;



- (C) this Agreement has been duly executed and delivered by Nalcor Oil and this Agreement constitutes legal, valid and binding obligations of Nalcor Oil enforceable against it in accordance with its terms; and
- (D) none of the execution, delivery or performance of this Agreement by Nalcor Oil 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 Nalcor Oil; 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 Nalcor Oil is a party.

**3.15 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.

**3.16 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.

**ARTICLE 4  
BENEFITS**

**4.1 Office**

- (A) The Unit Operator shall have and maintain an office in Newfoundland and Labrador, which office shall have appropriate levels of staffing and decision making.
- (B) The Proponents (other than Nalcor Oil) shall cause Hibernia Management and Development Company Ltd. ("HMDC") to maintain its head office in Newfoundland and Labrador.

**4.2 Engineering and Construction**

Manufacturers, consultants, contractors and service companies in Newfoundland and Labrador shall be provided with a full and fair opportunity to participate on a competitive basis in the supply of goods and services for the Project.

The Proponents agree that engineering and construction work that can be performed in Newfoundland and Labrador shall be performed in Newfoundland and Labrador.

**4.3 Procurement and Contracting**

- (A) The Unit Operator shall have a contracts and procurement office in Newfoundland and Labrador and shall cause the main Project engineering, procurement and construction

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contractors to have a contracts and procurement office in Newfoundland and Labrador to coordinate and manage their activities.

- (B) The Unit Operator agrees that requests for proposals and bid packages in relation to the Project shall require that bidders use standards that meet the requirements of Canadian Governmental Authorities and will specify Canadian standards where appropriate.
- (C) The Unit Operator agrees that, in requests for proposals and bid packages prepared for the Project, the Unit Operator shall require that bidders comply with the terms of this Agreement that are relevant to the activities of such contractor under such contract. The Unit Operator shall make any existing main contractors performing activities in relation to the development of the Project aware of the terms of this Agreement that are relevant to the activities of such contractor under such contract and shall use reasonable efforts to cause such contractors to comply with the terms of this Agreement that are relevant to the activities of such contractor under such contract.

#### 4.4 Research and Development and Education and Training

- (A) The Proponents shall comply with all requirements (and guidelines) of the Board with respect to Research and Development and Education and Training activities associated with the Project.
- (B) Within three years of first commercial production, the Proponents will contribute a total of CDN\$10 million to one or more education and research oriented legacy projects, the scope and timing of which shall be agreed in collaboration with the Province and the Board prior to first commercial production. Deductibility for royalty purposes shall be a consideration for the Proponents in the selection of a legacy project in which to participate (and the extent of such participation). However, the Proponents acknowledge that the deductibility for royalty purposes for expenditures in relation to the legacy project shall be subject to the eligibility rules under the Royalty Agreements.
- (C) The following shall be conditions precedent to the requirement that the Proponents invest in the legacy project(s) under (B) above:
  - (1) Project Sanction; and
  - (2) prior approval by the Board that all expenditures in relation to the legacy project(s) shall be creditable against the Research and Development and Education and Training requirements of the Board.
- (D) The Proponents hereby waive any claims that may be brought under the North American Free Trade Agreement in respect of the Research and Development and Education and Training activities associated with the Project.

#### 4.5 Gender Equity and Diversity Program

- (A) The Parties acknowledge that this Section 4.5 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 Unit Operator will develop and commence implementation, immediately following the approval of the Development Plan, of a Gender Equity and Diversity Program for its Project activities in the Province (the "**Gender Equity and Diversity Program**") for all phases of the Project. This program will be consistent with the Unit Operator's corporate diversity policies and will focus on the groups designated and defined under the Canada

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Newfoundland and Labrador Benefits Plan Guidelines. The objectives of this program will be to:

- (1) address employment equity for the Project, including full access to employment opportunities for and employment of qualified women and Disadvantaged Groups in the 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 Unit Operator will establish quantifiable objectives and goals. The Unit 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. The WEP will institute ongoing programs and processes to facilitate employment and participation for women in all phases of the Project, and at all facilities, sites and offices in the Province where work performed by the Unit Operator and main contractors relating to the Project is taking place; and
- (2) a diversity plan and business access strategy for Disadvantaged Groups (the "**Diversity Plan**") in which the Unit 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 Project, and at all facilities, sites and offices in the Province where work performed by the Unit Operator and main contractors relating to the Project is taking place.

(D) The WEP will include the following provisions:

- (1) the Unit Operator will put in place the necessary organizational resources to develop and implement the WEP;
- (2) the Unit Operator will create training and recruitment programs for women in consultation with training and educational institutions in the Province; the Unit Operator will provide facilities for the Project that are accommodative of women in terms of living accommodations and a safe and respectful working environment; the Unit Operator will require that each main contractor to the Project in the Province provide the Unit Operator with a plan for compliance with the WEP, and will require that contracts related to the execution of the Project in the Province include an acknowledgement from successful bidders that they are aware of the existence and importance of the WEP;
- (3) the Unit Operator will set longer-term qualitative goals to employ more women in occupational areas where women are historically under-represented;
- (4) the Unit Operator will develop an implementation schedule, and monitor and report on progress to the Board; and
- (5) the Unit 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:

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- (1) the Unit 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 Unit Operator will create training and recruitment programs for Disadvantaged Groups in consultation with training and educational institutions in the Province;
- (3) the Unit Operator will require that each main contractor to the Project in the Province provide the Unit Operator with a plan for compliance with the Diversity Plan, and will require that contracts related to the execution of the 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 Unit Operator will develop an implementation schedule, and monitor and report to the Board; and
- (5) the Unit 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.

#### 4.6 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) this Agreement will be appended to any Benefits Plan or otherwise reflected in the Benefits Plan or other filings that may be submitted on behalf of the Proponents to the Board;
- (C) in consideration of the Proponents entering into this Agreement, and if the Benefits Plan meets the Board's requirements, and the terms set forth in this Agreement are reflected in or otherwise incorporated into the Benefits Plan, the Province shall:
  - (1) accept compliance by the Proponents 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; and
  - (2) in its review of any fundamental decision relating to the Project, be satisfied with the application for a Benefits Plan submitted by the Proponents;
- (D) notwithstanding any other provision in this Agreement, industrial and employment benefits relating to any project undertaken to enable the commercial development of gas from any of PL1001, PL1005 and EL1093 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; and
- (E) subject to Section 2.2, this Agreement shall continue to be binding upon the Parties subsequent to the approval by the Board of the Benefits Plan for the Project and the obligations contained in the Benefits Plan for the 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.

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#### 4.7 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 Project.

#### 4.8 Delivery of Crude

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

#### 4.9 Reporting

The Proponents shall cause the Unit Operator to 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 Project. The Proponents shall cause the Unit Operator to submit reports that will provide the Board and the Province with sufficient information to monitor all of the Proponents' commitments under this Agreement, whether or not the Benefits Plan approved by the Board for the Project incorporates or otherwise reflects such commitments.

#### 4.10 Data Collection

The data contained in the reports provided pursuant to Section 4.9 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 required by the Board from time to time.

#### 4.11 Review Meetings

Following the submission of the reports provided pursuant to Section 4.9, the Unit Operator shall meet with the Province for the purposes of reviewing the information in the reports and compliance with the requirements of this Agreement.

### ARTICLE 5 ASSIGNMENT

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

#### 5.2 Continuing Liability

An assigning Proponent who satisfies the requirements of Section 5.1:

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- (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.

**ARTICLE 6  
CONFIDENTIALITY**

**6.1 Confidentiality**

Subject to the requirements of the *Access to Information and Protection of Privacy Act*, S.N.L. 2002, c. A-1.1 ("**ATIPPA**"), Subsection 4.6(A) and this Section, the Province and the Proponents shall at all times keep confidential the information and documentation disclosed by the Proponents directly 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 or the Energy Corporation Act (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.

**6.2 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.

**6.3 Legislative Treatment**

The Parties acknowledge that at all times relevant to this Agreement:

- (A) the Federal Crown, CHHC, and CHHC's parent, Canada Development Investment Corporation, are subject to the provisions of federal legislation including the *Access to Information Act*, R.S.C. 1985, c. A-1 (the "**Federal Act**");

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- (B) the Federal Crown, CHHC, and CHHC's parent, Canada Development Investment Corporation, may incur disclosure obligations pursuant to the Federal Act or other federal legislation and that disclosure pursuant to such obligations will not be a breach of this Article 6. To the extent the confidential information supplied meets the third party confidential information tests set out in the Federal Act, such statute will require that disclosure of such information be refused if requested by a third party. Where there is a challenge to such refusal, a review by the Information Commissioner and ultimately the applicable courts may occur. CHHC acknowledges that such confidential information may contain information of a financial, technical or commercial nature under the Federal Act and agrees to claim and pursue any and all protection from disclosure that may be available under the Federal Act and any other applicable legislation; and
- (C) Nalcor Oil and its Affiliates are subject to the provisions of Newfoundland and Labrador legislation, including, but not limited to, the **ATIPPA** and the *Energy Corporation Act*. The Parties acknowledge that Nalcor Oil and its Affiliates may incur disclosure obligations pursuant to the provisions of ATIPPA or other provincial legislation, and disclosure pursuant to such an obligation shall not be a breach of this Agreement. To the extent that the confidential information meets the third party confidential information tests set out in ATIPPA, or the third party commercially sensitive information tests in the *Energy Corporation Act*, s. 27 of ATIPPA or s. 5.4 of the *Energy Corporation Act*, as applicable will require that disclosure of such information be refused if requested by a third party. 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 Trial Division may occur. Nalcor Oil acknowledges that the Confidential Information may contain information of a financial, technical or commercial nature under ATIPPA and that the disclosing party will claim and pursue any and all protection from disclosure that may be available under ATIPPA and the *Energy Corporation Act*. Nalcor Oil will support the disclosing party in its arguments in support of non-disclosure under ATIPPA and the *Energy Corporation Act* at each step in either process.

#### 6.4 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 that 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.

### ARTICLE 7 DISPUTE RESOLUTION

#### 7.1 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

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Dispute Resolution Procedure. Notwithstanding the foregoing, the Dispute Resolution Procedure shall not apply to any Disputes arising in relation to Sections 6.3 and 10.1.

## 7.2 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.

## ARTICLE 8 NOTICES

### 8.1 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 in Right of Newfoundland and Labrador  
P.O. Box 8700,  
Confederation Building  
St. John's, NL A1B 4J6  
Attention: Deputy Minister of Natural Resources  
Facsimile: (709) 729-0059  
Telephone: (709) 729-2766

Proponents: ExxonMobil Canada Properties, ExxonMobil Canada Ltd. or  
ExxonMobil Canada Hibernia Company Ltd:  
Suite 1000, Cabot Place 100 New Gower Street  
St. John's, NL A1C 6K3  
Attention: President  
Facsimile: (709) 754-1043  
Telephone: (709) 778-7000

Chevron Canada Resources or Chevron Canada Limited:  
500 – 5th Avenue S.W.  
Calgary, AB T2P 0L7  
Attention: Vice President, Asset Development  
Facsimile: (403) 234-5979  
Telephone: (403) 234-5000

Suncor Energy Inc. or Petro-Canada Hibernia Partnership:  
Scotia Centre, 235 Water Street  
St. John's, NL A1C 1B6  
Attention: Vice President, East Coast  
Facsimile: (709) 724-2835  
Telephone: (709) 778-3500

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Canada Hibernia Holding Corporation:  
1750 Sun Life Plaza, West Tower  
144 – 4th Avenue S.W.  
Calgary, AB T2P 3N4  
Attention: Vice President and Chief Operating Officer  
Facsimile: (403) 269-7861  
Telephone: (403) 269-7858

Murphy Atlantic Offshore Oil Company Ltd.:  
1700, 555 4th Ave S.W.  
Calgary, AB T2P 3E7  
Attention: VP Joint Ventures and Business Development  
Facsimile: (403) 294-8851  
Telephone: (403) 294-8000

Statoil Canada Ltd.:  
235 Water Street, Suite 600  
St. John's, NL A1C 1B6  
Attention: VP Offshore Upstream  
Facsimile: (709) 726-9053  
Telephone: (709) 726-9091

Nalcor Energy – Oil and Gas Inc.:  
500 Columbus Drive  
St. John's, NL A1B 4K7  
Attention: General Counsel and Corporate Secretary  
Facsimile: (709) 737-1782  
Telephone: (709) 737-1443

## 8.2 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.

## 8.3 Change of Address

A Party may give notice of a change of address in the manner provided in Section 8.1, in which event notices shall thereafter be given to that Party at such changed address.

## ARTICLE 9 RELATIONSHIP

### 9.1 Proponents

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

### 9.2 Unit Operator as Administrator

In the administration of this Agreement, the Parties agree that the Province is entitled to deal solely with the Unit Operator on behalf of each Proponent and the Unit 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 Unit Operator. The Parties agree that nothing in this Section affects:

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- (A) the separate liability of each Proponent, in accordance with its respective Unit 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 Unit Operator.

**9.3 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.

**9.4 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 clause 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 Unit Operator is authorized to execute and file any forms or other documentation as is required for such election.

**ARTICLE 10  
LEGISLATIVE AND REGULATORY STABILITY**

**10.1 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 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.

**ARTICLE 11  
MISCELLANEOUS**

**11.1 Conduct of the Parties**

- (A) Each Proponent warrants to each other Proponent that it and its Affiliates have not made, offered or authorized and will not make, offer or authorize with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws of Canada or the *U.S. Foreign Corrupt Practices Act*, if applicable to such Proponent.
- (B) Each Proponent shall defend, indemnify and hold the other Proponents harmless from and against any and all claims, damages, losses, penalties, costs and expenses arising from or related to, any breach by such first Proponent of the warranty provided in Section

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11.1(A). Such indemnity obligation shall survive termination or expiration of this Agreement.

(C) Each Proponent shall in good time:

- (1) respond in reasonable detail to any notice from any other Proponent reasonably connected with the above-stated warranty; and
- (2) furnish applicable documentary support for such response upon request from such other Proponent.

(D) Each Proponent agrees to:

- (1) maintain adequate internal controls;
- (2) properly record and report all transactions; and
- (3) comply with the laws applicable to it.

(E) Each Proponent may rely on the other Proponents' system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other data regarding the Unit operations undertaken in accordance with this Agreement. No Proponent is in any way authorized to take any action on behalf of another Proponent that would result in an inadequate or inaccurate recording and reporting of assets, liabilities or any other transaction, or which would put such Proponent in violation of its obligations under the laws and regulations applicable to the obligations under this Agreement.

(F) No officer, employee or agent of any Proponent shall pay or provide any commission, fee or rebate or provide any gift or entertainment of significant cost or value to any officer, employee or agent of any other Proponent in relation to this Agreement, nor shall any Proponent enter into any business arrangement with any officer, employee or agent of any other Proponent other than as a representative of such other Proponent, without prior written notification thereof to the other Proponent. A Proponent may, on notice to any other Proponent, have an audit conducted of any and all records and accounts of the other Proponent relating to this Agreement, for the sole purpose of determining whether there has been compliance with this Article. Such audit will be conducted during reasonable business hours.

## 11.2 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.

## 11.3 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 and the federal laws of Canada applicable in the Province and the Offshore Area. 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.

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#### 11.4 Amendment

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

#### 11.5 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.

#### 11.6 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.

#### 11.7 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.

#### 11.8 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.

#### 11.9 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.

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**11.10 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.

**11.11 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.

**11.12 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 remainder of this page has been intentionally left blank.]

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

**HER MAJESTY IN RIGHT OF  
NEWFOUNDLAND AND LABRADOR**

By:   
Name: The Hon. Kathy Dunderdale  
Title: Minister of Natural Resources

**EXXONMOBIL CANADA PROPERTIES**

By: \_\_\_\_\_  
Name:  
Title:

**EXXONMOBIL CANADA HIBERNIA COMPANY  
LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**EXXONMOBIL CANADA LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**CHEVRON CANADA RESOURCES,  
a partnership, by its Managing Partner,  
CHEVRON CANADA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:  
  
By: \_\_\_\_\_  
Name:  
Title:

**CHEVRON CANADA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:  
  
By: \_\_\_\_\_  
Name:  
Title:

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DRO CH*

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

**HER MAJESTY IN RIGHT OF  
NEWFOUNDLAND AND LABRADOR**

By:

\_\_\_\_\_  
Name: The Hon. Kathy Dunderdale

Title: Minister of Natural Resources

**EXXONMOBIL CANADA PROPERTIES**

By:

*G. Scott*  
Name: Glenn Scott

Title: President

**EXXONMOBIL CANADA HIBERNIA COMPANY  
LTD.**

By:

*G. Scott*  
Name: Glenn Scott

Title: President

**EXXONMOBIL CANADA LTD.**

By:

*G. Scott*  
Name: Glenn Scott

Title: President

**CHEVRON CANADA RESOURCES,  
a partnership, by its Managing Partner,  
CHEVRON CANADA LIMITED**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**CHEVRON CANADA LIMITED**

By:

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Name:

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By:

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Name:

Title:

*This is the 1<sup>st</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

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

**HER MAJESTY IN RIGHT OF  
NEWFOUNDLAND AND LABRADOR**

By:

\_\_\_\_\_  
Name: The Hon. Kathy Dunderdale

Title: Minister of Natural Resources

**EXXONMOBIL CANADA PROPERTIES**

By:

\_\_\_\_\_  
Name:

Title:

**EXXONMOBIL CANADA HIBERNIA COMPANY  
LTD.**

By:

\_\_\_\_\_  
Name:

Title:

**EXXONMOBIL CANADA LTD.**

By:

\_\_\_\_\_  
Name:

Title:

**CHEVRON CANADA RESOURCES,  
a partnership, by its Managing Partner,  
CHEVRON CANADA LIMITED**

By:

\_\_\_\_\_  
Name: *Jeff C. Wasko*  
**Jeff C. Wasko**

Title: **Vice-President**

By:

\_\_\_\_\_  
Name: *Stephen T. Hutchison*  
**Stephen T. Hutchison**

Title: **Vice-President**

**CHEVRON CANADA LIMITED**

By:

\_\_\_\_\_  
Name: *Jeff C. Wasko*  
**Jeff C. Wasko**

Title: **Vice-President**

By:

\_\_\_\_\_  
Name: *Stephen T. Hutchison*  
**Stephen T. Hutchison**

Title: **Vice-President**

*This is the 1<sup>st</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

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**SUNCOR ENERGY INC.**

By: AR Brown  
Name: ALAN BROWN  
Title: VP EAST COAST

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PETRO-CANADA HIBERNIA PARTNERSHIP, a partnership, by its Managing Partner, SUNCOR ENERGY INC.**

By: AR Brown  
Name: ALAN BROWN  
Title: VP EAST COAST

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATOIL CANADA LTD.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CANADA HIBERNIA HOLDING CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MURPHY ATLANTIC OFFSHORE OIL COMPANY LTD.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NALCOR ENERGY-OIL AND GAS INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*This is the 2<sup>nd</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

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**SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**PETRO-CANADA HIBERNIA PARTNERSHIP, a  
partnership, by its Managing Partner,  
SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**STATOIL CANADA LTD.**

By:

Hege Rogne  
Name:

Title: VP, Offshore Upstream

**CANADA HIBERNIA HOLDING CORPORATION**

By:

\_\_\_\_\_  
Name:

Title:

**MURPHY ATLANTIC OFFSHORE OIL  
COMPANY LTD.**

By:

\_\_\_\_\_  
Name:

Title:

**NALCOR ENERGY-OIL AND GAS INC.**

By:

\_\_\_\_\_  
Name:

Title:

*This is the 2<sup>nd</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

*Handwritten initials and signatures:*  
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**SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:  
Title:

By:

\_\_\_\_\_  
Name:  
Title:

**PETRO-CANADA HIBERNIA PARTNERSHIP, a  
partnership, by its Managing Partner,  
SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:  
Title:

By:

\_\_\_\_\_  
Name:  
Title:

**STATOIL CANADA LTD.**

By:

\_\_\_\_\_  
Name:  
Title:

**CANADA HIBERNIA HOLDING CORPORATION**

By:

*MB Todd*  
\_\_\_\_\_  
Name: *MURRAY B. TODD*  
Title: *President and CEO*

**MURPHY ATLANTIC OFFSHORE OIL  
COMPANY LTD.**

By:

\_\_\_\_\_  
Name:  
Title:

**NALCOR ENERGY-OIL AND GAS INC.**

By:

\_\_\_\_\_  
Name:  
Title:

*This is the 2<sup>nd</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

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**SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**PETRO-CANADA HIBERNIA PARTNERSHIP, a  
partnership, by its Managing Partner,  
SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**STATOIL CANADA LTD.**

By:

\_\_\_\_\_  
Name:

Title:

**CANADA HIBERNIA HOLDING CORPORATION**

By:

\_\_\_\_\_  
Name:

Title:

**MURPHY ATLANTIC OFFSHORE OIL  
COMPANY LTD.**

By:

Cal Buchanan  
Name: CAL BUCHANAN

Title: VICE PRESIDENT

**NALCOR ENERGY-OIL AND GAS INC.**

By:

\_\_\_\_\_  
Name:

Title:

*This is the 2<sup>nd</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

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**SUNCOR ENERGY INC.**

By:

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Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**PETRO-CANADA HIBERNIA PARTNERSHIP, a  
partnership, by its Managing Partner,  
SUNCOR ENERGY INC.**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

**STATOIL CANADA LTD.**

By:

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Name:

Title:

**CANADA HIBERNIA HOLDING CORPORATION**

By:

\_\_\_\_\_  
Name:

Title:

**MURPHY ATLANTIC OFFSHORE OIL  
COMPANY LTD.**

By:

\_\_\_\_\_  
Name:


Title:

**NALCOR ENERGY-OIL AND GAS INC.**

By:

  
\_\_\_\_\_  
Name: E. J. Martin

Title: President and Chief Executive Officer

  
\_\_\_\_\_  
Name: James M. Keating  
Title: Vice President

*This is the 2<sup>nd</sup> of 2 counterpart execution pages to the HSE Benefits Agreement*

  
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## SCHEDULE "A" - DISPUTE RESOLUTION PROCEDURE

Attached to and forming part of the Hibernia Southern Extension Benefits Agreement made between Her Majesty in Right of Newfoundland and Labrador, ExxonMobil Canada Properties, ExxonMobil Canada Hibernia Company Ltd., ExxonMobil Canada Ltd., Petro-Canada Hibernia Partnership, Suncor Energy Inc., Chevron Canada Resources, Chevron Canada Limited, Canada Hibernia Holding Corporation, Murphy Atlantic Offshore Oil Company Ltd., Statoil Canada Ltd. and Nalcor Energy – Oil and Gas Inc.

### 1. GENERAL

#### 1.1 Purpose and Sequence of Dispute Resolution.

The Parties agree to use a three-step process to resolve Disputes:

- (A) first, by way of negotiation pursuant to the provisions of Article 2;
- (B) second, by way of mediation pursuant to the provisions of Article 3; and
- (C) third, by way of arbitration pursuant to the provisions of Article 4.

#### 1.2 Confidentiality.

(A) All information disclosed by a Party pursuant to this Schedule shall be treated as confidential by the Parties and any mediator or arbitrator in accordance with the provisions of Article 6 of the Agreement.

(B) Neither the delivery nor disclosure of information shall represent any waiver of privilege by a Party disclosing the same. Further, such information shall not be used in any subsequent proceedings without the consent of the Party which has made disclosure of same and 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.

### 2. NEGOTIATION PROCEDURE

#### 2.1 Negotiation.

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 all the Parties affected of sufficient level to negotiate in good faith.

### 3. MEDIATION PROCEDURE

#### 3.1 Mediation.

(A) If the Parties are unable to resolve the Dispute through negotiation, 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 by notice to all other Parties, provided that mediation respecting that Dispute shall be terminated if a Party serves notice to the other applicable Parties at any time that it is not prepared to proceed with or continue mediation respecting that Dispute.

(B) Within ten Business Days after receipt of a notice of mediation, the Parties shall attempt to appoint a mediator to address the Dispute. The mediator shall, after consultation with the Parties, set the date, time and place for the mediation as soon as possible after being appointed.

(C) 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

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mediation. No settlement shall be final until it is reduced to writing and signed by all the Parties to the Dispute.

#### 4. ARBITRATION PROCESS

##### 4.1 Binding Arbitration.

(A) If for any reason the Parties are unable to agree to or do not pursue a mediated result, 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 of Canada, Inc. in accordance with the rules that apply to national matters (the "Rules"), except as modified in this Article 4. In no event shall the arbitrator have the jurisdiction to amend or vary the terms of this Dispute Resolution Procedure or of the Rules.

(B) The arbitration shall be heard and determined by three (3) arbitrators; provided, however, that the number of arbitrators shall be one where the net amount in controversy does not exceed Five Million Dollars (\$5,000,000) (or its currency equivalent) or where the controversy involves limited technical issues and the Parties unanimously agree.

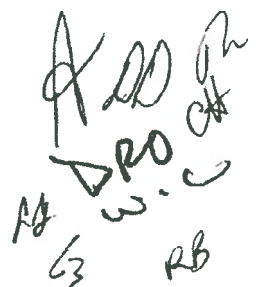
(C) Within ten Business Days from the date of selection or appointment of the arbitrator, the arbitrator shall use the Rules and promptly commence and expeditiously conduct the arbitration proceedings. The Parties intend that the arbitration hearing should commence as soon as reasonably practicable following the appointment of the arbitrator. 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.

##### 4.2 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. The arbitrator may award damages and any other remedy available to them pursuant to the *Arbitration Act*, R.S.N.L. 1990, c.A-14, at common law, in equity or otherwise. Notwithstanding the Rules, the arbitrator 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 Project schedule.

(B) Until the arbitrator makes 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 arbitrator or the facilities or services used for the arbitration.

(C) There shall be no appeal on the merits from any arbitration award. Arbitration conducted pursuant to this Article 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*, R.S.N.L. 1990, c.A-14.



## SCHEDULE "B" - ASSIGNMENT AGREEMENT

Attached to and forming part of the Hibernia Southern Extension Benefits Agreement made between Her Majesty in Right of Newfoundland and Labrador, ExxonMobil Canada Properties, ExxonMobil Canada Hibernia Company Ltd., ExxonMobil Canada Ltd., Petro-Canada Hibernia Partnership, Suncor Energy Inc., Chevron Canada Resources, Chevron Canada Limited, Canada Hibernia Holding Corporation, Murphy Atlantic Offshore Oil Company Ltd., Statoil Canada Ltd. and Nalcor Energy – Oil and Gas Inc.

THIS AGREEMENT made this \_\_\_\_ day of [●].

AMONG:

[ASSIGNOR]

- and -

[ASSIGNEE]

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 defined in this 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 Assignment Date, which the Assignor proposes to dispose of to the Assignee as and from the Assignment Date and which is specified in Appendix 1;
- (D) "**Assignee**" means ●;
- (E) "**Assignment Date**" means the date of execution of this Agreement or such other date as the parties to this Agreement may agree;
- (F) "**Assignor**" means ●; and
- (G) "**Benefits Agreement**" means the agreement which is entitled "**Hibernia Southern Extension Benefits Agreement**" dated ● and is made between the Proponents and the Province, including any amendments thereto.

### 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 Assignment Date.

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(B) The Assignor does hereby assign, set over, transfer and convey unto the Assignee, as and from the Assignment 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 Assignment 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 Assignment 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 Article 5 of the Benefits Agreement.

**6. BENEFIT**

This Agreement shall inure 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.

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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: \_\_\_\_\_

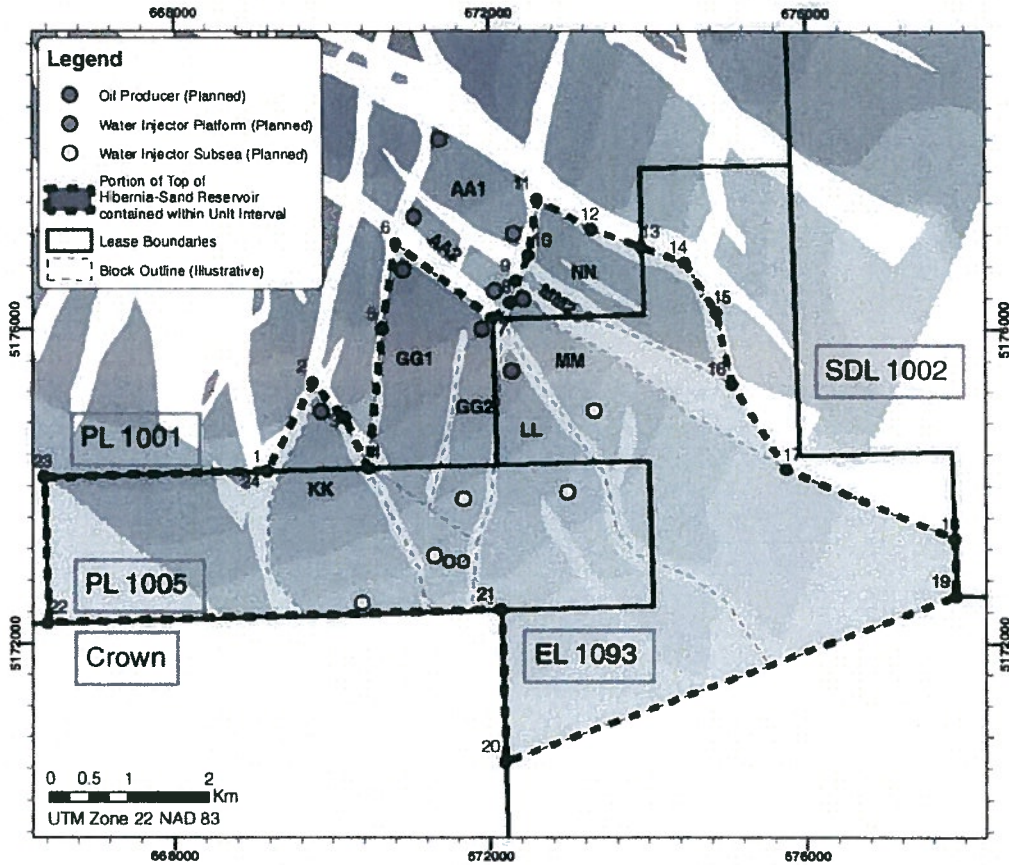
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**Appendix 1 – Assigned Property Description**

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SCHEDULE "C"- DESCRIPTION OF UNIT INTERVALS

Top Hibernia-Sand Reservoir Unit Interval – Figure 1

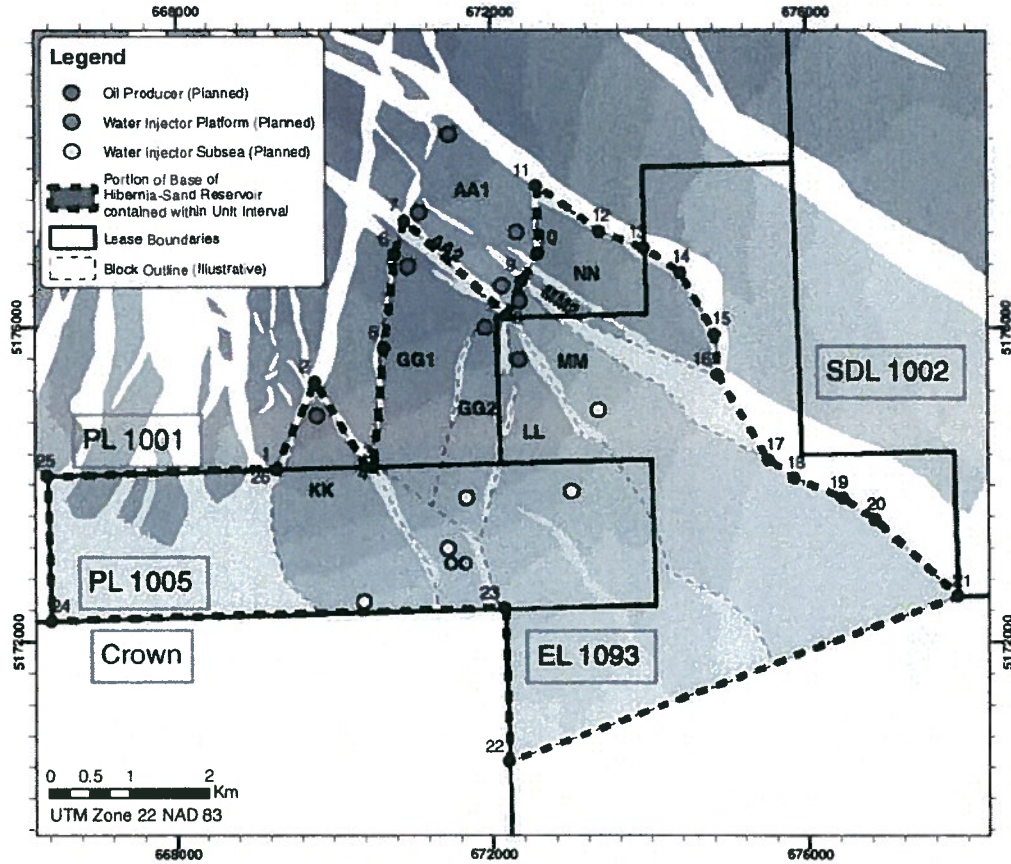


**Top Hibernia-Sand Reservoir**  
**Polygon Coordinates (UTM Zone 22, NAD83)**

Vertex	X (metres)	Y (metres)	Z (metres)
1	669175	5174193	-4260
2	669753	5175328	-4068
3	670160	5174877	-4181
4	670455	5174230	-4392
5	670631	5176000	-4023
6	670816	5177098	-3935
7	672040	5176130	-4263
8	672267	5176331	-4340
9	672345	5176607	-4315
10	672501	5176941	-4157
11	672601	5177640	-4074
12	673298	5177262	-4281
13	673927	5177046	-4370
14	674474	5176844	-4458
15	674861	5176204	-4468
16	675065	5175305	-4573
17	675751	5174209	-5143
18	677859	5173341	-5179
19	677881	5172593	-5150
20	672199	5170482	-5182
21	672146	5172428	-4993
22	666411	5172262	-4566
23	666360	5174114	-4254
24	669175	5174193	-4260

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Base Hibernia-Sand Reservoir Unit Interval – Figure 2

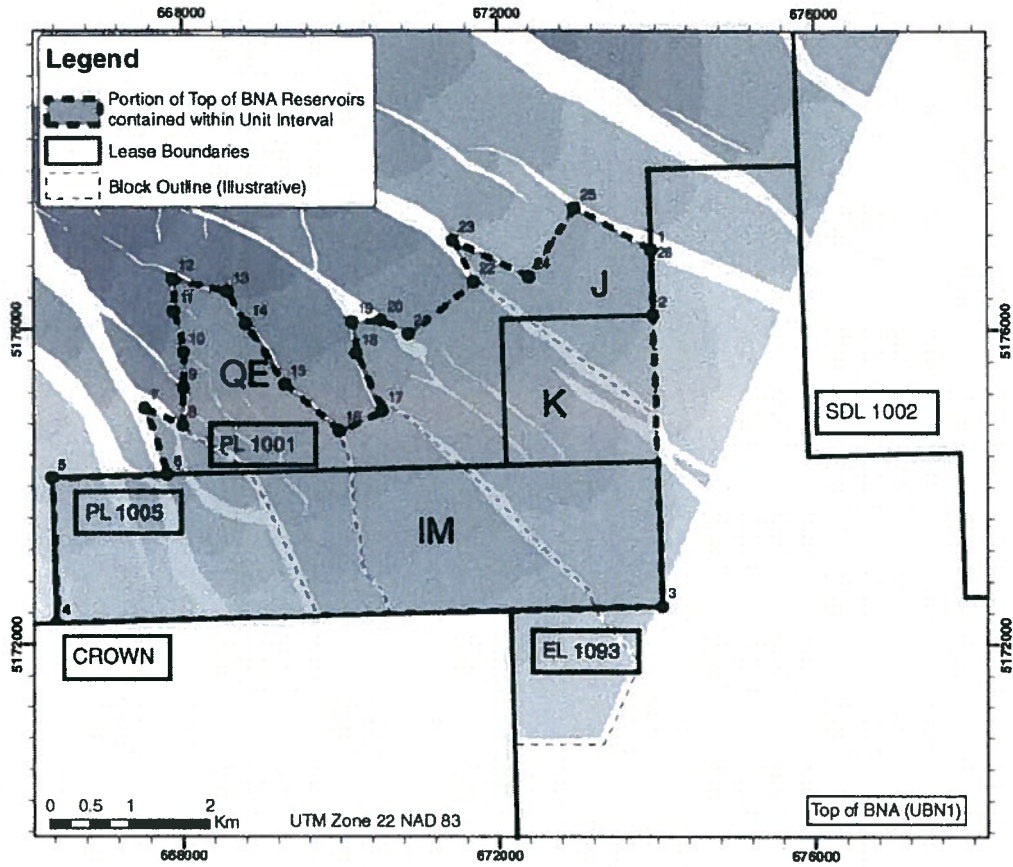


**Base Hibernia-Sand Reservoir**  
Polygon Coordinates (UTM Zone 22, NAD83)

Vertex	X (metres)	Y (metres)	Z (metres)
1	669266	5174196	-4422
2	669768	5175301	-4249
3	670397	5174228	-4547
4	670502	5174230	-4528
5	670638	5175740	-4272
6	670782	5176924	-4096
7	670901	5177344	-4129
8	672186	5176166	-4327
9	672375	5176590	-4413
10	672586	5176944	-4296
11	672563	5177796	-4196
12	673353	5177220	-4421
13	673927	5177008	-4448
14	674394	5176699	-4634
15	674814	5175919	-4663
16	674848	5175400	-4632
17	675493	5174326	-5255
18	675816	5174095	-5321
19	676424	5173837	-5350
20	676843	5173559	-5342
21	677881	5172593	-5581
22	672199	5170482	-5480
23	672146	5172428	-5166
24	666411	5172262	-4750
25	666360	5174114	-4521
26	669266	5174196	-4422

*Handwritten notes:*  
 DRO [Signature]  
 W.C. [Signature]  
 G. RB [Signature]

Top BNA Reservoir Unit Interval – Figure 3

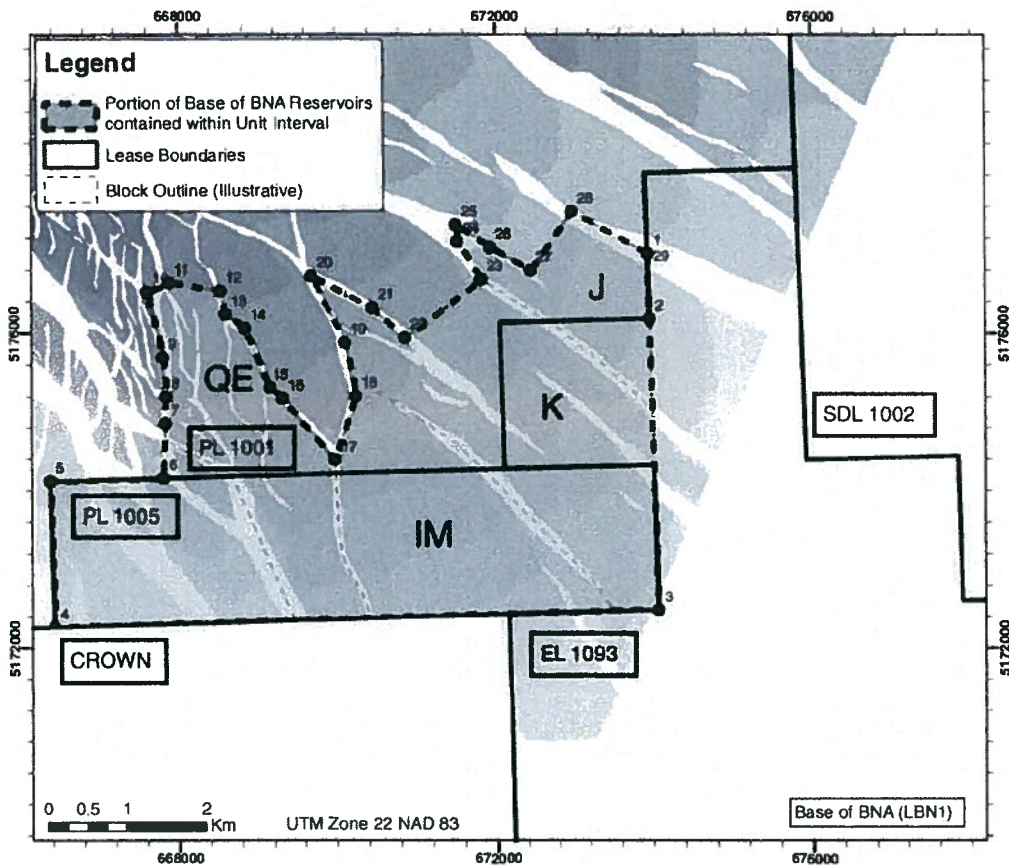


**Top BNA Reservoirs Unit Interval (Top UBN1)**  
**Polygon Coordinates (UTM Zone 22, NAD83)**

Vertex	X (metres)	Y (metres)	Z (Top)
1	673934	5177008	-3019
2	673950	5176183	-3091
3	674058	5172479	-3223
4	666411	5172262	-3466
5	666360	5174114	-3146
6	667800	5174156	-2808
7	667521	5175002	-2650
8	667995	5174784	-2532
9	668005	5175258	-2450
10	668005	5175711	-2378
11	667888	5176227	-2332
12	667872	5176640	-2306
13	668570	5176487	-2354
14	668803	5176071	-2396
15	669287	5175311	-2468
16	669985	5174719	-2597
17	670522	5174975	-2585
18	670191	5175698	-2474
19	670138	5176100	-2433
20	670515	5176125	-2499
21	670860	5175945	-2596
22	671690	5176606	-2615
23	671426	5177131	-2691
24	672403	5176669	-2858
25	672969	5177536	-2854
26	673934	5177008	-3019

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 RA  
 DRB CH  
 WIC CH  
 62 RB

Base BNA Reservoir Unit Interval – Figure 4

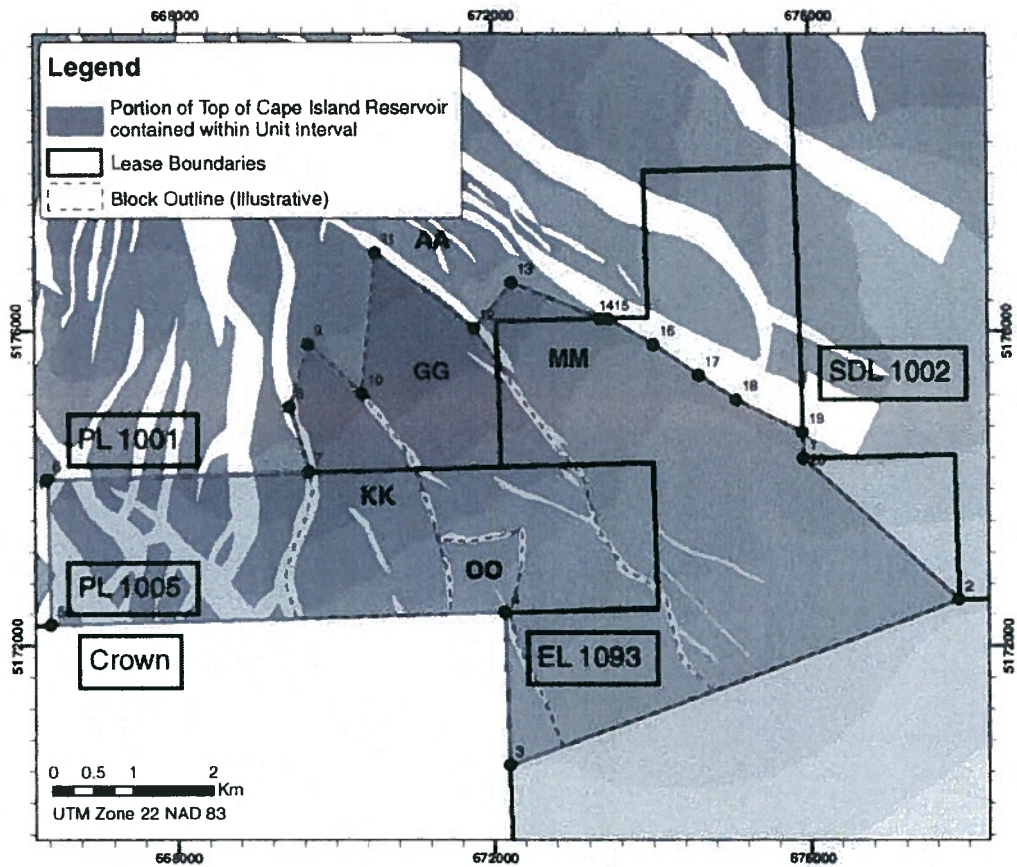


Base BNA Reservoirs Unit Interval (Base LBN1)  
 Polygon Coordinates (UTM Zone 22, NAD83)

Vertex	X (metres)	Y (metres)	Z (metres)
1	673934	5177008	-3251
2	673950	5176183	-3338
3	674058	5172479	-3531
4	666411	5172262	-3741
5	666360	5174114	-3457
6	667600	5174156	-3188
7	667619	5174851	-2645
8	667825	5175194	-2606
9	667790	5175687	-2577
10	667596	5176528	-2474
11	667872	5176640	-2427
12	668525	5176533	-2443
13	668588	5176243	-2493
14	668632	5176057	-2523
15	669150	5175314	-2615
16	669306	5175169	-2658
17	669970	5174389	-2846
18	670237	5175207	-2692
19	670097	5175885	-2586
20	669682	5176726	-2521
21	670451	5176326	-2569
22	670860	5175945	-2633
23	671808	5176688	-2755
24	671520	5177159	-2822
25	671492	5177365	-2876
26	671927	5177080	-2949
27	672443	5176801	-3030
28	672969	5177536	-3062
29	673934	5177008	-3251

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 R.A.  
 D.D.  
 W.L.  
 O.B.

Top Cape Island Reservoir Unit Interval – Figure 5



**Top of Cape Island Reservoir Unit Interval**  
Polygon Coordinates (UTM Zone 22, NAD83)

Vertex	X (metres)	Y (metres)	Z (metres)
1	675915	5174388	-4701
2	677881	5172593	-5084
3	672201	5170483	-5105
4	672146	5172426	-4790
5	666411	5172262	-4478
6	666360	5174114	-4225
7	669657	5174213	-4075
8	669421	5175040	-3884
9	669657	5175832	-3735
10	670338	5175212	-3941
11	670510	5177000	-3663
12	671758	5176034	-4015
13	672245	5176611	-4121
14	673357	5176161	-4303
15	673450	5176165	-4270
16	674019	5175837	-4444
17	674593	5175438	-4510
18	675066	5175134	-4565
19	675905	5174724	-4545
20	675915	5174388	-4701

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w.c  
CH  
RB



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63  
A  
WIC  
M  
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HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR	OH
EXXONMOBIL CANADA PROPERTIES EXXONMOBIL CANADA HIBERNIA COMPANY LTD. EXXONMOBIL CANADA LTD.	DRO
PETRO-CANADA HIBERNIA PARTNERSHIP SUNCOR ENERGY INC.	G3
CHEVRON CANADA RESOURCES CHEVRON CANADA LIMITED	RB
CANADA HIBERNIA HOLDING CORPORATION	A
MURPHY ATLANTIC OFFSHORE OIL COMPANY LTD.	DD
STATOIL CANADA LTD.	PM
NALCOR ENERGY – OIL AND GAS INC.	WIC

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