Community Relation Services Agreement

BZ38-2019-119-A-00

Dated:

October 1, 2019

KEI (Perú Z-38) Pty. Ltd., Sucursal del Perú ("**Company**")

Walsh Peru S.A. **("Contractor")**

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WALSH PERU S.A.C. SUCURSAL DEL PERU V°B° GERENCIA DE ASUNTOS LEGALES

Details

Parties	**Company** and **Contractor**	
Company	Name	KEI (Perú Z-38) Pty. Ltd., Sucursal del Perú ("Company")
	Address	Av. Antonio Miro Quesada N°425, Interior 1212, Urb. San Felipe, Magdalena del Mar – Lima 17
	Telephone	(511) 631 8181
	Fax	NA
	Email	thosking@karoon.com.br
	Attention	Mr. Tim Hosking
Contractor	Name	Walsh Peru S.A ("Contractor")
	Address	Calle Alexander Fleming 187, Santiago de Surco. Lima
	Telephone	[+511-4480808]
	Fax	NA
	Email	kvalverde@walshp.com.pe
	Attention	Katia Valverde
Recitals	A. The Company is the operator of Block Z - 38 located in the Tumbes Basin, Perú. B. This agreement sets out the full terms and conditions on which the Contractor will implement the Community Relations Plan at Tumbes Region to comply with Company's obligations stated in the Environmental Impact Assessment (EIA).	
Contractor's Representative	Gonzalo Morante General Manager identified with DNI N° 09302133 under powers duly registered in Registry N° 00120057 of the Lima Public Registry.	
Governing law	Laws of Perú	
Business Day place(s)	Lima, Perú	
Date of agreement	See Signing page	

1 Interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Authorized Officer means a director or secretary of a party or any other person appointed by a party to act as an Authorized Officer for the purposes of this agreement.

Business Day means a day other than a Saturday, Sunday or public holiday in the place or places set out in the Details under "Business Day place(s)".

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Company Intellectual Property means all Intellectual Property Rights owned by or licensed to the Company which are made available, or which become known, to the Contractor for the purposes or in the context of this agreement.

Company Group means the Company, its Related Entities and the Company Personnel.

Company Personnel means the Company's and its Related Entities' employees, agents, officers, directors, auditors, advisors, consultants, partners, joint venturers, contractors, sub-contractors and suppliers of the Company, excluding the Contractor Personnel.

Concession Contract means the Perupetro S.A. Licence Contract for the Exploration and Exploitation of Hydrocarbons in Block Z-38 dated 12 April 2007 and all amendments thereto.

Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this agreement relating to this Agreement or the business, technology or other affairs of any party to this agreement. However, Confidential Information shall not include information regarding the performance of Contractor's personnel, equipment, material and services.

Consequential Losses means loss and/or deferral of production, loss of product, business interruption, reservoir loss or damage, failure to meet other contractual commitment deadlines, downtime or facilities or vessels, loss of use and loss of revenue, profit or anticipated profit (if any) whether direct or indirect, whether or not foreseeable at the date of execution of this agreement.

Contractor Equipment means the equipment and Goods provided or supplied by the Contractor for use in connection with the Services included as described in Exhibit 4 – Attachment 2.

Contractor Group means the Contractor, its Related Entities, and the Contractor Personnel.

Contractor Intellectual Property means all Intellectual Property Rights owned by or licensed to the Contractor which are made available, or which become known, to the Company for the purposes or in the context of this Agreement.

Contractor Personnel means the Contractor's and its Related Entities' employees, officers, agents, directors, auditors, advisors, partners, consultants, joint venturers, contractors, sub-contractors, invitees and suppliers.

Contractor's Representative means the person set out in the Details or any person notified to the Company by the Contractor in accordance with **clause 5.2(b)**.

Control in respect of a company or legal entity means the right to exercise 50% or more of the voting rights in the appointment of the directors of that company or legal entity.

Controller in relation to property, business or undertaking means a receiver, or receiver and manager of that property, business or undertaking or anyone else who is in possession, or has control, of that property, business or undertaking for the purpose of enforcing a charge.

Costs includes costs, rates and expenses, including those incurred in connection with advisers.

Details means the section of this agreement headed "Details".

Developed Intellectual Property means all present and future Intellectual Property Rights created, written or otherwise brought into existence in connection with or for the purposes of providing the Services under this agreement.

Dispute includes any dispute, controversy, difference or Claim arising out of or in connection with this agreement or the subject matter of this agreement, including any question concerning its formation, validity, interpretation, performance, breach and termination.

Drilling Contract means the contract to be entered into between the Company and an appropriate Drilling Vessel contractor pursuant to which the Drilling Vessel contractor will drill the Well.

Drilling Program means:

(a) the work to be performed by the Drilling Vessel contractor in accordance with Company's Drilling Program as specified in Exhibit 2; and

(b) any variations to the work to be performed by the Drilling Vessel contractor in accordance with the Drilling Program and updated by the Company from time to time.

Drilling Vessel means the drilling vessel to be utilized by the Drilling Vessel contractor under the Drilling Contract.

End of Well Report has the meaning given in **clause 4.6(a)(vi)(C)**

Excluded Information means Confidential Information which:

(a) is in or becomes part of the public domain other than through breach of this agreement or an obligation of confidence owed to any party to this agreement;

(b) the recipient of the Confidential Information can prove by written documentation was already known to it at the time of disclosure by the provider of the Confidential Information (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or

(c) the recipient of the Confidential Information acquires from a source other than the provider of the Confidential Information or any Related Entity or Representative of the provider of the Confidential Information where such source is entitled to disclose it.

Force Majeure Event means events or circumstances that:

(a) are outside the reasonable control of the affected party;

(b) could not have been prevented or avoided by that party taking all reasonable steps (including by taking due care and incurring reasonable expense); and

(c) prevent or delay, in whole or in part, any one or more of the obligations of a party under this agreement,

and that are limited to circumstances of the following kind:

(a) act of God, earthquake, cyclone, fire, explosion, flood, landslide, lightning, storm, tempest, drought or meteor;

(b) war (declared or undeclared), invasion, act of a foreign enemy, hostilities between nations, civil insurrection or militarily usurped power;

(c) act of public enemy, sabotage, malicious damage, terrorism or civil unrest;

(d) ionizing radiation or contamination by radioactivity from any nuclear waste or from combustion of nuclear fuel; or

(e) confiscation, nationalization, requisition, expropriation, prohibition, embargo, restraint or damage to property by or under the order of any government or government authority.

Notwithstanding the above, the events listed below will not be considered Force Majeure Events:

(f) strike or work stoppage, fully or partially affecting the Contractor, Contractor Group and /or Contractor Personnel, whatever the reason; or

(g) climatic conditions which are not extraordinary.

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Goods means goods or materials supplied to the Company by the Contractor in

accordance with the terms and conditions of this Agreement.

A person is **Insolvent** if:

(a) it becomes, or admits in writing that it is, is declared to be, or is taken to be under any applicable law to be, bankrupt, insolvent or unable to pay its debts as and when they fall due;

(b) a moratorium of any debts of a person, a personal insolvency agreement or any other assignment, composition or arrangement with a person's creditors or any similar proceeding or arrangement by which the assets of the person are subject to the control of that person's creditors or a trustee, is ordered, declared or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days; or

In the case of a company, if:

(a) any action is taken or order made to wind up or liquidate the company, other than for the purpose of a corporate restructure or merger; or

(b) a Controller or liquidator is appointed in respect of all or any part of that company's property, business or undertaking.

Intellectual Property Rights means all present and future rights conferred by statute, common law or equity in or in relation to copyright, trademarks, designs, patents, circuit layouts, plant varieties, inventions and confidential information, and other results of intellectual activity in any field whether or not registerable, registered or patentable, and include rights in applications to register these rights in all renewals and extensions of these rights.

Joint Venture Partners means the Company and any other entity from time to time having a participating interest in the Concession Contract the successors and assignees of such entity.

Petroleum Legislation means any law, decree, ordinance, statute, instruction or regulation issued by a Peruvian Government Agency dealing with the hydrocarbon industry.

Public Official means a person who holds public office, a public servant, a member of the executive, judiciary or magistracy, an official, representative, employee or contractor of a public international organization, and a commercial entity in which a government body has an ownership interest, or over which it exerts control, and any employee or official of any such entity.

Rates means the rates set out in **Exhibit 4**.

Related Entity in respect of a party means a legal entity which:

(a) directly or indirectly Controls the party;

(b) is Controlled, directly or indirectly, by the party; or

(c) is directly or indirectly Controlled by a company or legal entity which directly or indirectly Controls that party.

RFS means a request for services issued by the Company to the Contractor in accordance with **clause 2**.

Services mean the Services to be provided by the Contractor pursuant to this Agreement including as specified in **Exhibit 4** and each RFS and which may include the provision of Contractor Equipment and Goods.

Services Invoice has the meaning set out in **clause 3.2(a)**.

Subcontractor has the meaning set out in **clause 20.2**.

Subcontractor Personnel means the employees, officers, agents, contractors and sub-contractors of the Subcontractor.

Taxes means any and all taxes imposed by any taxing authority including, without limitation, corporate income tax or gross revenue taxes, personal income tax earned or derived and taxes relevant to employment of such persons, employment taxes and social charges, sales taxes, property taxes, import taxes, duties, levies, withholdings taxes and fees, stamp duties, charges and other assessments and payments in the nature of taxes, including any fines, penalties or interest, assessed or levied by the appropriate authority.

Term has the meaning set out in **clause 6**.

Well means any well to be drilled by the Drilling Vessel contractor as designated by Company.

Willful Misconduct means a deliberate or reckless act or omission that deviates from a reasonable course of action or from any provision of the Agreement and which is committed or omitted with knowledge of, or reckless indifference to, any potentially harmful consequences, including injury or death to persons and damage or loss to property and any other type of loss.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this agreement to:

(a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;

(b) **(clauses or exhibits)** a clause or exhibit is a reference to a clause or exhibit to this agreement;

(c) **(inconsistency)** if a provision in this agreement is inconsistent with any provision in an exhibit to this agreement, the provision of this agreement prevails to the extent of the inconsistency.

(d) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(e) **(law)** means any law, statute, regulations, decrees, ordinances and rules issued by a Government Agency including the Peruvian Executive Power, Congress, and regional and municipal governments;

(f) **(singular includes plural)** the singular includes the plural and vice versa;

(g) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Government Agency;

(h) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(i) **(two or more persons)** an agreement, representation or warranty in favor of two or more persons is for the benefit of them jointly and each of them individually;

(j) **(jointly and individually)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;

(k) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;

(l) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;

(m) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(n) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting principles and practices generally accepted in Perú;

(o) **(meaning not limited)** the words "include", "including", "for example" or "such as" do not limit the meaning of the preceding words; and

(p) **(time of day)** a reference to time is a reference to time in Lima, Perú.

1.3 Next day

If an act under this agreement to be done by a party on or by a given day is done after 5.30pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event under this agreement must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

2 Request for Services

2.1 Provision of RFS

(a) The Company will provide to the Contractor an RFS in writing to Contractor for the Services from time to time as required by the Company when such services are required by the Company in accordance with this **clause 2**.

(b) The Contractor must confirm in writing the receipt of an RFS from the Company within two Business Days of receiving the RFS.

2.2 Content of RFS

An RFS must:

(a) specify the Services which the Contractor is required to perform;

(b) include the period during and within which the Services must be performed;

(c) set out details of the Contractor Equipment which the Company requires to be used to perform the Services; and

(d) set out any specific technical qualifications required to be held by the Contractor Personnel to be used in the performance of the Services.

2.3 Compliance with RFS

The Contractor must:

(a) commence performance of the Services on the date specified in the RFS; and

(b) provide the Services in accordance with the RFS and this Contract.

2.4 Termination of an RFS

(a) An RFS issued by the Company may be terminated by the Company prior to completion of the Services specified in the RFS without the need to perform a judicial or administrative procedure:

(i) immediately, in the event of a failure by the Contractor to commence the Services by the date specified in the RFS;

(ii) if the Contractor defaults in the performance, or observance of any obligation, term or condition contained in the RFS or this agreement; or

(iii) at any time, provided that the Company gives not less than 7 days written notice to the Contractor.

2.5 Consequences of termination of an RFS

(a) If an RFS is terminated in accordance with **Clause 2.4**, no further compensation will be payable to the Contractor in connection with such RFS. However, such termination is without prejudice to the Contractor's entitlement to receive payments otherwise owing up to the date of termination of that RFS.

3 Payment and Invoicing

3.1 Payment for Services

(a) The Company will pay the Contractor for those Services properly provided under this agreement in accordance with an RFS at the Rates and in the amounts calculated in accordance with **Exhibit 4.**

(b) Unless otherwise agreed in writing, the Rates includes provision for all matters required to carry out the Services and if a service or activity is required to be carried out to perform the Services but is not separately described in **Exhibit 4** payment for such service or activity shall be deemed to be included in the other Rates or activities set out in **Exhibit 4** and no separate payment shall be due to the Contractor.

(c) The parties agree that a rate for any Service which is not set out in **Exhibit 4** will be agreed by the parties in advance of the Contractor providing any Services to which those rates apply.

3.2 Submission of invoices

(a) Contractor shall submit invoices on a monthly basis for Services ("**Services Invoice**") performed by the Contractor in the preceding month in the form and containing the information as required in **Exhibit 3**.

(b) The Services Invoice may only include amounts in respect of Services performed by the Contractor that were:

(i) requested in an RFS; or

(ii) otherwise authorized in writing by the Company in accordance with this agreement.

(c) The amounts in the Services Invoice must be calculated in accordance with the relevant Rates.

(d) Services Invoices must separately identify the costs of each unit of the Services.

(e) Services Invoices must contain evidence of payment of taxes, salaries, social benefits, social security payments and other public or private entities, contributions and any other mandatory labor charges to any Contractor Personnel engaged to assist the Contractor to perform the Services according to the law and any other supporting documentary evidence required by the Company.

3.3 Payment of Services Invoices

The Company must pay the Contractor the amount specified in a valid Services Invoice within 30 Days of receipt of the relevant Services Invoice.

3.4 Disputes in respect of invoices

(a) Notwithstanding this **clause 3.4** and **clause 18**, if the Company disputes any Services Invoice in whole or in part, the Company may notify the Contractor within 15 Business Days of its receipt of that Services Invoice. Any failure to notify the Contractor of any dispute and any payment of a Services Invoice shall not affect the rights of the Company in relation to the Services Invoice or in relation to any claim relating to the Services the subject of the Services Invoice.

(b) On receiving a notice of Dispute in accordance with **clause 3.4(a)**, the Contractor must provide all such further details as may reasonably be required to substantiate the relevant Services Invoice.

(c) If an invoice has been disputed in accordance with **clause 3.4(a)**, the Company may withhold payment of the disputed amount until the Dispute is resolved, but must pay any undisputed amounts in accordance with **clause 3.3**.

4 Performance of Services

4.1 General

The Contractor must perform the Services using the Contractor Personnel and in accordance with the terms of this agreement and the relevant RFS.

4.2 Manner of performing the Services

The Contractor must perform the Services in a prompt, diligent, skillful, technically competent and workmanlike manner and in accordance with:

(a) good oilfield practice, sound technical judgment and engineering principles;

(b) the Contractor's management systems;

(c) any specifications and other documents as provided by the Company to the Contractor detailing the Services to be performed;

(d) the standards prescribed by law or by regulatory authorities having the lawful right to prescribe minimum standards; and

(e) any standards reflecting any safety requirements in the Drilling Contract.

4.3 Safe Practices

The Contractor:

(a) must, at its own expense, comply with the occupational health, safety and security requirements as set out in **Exhibit 1** and as amended from time to time;

(b) must put in place and ensure compliance with an occupational health, safety and security policy for the performance of the Services by the Contractor Personnel which complies with all applicable laws and regulations (including the Seguro Complementary de Trabajo de Riesgo (SCTR de salud y pension), is in accordance with industry best practice standards and does not conflict with the Company's directions made pursuant to this clause. The Contractor within the first 7 calendar days of a month must submit to THE COMPANY the evidence of payment of taxes as per SUNAT applicable formats, SCTR and social security payments to ESSALUD for any CONTRACTOR Personnel;

(c) provide to the Company, upon request, a copy of its health and safety policy relating to the performance of the Services; and

(d) must give notice to all members of the Contractor Personnel engaged in the performance of the Services of all safety regulations and emergency procedures to be complied with by them.

4.4 Environmental protection

The Contractor must protect the environment, prevent pollution and minimize damage to property and the environment and must comply with the Environmental Impact Study for drilling in Block Z-38 and environmental requirements as set out in **Exhibit 1** and amended from time to time.

Subject to **clause 11.5**, Company shall be responsible for the duties, handling and activities required for the disposal of any radioactive source, chemical, waste or by-product, if any, used or generated in the performance of the services.

4.5 Compliance with laws

In addition to any other requirements in this agreement, the Contractor must comply with, and procure that the Contractor Personnel comply with, all laws and regulations pertaining to the Services including, without limitation:

(a) the relevant Petroleum and Aviation Legislation;

(b) any environmental law and petroleum and aviation legislation dealing with the importation, storage and transportation of chemicals or similar substances as well as the storage, transportation and disposal of any kind waste; and

(c) any other applicable laws, decrees and regulations in the jurisdictions where the Services are to be performed.

4.6 Reports

(a) The Contractor must keep a complete and accurate history and time log of all Services performed which will be available at all reasonable times for inspection by the Company or Government Agency.

The Contractor must furnish reports to the Company at such times and containing such information and in such form as may be reasonably directed by the Company from time to time including all information and reports required by the Company to submit to any regulatory or governmental authority, including:

(i) a daily report outlining the Services provided, in terms of materials consumed, performance details, estimated costs of the Services, difficulties encountered, the time spent providing the Services and names of the Contractor Personnel providing the Services. The Company's Representative shall, at the request of the Contractor's Representative, sign such report with any notations as the Company's Representative may think appropriate to verify the performance of the Services. The signing of a daily report shall not constitute acceptance of the quality of the Services provided unless specifically noted by the Company's Representative;

(ii) report on movements, safety inspections, equipment maintenance and equipment failure of the Contractor Equipment as requested by the Company;

(iii) immediately report in accordance with the Drilling Vessel contractor's management system hazards or hazardous incidents which could lead to an accident if left unattended;

(iv) inspection reports;

(v) monthly reports of the man hours worked by the Contractor Personnel in connection with the Services in the form supplied by the Company;

(vi) report on any accident, incident or any reportable matter near miss as follows:

(A) within 30 minutes of the event, provide a verbal first communication. Contractor must coordinate with Company prior to provide any communication or message in relation with the incident and/or accident to any third party or Government representative;

(B) within 8 hours of the event, provide a preliminary written report including matters which are required by Law to be reported and details requested by the Company; and

(C) within 5 calendar days of the event, provide a final written report including a review of the cause of the occurrence, appropriate steps to be taken to prevent reoccurrence, matters which are required by Law to be reported and any further details requested by the Company. The report must be done with the details required accordingly to the applicable regulation of the competent authorities or with the details required by The Company; and

(vii) thereafter review the cause of that occurrence and put in place appropriate procedures to prevent recurrence; and once drilling has been completed, as notified by the Company, a report that summarizes all the Services provided under this agreement ("**End of Well Report**");

When requested by Company and within the Scope of Work, Contractor shall provide interpretations of logs, tests and/or other data using his best professional knowledge. Company acknowledges that any interpretation of logs (whether made directly from optical logs or by data processing or otherwise) or interpretation of tests or other data and any recommendation or reservoir description based upon such interpretation are opinions based upon inferences from measurements and empirical relationships and assumptions. In the absence of the Contractor's negligence or breach of the requirements of the Agreement in providing such interpretation, recommendation or reservoir description, Contractor does not warrant the accuracy, correctness or completeness of any such interpretation, recommendation or reservoir description.

(b) The reports referred in 4.6 (a) will not have any cost. These reports are different to the monthly, quarterly and final reports described in Exhibit 4 "Service Technical Requirements & Compensation", which unitary costs are indicated in Attachment 2.

4.7 Company's right to inspect Services

The Contractor must, at all times, permit the Company to inspect all Services performed and all Contractor Equipment supplied or utilized in the performance of the Services and to witness and check all measurements and tests made in accordance with the Services and to have access to the Contractor's Equipment and to observe all the Services at the Company's sole risk.

4.8 Takeover of Services by Company

In the event of any loss of control of the Well, or any Contractor Equipment becoming lost or lodged in the Well or other emergency, the Company may take over and assume complete control and supervision of the Contractor Equipment at the Well at the Company's expense, except if such events are caused by Contractor´s Willful Misconduct, in which case, it will be at Contractor´s expense.

4.9 Defective Services

If the Contractor discovers or is aware that any part of the Services does not comply with the requirements of this agreement, then the Contractor must immediately notify the Company providing comprehensive details of the breach including such additional details as may be requested by Company.

If any materials provided, work performed or other part of the Services is found to be damaged, unfit for purpose, defective, or of inferior quality or workmanship, or fails to meet the specifications or any other requirements of the agreement, the Company may, without limiting its rights under the agreement or at law or in equity, make good or cause to be made good the material, work or other Services. All reasonable costs associated with the making good will be for the Contractor's account. Acceptance of delivery or payment for any part of the Services shall not be construed to be an acceptance of unsatisfactory or defective material, work or other Services or a waiver of any of the Company's rights.

5 Administration and Representatives

5.1 Contractor's Representative

(a) The Contractor's Representative is empowered to act for and bind the Contractor in all matters relating to the Contractor's performance of the Services and obligations under this agreement.

(b) Notices given by the Company to the Contractor under or pursuant to this agreement may be given to the Contractor's Representative and, if so given, will be deemed to have been given to the Contractor for the purposes of this agreement.

5.2 Replacement

(a) The Company must notify the Contractor in writing if there is any change of its Representative.

(b) The Contractor must notify the Company in writing if there is any change of its Representative.

5.3 Appointment and Transfer of Custody and Possession

The Contractor shall be responsible for all expenses related to the transportation of materials, equipment, Contractor Equipment and any other assets, whose supply and cost are according to this agreement under Contractor's responsibility, from the port/airport of unloading in Perú, up to Company's onshore base nearest to the areas of operations and from the latter to the port/airport of embarkation abroad, upon their return to the country of origin, definitively or for repairs purposes.

6 Term

The term of the Agreement shall commence on the date of the Agreement and continue thereafter, unless terminated in accordance with its terms, until December 31st, 2020. After such date, if no Party notifies the other of its intention to not renew the Agreement after expiration, then the Agreement will remain in effect thereafter until terminated at the option by either party upon 30-day prior written notice ("**Term**").

7 Contractor Equipment and Contractor Personnel

7.1 Provision of Contractor Equipment and Contractor Personnel

Contractor must provide equipment and personnel necessary to provide the Services in accordance with the terms and conditions of this agreement and so that the personnel is in place to perform the Services in the manner required and at the times specified in the relevant RFS.

This agreement does not create the relationship of employer and employee between Company and Contractor nor any relationship between Company and the Contractor Personnel.

Contractor and Contractor Personnel must comply with the maximum workday schedule established by law.

Contractor Personnel shall not be subject to labor subordination concerning the Company including labor rights such as salary, social benefits, term of service compensation deposits, labor indemnities or other labor and/or tax obligations.

The parties agree that the Services will be performed under Article 4° of the Supreme Decree N° 003-2002-TR and, therefore, there is no labor relationship between the Company and the Contractor Personnel.

7.2 Condition of Contractor Equipment

All Contractor Equipment must be in good operating condition and must comply with any requirements advised in writing by the Company. The cost of maintaining or refurbishing Contractor Equipment to good operating condition is the responsibility of the Contractor.

7.3 Inspection of Contractor Equipment

The Company may, without relieving the Contractor from any of its obligations under this agreement, inspect and reject items of the Contractor's Equipment not in accordance with the specification or standards expressly stated in RFS or this agreement or industry standards and the Contractor must replace any rejected Contractor Equipment with machinery and equipment in accordance with this agreement and the RFS. The Contractor must supply the Company with lists of such machinery and equipment showing number, specifications ratings, capacities and conditions before such equipment is transferred to the site.

7.4 Approval of Contractor Personnel

No later than 1 month prior to commencement of the Services, the Contractor must provide the Company with an accurate background resume of all Contractor Personnel proposed to perform the Services. The Company has the right to approve or disapprove the engagement of the relevant Contractor Personnel to undertake the Services. The Company may object to the deployment of any Contractor Personnel in the provision of the Services and require the Contractor to ensure such Contractor Personnel is not

involved in any way with the carrying out of the Services.

7.5 Suspension of Services

Company may, at any time and from time to time, suspend the Services or any part thereof, for any reason whatsoever, by giving 10 days prior written notice to the Contractor, where upon the Contractor shall suspend the Services or part thereof for such time or times as Company may direct.

Contractor shall promptly comply with a direction of Company to recommence the Services, or any suspended part. Provided that the suspension is not caused in whole or in part by any default or action of the Contractor, or any of its employees, agents or subcontractors, Company shall reimburse Contractor the verified and substantiated additional costs incurred by Contractor as a direct consequence of the suspension and as per was required by Company. The amount of reimbursement plus the amount otherwise paid to Contractor under the RFS shall not exceed the total RFS Price.

If the Contractor fails to maintain stocks of maintenance and repair parts, tools or operating supplies for the Contractor Equipment, and if the Services are interrupted due to a shortage of such spare parts tools or operating supplies, the Company, in its sole discretion, may require the Contractor to suspend the Services without payment until the repairs/stocks are completed/replenished and the Contractor Equipment is functioning properly.

8 Taxation

8.1 Taxes

The Agreement Price and all other amounts payable under this Agreement are inclusive of all Taxes, except where otherwise agreed between the Parties in writing.

The Contractor must pay any and all Taxes and other penalties or fines of any kind levied by law in connection with the performance of work under this Agreement, or in connection with use of any equipment, supplies, materials or employment of labor in the performance of work under this Agreement and all such matters shall be deemed to be included in the Agreement Price.



Company will not be obligated to assume or reimburse Contractor for any tax, obligation or other charge created or to be created in Peru or the government of any other country or any political subdivision.

8.2 Withholding tax

Where the Contractor is a foreign corporation or company or a non-resident alien individual, unless the Contractor provides the Company with valid documentation (received prior to the first invoice or payment claim) showing that an exemption applies in the jurisdiction where the work under this Agreement is performed, the Company will withhold payment of the amount of any Taxes (including Peruvian income tax and any other Taxes applicable to the Contractor by Peruvian legislation) required to satisfy any withholding obligations required by Peruvian legislation (including but not limited to tax legislation) on account of the Contractor, regarding the Services established in this Agreement, if any.



The Contractor further agrees to hold the Company harmless from all and any claims or responsibilities for all Taxes, fines, surcharges and related interests, created or to be created in Peru or the government of any other country or any political subdivision, levied on the Contractor, as related to the Services and/or work referred to this Agreement, except if said claims or responsibilities are related on the Company´s obligation to pay Taxes withheld in lieu of Contractor.

The Contractor shall be responsible for providing all declarations, documentation and information which may be required by the Company, for the purpose of applying the lowest income tax withholding rate available under Peruvian tax legislation.

8.3 Reimbursement

Subject to any express provision to the contrary in this Agreement, should any of the Parties have to pay Taxes, including penalties, interests and inflation adjustments, which are originally due by the other Party, such other Party shall promptly reimburse the assessed Party in full for any Taxes so paid upon receipt of an invoice, together with a copy of the tax assessment, thereof.

9 Audit rights

9.1 Record keeping

The Contractor must maintain detailed, true and accurate records to substantiate any fees, costs or rates identified in any invoice issued by the Contractor to the Company, such records to be maintained (where applicable) in accordance with the Peruvian tax law, accounting standards and principles generally accepted in Perú and best practice.

9.2 Audit rights

(a) The Company may, during the Term and for a period of two years after the end of the Term, question any invoice presented by the Contractor and require the correction of any error in such invoice, whether or not the invoice relates to a payment which the Company has already made.

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(b) The Contractor must, on reasonable notice, provide the Company copies of and access to all records maintained by the Contractor in respect of the Services provided under or pursuant to this agreement in order to investigate, verify, inspect or audit those records.

(c) If the Contractor refuses to provide access to the Company for the purposes of conducting an audit in accordance with this **clause 9,** then without prejudice to any other rights of the Company in relation to that default, the Company may suspend any payments of any invoiced amount in dispute unless and until the Contractor permits access in accordance with the relevant clause.

10 Contractor's warranties

The Contractor represents and warrants that:

(a) it is well qualified and able to render the Services in accordance with good oilfield practice;

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(b) the Contractor Personnel are duly qualified and are, and will remain, sufficiently qualified, careful, skillful, diligent and efficient to enable the Services to be safely

and efficiently performed by the Contractor in accordance with good oilfield practice;

(c) the Contractor Equipment is suitable and in good, safe and serviceable order in order to enable the Services to be safely and efficiently performed by the Contractor in accordance with good oilfield practice and with the applicable laws;

(d) it holds all necessary permits, licenses and authorizations required to provide the Services; and

(e) the Services will be rendered:

(i) carefully, skillfully, diligently and efficiently, and to the standards of a reasonable and prudent operator; and

(ii) in accordance with this agreement.

11 Liabilities and indemnities

11.1 Liability of the Contractor

The Contractor shall indemnify the Company Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of:

(a) loss or damage to property of the Contractor Group whether owned, hired, leased or otherwise provided by the Contractor Group arising from or related to the performance of the Services;

(b) personal injury including death or disease to any person employed by the Contractor Group or damage to the property of Contractor Group arising from or relating to the performance of the Services;

(c) personal injury including death or disease of or damage to the property of any third party that is not part of the Contractor Group to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the Contractor Group."

(d) fines or penalties due to a breach of law by Contractor Group.

11.2 Liability of the Company

The Company shall indemnify the Contractor Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of:

(a) loss or damage to property of the Company Group whether owned, hired, leased or otherwise provided by the Company Group arising from or related to the performance of the Services;

(b) personal injury including death or disease to any person employed by the Company Group or damage to the property of Company Group arising from or relating to the performance of the Services;

(c) personal injury including death or disease of or damage to the property of any third party that is not part of the Company Group to the extent that any such injury,

loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the Company Group.

(d) fines or penalties due to a breach of law by a member of Company Group

11.3 Extension of benefit

Every exemption, limitation, defense, immunity or other benefit contained in this Agreement to the Company is entitled as against the Contractor will also be held by the Company for the benefit of, and will extend to protect, each of the Company Personnel.

Notwithstanding anything to the contrary, this Agreement may not be enforced against any person other than the Company and the Contractor.

11.4 Loss of Tools/Equipment

Notwithstanding **Clause 11.1(a)**, the Company agrees to compensate the Contractor for the loss of or damage to the Contractor's tools or equipment that results from the flow of any substance from the well, or that occurs while such tools or equipment are in the custody and control of the Company Group or Company Personnel, or while in the hole, or in the drill string below the level of the rotary table except to the extent due to:

(a) fair wear and tear;

(b) defects in, or malfunction of, the tools or equipment; or

(c) breach of this Agreement or negligence by the Contractor,

Where the Company is required to compensate the Contractor for loss or damage to the Contractor's tools and equipment pursuant to this Clause, the Company will, at its election, either replace such tools and equipment or reimburse to the Contractor the reasonable repair or replacement value, according to the replacement cost contained in the Exhibit 4 – Attachment 2 of this agreement.

11.5 Catastrophic Damages

Subject to **Clauses 11.1(a), 11.2(a), and 11.6**, the Company agrees to indemnify the Contractor in respect of the following specified events:

(a) well, reservoir or underground damage, including loss of oil, gas, other mineral substance, or water or the wellbore itself;

(b) damage to, or losses from pipelines; and

(c) control of a wild well or pipeline.

11.6 Pollution

Subject to **Clauses 11.1(a)and 11.2(a)**:

(a) The Company shall indemnify the Contractor Group from claims of pollution arising out of spills emanating from equipment of any member of the Company Group provided such equipment is in the care, custody and control of any member of the Company Group.

(b) The Contractor shall indemnify the Company Group from claims of pollution arising out of spills emanating from equipment of any member of the Contractor Group provided such equipment is in the care, custody and control of any member of the Contractor Group.

(c) Subject to **Clause 11.6 (d)**, the Company shall indemnify the Contractor Group from claims of pollution or contamination arising out of naturally occurring radioactive material, or which originate below the surface of the earth or the water, including but not limited to pollution resulting from fire, blowout, cratering, seepage or any other uncontrolled flow of oil, gas, or other substance.

(d) The Contractor shall indemnify the Company Group from claims of pollution or contamination which originate above the surface of the earth and are caused the negligence or breach of this Agreement by any member of the Contractor Group.

11.7 Indemnities continuing obligations

Each indemnity in this Agreement is a continuing obligation separate and independent from any other obligation of the parties and survives termination of this Agreement.

11.8 Direct right of indemnity

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

11.9 Consequential Loss

Neither Party shall be liable to the other Party for Consequential Loss arising from or related to this Agreement.



Notwithstanding anything contained in the Contract to the contrary, Contractor shall regardless of cause or negligence (in any form) or default on any part be solely responsible for and shall defend, protect, indemnify and hold harmless Company Group from and against any loss, claim, liability, demand, damages and costs whatsoever (including, but not limited to, judicial or administrative awards, attorney or experts fees, lawsuit costs, fees, penalties and interests), in respect of Contractor Group's own Consequential Loss.

Notwithstanding anything contained in the Contract to the contrary, Company shall regardless of cause or negligence (in any form) or default on any part be solely responsible for and shall defend, protect, indemnify and hold harmless Contractor Group from and against any loss, claim, liability, demand, damages and costs whatsoever (including, but not limited to, judicial or administrative awards, attorney or experts fees, lawsuit costs, fees, penalties and interests), in respect of Company Group's own Consequential Loss.

11.10 Exclusions

Notwithstanding anything to the contrary in this Agreement:

(a) the indemnities, exclusions and limitations of liability contained in this Agreement shall not apply for the benefit of the Company Group to the extent a Claim is attributable to the Willful Misconduct of the Company Group.

(b) the indemnities, exclusions and limitations of liability contained in this Agreement shall not apply for the benefit of the Contractor Group to the extent a Claim is attributable to the Willful Misconduct of the Contractor Group.



12 Insurance

12.1 Insurance to be maintained by the Contractor

The Contractor must, at its own expense, take out and keep during the Term, the insurances listed in **Exhibit 5**.

12.2 Policies to note interest

The Contractor must ensure that all policies of insurance required under this **clause 12** to be taken out by the Contractor:

(a) name the Joint Venture Partners as additional insured parties or beneficiaries of the policy, as the case may be, and include its assimilation to third parties, whenever applicable;

(b) include a waiver of subrogation against each of the Joint Venture Partners and their insurers; and

(c) include a cross-liability clause to the effect the insurance applies as if a separate policy has been issued to each insured party.

12.3 Notification

(a) Prior to commencing Services under this agreement, the Contractor must:

(i) furnish the Company with insurance certificates specifying the types of coverage in effect, the limitations of coverage and the expiration dates of each policy, and these certificates must provide that the insurances will not be cancelled or materially varied while the Services are in progress without 30 days prior written notice to the Company; and

(ii) forward to the Company copies of renewal certificates and annual premium adjustment notices when issued.

(b) The Contractor must immediately notify the Company of any cancellation of any of the policies required to be taken out by the Contractor under this **clause 12** and of any decrease in policy limits to any of those policies which affects any of the Company's interests, prior to such cancellation or change.

12.4 Evidence of Insurances

The Contractor must provide evidence to the Company that the insurances required by this **clause 12** have been effected and continue in force if requested to do so by the Company.

12.5 Right to take out Insurance

The Company may effect and maintain during the Term any policy of insurance required by this clause, if the Contractor fails to do so. The Contractor must reimburse the Company for any expenses that it incurs in effecting and maintaining any policy of insurance under this clause.

12.6 Claims Notification

The Contractor must inform the Company immediately if it becomes aware of any actual, threatened or likely Claims under any of the insurances referred to in this **clause 12** which could materially reduce the available limit.

12.7 Sub-Contractors Insurance

The Contractor must ensure that all relevant Subcontractors are similarly insured as required by this **clause 12** as if they were the Contractor, as is appropriate given the nature of the Goods to be supplied or services to be provided by the relevant sub-contractors.

12.8 Liability not affected

The provisions of this **clause 12** are not to be read so as to affect any party's liability to another party under any other provision of this agreement.

12.9 Workers Compensation

The Contractor must comply with all relevant laws relating to workers compensation or employer's liability and take out all insurances (including supplementary risk insurance – SCTR) as may be required by those laws. For foreign workers the Contractor additionally must provide Workers Compensation Certificate hired in their respective country.

13 Force Majeure

13.1 Effects of Force Majeure event

Despite any other provision of this agreement, if a party is unable to perform or is delayed in performing an obligation under this agreement (other than an obligation to pay money) which is caused by or which arises or results from a Force Majeure Event and notice has been given in accordance with **clause 13.2**:

(a) that obligation is suspended but only so far and for as long as it is affected by the Force Majeure Event; and

(b) the affected party will not be responsible for any loss or expense suffered or incurred by any other party as a result of, and to the extent that, the affected party is unable to perform or is delayed in performing its obligations because of the Force Majeure Event.

13.2 Notice of Force Majeure Event

A party affected by a Force Majeure Event must give the other parties a written notice which:

(a) sets out details of the Force Majeure Event;

(b) identifies the nature and extent of the obligations affected by the Force Majeure Event;

(c) advises the period of time during which the affected party estimates that it will not be able to perform or will be delayed in performing its obligations;

(d) provides details of the action that it has taken or proposes to take to remedy the situation; and

13.3 Obligations of affected party

A party affected by a Force Majeure Event must:

(a) take all reasonable steps to avoid, remove or limit the effects of the Force Majeure

Event on its performance of the suspended obligations as quickly as possible; and

(b) promptly re-commence performing the suspended obligations as soon as possible.

13.4 Termination

(a) If a Force Majeure Event occurs and its effect continues for a period of 10 Business Days the agreement may be terminated by each party individually at any time thereafter by written notice to the Contractor provided that the Force Majeure Event continues to apply or have effect.

(b) The termination notice will take effect from the date specified in the termination notice (which date may not be earlier than the date on which the notice is given).

13.5 Meeting

The parties must meet within 5 Business Days of service of a Force Majeure notice to determine the estimated length of time for which the Force Majeure Event will continue and how to proceed during that time.

13.6 Alternative arrangements

During the period for which an obligation of the affected party is suspended pursuant to **clause 13.1(a)**, any other party to whom the obligation is owed may (at that party's cost) make alternative arrangements for the performance of the suspended obligation (whether by another person or otherwise), without any liability to the affected party.

14 Termination

14.1 Company's right to terminate

The Company has the right to terminate this agreement with immediate effect (without the need to carry out any judicial or administrative procedure) by notice in writing to the Contractor, if:

(a) **clause 13.4** applies;

(b) the License Contract of Block Z-38 is terminated;

(c) the Drilling Program is materially delayed or terminated;

(d) the Company decides to terminate at its discretion and provides at least 10 days prior notice to the Contractor;

(e) the Contractor is or becomes Insolvent;

(f) subject to **clause 14.2**, the Contractor commits a material breach of the agreement.

14.2 Termination by the Company for material breach

(a) Prior to the Company terminating this agreement in accordance with **clause 14.1(f)**, the Company must issue a notice to the Contractor stating that the Contractor is required to commence to remedy the breach within 5 Business Days of receiving the notice.

(b) The Company may only terminate this agreement if the Contractor either:

(i) fails to:

(A) commence to remedy the breach within 5 Business Days of receiving the notice; and

(B) diligently proceed with such rectification; or

(ii) fails to remedy the breach within 10 Business Days of receipt of the notice.

14.3 Contractor's right to terminate

Subject to **clause 14.4**, the Contractor may terminate this agreement with immediate effect by notice in writing to the Company, without the need to follow any judicial or administrative procedure, if:

(a) **clause 13.4** applies;

(b) the Company is or becomes Insolvent; or

(c) the Company commits a material breach of this agreement.

14.4 Termination by Contractor

(a) Prior to the Contractor terminating this agreement in accordance with **clause 14.3**, the Contractor must issue a notice to the Company stating:

(i) which factor in **clause 14.3** has occurred; and

(ii) if it is a factor specified in **clause 14.3(c)**, that the Company is required to commence to remedy the relevant matter or factor within 15 Business Days of receiving the notice.

(b) The Contractor may only terminate this agreement if the Company fails to remedy the relevant matter or factor within a period of receipt of that notice, which period shall be reasonable with due regard to the nature and circumstances of the relevant remedy.

14.5 Consequences of termination

Upon and following termination of this agreement in accordance with **clause 14.1**, no further compensation will be paid to the Contractor; however, such termination is without prejudice to:

(a) the Contractor's entitlement to receive all payments otherwise accrued up to the date of termination under this agreement; and

(b) the accrued rights of the parties as at the date of termination.

14.6 Damages

In addition to the right of termination under **clause 14.1 and 14.3**, where there is no appropriate remedy for the breach of this agreement (other than termination), the non-defaulting party is entitled to damages for losses suffered by it and expenses incurred by it as a result of the breach by the defaulting party, however subject to **Clause 11** above.

15 Intellectual Property

15.1 Intellectual Property

(a) Subject to each party complying with its obligations under this Agreement, each party shall provide to the other a royalty-free, non-exclusive, non-transferable license to use the Intellectual Property Rights either belonging to that party or able to be provided by it whether under sub-licence or otherwise, for the sole purpose of completing its obligations in relation to this Agreement, including the performance of the Services.

(b) Provision of either the Company Intellectual Property or the Contractor Intellectual Property from one party to another does not in any way transfer any ownership rights in those Intellectual Property Rights to the other party.

(c) Title to all Developed Intellectual Property shall vest in the Company upon such creation. The Contractor shall undertake all reasonable and necessary steps to ensure that all rights in the Developed Intellectual Property vest in the Company including but not limited to the completion of all necessary documentation required.

(d) Each party warrants that in respect of Intellectual Property Rights provided to the other party pursuant to this Agreement, it is legally entitled to provide those Intellectual Property Rights for the purpose for which it provides them.

15.2 Infringements

(a) Unless the recipient of any Intellectual Property Rights has used those Intellectual Property Rights for any unauthorized purpose or otherwise used it improperly or illegally, a party that provides Intellectual Property Rights shall indemnify the recipient party against any claim made by a third party that its Intellectual Property Rights have been infringed.

(b) In the event of any such claim or threat of claim of infringement, the party providing the Intellectual Property Rights shall, without otherwise limiting the scope of this provision, either:

(i) obtain permission to use the Intellectual Property subject of such claim or threat of claim of infringement; or

(ii) replace the equipment or instruments subject to such claim with equipment or instruments or other technology which are non-infringing, provided that such replacement equipment/instruments are of quality and operational capability comparable, if feasible, to that of the equipment/instruments to be replaced.

(c) The infringing party shall indemnify, defend and hold harmless the non-infringing party, its officers, agents, and employees from and against all claims, losses, damages, causes of action or judgments including without limitation all expenses of litigation, court costs and reasonable attorney's fees based on any infringement claim.

16 Confidentiality

16.1 Disclosure of Confidential Information

No Confidential Information may be disclosed by any party to this agreement to any person except:

(a) representatives of the recipient or its Related Entities requiring the information for the purposes of this agreement;

(b) with the consent of the party which supplied the information;

(c) if the relevant party is required to do so by law or by a stock exchange; or

(d) if the relevant party is required to do so in connection with legal proceedings relating to this agreement.

16.2 Use of Confidential Information

A party which has received Confidential Information from another under this agreement must not use it except for the purpose of exercising its rights or performing its obligations under this agreement.

16.3 Excluded Information

Clauses 16.1 and **16.2** do not apply to the Excluded Information.

16.4 Termination

This **clause 16** will survive termination (for whatever reason) of this agreement up to five years.

16.5 No disclosure of terms of this agreement

Except as otherwise agreed or duly required by law or any regulatory authority, no party will disclose the terms of this agreement to any person other than its employees, accountants, auditors, financial advisers or legal advisers on a confidential basis.

17 No Partnerships

Nothing contained or implied in this agreement constitutes a party the partner, agent, or legal representative of another party for any purpose or creates any partnership, agency or trust, and no party has any authority to bind another party in any way.

18 Dispute resolution

18.1 Initiating proceedings

Subject to **clause 18.5**, before resorting to any external dispute resolution mechanisms (including arbitration, mediation or court proceedings) the parties must:

(a) in respect of a Dispute concerning invoices, follow the procedure set out in **clause 3.4**, and, if there is no resolution to such a Dispute within 15 Business Days after a notice of Dispute is provided under that clause, comply with the dispute resolution process as set out in **clause 18.2**; or

(b) in respect of all other Disputes, comply with the dispute resolution process as set out in **clause 18.2**.

18.2 Referral of Dispute

Any Dispute under this agreement between any of the parties must be referred:

(a) initially for resolution by a representative nominated by each party to the Dispute, who the relevant parties will procure to endeavor to resolve the Dispute with 10 Business Days of the giving of a notice of a Dispute by a party; and

(b) if the Dispute is not resolved in accordance with **clause 18.2(a)** within the time specified in that clause, to the respective chief executive officers of each relevant party, who the relevant parties will procure to endeavor to resolve the Dispute within a further 20 Business Days or such other period as may be agreed between those persons.

18.3 Arbitration

Unless otherwise agreed by the parties, if the Dispute is not resolved by in accordance with **clause 18.2** within the time specified in that clause, then the Dispute must be settled through arbitration of law in accordance with this **clause 18.3 where:**

(a) The arbitration must be before three arbitrators under the administration of the International Chamber of Commerce, to which rules of arbitration ("Rules") and by-laws the parties agree to submit unconditionally. The arbitrators may be of any nationality and profession;

(b) The seat of the arbitration will be Lima- Perú;

(c) Each party will appoint one arbitrator and those two arbitrators must appoint the third arbitrator.

(d) The arbitration proceedings will be held in Lima- Perú and be conducted in both the English and Spanish language; and

(e) The award will be final and conclusive, acquiring the condition of res judicata, being unchallengeable.

18.4 Continued performance

Notwithstanding the existence of a Dispute between them, each party to a Dispute under this agreement must continue to perform its obligations under this agreement, subject always to a party's rights of termination under this agreement.

18.5 Injunctions/interlocutory relief

A party may commence court proceedings relating to any Dispute arising out of this agreement at any time where that party seeks urgent interlocutory relief.

18.6 Entry of Judgment

The parties agree that a judgment based on an arbitral award made pursuant to this Agreement may be entered and enforced by any court of competent jurisdiction outside of Peru and for courts in Peru. If the award is to be executed in Perú, both parties submit to the jurisdiction of the courts and judges of Lima Cercado.

19 Notices and Other Communications

19.1 Form - All Communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

(a) in writing;

(b) signed by the sender (if an individual) or an Authorized Officer of the sender; and

(c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

19.2 Form - Communications Sent by Email

Communications sent by email need not be marked for attention in the way stated in **clause 19.1**. However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

19.3 Delivery

Communications must be:

(a) left at the address set out or referred to in the Details;

(b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;

(c) sent by fax to the fax number set out or referred to in the Details;

(d) sent by email to the address set out or referred to in the Details; or

(e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

19.4 When effective

Communications take effect from the time they are received or taken to be received under **clause 19.5** (whichever happens first) unless a later time is specified.

19.5 When taken to be received

Communications are taken to be received:

(a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or

(b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or

(c) if sent by email;

(i) when the sender receives an automated message confirming delivery; or

(ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

19.6 Receipt outside business hours

Despite **clauses 19.4** and **19.5**, if communications are received or taken to be received under **clause 19.5** after 5.30pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

20 Assignment

20.1 Assignment

(a) The Contractor may only assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, with the prior written consent of the Company.

(b) The Company is entitled to assign its rights under this agreement to another party (including a third party).

20.2 Subcontracting

The Contractor must not subcontract any part of the Services to a third party ("**Subcontractor**") without the Company's prior written consent. If, following receipt of the Company's consent, the Contractor subcontracts the performance of any of the Services to a Subcontractor, the Contractor must:

(a) assume liability to the Company for the acts, defaults and negligence of the Subcontractor or any of the Subcontractor Personnel as fully as if they were the acts, defaults or negligence of the Contractor, notwithstanding that the Company has approved the Subcontractor;

(b) ensure that every subcontract contains all terms of this agreement to the extent applicable including, without limitation, a term that the subcontract will be terminated immediately upon termination of the Services, and that the subcontractor must maintain the same insurances as are required to be maintained by the contractor under this agreement; and

(c) provide evidence of the Subcontractor's insurances upon Company's request.

21 Severability

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

22 Entire Agreement

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

23 No Representations or Warranties

Each party acknowledges that in entering into this agreement it has not relied on any representations or warranties about its subject matter except as expressly provided by the written terms of this agreement.

24 General

24.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

24.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

24.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

24.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

24.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if this involves a conflict of duty or a party has a personal interest in their exercise.

24.6 Remedies cumulative

The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement

24.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

24.8 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

(a) to bind the party and any other person intended to be bound under this agreement; and

(b) to show whether the party is complying with this agreement.

24.9 Prompt performance

If this agreement specifies when the party agrees to perform an obligation, the party agrees to perform it by the time specified. Each party agrees to perform all other obligations promptly. Time is of the essence in this agreement in respect of the performance of the Contractor's obligations under this agreement.

24.10 Set-off

At any time, the Company may set off any amount due for payment by the Company against any amount due for payment by the Contractor to the Company under this agreement.

24.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

24.12 Costs

The parties agree to pay their own legal and other Costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

24.13 Inconsistent law

To the extent permitted by law, this agreement prevails to the extent it is inconsistent with any law.

24.14 Supervening legislation

Any present or future legislation which operates to vary the obligations of a party in connection with this agreement with the result that another party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

24.15 Counterparts

This agreement may consist of a number of copies, each signed by one or more parties to the agreement. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed will be the date of the agreement.

25 Governing law

This agreement is governed by the law in force in the place specified in the Details.

26 Importation and Foreign Trade

Contractor shall be responsible for all expenses related to the transportation of materials, equipment and any other assets, whose supply and cost are according to this agreement under Contractor's responsibility, from the port/airport of unloading in Perú, up to Company's onshore base nearest to the areas of operations and from the latter to the port/airport of embarkation abroad, upon their return to the country of origin, definitively or for repairs purposes.

27 Ethical Business Standards

27.1 Improper Relationships

(a) The Contractor must ensure that it and each member of the Contractor Group shall not, pay, offer, promise to pay or authorise the payment directly or indirectly of any monies or anything of value that is not legitimately due to:

(i) any Public Official, representative or employee of any political party or candidate for public office; or

(ii) any person or entity in the private sector,

in connection with this Agreement.

(b) The Contractor must ensure that it and each member of the Contractor Group at all times complies with and does not act in any manner that would:

(i) cause or be likely to cause the Company or any member of the Company Group to be in breach of; or

(ii) create or be likely to create any risk for the Company or any member of the Company Group with respect to a breach by any person (including the Contractor Group) of,

the Criminal Code Act 1995 (Cth) (Australia), the Foreign Corrupt Practices Act 1977 (United States), the Clean Companies Act (Law No. 12,846/2013) (Brazil), the Criminal Code (Peru) and any other applicable laws, including in other jurisdictions, that address bribery and related conduct.

27.2 Books and Records

(a) The Contractor represents and warrants as follows:

(i) All information that has been submitted by the Contractor to the Company in the context of bribery investigations (including, notwithstanding any other provision of this Agreement to the contrary, in the context of any due diligence investigations relating to bribery and improper conduct) is complete, truthful and accurate.

(ii) The Contractor and each member of the Contractor Group is organized for legitimate business purposes and not for any unlawful purpose, and each has only lawful sources of funding.

(iii) The Contractor is fully qualified to perform its obligations under this Agreement in compliance with all applicable laws, regulations, rules, decrees and other directives.

(iv) The Contractor has obtained licenses or completed such registrations as may be necessary or required under the laws, regulations, rules, decrees and other directives applicable to it to perform its obligations under this Agreement.

(v) Neither the Contractor nor, to the Contractor's knowledge after making due enquiry, any member of the Contractor Group has been convicted of or pleaded guilty to an offence involving bribery, fraud or corruption, nor has

any such person been listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government procurement programs.

(b) The Contractor must ensure that it and each member of the Contractor Group shall not prepare, approve or execute any contract or other document or make any record in relation to this Agreement that the relevant member of the Contractor Group knows, or ought to reasonably know, is false, inaccurate or misleading.

27.3 Procedures

(a) The Contractor must establish and maintain procedures, policies and precautions to prevent any breach of this clause.

(b) The Contractor must keep complete and accurate records of all expenses related to the performance of its obligations under this Agreement and the performance of the Contractor Group in relation to this Agreement, indicating in reasonable detail:

(i) the purpose of each expense; and

(ii) the payee (including the payee's position and title),

and must make such records promptly available to the Company upon request by the Company.

27.4 Notice

The Contractor must give prompt notice in writing to the Company if, at any time during the term of this Agreement:

(a) the Contractor becomes aware, or has reasonable grounds to believe, that an actual or potential breach of this clause by it has occurred; or

(b) there is any change in the direct or indirect ownership of the Contractor which has or could have the effect of the Contractor becoming a Public Official.

27.5 Indemnity

Without limiting any other provision of this Agreement (including any other indemnities in favour of the Company), the Contractor indemnifies the Company and must keep the Company indemnified in respect of any loss, liabilities, claims, costs, damages or expenses incurred or sustained by the Company and each member of the Company Group as a result of any breach by the Contractor of its obligations under this clause (including any such loss, liabilities, claims, costs, damages or expenses arising as a result of the termination of this Agreement under **Clause 27.9**).

27.6 Investigation Rights

(a) The Contractor must cooperate in good faith with the Company and its representatives for the purpose of enabling the Company to investigate any suspected or actual breach of this clause, including by providing access to the Contactor Group's relevant books and records and relevant persons for interviews by the Company and its representatives.

(b) Without limiting any other audit rights in this Agreement, during the term of this Agreement and for a period of two years thereafter, the Company may, at its expense, audit the books and records of the Contractor and the Contractor Group

relating to activities undertaken in connection with this Agreement, including all charges made by the Contractor pursuant to this Agreement and payments made or benefits conferred (whether in kind or in cash) by the Contractor for or on behalf of the Company in the performance of or otherwise in relation to this Agreement.

(c) The Company may, in its absolute discretion, or as otherwise required by law, disclose to any representative of government or regulatory authority:

(i) the identity of any member of the Contractor Group or of any entity with which the Company Group and the Contractor Group does business, in the performance of or otherwise in relation to this Agreement; and

(ii) the details of any payment made or benefit conferred (whether in cash or in kind) by the Contractor in the performance of or otherwise in relation to this Agreement.

27.7 Company Actions

Notwithstanding any other provision of this Agreement, the Company shall not be required under this Agreement to take any action that the Company believes, in good faith, would cause it or the Company Group to be in violation of any laws that address bribery and related conduct and are applicable to it, the Company Group or the Contractor Group.

27.8 Right to Withhold Payments and/or Products

If the Company has reason to believe that a breach by the Contractor of this clause has occurred, the Company may suspend any payments otherwise due and payable until, in its reasonable opinion, it is satisfied that the breach has been properly investigated and remedied and appropriate procedures have been put in place to prevent its reoccurrence. The Company shall not be liable to the Contractor for any loss, liabilities, claims, costs, damages or expenses whatsoever related to its decision to withhold payments under this clause.

27.9 Special Termination Rights

(a) Without limiting any other rights of the Company at law or under this Agreement (including any other rights of termination or in relation to a breach of this Agreement), if the Company determines that the Contractor is in breach of this clause, the Company may immediately terminate this Agreement by notice to the Contractor.

(b) Upon and following termination of this Agreement in accordance with **Clause 27.9(a)**, no further compensation will be paid to the Contractor however, such termination is without prejudice to:

(i) the Contractor's entitlement to receive all payments otherwise accrued up to the date of termination under this Agreement; and

(ii) the accrued rights of the parties as at the date of termination.

28 Protection of Personal Data

CONTRACTOR authorizes COMPANY to use and publish their legal entity and personal data within the limits permitted by Protection of Personal Data Law, Law 29733 and their regulations.

EXECUTED as an agreement on 1, October 2019.

KEI (Perú Z-38) Pty. Ltd., Sucursal del Perú	**WALSH PERU S.A.**
	G. M. R.
Name:	Name: Gonzalo Morante
Title:	Title: General Manager.

Exhibit 1

"Health, Safety, Security and Environment Policy"

Karoon Energy Ltd (Karoon) is an Australian based global oil and gas exploration company, with ambitions to grow and increase shareholder value in this market. In achieving these ambitions, Karoon is committed to setting its foundations for growth and demonstrating high standards of health, safety, security and environment (HSSE) performance.

Karoon recognizes that its people are one of its most important resources. Karoon therefore makes it a top priority to ensure that all safety procedures are followed in accordance with best practice and all applicable laws.

In addition, Karoon takes its environmental and community obligations very seriously and aspires to best practice in all instances.

Objectives and commitment

Karoon's objective is to undertake safe and secure operations, which protect employees, local communities, the environment and material assets.

Karoon is committed to:

- The safety and security of all people affected by our operations;
- Integrating HSSE as a core function of our business;
- Demonstrating the importance of HSSE to Karoon through hands-on leadership and behavior;
- Continuously improving our HSSE performance;
- Engaging with local communities affected by our operations;
- Requiring all of our consultants and contractors to share our commitment to HSSE.

Strategies for Implementation:

- As a minimum, comply with all applicable laws and regulations, while aspiring to higher standards than the laws provide and apply responsible standards where laws and regulations do not exist.
- Apply a systematic approach to the identification of all hazards and HSSE risks in order to manage the risk and maintain incident free operations.
- Give priority to the implementation of health and safety procedures in any place of business where the company is involved and cease any ongoing or planned activities if appropriate HSSE risk controls are not in place.
- Produce, maintain and continuously improve the Operating Management System (OMS) across the organization.
- Provide the necessary resources to achieve the requirements of this HSSE Policy and provide adequate HSSE training to Karoon personnel and consultants.
- Require that companies providing contract services to Karoon manage their HSSE performance consistently with the requirements of Karoon.
- Foster a culture that empowers and rewards all working for Karoon to act in accordance with this HSSE Policy.
- Communicate openly with the community regarding Karoon's activities.

Application

This HSSE Policy applies to all personnel, contractors and joint-venture partners engaged in activities under Karoon's operational control. The responsible managers will use their influence to promote this HSSE Policy throughout the organization and in non-operated ventures.

This HSSE Policy has been authorized by the Board of Karoon Energy Ltd.

Exhibit 2

"Company's Work Program"

COMPANY intends to operate a Floating Mobile Drilling Unit offshore Perú in COMPANY's Tumbes Block Z-38 operating area in a water depth of approximately 350 to 700m commencing between 4th Qtr 2019 and 2nd Qtr. 2020 depending on rig availability. The planned exploration drilling program consists of one well and, at COMPANY's option, one additional well of about 40 to 50 calendar days' duration each with potential sidetracks and testing on each well. However, COMPANY guarantees no particular drilling unit or work start date or volume of work.

Company will maintain a marine Shore Base at Paita, Perú for the re-supply of drilling equipment and materials needed to support the ongoing drilling operation and a Helicopter Base at Talara, Perú for movement of personnel.

CONTRACTORs will be responsible for transport to/from "COMPANY's Helicopter base" for rig crew personnel.

A general location map showing Company's potential operating area is provided below.

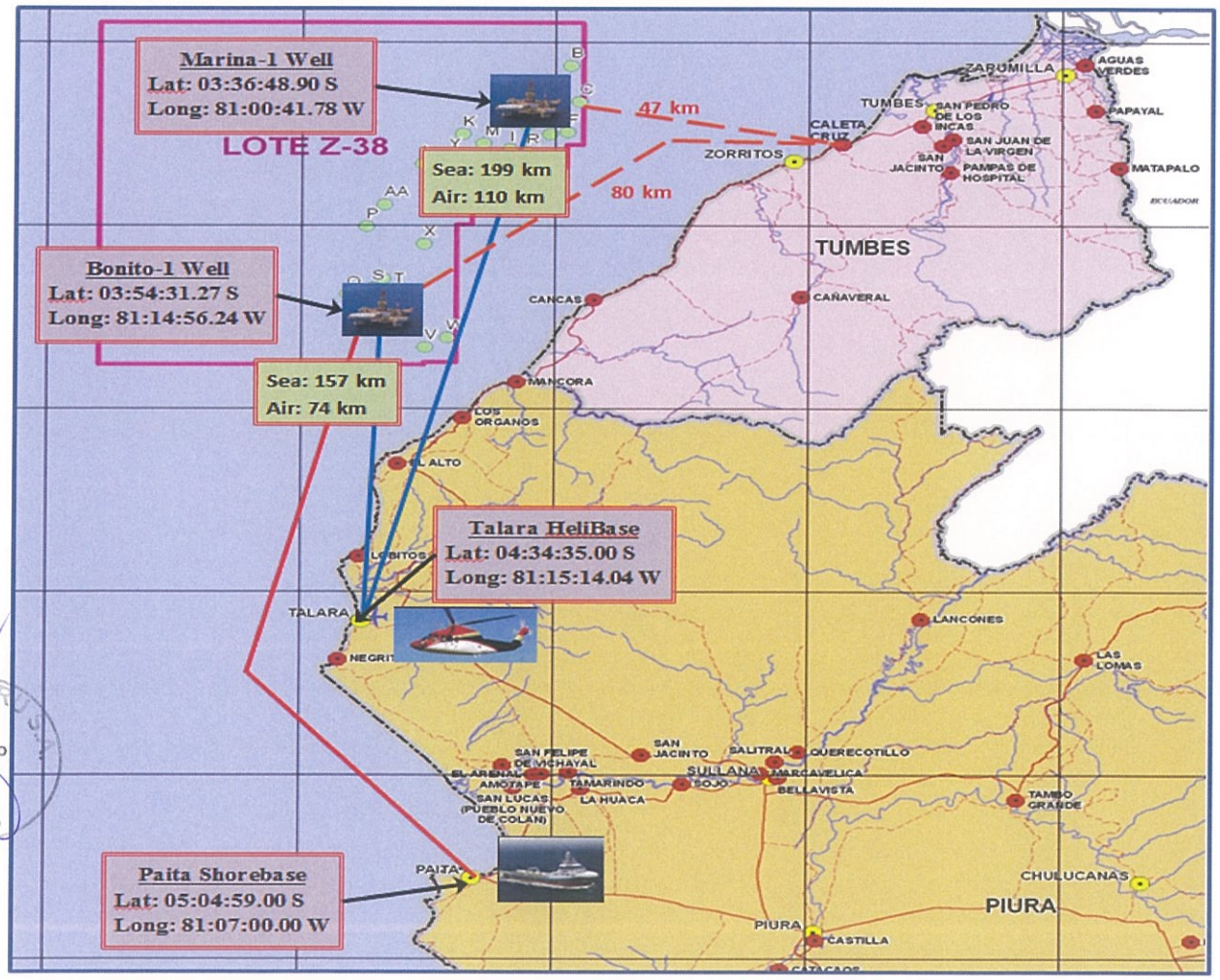


Exhibit 3

"Operating Terms and Conditions"

1. Operating Locations

Contractor shall maintain logistics and provide mobilization and demobilization of equipment and personnel to and from the designated sites indicated below.

Company's Country of Operations	Perú
Company's Region of Operations	Tumbes
Company's Contract Operating Area	Tumbes Basin, Block Z-38
Company's Office Base	Lima, Perú
Company´s Community Relation office	Tumbes, Peru
Company's Helicopter Base	Talara Airport, Perú
Company's Fixed Wing Base	Lima Airport, Perú
Company's Logistics Base	Paita, Perú
Company's Medical Evacuation Site	Talara, Perú
Contractor's Office	Lima, Perú
Contractor's Logistics Base	Lima, Peru
Contractor's Personnel Base	Lima, Peru
Contractor´s Field Personnel	Tumbes, Peru

2. Contractor Personnel Services

Contractor, at his own risk and responsibility, shall provide technical and qualified personnel in order to perform the Service that He is going to execute.

2.1 Contractor shall provide service personnel to inspect, conduct maintenance, supervise the installation and operation and to conduct troubleshooting as required for Contractor supplied equipment.

2.2 All service representatives should be fully qualified and capable of adequately inspecting, supervising, operating, and troubleshooting Contractor equipment in an efficient and safe manner.

2.3 Contractor personnel shall be responsible for updating all Contractors' Service Manuals and Drawings that are provided to the Company.

2.4 Contractors shall maintain all licenses and records of operation and maintenance in accordance with the laws of the "Company's Country of Operations".

2.5 Contractor shall arrange and provide in accordance with the laws of the "Company's Country of Operations", personnel work permits and visas as required in the "Company's Country of

Operations" and maintain work permits and visas for contingency personnel on standby as appropriate.

2.6 Contractor supervisory personnel at Company work sites must be fluent in English.

2.7 Contractor shall provide a work plan for personnel assigned to this project (including offshore support personnel) which includes number of people and work schedules.

2.8 Contractor must supply a resume for each of the supervisory personnel proposed for the Company's work. Company retains the right to examine all resumes and qualifications of proposed personnel and to conduct interviews with candidates prior to assignment. Company retains the right to reject personnel based on this assessment.

2.9 Contractor's supervisory personnel shall have a minimum of two years' experience with Contractor's equipment being used.

2.10 Contractor will ensure that all personnel assigned to Company operations comply with Company's Safety, Health and Environmental (SHE) policies.

2.11 Contractor shall ensure that all Contractor's personnel assigned to Company's work have completed all training and certifications course required by "Company's Country of Operations".

2.12 Contractor employees work schedule shall comply with the applicable Peruvian regulation.

2.13 Contractor's personnel shall attend all safety and planning meetings required to perform work required by Company. Such attendance shall be provided for in Contractor charges for Contractor's personnel

3. Contractor Equipment

3.1 General Specifications

a. All Goods are to be produced in compliance with the latest edition of appropriate API specifications plus additional requirements contained herein. General specifications apply to all categories and sizes of the Goods.

b. All products, facilities, services, and rental tools supplied by Contractor shall conform to the latest edition of all applicable regulations, guidelines, relevant codes, standards and additional requirements referenced in this specification.

3.2 Contractor shall provide purchased material in "new" condition.

3.3 Contractor shall provide rental equipment that is in good condition, fully functional and "fit for ordinary purpose".

3.4 Contractor shall maintain all equipment certifications and licenses for Contractor's equipment as required by "Company's Country of Operations".

3.5 Contractor shall maintain in-country adequate back-up tools for rental equipment and spare parts to service all Contractor provided equipment.

3.6 Contractor shall provide current certificates of inspection which are compliance with Industry accepted standards for all Contractor's equipment mobilized to the well site.

3.7 Company shall reserve the right to conduct a Third Party Inspection of Contractor's equipment.

3.8 Company reserves the right to reject any material or equipment deemed not meeting the specifications as required herein.

3.9 Contractor shall maintain facilities at "Contractor's Logistics Base" to service all Contractor

provided equipment within the "Company's Country of Operations".

3.10 Contractor shall be responsible for and provide shore base storage of all rental equipment except as noted otherwise in the Company and Contractor agreement.

3.11 If electrical power is required for Contractor's equipment, Contractor shall provide transformer(s) as required to Operate Contractor's equipment

4. Transportation & Lodging

4.1 Contractor shall be responsible for providing transportation including loading and unloading services for all Contractor equipment and supplies to and from "Contractor's Logistics Base" except as specified otherwise in this Agreement.

4.2 Contractor shall provide, at Contractor's cost, lodging for Contractor Personnel other than at the "Drilling Vessel".

4.3 Contractor shall provide transportation for Contractor personnel working at the well site to and from "Company's Helicopter Base" or "Company's Logistics Base" and Company shall provide transportation between "Company's Helicopter Base" and the Drilling Unit.

4.4 Company shall reimburse Contractor at Contractor's documented costs for Contractor's costs of personnel lodging, living expense, and transportation costs resulting from delays caused by Company or Company's other Contractors.

4.5 Company shall provide equipment and personnel at "Company's Logistics Base" for loading and unloading Contractor equipment from and to Contractor transportation units.

4.6 Company shall provide transportation between "Company's Logistics Base" and the "Drilling Vessel" for Contractor's equipment.

5. Medical Evacuation

5.1 Company shall provide Medical treatment and stabilization of Contractor's Personnel at the well site and evacuation of Contractor Personnel from the Drilling Vessel to "Company's Helicopter Base".

5.2 Contractor shall be responsible for all medical treatment and transportation upon arrival at "Company's Helicopter Base" including evacuation out of "Company's Country of Operations" for all Contractor personnel.

6. Contractor Quality Assurance

6.1 Company Objectives

Company conducts its business in a manner that ensures all drilling activities utilize effective quality management and continuous improvement systems. The Company is committed to work with Service and Equipment providers (Contractor(s)) to eliminate non-productive time as well as optimize efficiency for improved drilling performance.

Expectations of our Contractors are;

a. Emphasize to all its employees and sub-contractor employees working on the drill team's behalf of their responsibility and accountability for quality performance on the job and foster an environment for continuous improvement;

b. Ensure all general and contract specific Quality Assurance and Quality Control (QA/QC) requirements of Contractor are implemented and executed effectively;

c. Reduce and where possible eliminate Non-Productive time (NPT);

d. Execute all drilling and completions activities with a focus on quality and increased

performance optimization; and

e. Undertake appropriate reviews and evaluations of Contractor's operations to measure progress and to ensure compliance with this policy.

6.2 Quality System Requirements

Contractor shall perform work for Company under a formal quality system at all work locations including the rig site. This quality system shall satisfy the requirements of the latest edition of ISO 9001 or recognized industry standards such as API Q1 and ISO/EN 29001. Company shall have the right to audit Contractor's compliance with such quality system.

6.3 Quality Assurance and Quality Control Requirements for Services

a. Only Contractor qualified personnel working under approved work instructions and/or procedures will conduct services on behalf of the company;

b. Contractor shall provide personnel all required safety, technical, and quality training specific to the scope of work of this contract. Evidence of such training shall be maintained by Contractor and made available for audit by Company;

c. Contractor's quality system must have established procedures for;

i. preservation, packaging, and transport of Goods

ii. inspection requirements including frequency of all Contractor Equipment and transportation containers

iii. calibration activities including frequency of measuring and monitoring equipment

iv. execution of all work activities

v. subcontractor management

vi. incident reporting and investigation including corrective action and continuous improvement programs

vii. document and record management

viii. data analysis and capturing of lessons learned from field experience

ix. dissemination of incident corrective actions and lessons learned to Contactor employees

d. Contractor shall identify to Company, prepare, and implement any required bridging documents to interface service activities against Company specific requirements or standards identified in this contract;

6.4 Quality Assurance and Quality Control Requirements for Equipment & Materials

a. All equipment and materials purchased or used under this contract in the execution of work by Contractor must meet minimum requirements specified in this contract and governing local authorities;

b. Contractor's service equipment and materials are to be "fit for purpose" with respect to safety, design, functionality and application.

c. Equipment shall be shipped to the work location with appropriate documentation attesting to its certification, rating, zoning, and classification (including documentation for the transport containers and lifting apparatus used during transport);

d. Equipment and materials must be clearly identified and labeled, and traceable to history and service records. Such equipment and material used in a well must be traceable to

point of origin (raw material test certificate or certificate of origin is to be available to Company upon requires);

e. Contractor shall use only OEM or OEM approved spare parts for service equipment as well as refurbishing of Company purchased equipment;

f. Pre-Job inspections, simulations, function tests, and other pre-job verifications are to be carried out by Contractor on both primary and contingency equipment wherever possible, and is a requirement for new equipment designs, modifications, or applications; and

g. Where Company owned equipment is stored at a Contractor's premises, equipment shall be maintained and preserved against deterioration and protected against damage.

7. Contractor Registration, Permits and Taxes

7.1 Contractor Company shall be legally registered in the "Company's Country of Operations".

7.2 Contractor shall be responsible for all income and other such taxes as assessed by the "Company's Country of Operations" unless otherwise noted in the Company and Contractor agreement.

7.3 Contractor shall be responsible for all personal income and other taxes associated with Contractor's personnel.

7.4 Contractor shall be responsible to obtain all licenses, permits, authorizations and registrations to perform the Services.

8. Contractor Invoicing and Payment

Contractor shall submit invoices monthly in duplicate prepared in Spanish or English language with charges in US Dollars covering Services and materials actually performed by Contractor and/or purchased from Contractor as per Contractor Compensation is defined in Section 5 within Exhibit 4, plus reimbursable costs incurred and paid during the period where services are effectively and properly provided. All invoices sent to Company shall be complete, correct, in sufficient detail and comply with any relevant tax requirements, including electronic invoices. In case of electronic invoices, reception will be considered correct once a printed copy of the invoice is also submitted in physical to the Company.

8.1 Invoices must be submitted in separate documents for Services and for the sale of any equipment and/or material if is the case. Invoices shall be e-mailed in Adobe ".pdf" format or mailed to:

Attn: Accounts Payable

KEI (Perú Z-38) Pty. Ltd., Sucursal del Perú

Av. Antonio Miro Quesada N°425, Interior 1212- Urb. San Felipe, Magdalena del Mar

Lima, Peru

Tel.: + 51-1-631-8181 ext. 133

E-Mail: facturacion@karoon.com.pe; ngutierrez@karoon.com.pe

8.2 Supporting documentation shall accompany all invoices including but not limited to (i) copies of Work Orders or Purchase Orders, (ii) original receiving documents signed by a Company representative, and (iii) third party invoices for reimbursable costs.

8.3 Company shall withhold taxes from payments to Contractor as required by Law. Upon payment of the amount withheld to the appropriate government entity or agency, such amount withheld shall be deemed payment to Contractor and Company shall have no further obligation to pay such amount to Contractor. Upon written request from Contractor, where

available, Company shall provide a withholding tax receipt or other evidence of withhold to Contractor.

8.4 Invoice payment by Company shall be within 30 calendar days after receipt of the correct invoice and supporting documents. Company may, at its sole discretion, withhold payment on any amounts not correctly presented or supported. Company payments shall not preclude Company from thereafter disputing any item invoiced nor be construed as acknowledgement that any part of Services has been satisfactorily preformed or completed. All charges are subject to Audit verification and correction.

8.5 Invoices must contain supporting documentation that evidences the payment of taxes, salaries, social benefits, social security payments to ESSALUD and other public or private entities, contributions and any other mandatory labor charges to any Contractor Personnel engaged to assist the Contractor to perform the Services according to law. This information shall be submitted to the Company with any other supporting documentary evidence required by the Company.

9. Third Party Involvement

9.1 If Contractor intends to use subcontractors to supply some or all of the services, then it must;

a. state this intention;

b. sufficiently identify the proposed subcontractors and their relevant fields of expertise; and

c. subject to confidentiality obligations, disclose to Company relevant third party contracts.

9.2 The Contractor will remain responsible for the supply of the Services and all other obligations under the agreement, whether or not it uses subcontractors.

9.3 Company's consent is required before Contractor can subcontract any part of the services to any third party.

10. Drug and Alcohol Policy

To the extent allowed by Law, Contractor shall have in place a Drug and Alcohol policy for all Contractor and Contractor's third party sub-contractor personnel (hereinafter referred to as Contractor Personnel) that will be working on Company owned or leased premises (hereinafter referred to as Company Premises) or otherwise engaged in work for Company. Such policy shall provide for, but not limited to, the below:

a. Prohibition of possession and/or use of illicit or un-prescribed drugs, controlled substances and alcohol by Contractor Personnel;

b. Pre-Employment testing for controlled substance and alcohol of Contractor Personnel;

c. Random testing and of Contractor Personnel working in safety sensitive positions;

d. For-Cause including reasonable suspicion of D&A influence;

e. Post-Incident testing for all Contractor Personnel involved in any safety incident;

f. Contractor Personnel not in compliance with Contractor's policy shall not be permitted to engage in any work for Company;

g. Allowable search and inspection of Contractor Personnel and their property while on Company Premises; and

h. Records of testing and test results shall be maintained by Contractor.

11. Security

To the extent allowed by Law, Contractor shall conduct background checks and security screening

for all Contractor and Contractor's sub-contractor employees engaged in work for Company. Contractor shall be responsible for determining whether a worker's conviction record would be relevant to the services to be performed for Company and obtain Company's written approval to engage a worker with criminal convictions. Such checks and screening shall include:

a. Criminal Record check for serious criminal convictions;

b. Verification that Social Security or Identification Number or Passport Number matches the worker's name and relevant information;

c. Motor vehicle records check; and

d. Employment history for last 5 years.

Contractor shall have an ongoing duty to require workers to immediately inform Contractor of any serious conviction arising after the completion of the initial background screening.

12. Conduct of Contractor

Contractor shall warrant and covenant that it and its related bodies corporate and representatives, will in the provision of the services and any other activity performed in connection with the agreement between Company and Contractor:

a. comply with any applicable law;

b. hold all necessary licenses and authorizations; and

c. provide the services to the standard of a reasonable and prudent operator.

13. Workplace Harassment

Company prohibits all forms of unlawful harassment based on race, color, sex, religion, national origin, citizenship, age, disability or veteran status. In addition, Company prohibits all other forms of harassment, which, while not unlawful, are considered inappropriate in a business setting. Company will not tolerate harassment in the workplace, whether committed by or directed at employees, contractors, suppliers, or customers. Contractors who violate the policy are subject to removal from Company's work assignments.

Examples of behaviors prohibited include:

a. Racial or ethnic jokes, slurs, epithets, cartoons or graffiti; or

b. Sexually graphic comments, epithets, pictures, cartoons, gestures or graffiti; or

c. Taunting on the basis of actual or perceived sexual orientation; or

d. Repeated use of demeaning or degrading comments based on individual characteristics; or

e. Repeated use of offensive profanity or intimidating behaviors like yelling or throwing objects; or

f. Threats of harm, violence, or assault; or

g. Unwanted sexual flirtations or unwelcome, unnecessary touching; or

h. Requesting sexual favors in return for a tangible employment action.

Exhibit 4

"Service Technical Requirements & Compensation"

All technical requirements and prices charged for equipment and personnel provided by Contractor shall be contained in this Exhibit. Any variance in the rates or equipment provided must be pre-approved by both parties in writing as an amendment. Contractor agrees not to charge any rate or provide any equipment unless it is contained in this Exhibit or is agreed in writing by Company.

In addition to the technical requirements and rates specified in this Exhibit, Contractor shall comply with the terms and conditions including operating locations as specified in EXHIBIT 3 – "Operating Terms and Conditions".

14. Contractor Work Scope

Company requires Contractor to implement the Community Relation Plan at Tumbes/Piura Region to comply with Company's obligations stated in the Environmental Impact Assessment (EIA). The Community Relations Plan (CRP) of the Exploration Drilling Project of 20 Wells in Block Z-38 integrates the Project "Social Management Programs".

15. Activities to be performed

15.1 Communication, Dialogue and Consultation Program,

15.2 Citizen Monitoring and Surveillance Program,

15.3 Training Program in Social Affairs and Good Labor Practices and,

15.4 Design and Implementation of the Repair and Negotiation Program

16. Objectives

Create a positive social environment and enhance the relationship between the stakeholders within between the indirect area of influence of the Project and the Designated Sites referred in Exhibit 3, in compliance with the commitments established in the EIS.

16.1 Specific objectives:

- To identify Stakeholders within the area of influence and/or possible Stakeholders,
- Update the information that Contractor have and/or what is given to them, regarding the Company's Project and their phases comprehended (exploration, drilling, exploitation) and Stakeholders perceptions and update stakeholders and their perceptions of the exploration drilling activity, Company and Karoon Energy International,
- To implement a communication strategy with the stakeholders to deal with concerns prior to the performance of information meetings established in EIA and after them,
- To hold information meetings as established in the EIA taking into consideration the notification and calling process for stakeholders, logistics, elaboration of materials, elaboration of the presentation, performance of the event and the final report to be submitted to the corresponding authority,
- To implement the Citizen Monitoring and Surveillance Program,
- To implement the Negotiation Program and agreements,
- To implement the Training Program in Social Affairs and Good Labor Practices,
- To advise and support Company in any aspect required for its social strategy.

17. Work Plan

17.1 Scope of Study

Although the project will be performed offshore, in front of the Tumbes Region coasts, there are 11 towns comprehended within the Indirect Influence Area (AII), where activities considered in CRP will be conducted as presented below.

The scope of the project covers the 11 towns included in the projection to the coast of Block Z-38:

Contralmirante Villar Province		
District	**Locality**	**Population**
Canoas de Punta Sal	Cancas	3426
	Punta Mero	180
Zorritos	Acapulco	1598
	Bocapán	419
	Zorritos	6388
	Grau	782
	Nueva Esperanza	699
Tumbes Province		
La Cruz	La Cruz	7737
	San José	240
Corrales	La Jota	240
Tumbes	Puerto Pizarro	3386

17.2 Contractor's Work Team

The responsible team for the Project development is composed by specialists with extensive experience in the management and execution of social projects:

1. Social Specialist
2. Project Leader – Social Affairs
3. Communicator
4. Fishery Engineer
5. Community Relations Personnel

If Company identifies a complex situation or a potential risk; at Company's request and under the conditions required by Company, the Contractor Social Specialist and the Project Leader – Social Affairs (from Lima Office) will travel to the field (location required by Karoon including the Designated Sites) to mitigate/reduce the identified social risks under the Price per Unit payment specified in the "Program for Negotiation and Agreements" detailed in Exhibit 4.

17.3 Methodology

In order to fulfill the objectives of the Community Relations Plan, the parties have established that the Contractor will execute his tasks according to the following stages:

4.3.1. PRE-FIELD DESK WORK STAGE

Kick Off Meeting: The kick off meeting with Company representatives will be held during the prefield desk stage in order to establish the work procedures, the communication lines between Company and Contractor representatives and the work schedule; as well as all those aspects to be taken into account during the development of the service.

Secondary Information Review: Available information on project, area of influence and involved stakeholders, will be reviewed.

Based on such review, the subsequent stages will be organized, and the corresponding methodology designed.

In this stage, formats and procedures are to be designed and proposed for the development and implementation of the different Programs, by improving the work schedules and assigning responsibilities for an adequate follow-up of the performance of activities. Instruments and procedures will be submitted to Company for approval.

A Senior Social Expert will be in charge of performing this task within the next 10 working days after the Services are required.

4.3.2. FIELD STAGE -COMMUNITY RELATIONS

A team of two community relations specialists will work on site during the development of the service. Each one will be responsible of an area (north and south); however, both of them shall be familiar with both areas and their stakeholders.

The Contractor declares that the community relations specialists who will participate in the execution of the Project, have experience in conflict management and resolution and, in case of any incident, complaint or claim by stakeholders; they will act in order to solve the situation directly and with good criterion in strictly coordination with Company representative.

Community relations specialists will visit the different localities, in order to maintain and update the relationship with the stakeholders. In addition, they will gather emerging topics to plan and deal with them, in close coordination with Company.

The following activities will be performed:

a) Visits to the 11 localities and others required to identify stakeholders and update the list of the social actors.

The Community Relations Specialists will visit localities and others required gathering emerging topics and collecting perceptions of the stakeholders of each locality about the Company's Project.

The following activities will be performed during these visits:

- Updating of stakeholders.
- Gathering of perceptions about the exploration and or drilling activities.
- Gathering of perceptions of Company.
- Assessment of the existing social climate.
- Information collection on the potential risks of social conflict.
- Collection of key information to organize the information workshops.
- Dissemination of the citizen monitoring and surveillance program and the need to elect community monitors per locality.

b) Elaboration and updating of the Map of Actors, according to the encountered positions and planning and implementation of awareness actions.

A mapping of actors will be elaborated based on the encountered positions regarding the project and the company, and their capacity to influence other stakeholders. Such mapping will be permanently updated during the execution of the Service.

Based on such map and the emerging topics, an awareness stage will be planned in coordination with Company, in order to work with the stakeholders that may have a contravening influence on the project and reinforce the stakeholders that have a favorable position.

4.3.3. IMPLEMENTATION OF THE COMMUNITY RELATIONS PLAN

a) Communication, dialogue and consultation Program

This Program intends to establish mechanisms for the permanent communication and dialogue with the Project Stakeholders by implementing strategies to inform and disseminate operations data. For such purpose, information meetings will be developed in the localities of AII, the project materials will be published, and an electronic mailbox and reception procedures of complaints and claims will be implemented.

Information Meetings: An information meeting will be conducted in each one of the eleven localities of the influence area of the project, in order to inform the Stakeholders about the start-up of exploration drilling activities.

The following Agenda is proposed:

a) Presentation of speakers

b) Meeting objectives

c) Development of the programs to be implemented

d) Round of questions and answers

e) Reading of the minutes and closing of the meeting.

11 information workshops, one per each locality in the indirect area of influence of the project.

The following tasks will be implemented to organize each meeting:

1. <u>Call Stage (Proceso de convocatoria):</u>

The call stage will be performed from five to six weeks before the beginning of the exploration drilling activities.

The objectives of this stage are:

a. To submit invitation letters to the project stakeholders.

b. To ensure that the stakeholders is correctly informed about the information meeting, according to the information stablished on the EIA, information given by Company and Contractor suggestions (to be agreed by Company):

- Paste posters in crowdy places (public places with high presence of local people)
- Use of loudspeakers and advertisement in the media (Radio, TV and newspaper)

c. To gather new perceptions from the stakeholders about the information meeting.

The following activities are planned to be developed in this stage:

- Visit to people within the Stakeholders List in order to submit the invitation letter and gather their perceptions of the company and the activities to be developed in the project, as well as new emerging topics that would have to be taken into account with regards to the context in which the workshop will be developed.
- Dissemination activities of the information meeting through the submittal of letters of invitation, putting up posters, word of mouth technique (personal invitation), advertisement of the meeting on the radio, television and through the use of loudspeakers to communicate the meeting objectives, date, place and time.

The products to be submitted after the communication stage will be:

- Communication Report;
- Flash Report about emerging topics, perceptions and positions of the stakeholders about the project and the company.

2. Performance of the Information Meeting:

The information meeting will be held four weeks before the exploration drilling activity. The objectives are:

a. To provide information about the Company and the project.

b. To submit the Community Relations Plan programs.

c. To submit the Citizen monitoring and Surveillance Program and request to elect the environmental monitors

d. To submit the Training Program in Social Affairs and Good Labor Practices.

e. To submit the Program of Negotiation and Agreements

f. Other topics of interest previously identified by the Company and the Contractor.

The information material to be provided to participants in a file upon their registration will be elaborated and approved by Company before the information meeting.

Materials will be elaborated with the relevant information collected and processed in previous stages.

Such material will be submitted to Company for their review and approval one week in advance: Brochure of relevant information about the Project, banner with the map of the project, small flag and the presentation.

Prior to the performance of the event, the Contractor team will make a pilot presentation or demo test in order to improve the contents and the presentation. The information prepared in advance will be presented with audiovisual aids during the information meeting

3. Registration of participants, audiovisual recording and engagement of local support:

Participants will be registered, in a registration form, including their name, organization they belong to, position, contact phone and signature.

Upon registration, each participant will receive a file containing a copy of the presentation, the information brochure, a notebook and a pen, which will be provided by Contractor.

The event will be video recorded, voice recorded and photographed. Local people will be hired, when possible, to record the event, arrange and clean the premises, prepare snacks and register the attendants.

Local support will be contracted by Contractor exclusively and its own risk, in coordination with the fishing organizations and unions to perform a transparent process and so that there is no doubt that anyone is being favored.

4. Information Meeting Evaluation:

This activity involves processing and systematizing the information collected with audiovisual mechanisms, mainly video/audio recording.

Contractor will prepare a report containing:

- Executive Summary (Including the general balance of the meeting, emerging topics covered during the meeting and immediate actions recommended).
- Development Report of each information meeting (containing among others: Information meeting structure, Reception of participants, attendance and delivery of information material, Presentation of information, Round of written questions and answers, Round of oral questions and answers, Results of the information meeting, DVD containing video – original and edited- of the meetings and photograph records.

This report will be submitted to Company in the adequate format for its submission to OEFA and to any other government entities.

b) Program of Citizen Monitoring and Surveillance

The Program of Citizen Monitoring and Surveillance (PMVC for its initials in Spanish) is an important component of the Citizen Participation Plan developed in compliance with the environmental and social responsibility policy of Company, and with the citizen participation guidelines regulated by DS Nº 012-2008-EM (Article 17º and 18º) referred to hydrocarbon activities in the country and RM Nº 571-2008-MEM/DM (Chapter IV) whose objective is to involve the population in the surveillance of hydrocarbon activities.

PMVC includes the incorporation of representatives of the stakeholders, so that they act as monitors during a visit to the project premises in the exploration drilling stage.

Contractor will coordinate and perform the following activities:

- Disclosure of the program among the Stakeholders,
- Stakeholders from the AII will be invited to participatory workshops (11 workshops), prior to the performance of the exploration drilling activity, to explain the program in further detail. The Stakeholders will be asked to elect their locality representatives as monitors. For such workshops Contractor should organize a PPT presentation according the information stablished on the PRC (EIS) with the detailed content.
- Elaboration of the Monitor Regulation,
- Elaboration of the Code of Conduct,
- Formation of the monitors committee,
- Elaboration of the monitoring plan and program,
- Induction given to monitors,
- Organization and performance of the monitoring visit,
- Monitoring visit report,
- Information to be given by monitors to stakeholders in each locality (11 workshops)

Company will contract the ship for the transportation of the monitors to the project zone, using for that an adequate port. Company will inform Contractor in order that they disclose this information with monitors that participate in this Program and coordinate the terrestrial transport of monitors to the port. Monitors must receive from Contractor induction in safety and health and training in the activities to be performed.

Costs of transportation, accommodation and food for monitors are to be covered by Contractor and are included as reimbursable cost in the proposal. Monitors will not be paid for their participation.

All the environmental monitoring activity (including disclosure process, meetings and any activity related to this) will be in pictures, video and audio recorded by Contractor, in order to attach the material to the report that will be submitted to OEFA, DGAAE (General Bureau of Environmental Energy Affairs), OGGS (General Office of Social Management) and any other government entity that requires it (the "Report"). Such material to be prepared upon conclusion of the activity and in coordination with Company. Report must be given to company in final version 10 calendar days after the activity is finalized. Contractor to coordinate with Company their approval to the Report before the referred date in order to comply with the time set in this clause. This program must be ready at least four weeks prior to the Environmental Sampling starts (expected to be 5 days prior to the spud day).

c) Training Program in social affairs and good labor practices

In compliance with the Health, Safety and Environmental Policy of Company, the Training Program in Social Affairs and Good Labor Practices will be addressed to contractors and sub-contractors with which the project will establish labor relations during the exploration drilling stage.

The objective of this program is to inform the contractors and sub-contractors on the Health, Safety and Environmental Policy and the Code of Conduct of Company and the standards of adequate conduct, and to advise the contractors about the socio-economic and cultural reality of the localities.

Contractor will implement the following activities with their staff expert in social, labor, health and safety matters, in order to enforce this program:

- Design of the methodology and the contents, and the elaboration of training materials in accordance with the program objective
- Implementation of training courses for contractors and subcontractors when required previous coordination with Company responsible.

This training Program must be included in the Reports to be submitted by Contractor. The report will be submitted to Company in a term that does not exceed 15 calendar days after the exploration well drilling activities conclude.

If OEFA or any other entity makes observations regarding the final report, Contractor has to present a letter correcting the observations as per Company request.

Phases of Training in social issues and good labor practices

a. Development of content and design of training materials

The Social Relations and Projects Management will be responsible for the development of training modules and contents. Regarding social issues and good labor practices, as well as the preparation of supporting pedagogical materials.

Training modules on Social Issues and Good Work Practices will include the following:

- Social, economic and cultural reality of the IIA and interest groups of the Project.
- Presentation of the organigram and Karoon managers in the Work Area of the Project
- Karoon Health, Safety and Environment Policy.
- The Code of Conduct for Karoon workers.
- Objectives and procedures of the programs comprising the project's Community Relations Plan.
- Relationship protocol with localities and groups of interest.

Karoon will prepare the Guide to Good Work Practices, as training material to be given to the participants of the training workshops. The guide will contain a summary of main social responsibility and ethical behavior guidelines with Karoon's IIA localities and community relations programs. This manual will be given to contractors and subcontractors during the training.

Audiovisual material (video) will be provide by Company to support the contents exposed during the training sessions to the workers.

b. Implementation of Training Courses

The courses will be develop by Contractor prior to the beginning of the activities of implementation of facilities. Any worker that join the project when it had started during the activities of exploratory drilling of wells and abandonment will be under Company responsibility.

The participants of the course will be all those workers involved with the activities of the Project. The training will be conducted by the Company Community Relations specialists.

The training methodology will be participatory and reflective and will make use of pedagogical resources such as paper, graphics, photos, available videos, among other materials in order to improve understanding of the contents.

Participatory evaluation techniques will be applied on the assimilation of contents and the effectiveness of the methodology; this will serve as an input to identify the topics that require further reinforcement to be developed in subsequent talks and to improve the training techniques used

<u>Documentation and registration</u>

The training process will be documented through: participant attendance records, signed and held by attendees, participatory evaluation records, and distributed training materials.

The report will be submitted to Company fifteen days after the month finalizes.

d) Program of Negotiation and Agreements

The objective of this program is to establish the procedures to resolve, in a definitive and acceptable manner for Company and for the stakeholders, the problems or damages that might generate the project activities to fishermen's activities, during the operation of the project.

For this program, Contractor will prepare a procedure for the reception of complaints and claims, dispute resolution and a negotiation plan in order to reach an agreement, in case of any problem, upon mutual consensus between Company and the parties involved-

The following activities will be also developed as part of this program:

1. Preparation of the form to register the complaint or the claim.
2. Publicize, among the population, the mechanisms of complaints and claims.
3. If any complaint or claim is presented, it will be handled on site, by the community relation specialists. A meeting will be held with the parties involved.
4. Problems will be solved in a straightforward fashion, by signing an agreement to reach a satisfactory solution for both parties.
5. A report will be prepared with its respective records.
6. In case no agreement is reached with the community relation specialist, arrangements will be made with Company representatives, in order to reach a definitive and harmonious solution.
7. In case as part of the agreement related to this Program is agreed with fisherman to buy for him any fishing gear or repair it (depending on the final agreement agreed also by Company), with the prior written approval from Company, Contractor must buy it and give to Company in Zorritos offices, in a term that does not exceed of 7 calendar days since it is required by Company. The amount paid for the fishing gear will be reimbursed as per the conditions set in this Agreement. Also Contractor must have the obligation to support any logistic required for the appropriate compliance of this Program

Contractor will put any negotiation and proposal of agreement procedures at Company consideration for final Company approval prior to be proposed to any third party.

The cases will be documented to assure transparency. Registers will record the negotiation process followed and the minutes signed between the parties.

c. Reports (as per exhibit 4- Attachment 1)

i. Monthly Reports

Despite of other report obligations established previously, Contractor should prepare monthly reports, which will comply with all government requirements to be submitted to the Agency for Environmental Evaluation and Inspection (OEFA) and other government requirements. The Contractor will submit to Company the report within fifteen days of the following month.

ii. Final Report

The Contractor should prepare a final report integrating all the results of the Service performed. This report should be prepared considering the government requirements for Environmental and Social Annual Report to authorities (including OEFA) and other government requirements. The Contractor will submit the report within the ten days after the drilling campaign finalize.

For year 2019 a report containing the work performed during the months of October (since 14 October 2019), November and December 2019 will be prepared. This report should be prepared considering the government requirements for Environmental and Social Annual Report to authorities (including OEFA) and other government requirements. The Contractor will submit this report to Company during January 2020.

Reports will be prepared in Spanish and with the final version duly approved by Company, will be translated to English language in a term that does not exceed seven (7) calendar days if company request it in English language; for this purpose Contractor will submit a budget for translation that must have prior written approval from Company to proceed with it. If translation is not required, the Report must be ready as per Company request.

Contractor´s Personnel

Contractor shall provide all necessary personnel required to perform all services to implement the projects described above. Personnel must be graduated and or have proved experience in Sociology, Communication or marketing, Fishery engineering, Community Relation Affairs, Oceanography, Engineering or a common related area with offshore experience in this type of work.

18. Technical Support

Contractor, at its own risk and responsibility, shall provide all the necessary technical support that is required to execute the Services.

19. Contractor Compensation

Contractor rates shall be as specified in this EXHIBIT 4 –Attachment 2 "Contractor Services" when services are requested by Company.

19.1 Services

Service Charges shall be paid for services requested by Company and effectively performed by Contractor, at the rates listed in this EXHIBIT 4 - Attachment 2 "Contractor Services" and as per the payment schedule defined within Section 5.2 - Payment Options.

Implementation of PRC Programs on Field:

Charges shall apply for the implementation of the programs considered on the EIS, for this purpose the Contractor will use personnel required to complete the campaign. Include the reports and all documents required by the company and also the reports (procedures and documents) to be submit to OEFA.

19.2 Payments to Contractor

The Company will pay to Contractor for the Services required in an RFS, under the following considerations:

i. First month of service: USD30,000 (this amount includes the VAT)

ii. Second month of service: USD 30,000 (this amount includes the VAT)

iii. Third month of service: USD 30,000 (this amount includes the VAT)

iv. Forth month of service: USD 30,000 (this amount includes the VAT)

v. Fifth month of service: USD 30,000 (this amount includes the VAT)

vi. Final Payment: USD 24,774.19 (this amount includes the VAT)

- The monthly payments (first to fifth month) will be paid after Company approves the report in Spanish language.
- The Final Payment will be paid after Contractor finalizes with the approval of the Final report by OEFA and any other applicable entity.
- Conditions (when and how will be paid) for any additional payment approved by Company will be coordinated between Company and Contractor. Any additional payment related to any activity/Service required by Company, must be approved prior to be performed by Company.

20. Contractor Costs

Contractor pricing in this Exhibit 4 shall include;

20.1 All Contractor personnel required to complete Contractor's services specified herein.

20.2 All taxes, duties, license fees, permit fees, airport fees, facilities lease and royalties imposed on Contractor by reason of work performed and materials furnished by Contractor under this agreement and not recovered by Contractor in accordance with other provisions of this agreement.

20.3 All applicable taxes due in "Company's Country of Operations".

20.4 Costs of outside contractors retained by Contractor.

20.5 Costs of all permits, licenses, and other fees including those imposed by the "Company's Country of Operations".

20.6 Contractor overhead including but not limited to salaries, premiums, payroll costs, payroll taxes, supervision, profit and associated overheads (including home office expenses such as space, heat, lights, furniture, office equipment, computer and data processing, reproduction, general clerical, local telephone, stationery, drafting supplies, general supervision, general secretarial, and similar expenses incurred in an operating business).

20.7 All grease, fuel, lubricants, hydraulic oils, and other consumables for Contractor equipment.

21. Reimbursable Costs

21.1 Reimbursable costs which Company specifically requests Contractor in writing to furnish shall be reimbursed to Contractor by Company at Contractor documented costs plus 10%. Documented cost means actual cost which is supported by invoice or other documentation provided by Contractor.

21.2 Reimbursable Costs for outside contractors are costs of outside contractors (including agency/rental personnel) retained by Contractor as requested in writing by Company, provided the services of said contractors do not take the place of services that Contractor would normally be expected to furnish with its own employees and for which Contractor is not compensated by rates in this agreement.

21.3 Contractor shall take advantage of and credit to Reimbursable Costs cash and trade discounts, refunds and rebates, freight allowances and equalizations, annual volume or other allowances, credits, salvages, commissions, insurance premium discounts, insurance

dividends and retrospective premium adjustments and interest on any moneys advanced by Company to Contractor which accrue to Contractor or which would accrue except for the neglect of Contractor.

21.4 Reimbursable Travel Expenses shall be at economy/coach for travel flights of less than 7 hours and business class for international travel of 7 hours or more. Company reserves the right to provide airline tickets to Contractor in lieu of reimbursement. Other reimbursable traveling and living expenses shall be reasonable and in accordance with Contractor's standard travel policies provided said policies have been approved by Company. If, however, any travel undertaken includes business for other clients or projects, then travel costs and living expenses allowable hereunder shall be limited to Company's pro rata fair share of such costs and expenses. Costs of any royalties or license/know-how fees provided by Company shall not be Reimbursable.

Exhibit 4 – Attachment 1

"Contractor Reports"

Item	Description	Unit	Price per Unit (USD)	Observations
3. Reports				
	Elaboration of weekly report for internal purposes	LS		Weekly during Company drilling operations in Spanish and in English Language
	Elaboration of Monthly Report of activities for internal purposes (2 Printed Copies)	LS		Monthly during Company drilling operations in Spanish and in English Language
	Elaboration of monthly Communication, Dialogue and Consultation Program implementation (2 Printed Copies)	LS		Monthly during Company drilling operations in Spanish and in English Language
	Elaboration of monthly Negotiation and Agreement Program implementation (2 Printed Copies)	LS		Monthly during Company drilling operations in Spanish and in English Language
	Elaboration of monthly Monitoring and Surveillance Program implementation (2 Printed Copies)	LS		Monthly during Company drilling operations in Spanish and in English Language
	Elaboration of monthly Good Practice and Labor Program implementation (2 Printed Copies)	LS		Monthly during Company drilling operations in Spanish and in English Language
	Elaboration of Final Report for Internal and Authority (OEFA) Report purposes (2 Printed Copies)	LS		Once at the end of the drilling each of Company's wells in Spanish and in English Language.

Exhibit 4 – Attachment 2

"Contractor Services"

Contractor Services prices include all Contractor personnel required to perform the Service.

Item	Description	Unit	Price per Unit (USD)	Observations
	Communication, Dialogue and Consultation program	Campaign	62,191.80	Prior, monthly during drilling and after drilling of a well. According to what's established on PRC document
	Training program in Social Affair and Good labor Practices	Campaign	3,740	Prior, monthly during drilling and after drilling of a well. According to what's established on PRC document
	Program of Citizen Monitoring and Surveillance	Campaign	5487.32	Prior, monthly during drilling and after drilling of a well. According to what's established on PRC document
	Program Negotiation and Agreements	Campaign	599.50	Prior, monthly during drilling and after drilling of a well. According to what's established on PRC document. This requirement does not include the cost of materials or equipment's that could be repair in case of claims from fishermen
	Project Management	Campaign	76,095.10	Prior, monthly during drilling and after drilling of a well. According to what's established on PRC document. This includes all the paper work and OEFA reports, and also includes any round of observations
2. Reimbursable costs				
	Communication, Dialogue and Consultation Program (Participation 02 staff, 3 day for field work previous	Campaign	20,235.80	Prior, monthly during drilling and after drilling of a well.

Item	Description	Unit	Price per Unit (USD)	Observations
	to workshop and 11 workshop in 8 days)			
	Training Program in Social Affair and Good Labor Practices (Participation of 02 professional staff, 3 day for field work previous to workshop and 11 workshops in 8 days)	Campaign	1,214.40	Prior and after drilling of a well.
	Program of Citizen Monitoring and Surveillance (Participation of 02 professional trainer per monitoring)	Campaign	6,941.36	Prior, monthly during drilling and after drilling of a well.
	Program of Negotiation and Agreements (per negotiation day, per daily payment of the Contractor Social Specialist and the Project Leader – Social Affairs (from Lima Office)	Campaign	387.20	Prior, monthly during drilling and after drilling of a well.
	Note: 1. The costs referred in "Price per Unit" include all transport, meals, lodging and any other expense required to perform the services in the location designated by Company. 2. The cost considered as reimbursable are subject to prior coordination and confirmations from Company representative, if any other item would appear, the parties have established that they will follow the same procedure.			

Exhibit 5

"Contractor Insurance"

The Contractor must, at its own cost, effect and maintain the following insurance policies:

a) Workers' Compensation Insurance covering the Contractor Personnel, in accordance with statutory requirements, and Employer's Liability Insurance of not less than three million dollars ($3,000,000) per individual, per occurrence;

b) Comprehensive Automobile and Motor Vehicle Liability Insurance and, if applicable, Aircraft Liability Insurance, covering all owned, non-owned, rented and leased automobiles, motor vehicles and, if applicable, aircraft provided by Contractor in performing the Services, with a bodily injury, death and property damage limit of not less than three million dollars ($3,000,000) inclusive per occurrence for automobile and motor vehicle liability and five million dollars ($5,000,000) inclusive per occurrence for aircraft liability (if applicable);

c) Commercial General Liability Insurance with a bodily injury, death and property damage limit of not less than five million dollars ($5,000,000) per occurrence including broad form contractor's liability and products and completed operations and inclusive of explosion, collapse, contractual liability, broad form property damage, independent contractor's liability, pollution on a sudden and accidental basis, blowout and cratering coverage and with no underground exclusions and no non-owned watercraft exclusions;

d) All-risk Insurance with a limit not less than the full replacement cost of the Equipment (including equipment and machinery owned by third parties and rented or leased by the Contractor);

e) Accident and medical insurance coverage for bodily injury, death and disability of the Contractor Personnel engaged in providing the Services in an amount of not less than two hundred and fifty thousand dollars ($250,000); and

f) All other insurance required by applicable laws.

WALSH PERU S.A. V°B°

WALSH PERU S.A.C., SUCURSAL DEL PERU GERENCIA DE ASUNTOS LEGALES V° B°