

THE FEDERAL REPUBLIC OF NIGERIA

CONCESSION CONTRACT

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This Concession Contract (the "**Contract**") is made this 1ST day of DECEMBER 2023

BETWEEN

NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION, whose address is at No. 7 Sylvester Ugoh Crescent, Jabi, Abuja, Nigeria (hereinafter referred to as the "**Commission**"), of the one part;

AND

1. **WALTERSMITH PETROMAN OIL LIMITED** a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 302804, whose registered address is at 47 Glover Road, Ikoyi, Lagos, Nigeria.

AND

2. **MORRIS PETROLEUM LIMITED** a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 341500, whose registered address is at 14 Ademola Street, S/W Ikoyi, Lagos, Nigeria.

(all hereinafter referred to as the "**Holders or Lessees**" and each a "**Holder or Lessee**"), of the other part.

Both the Commission and the Lessees are also referred to in this Contract, each as a "**Party**" and together as the "**Parties**".

WHEREAS:

- A. The property and ownership of Petroleum within Nigeria, its territorial waters, continental shelf and exclusive economic zone is vested in the Government of the Federation of Nigeria.
- B. Pursuant to the Petroleum Industry Act 2021 (the "**Act**"), the Minister of Petroleum Resources (the "**Minister**") is vested with the power to grant Petroleum Mining Leases on behalf of the Government; the Commission is responsible for the technical and commercial regulation of the upstream petroleum industry in Nigeria, including the determination and recommendation of applicants who have fulfilled the conditions for the grant of upstream petroleum leases as well as the applicable model contract for the said leases.
- C. The Holders are concessionaires of the Ibigwe Marginal Field, which is a producing marginal field. In accordance with Section 94(1) of the Act, the Ibigwe Marginal Field mandatorily converted to a petroleum mining lease on 16th February 2023. The Commission has recommended to the Minister that this Lease be granted to the Lessees in respect of the Lease Area, which is derived from the erstwhile marginal field area.

NOW THEREFORE, the Parties hereto agree as follows:

1.0 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Contract, the following words shall have the meanings ascribed to them below, and other Capitalised words used in this Contract and not defined below shall carry the meanings and definitions given to them in the General Conditions, the Act and Regulations made thereto, at the time of the execution of this Contract:

“Act” or “PIA” means the Petroleum Industry Act, 2021.

“Business Day” means a day other than a Saturday, Sunday or public holiday in Nigeria.

“Bopd” means barrel of crude oil per day.

“Commencement Date” has the meaning ascribed to it in Clause 2.1.

“Conversion Date” means 16th February 2023.

“Environmental Remediation Fund” means the environmental remediation fund established by the Commission for the Lessees in accordance with Section 103 of the Act.

“Gas” means natural gas and natural gas liquids.

“General Lease Conditions” means the general lease conditions attached as Schedule A to the Lease Instrument.

“Lease” means the Petroleum Mining Lease issued to the Lessees in respect of the Lease Area.

“Lease Area” means the area in respect of which the Lease is granted as more particularly described in the document attached as Schedule B of the Lease Instrument.

“Lease Commencement Date” means the commencement date indicated in the Lease Instrument.

“Lease Instrument” means the instrument conveying the grant of the Lease to the Lessees, by the Minister on behalf of the Government.

"Longstop Date" means the date falling sixty (60) days after the date this Contract is executed or any other date agreed by the Commission, being the deadline for the prospective Lessees to fulfil the Conditions in Clause 4.1.

"Minimum Work Programme" means the work programme containing details of the programme of activities the Lessees have committed to undertake within the Lease Area to enhance or sustain ongoing production, submitted by the Lessees to the Commission prior to the execution of this Contract, which the Commission has approved and is attached to the Lease Instrument as Annexure 2 as amended from time to time.

"Oil Production" means the production of Crude Oil and Condensates.

"Operating Agreement" means the joint operating agreement executed by the Lessees setting out the terms upon which the Lessees will jointly execute Upstream Petroleum Operations, within the Lease Area.

"Operator" means Waltersmith Petroman Oil Limited, or any successor operator appointed by the Lessees pursuant to Clause 14.7.

"Participating Interest" means as to each Lessee, the percentage share of such Lessee's interest in the Lease, provided that in the case of Upstream Petroleum Operations conducted by less than all the Lessees, Participating Interest shall mean, in relation to each Lessee participating in all the Upstream Petroleum Operations (**"Participating Lessee"**), the proportion which the Participating Interest of the Participating Lessee bears to the total Participating Interest of all Participating Lessees.

"Paying Quantities" means in relation to the level of production of a field, the production of volumes of Oil Production or Gas or both, of which the value exceeds the Royalty and operating costs on a regular basis, based on levels of production that are aimed at achieving maximum economic recovery of Petroleum.

"Regulations" means regulations issued by the Commission from time to time pursuant to the PIA.

"Regular Commercial Production" means the production of Gas and/or Oil Production in Paying Quantities.

"SOFR" means the secured overnight financing rate published by the Federal Reserve Bank of New York on its website at <newyorkfed.org/markets/reference-rates/sofr> every Business Day (New York) at 8.00 am Eastern Time (or any other medium used by the Bank of New York from time to time for this purpose).

1.2 Interpretation

- 1.2.1 Reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted from time to time.
- 1.2.2 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under the statute or statutory provision.
- 1.2.3 Timelines regarding obligations of the Lessees which are not prescribed in this Contract, or the General Lease Conditions shall be as provided in Regulations issued by the Commission.
- 1.2.4 In the computation of periods of time from a specified day to a later specified day:
 - (a) the first specified day is not included in the computation of the of period, whereas the other specified day is included in the computation of the period; and
 - (b) any requirement that an action may or shall be taken within a specified number of days means that such action may or shall be taken within the number of days so specified starting at 00:00 hours on the day on which the requirement to take such action arose;
- 1.2.5 Headings of this Contract are for convenience of reference only and not intended to define, interpret, limit, or describe the scope or intent of any of the provisions of this Lease.
- 1.2.6 A Person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.2.7 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.2.8 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.
- 1.2.9 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.2.10 The terms of this Contract shall be read in tandem with the Act, the Regulations and the Lease. Where there is any ambiguity or contradiction among these documents, they shall be construed in the following order of priority to resolve the said ambiguity or contradiction:

- (a) the Act;
- (b) the Regulations;
- (c) the Lease Instrument;
- (d) this Contract; and
- (e) the General Lease Conditions.

2.0 EFFECTIVE DATE AND TERM

2.1 This Contract shall become effective upon execution of the Contract. The Contract shall, except as provided in Clause 17.0, continue in full force and effect from the Commencement Date for as long as the Lessees continue to hold title to the Lease in respect of the Lease Area.

2.2 Notwithstanding the Commencement Date of this Contract, the Lessees shall require fiscal adjustments, which shall be effective from the Conversion Date, to enable the Lessees benefit from the fiscal provisions under Chapter 4 of the Act.

3.0 DESCRIPTION OF THE ACREAGE

3.1 The Lease Area is an onshore acreage whose boundaries may be modified from time to time as a result of relinquishments and surrenders or any other reason pursuant to the terms of the Lease and provisions of the Act.

4.0 CONDITIONS PRECEDENT

4.1 The following conditions (the “**Conditions**”) shall be fulfilled no later than the Longstop Date:

4.1.1 The Lessees must have:

- (a) furnished the Minimum Work Programme to the Commission and the Commission has approved it;
- (b) [Not Used];
- (c) [Not Used];
- (d) paid the Rent at the rate prescribed in Clause 7.0;

- (e) where applicable, delivered to the Commission evidence of the Lessees' appointment of the Operator; and
- (f) fulfilled such other conditions as prescribed by the Regulations.

4.1.2 [Not Used].

- 4.2 Where any Lessee fails to satisfy all the Conditions listed in Clause 4.1.1 by the Longstop Date, the Contract shall stand terminated in respect of that defaulting Lessee on the next date following the Longstop Date.

5.0 ENHANCING ONGOING PRODUCTION

- 5.1 The Lessees shall perform the Minimum Work Programme.

- 5.2 [Not Used]

- 5.3 [Not Used]

- 5.4. The provisions in the General Lease Conditions relating to the appraisal of fields with suspended wells, retention of such fields as Significant Crude Oil Discoveries or Significant Gas Discoveries and declaration of commercial discoveries within the Lease Area, as well as the provisions relating to implementing field development plans, shall not apply to this Lease. The Lessees shall upon completion of the Minimum Work Programme targeted at enhancing ongoing production, continue to produce petroleum optimally from the Lease Area.

6.0 [NOT USED]

7.0 RENTS

- 7.1 Where applicable, the Holders shall no later than sixty (60) days from the execution of this Contract, pay the Rent for the first year of the Lease at the rate prescribed in the Petroleum Drilling & Production Regulations or any other Regulations issued by the Commission from time to time.
- 7.2 Each Lessee shall be liable for its Participating Interest share of Rent payable by the Lessees under this Contract, provided howsoever that the Operator shall be entitled to make the payment to the Commission on the Lessees' behalf.

- 7.3 Where any Lessee fails to pay its Participating Interest share of the Rent as prescribed above and, in the Regulations, interest shall accrue on the outstanding portion of that defaulting Lessee's Participating Interest share of Rent at the rate of SOFR or other successor rates, plus ten percent (10%).

8.0 ROYALTY

- 8.1 All production of Petroleum from any field within the Lease Area, including Petroleum produced during production tests shall be subject to Royalty in accordance with Section 306 and Schedule 7 of the Act and as further prescribed by Regulations from time to time.

- 8.2 [Not Used]

- 8.3 [Not Used].

- 8.4 The determination of production volumes and prices for royalty purposes shall be in accordance with Paragraph 7 and Paragraph 8 of Schedule 7 to the Act and applicable Regulations.

- 8.5 The price benchmarks of the royalty payable shall be subject to escalation in the manner prescribed by the Regulations.

- 8.6 Each Lessee shall be liable for its Participating Interest share of Royalty payable by the Lessees under this Contract.

- 8.7 Where the Commission elects to receive the above Royalties in kind, the Commission shall provide the Lessees (or the Operator on behalf of the Lessees) with prior notice and in accordance with the procedures stipulated in the Regulations and relevant guidelines.

- 8.8 Where the Lessees fail to pay all or part of Royalties due for a period of two (2) months after the month in which the Royalty falls due, the outstanding Royalty payment shall constitute a debt owed by the Lessees and attract interest as provided in Section 100 and Schedule 7 of the Act and as further prescribed by Regulations from time to time.

9.0 PRODUCTION ALLOWANCES

Where the Lessees achieve Regular Commercial Production during the Lease Term, the Lessees shall be entitled to amounts of production allowance in accordance with the Sixth Schedule to the PIA and any applicable Regulations.

10.0 TAXES

- 10.1 The Lessees shall be responsible for paying all duties, levies and lawful impositions applicable to the Lease in accordance with applicable laws.
- 10.2 Each Lessee shall be responsible for reporting and discharging its own tax obligations as prescribed by law.

11.0 ENVIRONMENTAL REMEDIATION FUND

- 11.1 The Lessees shall no later than 60 days from the notification by the Commission of the sum payable as the Lessees' financial contribution to the Environmental Remediation Fund, pay the prescribed sum into the Environmental Remediation Fund.
- 11.2 The Lessees shall in addition to Clause 11.1, increase their contributions into the Environmental Remediation Fund by an amount derived from the Lessees' annual self-assessment of the environmental liability arising from Upstream Petroleum Operations or as otherwise determined by the Commission where an assessment is conducted by an independent assessor appointed by the Commission.
- 11.3 Each Lessee shall be liable for its Participating Interest share of contributions made or to be made into the environmental remediation fund by the Lessees under this Contract.

12.0 [NOT USED]

13.0 RENEWAL OF PETROLEUM MINING LEASES

- 13.1 The renewal of the Petroleum Mining Lease shall be subject to such terms and conditions determined by the Commission and the Lessees shall pay a renewal bonus in the amount specified by the Commission, which amount shall be determined in the manner prescribed by the Regulations.
- 13.2 Each Lessee shall be liable for its Participating Interest share of any renewal bonus payable by the Lessees under this Contract.

14.0 OPERATORSHIP

- 14.1 The Lessees pursuant to the Operating Agreement executed between themselves have conferred the Operator with the authority to act on their behalf as their agent or representative as operator of the Lease Area, with the

- responsibility to perform Upstream Petroleum Operations within the Lease Area and engage with the Commission on behalf of the Lessees subject to the terms of the Operating Agreement.
- 14.2 Where applicable, the Lessees shall no later than 60 days after the execution of this Contract, deliver to the Commission evidence of the Lessees' appointment of the Operator.
- 14.3 Subject to the Operating Agreement, the Operator shall conduct Upstream Petroleum Operations on behalf of the Lessees and shall be responsible for:
- 14.3.1 the giving and receiving of all notices, communication and information as may be required under this Contract, Lease, Act or Regulations;
 - 14.3.2 communication and attendance of all meetings with the Commission and any other government authority with respect to the Lease;
 - 14.3.3 making relevant assessments and payments due to the Commission from the Lessees (**except taxes applicable to each Lessee**) in respect of the Lease, unless as otherwise stipulated under the Act or Regulations; and
 - 14.3.4 performing all the responsibilities of the Lessees as required under the Act, Regulations, this Contract and the Lease.
- 14.4 Except in cases where one or more of the Holders are being proceeded against individually, the Operator shall act as the agent for the service of court or arbitration processes for the Holders, upon whom such processes may be served in any action arising out of or based on this Contract, the Licence, Lease, Act or Regulations and each Holder expressly accepts the jurisdiction of any such arbitral panel or court in respect of any such action. The Operator hereby agrees to act such in accordance with this Clause.
- 14.5 Notwithstanding the appointment of, and the rights, powers and duties of the Operator under any contract or arrangement between the Lessees and the Operator, the rights, duties, obligations and liabilities of the Lessees under this Contract and the Lease shall be several, not joint nor joint and several.
- 14.6 Each of the Lessees shall be fully bound by any and all acts, omissions and things done, made or performed or agreements made with respect to the conduct of Upstream Petroleum Operations by the Operator as though each of the Lessees had severally done, omitted or performed the same.

- 14.7 In the event that an Operator retires, resigns, is removed, replaced or is otherwise unable to act as operator for the conduct of Upstream Petroleum Operations, the Lessees shall promptly appoint some other Person to act as operator for the conduct of Upstream Petroleum Operations and shall promptly notify such appointment in writing to the Commission.
- 14.8 Any change in Operator shall require the prior written approval of the Commission, such approval not to be unreasonably withheld. Provided that where the Commission does not communicate in writing its approval or rejection of the said change within thirty (30) Business Days of notification of the change, the change in operator shall be deemed to have been approved by the Commission.

15.0 REPRESENTATIONS AND WARRANTIES

- 15.1 Each Lessee hereby represents and warrants that on the date of execution of this Contract and on the Commencement Date:
- 15.1.1 the Lessee is duly incorporated and validly existing in accordance with Nigerian law, is a separate legal entity capable of suing and being sued and has the power, capacity and authority to own its assets and to conduct its business as currently conducted and as contemplated in this Contract;
 - 15.1.2 this Contract constitutes a valid, binding and enforceable obligation of the Lessee in accordance with its terms and this Contract is in the proper legal form for enforcement against the Lessee;
 - 15.1.3 the Lessee has not entered into any agreements or obligations which would have an adverse effect on the Lessee's ability to fulfill its commitments and perform its obligations in accordance with this Contract;
 - 15.1.4 it has full power and authority to perform all its obligations under this Contract;
 - 15.1.5 there are no bankruptcy, insolvency, reorganization or receivership proceedings pending, being contemplated by, or to the best of its knowledge, threatened against it;
 - 15.1.6 it is not party to any litigation, arbitration or other proceedings nor subject to any investigation or enquiry nor bound by any order, injunction, declaration, judgment or award of any court, arbitrator or

other forum which could adversely affect the ability of the Lessee to perform its covenants or obligations under this Contract;

- 15.1.7 it has access to sufficient financial resources and technical capacity to implement the Field Development Plan and fulfil the financial obligations it has committed to under this Contract and the terms of Lease;
 - 15.1.8 It possesses the technical competence, capacity, skilled personnel and expertise required to exploit the Lease Area;
 - 15.1.9 it and its employees, agents and/or representatives has not and will not violate the corrupt practices and money laundering laws directly or indirectly, in connection with this Contract and the business resulting therefrom, offer, pay, promise to pay, or authorize the giving of anything of value to a government official (including employees of a government oil company), to any employee of the Commission, to any officer or employee of a public international organization, to any political party or official thereof or to any candidate for political office, or to any Person, while knowing or that all or a portion of such thing of value will be offered, given or promised, directly or indirectly, to any government official, to any officer or employee of a public international organization, to any political party or official thereof, or to any candidate for political office, for the purpose of:
 - (a) influencing any act or decision of such official, officer, employee, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or
 - (b) inducing such official, officer, employee, political party, or candidate to use his or its influence with the government or instrumentality thereof (including a government oil company) or organization to affect or influence any act or decision of such government or instrumentality or organization to obtain or retain business related to this Contract, to direct business related to this Contract to any Person or to obtain any improper advantage or benefit in order to assist in obtaining or retaining business for or with, or directing business to any other Person in relation to this Contract.
- 15.2 Each Lessee repeats the representations and warranties in this Clause 15.0 on each day of the duration of this Contract, except for those in Clause 15.1.6, which is deemed repeated on the first day of each calendar quarter.

- 15.3 For the avoidance of doubt, any breach of the representations and warranties in this Clause 15 by any Lessee, will constitute a breach, of the terms of the Lease, by the relevant Lessee or Lessees responsible for the said breach.

16.0 FORCE MAJEURE

- 16.1 The occurrence of Force Majeure shall not excuse the obligations of the Lessees under Clauses 7.0, 8.0 and 10.0.

17.0 DEFAULT, TERM AND TERMINATION

- 17.1 Any Lessee that fails to pay when due its Participating Interest share of Upstream Petroleum Operations expenses in accordance with the Operating Agreement or any carry arrangement between the Lessees or shall be in default under this Contract and the Lease and the Commission may exercise any rights or remedies under this Contract, the Lease, the Act or the Regulations against such Lessee to the exclusion of other Lessees.
- 17.2 This Contract shall be deemed to have been terminated if the Lease expires, has in accordance with the Act, Regulations, Lease been surrendered in full, or has been lawfully revoked in accordance with the Act.
- 17.3 This Contract may be terminated only as to one or more Lessees (**Leaving Lessees**), without affecting the rights of the other Lessee(s) (**Remaining Lessees**) where the Commission exercises its rights and remedies against a Defaulting Lessee pursuant to Clause 17.1 or otherwise revokes the Leaving Lessee's Participating Interest in the Lease. In the event of a partial termination, this Contract and the Lease shall continue to operate and be effective with regard to the Remaining Lessees in accordance with their Participating Interest share and the Leaving Lessee's Participating Interest will be redistributed in accordance with Section 99(4) of the PIA.
- 17.4 On the termination of this Contract, the rights thereunder of the Leaving Lessees shall cease but the termination shall not affect any liability incurred by or on behalf of the Leaving Lessees before the termination.

18.0 GOVERNING LAW AND DISPUTE RESOLUTION

- 18.1 The terms of this Lease shall be subject to and governed by the Laws of the Federal Republic of Nigeria.

- 18.2 A dispute shall be deemed to have arisen when any Party notifies the other Parties in writing to that effect ("**Dispute Notice**"). Such notice shall contain the nature of the dispute and the relief requested.
- 18.3 Any dispute arising out of or in connection with this Lease shall be subjected to good faith negotiations between the duly nominated representatives of the disputing Parties, towards achieving an amicable resolution.
- 18.4 In the event that the disputing Parties are unable to reach an amicable settlement within forty-five (45) days of the Dispute Notice, the dispute shall be finally settled under the UNCITRAL Arbitration Rules contained in the Schedule to the Arbitration and Mediation Act 2023.
- 18.5 The arbitration shall take place at the Regional Centre for International Commercial Arbitration Lagos, its successor, or at any other venue to be mutually agreed by the Parties before a panel of three (3) arbitrators appointed further to the UNCITRAL Arbitration Rules.
- 18.6 The arbitration shall be held in English. Any decision of the arbitrators shall be final and binding upon the parties to the arbitration. The Seat of the arbitration shall be Nigeria.
- 18.7 Where the disputing Lessee is unsuccessful in any litigation or arbitration proceedings against the Commission, the Minister or the Government, instituted in relation to the Lease, the disputing Lessee shall be liable to reimburse the legal and other associated costs incurred by the Commission, Minister or Government to participate in such proceedings. Provided that nothing in this Clause 18 (Governing Law and Dispute Resolution) shall preclude a Party from seeking equitable relief from a court of competent jurisdiction in respect of any actual or threatened breach of this Agreement that would cause irreparable harm to such Party.
- 18.8 Provided that the Commission shall either elect to resolve a dispute under this Clause 18.0 or pursuant to the process under Section 217 of the Act where applicable.

19.0 NOTICES

- 19.1 All notices or other communication required to be given under this Contract by either party to the other, shall be in writing and delivered by hand or courier and addressed to the Chief Executive of either party at the address stated in this Clause 19.1 as follows:

19.1.1 For the Lessee at:

The Chief Executive Officer,
Waltersmith Petroman Oil Limited
47, Glover Road,
Ikoyi, Lagos
info@waltersmithng.com

19.1.2 For the Commission at:

The Commission Chief Executive
Nigerian Upstream Petroleum Regulatory Commission
7, Sylvester Ugoh Street
Jabi, Abuja, Nigeria
nuprc@nuprc.gov.ng

19.1.3 A party may change its address by notifying the other party in writing from time to time.

- 19.2 Any notice or other communication that the Commission gives to the Operator on behalf of the Lessees under or in connection with this Contract, Act or Regulation shall be deemed to have been received:
- if delivered by hand or courier, at the time the notice is left at the proper address; and
 - if sent by email, upon acknowledgement by the other Party or Parties or its or their representative.
- 19.3 A notice or other communication given as described in Clause 19.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 19.4 Any notice or other communication given to the Commission by the Lessee or the Operator on behalf of the Lessees shall be deemed to have been received only on actual receipt and acknowledgement by the Commission.
- 19.5 A notice or other communication given under or in connection with the Lease is only valid if sent by email upon acknowledgement by the other party or its representative.
- 19.6 Notwithstanding the above, general notices issued by the Commission shall be deemed delivered, three (3) days after they are issued or posted by the Commission on its secured website.
- 19.7 Clauses 19.1 to 19.6 (inclusive) does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any

arbitration or other method of dispute resolution and to matters relating to each Holder's title to the Lease.

- 19.8 Subject to clause 19.7, the provisions of clause 19.0 as to manner and delivery of notices or other communications shall be deemed to apply to the Operator and any notice or other communication issued under this Contract, the Lease, Act or Regulations and delivered to the Operator by the Commission or Government shall be deemed to have been delivered to all Lessees.
- 19.9 The address of the Operator for the purpose of service of notices, communications and processes is as follows:

ADDRESS: 47, Glover Road, Ikoyi, Lagos, Nigeria.

Email: info@waltersmithng.com

or such other address notified by the Operator to the Commission.

20.0 GENERAL PROVISIONS

- 20.1 The terms of this Contract shall not be amended, modified, altered or supplemented other than by an agreement executed by both Parties or by virtue of the Regulations and the Act.
- 20.2 This Contract shall be binding on the Lessees and their respective successors and permitted assigns.
- 20.3 No failure or delay on the part of either Party hereto to exercise any right or remedy under this Contract or the partial exercise thereto shall be construed or operate as a waiver thereof. The rights and remedies provided in this Contract are cumulative and are not exclusive of any rights or remedies provided under the Act, Regulations under Nigerian Law.
- 20.4 If and for so long as any provision of this Contract is found by a court or other tribunal of competent jurisdiction or is declared by applicable law to be invalid, then such invalid provision shall be deemed to be severed from this Contract to the extent of its invalidity. The remaining provisions of this Contract shall continue in full force and effect and such severance shall not (to the greatest possible extent) affect the validity or operation of any other provision of this Contract.
- 20.5 Any remedy which provides for the payment of liquidated damages by a Party represents a genuine pre-estimate of the likely or possible loss or damage which might otherwise be suffered by the Party to whom such liquidated damages are payable in consequence of the act or omission of the Party liable

to pay such liquidated damages and shall not in any way be construed as a penalty.

- 20.6 This Contract may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Contract.

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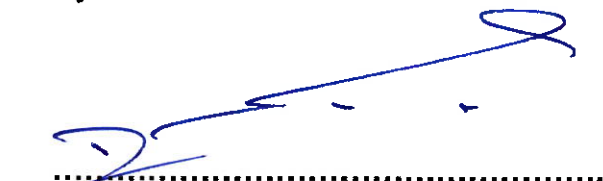
IN WITNESS WHEREOF the Parties have hereunto set their hands on the day first above written.

SIGNED and DELIVERED

For and on behalf of:

THE NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION

By:


.....
ENGR. GBENGA KOMOLAFE *FNSE*
COMMISSION CHIEF EXECUTIVE

Witnessed By:


.....
OLAYEMI ANYANECHI
COMMISSION SECRETARY/LEGAL ADVISER

SIGNED FOR AND ON BEHALF OF
WALTERSMITH PETROMAN OIL LIMITED Acting by:


.....
NAME: OLADAPO FILANI
DIRECTOR


.....
NAME:
DIRECTOR/SECRETARY

SIGNED FOR AND ON BEHALF OF
MORRIS PETROLEUM LIMITED Acting by:


.....
NAME: ABDULRAZQAQ ISA
DIRECTOR


.....
NAME:
DIRECTOR/SECRETARY