

SERVICES AGREEMENT dated this 28th day of April, 2003

between

PARTIES

1. UKCS Administrator Limited a company incorporated under the laws of England and having its registered office at 2nd Floor, 232-242 Vauxhall Bridge Road, London SW1V 1AU (“Administrator”); and
2. LEADING OIL & GAS INDUSTRY COMPETITIVENESS a company limited by guarantee incorporated under the laws of Scotland and having its registered office at Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA, Scotland (“LOGIC” or “Service Provider”)

RECITALS

- (A) The Administrator is party to an agreement of effective dated 28th April, 2003 (“the Master Deed”) together with Contracting Parties (as defined in the Master Deed) and Her Majesty’s Secretary of State for Trade and Industry (“the Secretary of State”), whereby the Administrator agreed to provide the services set out in the Master Deed.
- (B) Under the terms of clause 5(2) of the Master Deed, the Administrator is entitled to discharge any of its obligations or duties under the Master Deed by procuring that such obligations or duties are performed on its behalf by another Person (referred to in the Master Agreement as the “Service Provider”). Further, the Administrator remains liable and responsible to the Contracting Parties and the Secretary of State for the due performance of such obligations and duties.
- (C) The Administrator and the Service Provider have agreed to provide for such matters upon and subject to the terms of this Services Agreement.

IT IS THEREFORE AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 2.1 Except where the context otherwise indicates or requires all defined terms in this Agreement shall have the same meanings as set out in the Master Deed.
- 2.2 Except where the context otherwise indicates or requires the following additional terms shall have the meanings set opposite them:

“Effective Date”	the date written at the head of this Agreement
“Master Deed”	the document referred to in recital (A) as amended from time to time by virtue of clause 11 of the Master Deed
“Online Submissions”	a transaction using an Execution Deed and the New Transfer Arrangements, with the exception that it is consented to using the Service Provider’s secure online website entitled “Master Deed Online”
“Paper Based Submissions”	a transaction using an Execution Deed and fully following the process contained in the New Transfer Arrangements

- “Services” All the services to be provided by the Administrator under the terms of the Master Deed save as specifically excluded or varied by this Agreement in respect of the Paper Based Submissions and Online Submissions
- “Service Level Targets” The protocols and service level targets set out in the Schedule to this Agreement as amended from time to time by agreement between the Administrator and the Service Provider
- 2.3 References to clauses and schedules in this Agreement are to the clauses of and schedule to this Agreement.
- 2.4 Headings used in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
- 2.5 Unless the context otherwise requires, the singular shall be deemed to include the plural and vice versa.
- 2.6 The words and phrases “other”, “including” and “in particular” shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible.
- 2.7 Reference to any law, statute or other legislative or regulatory order is to the same as amended, modified or replaced from time to time and to any regulation, rule, delegated legislation or order made thereunder.
3. APPOINTMENT OF AGENT
- 3.1 The Administrator appoints the Service Provider from the Effective Date as its agent, to carry out the Services on its behalf on the terms of this Agreement.
- 3.2 During the term of this Agreement, any Contracting Party may request the performance of Services by issuing a written request to the Service Provider and the Service Provider shall confirm receipt of such request in writing. The Service Provider shall accept any such request and proceed to perform such Services in accordance with the terms and conditions of this Agreement.
- 3.3 The Service Provider agrees to perform the Services in a proper, timely and cost effective manner and in all respects in accordance with any obligations set out in the Master Deed, and in accordance with the Service Level Targets. However, subject to clause 5(4) of the Master Deed, the Service Provider shall have no liability either to the Administrator or the Contracting Parties in respect of any performance, mis-performance or non-performance of its function as Service Provider under this Agreement (save in circumstances of Wilful Misconduct) and the Administrator shall (save in such circumstances of Wilful Misconduct) defend, indemnify and hold harmless the Service Provider against any and all claims, fines, proceedings, injuries, costs (including legal costs), losses, damages or expenses incurred by the Service Provider arising from, out of, or relating to any such performance, mis-performance or non-performance of the Service Provider.
- 3.4 The Service Provider shall pay all salaries, fees, charges, taxes and contributions of all persons who at any time are engaged in the provision of all or any work and/or services under or pursuant to this Agreement and without prejudice to the generality of the foregoing the Service Provider shall at all times fully and effectively indemnify, keep indemnified and hold harmless the Administrator and its officers from and against all costs, losses, damages, fees and expenses and charges (including without limitation legal fees) arising from any claim howsoever and

whenever arising (and including by way of example but not limitation any law or regulation relating to the transfer of all or any part of any undertaking, business or contract) by or in relation to all or any of such persons connected in any manner with their contract of employment or their contract for the provision of services (in particular but without limitation any claim of a breach of contract, redundancy or unfair dismissal).

4. PAYMENT FOR THE SERVICES

4.1 The Service Provider shall be entitled to charge for the Services as follows:

- 4.1.1 with respect to Paper Based Submissions, for the processing of each Execution Deed, in accordance with the table as set out in Schedule 2;
- 4.1.2 with respect to Online Submissions, for the processing of each Execution Deed comprising no more than three (3) Consents to Transfer (including attached Notices of Transfer), £600. Each additional Consent to Transfer of the same transaction shall incur a further charge of £100;
- 4.1.3 for the processing of each Deed of Adherence, a fee of £150, to be paid by the Joining Party submitting such Deed of Adherence in accordance with the protocol set out in the Service Level Targets at the time of such submission;
- 4.1.4 the foregoing charges are for documents executed at the Service Provider's offices in Aberdeen, Scotland. In the event that execution is required elsewhere, the Service Provider will charge an appropriate additional fee to cover any additional costs and expenses incurred. Such additional fee shall be invoiced by the Service Provider and paid by the Contracting Party or Joining Party requesting execution elsewhere; and
- 4.1.5 unless expressly stated otherwise, the foregoing fees and charges apply to transactions that require use by the Service Provider of registered delivery mail. Should a courier or any other accelerated means of mail delivery be required, the additional costs incurred shall be paid by the Contracting Party or Joining Party making such request;
- 4.1.6 VAT shall be payable if applicable on the foregoing fees and charges; and
- 4.1.7 in the interests of minimising costs, the procedure will be for payment of the foregoing fees and charges to be made at the time of submission. The Service Provider shall issue an invoice with confirmation of payment to the Contracting Party or Joining Party submitting an Execution Deed or Deed of Adherence to the Service Provider.

4.2 The charges set out in Clause 4.1 shall be subject to annual review on or about January in each year and shall in any case be increased annually in line with the retail prices index for the same period.

4.3 The Service Provider shall pay or cause to be paid when due all taxes and fees imposed by reason of the performance of the Services by the Service Provider.

5. CONFIDENTIALITY AND NOTICES

5.1 Service Provider acknowledges the terms of clause 7(1) of the Master Deed which shall be incorporated into this Agreement in its entirety. The Service Provider shall observe the terms of clause 7(1) of the Master Deed as if it was a party to the Master Deed and, in particular, undertakes to each Contracting Party to keep confidential and to take all reasonable precautions to ensure that its employees and any other personnel engaged by it for the purpose of the provision of the Services shall keep confidential all information that is made available to it by the Administrator or any Contracting Party or acquired by it in performing the Services. The Service Provider undertakes not to use any such information for any purpose other than the provision of

the Services. The Service Provider shall not, without the prior written consent of the Administrator use the name of the Administrator or any affiliate of the Administrator or of any Contracting Party in any advertising or communications to the public in any format except as necessary to provide the Services.

5.2 Any notice to be served on the Service Provider shall be addressed as follows:

The Administrator – Master Deed LOGIC
3rd Floor, The Exchange 2
62 Market Street
Aberdeen
AB11 5PJ
Phone: 01224 577250
Email: logic@oilandgasuk.co.uk

The provisions of clause 7(3) of the Master Deed shall apply mutatis mutandis to the service of notices hereunder.

6. AUDIT

6.1 The Service Provider shall maintain and preserve all documentation pertaining to the performance of the Services under this Agreement and any written request pursuant hereto for a period of 12 years.

6.2 At all reasonable times and on reasonable notice, the Service Provider shall permit representatives of the Administrator and/or employees and agents of any Contracting Party access to its offices to examine, reproduce and retain copies of such documentation and to interview the Service Provider's personnel in connection therewith, as necessary in the case of the Administrator to verify and monitor (i) the existence and effectiveness of the Service Provider's business practices and (ii) the Service Provider's compliance with the terms of this Agreement, and in the case of the Contracting Party, as necessary to verify (i) and (ii) above in respect of the provision of the Services in relation to any transaction in relation to which the Contracting Party has been a party and/or any completed transaction subject to appropriate confidentiality arrangements.

6.3 The provisions of this Clause shall be applicable during the term of this Agreement and for such period as documentation and written requests shall be required to be maintained and preserved by the Service Provider pursuant to clause 6.1.

7. TERM OF AGREEMENT

7.1 This Agreement shall come into effect on the Effective Date and shall continue thereafter until terminated by either party on 3 months written notice.

7.2 This Agreement may be terminated forthwith by either party in the event that the other such party becomes insolvent, commences proceedings for winding-up or liquidation (other than for the purposes of a bona fide amalgamation or reconstruction) or ceases to trade.

7.3 Upon termination of this Agreement, the Service Provider shall hand or deliver to, or relinquish custody in favour of, the Administrator or a new contractor appointed by the Administrator all documents, information and records, including computer records relating to the provision of the Services.

7.4 In the event that this Agreement is terminated pursuant to Clause 7.1, the Administrator reserves the right to terminate the contract or employment relationship of any person whose contract or employment relationship shall be deemed to have transferred to the Administrator upon termination of this Agreement as a result of the Transfer of Undertakings (Protection of

Employment) Regulations 1981 as amended ("TUPE Regs"). In such event the Service Provider shall indemnify keep indemnified and hold harmless the Administrator against all costs, losses, damages, fees, expenses and charges (including without limitation legal fees) arising from or in connection with any claim made by such a person against the Administrator in relation to the Administrator's termination of their contract of employment or employment relationship.

7.5 The Service Provider agrees that forthwith on termination of this Agreement, howsoever caused, the Service Provider will provide the Administrator or any Administrator approved third party with all such information as is necessary to enable the Administrator and/or a potential new contractor to assess its potential liability under the TUPE Regs in respect of any persons employed by the Service Provider for the performance of work under this Agreement (including without limitation details of length and terms of service of any relevant persons). In addition, no later than twenty eight days after the termination of this Agreement all employment records of such persons shall be provided to the Administrator or a new contractor appointed by the Administrator, as the Administrator directs.

8. FURTHER PROVISIONS

8.1 Amendments

The Service Provider acknowledges the terms of clause 11 of the Master Deed and the parties shall negotiate in good faith to amend the terms of this Agreement in the event that such amendment is required as a consequence of changes to the Master Deed.

8.2 Assignment

Services shall be performed solely by the Services Provider. This Agreement may not be assigned by the Service Provider without the express agreement in writing of the Administrator.

8.3 Third Party Rights

No Person other than the Administrator, the Service Provider or a Contracting Party may enforce this Agreement by reason of the Contracts (Rights of Third Parties) Act 1999.

8.4 Governing Law

This Agreement shall be governed by and construed in accordance with English law and the Administrator and the Service Provider agree that the courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising in respect of this Agreement or the interpretation of the Master Deed.

IN WITNESS TO THIS AGREEMENT it is signed by the duly authorised representatives of the parties on the date written at the head of this Agreement:

.....
Director
for and on behalf of
UKCS Administrator Limited

.....
Director
for and on behalf of
LEADING OIL & GAS INDUSTRY
COMPETITIVENESS

.....
Director
for and on behalf of
UKCS Administrator Limited

.....
Director
for and on behalf of
LEADING OIL & GAS INDUSTRY
COMPETITIVENESS

SCHEDULE

Part 1: SERVICE LEVEL TARGETS

Provided that all relevant documentation in respect of a transaction is submitted to the Service Provider in the correct form with appropriate notices, execution of each Execution Deed and Deed of Adherence submitted to the Service Provider shall be completed in no more than five (5) working days.

Part 2: PROTOCOLS

Control Over Seal/Sealing

- All Execution Documents and Deeds of Adherence executed by the Service Provider will be done so under the seal of the Administrator, provided for such purpose ('seal').
- Each use of the seal will be individually recorded (numbered and dated) in a "use of seal" register
 - An equivalent number / date will be appended to the respective Execution Documents / Deeds of Adherence on each application of the seal.
- A register will be kept of those individuals authorised to apply the seal / those authorised to witness the sealing / those authorised to sign against the seal.
- Segregation of duties will be put in place such that individuals who seal / witness / sign against a seal as above are not the same as those who perform the verification activities on the Execution Documents as below.
- The seal when not in use will be kept locked in a secure safe.

Administering Deeds of Adherence to the Master Deed

- The Service Provider will keep in a secure file the originals of the signed / sealed Master Deeds from the initial sign up exercise.
- Third parties will become new / additional Contracting Parties to the Master Deed by means of a Deed of Adherence.
- The Service Provider will respond to any request to become a Contracting Party by sending our two blank copies of a Deed of Adherence within two (2) working days of receipt of such request from a third party.
- The Service Provider will execute and date correctly completed and executed Deeds of Adherence within two (2) working days of their receipt from a third party
 - One original shall be returned to the new Contracting Party; and
 - One original will be held on file by the Service Provider.

Administering Execution Documents

The administration services provided by the Service Provider shall be dependent upon whether the parties to the Execution Deed elect to make an Online Submission or a Paper Based Submission.

a. For parties making a Paper Based Submission

- Within, at most (unless notified otherwise by the Service Provider for legitimate reason), four (4) working days following receipt by the Service Provider of a request from a Disposing Participant to execute Execution Documents the Service Provider shall execute the Execution Document and return them to the Disposing Participant
 - Prior to doing so the Service Provider will:
 - Check that a power of attorney is in place for each of the Remaining Participants on whose behalf the Administrator/Service Provider is acting;

- Check that Consent to Transfer forms together with the agreed forms of the Execution Documents have been received from each of the Remaining Participants to the Execution Documents;
 - Proof read each of the agreed forms of the Execution Documents consented to by each of the Remaining Participants against the execution copy of the Execution Document which the Disposing Participant has requested the Service Provider to execute to verify that they are in the form so agreed; and
 - Check that all the Execution Documents comply in all other aspects with the Master Deed provisions;
- The Service Provider will not execute an Execution Document that does not comply with the above;
- The Service Provider will make and keep a copy of all the above documents;
- The Service Provider will maintain a work in progress record of Execution Documents executed by it and close the file on each of these upon receipt by it from the Disposing Participant of a certified copy of the duly executed and dated Execution Document.

b. For parties making an Online Submission

- Within two (2) working days, the Service Provider shall upload the Execution Document to their secure website;
- Within two (2) working days (unless notified by the Service Provider for legitimate reason) following receipt by the Service Provider of a request from a Disposing Participant to execute Execution Documents the Service Provider shall execute the Execution Document and return them to the Disposing Participant.
 - Prior to doing so the Service Provider will:
 - Check that a power of attorney is in place for each of the Remaining Participants on whose behalf the Administrator / Service Provider is acting.
 - Check that the Consent to Transfer and Notices of Transfer have been received from each of the Remaining Participants with respect to the uploaded Execution Document; and
 - Check that all the Execution Documents comply in all other respects with the Master Deed provisions.
- The Service Provider will not execute an Execution Document that does not comply with the above;
- The Service Provider will make and keep a copy of all the above documents;
- The Service Provider will maintain a work in progress record of Execution Documents executed by it and close the file on each of these upon receipt by it from the Disposing Participant of a certified copy of the duly executed and dated Execution Document.

Provision of and Maintaining Website Database

- The Service Provider will develop / administer / maintain and update a web-site the purpose of which is to record the details of the Contracting Parties to the Master Deed and any additional parties included by deed of adherence.
 - Details shall include
 - Company name / name number / registered address;
 - Contact position, details (e-mail, fax, telephone etc) and address for the purpose of communications under the New Transfer Arrangements.
- The facility for hosting the website will include
 - (a) All necessary information concerning the Master Deed and Services Agreement (including a copy of each) and the current Contracting Parties;

- (b) Details of relevant contacts within the Service Provider and immediate contact information to progress a transaction or correct any errors;
 - (c) Reasonable security and stability testing.
- The Service Provider will update the website within 2 working days of
 - a new Contracting Party executing of a Deed of Adherence as above;
 - an existing Contracting Party advising the Service Provider of any change to its details.
- The Service Provider will positively verify the details held on the website with each Contracting Party at least once in every calendar year with each verification exercise being no more than 15 months from the previous verification.

Other Sundry Procedures

- All records pertaining to the above will be kept of a period of at least 12 years.
- All mail received by the Service Provider in relation to the Master Deed shall be date and time stamped with the time of receipt.
- All mail sent by the Service Provider will be sent by registered delivery mail unless otherwise requested by the relevant Disposing Participant.