

SHARED SERVICES AGREEMENT

BETWEEN

**THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA
LIMITED**

AND

**HERITAGE ENERGY OPERATIONAL SERVICES LIMITED
AS OPERATOR OF THE NPDC/SHORELINE JOINT VENTURE**

DATED THIS DAY OF 2018

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This Shared Services Agreement (“Agreement”) is made on theday of2018

Between

The Shell Petroleum Development Company of Nigeria Limited, a company incorporated under the laws of the Federal Republic of Nigeria whose registered address is at Shell Industrial Area, Rumuobiakani, Port Harcourt, Rivers State, Nigeria (hereinafter referred to as "SPDC") which expression shall where the context so admits include its successors-in-title and assigns) in its capacity as operator of the SPDC Joint Venture (hereinafter referred to as the “SPDC JV”) between itself and the Nigerian National Petroleum Corporation, (hereinafter referred to as “NNPC”), Total E&P Nigeria limited (“hereinafter referred to as “TEPNG”), and Nigerian Agip Oil Company Limited, (hereinafter referred to as “NAOC”), of the first part;

and

HERITAGE ENERGY OPERATIONAL SERVICES LIMITED, a company incorporated under the laws of the Federal Republic of Nigeria with its registered office at No. 98 Awolowo Road, South-West Ikoyi, Lagos, Nigeria (hereinafter referred to as “**HEOSL**” or “**SHIPPER**” which expression shall where the context so admits include its successors-in-title and assigns), in its capacity as the operator of the Joint Venture (hereinafter referred to as the “**NPDC/SNR JV**”) between **NIGERIAN PETROLEUM DEVELOPMENT COMPANY LIMITED** (“NPDC”) and **SHORELINE NATURAL RESOURCES LIMITED** (“SNR”), of the second part,

WHEREAS:

- (A) SPDC and NPDC entered into various Crude Handling Agreements (in respect of Crude Oil production from Oil Mining Leases (OMLs) 26, 30, 34, 40 and 42) which set out the terms and conditions on which SPDC will provide, and NPDC will receive Crude Handling Services at the SPDC JV Forcados Oil Terminal (“FOT”) .
- (B) SPDC and HEOSL also executed a Terminal-Pipeline Interface Agreement dated 1st November, 2017 which sets out the terms and conditions governing the management of the interface between SPDC as the operator of the FOT and HEOSL as operator of the Trans Forcados Pipeline (“TFP”) in the provision of services to the users of the TFP and the users of the FOT.
- (C) Under the terms of the CHA and the TPIA, the Parties agreed that HEOSL shall install, maintain and operate a Lease Automatic Custody Transfer unit (“LACT Unit”) (which is the delivery point measuring equipment) at the Forcados River Manifold (“FRM”) to enable Heritage as pipeline operator measure the daily quantities of crude delivered at the FRM and ensure the efficient operation of the CHAs and TPIA between the Parties. [HEOSL](#) has concluded the installation of the LACT Unit and has installed a generating plant to power the LACT Unit.

- (D) SPDC operates the SPDC JV Northbank flow station and generates electricity at the flow station, which powers the flow station and ancillary facilities and Heritage has requested to share the Northbank electrical power (“Shared Electric Power”) as a source of back-up power supply to its FRM LACT Unit.
- (E) HEOSL is also desirous of sharing SPDC’s Northbank field logistics base services, helicopter flight services and vehicle transportation services (“the Shared Services”) to accommodate and support its personnel who will operate and maintain the LACT Unit.
- (F) SPDC has agreed to allow HEOSL access to the Shared Electric Power and the services referred to in paragraph E above and the Parties wish to enter into this Agreement to set out the terms and conditions which will govern the Shared Electric Power and Shared Services.

SPDC and HEOSL are hereinafter individually referred to as **“Party”** and collectively as **“Parties”**.

NOW THEREFORE, and in consideration of the understandings and mutual covenants herein assumed, and for other good and valuable considerations the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITION AND INTERPRETATIONS

1.1 Definitions

- 1.1.1 “Affiliate” means a company or other entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control of a Party. “Control” means ownership of fifty per cent (50%) or more of the issued voting stock of a company entitled to vote, or ownership of equivalent rights to determine the decisions of such company or entity;
- 1.1.2 “Agreement” means this Shared Services Agreement including all appendices thereto, as amended, varied or supplemented from time to time.
- 1.1.3 “Applicable Law” means all applicable statutes, laws, ordinances, guidelines, rules and regulations, including but not limited to, any license, permit or other government regulation, in each case as in effect from time to time.
- 1.1.4 “Authorisation” means any approval, consent, exemption, licence, order or permission of any Governmental Authority which is or was necessary for the performance by a Party of any covenant or obligation in accordance with this Agreement.

- 1.1.5 “Confidential Information” means the content of this Agreement and all information disclosed by a Party in the process of negotiating or otherwise existing in connection with this Agreement but excluding any information which when used or disclosed has become part of the public domain other than through a breach of this Agreement or which has been lawfully acquired in accordance with Article 12 by the Party or Person using the same or to whom disclosure is made.
- 1.1.6 Consequential losses means the loss or deferment of profit or anticipated earnings or savings, loss of goodwill, loss of use, business interruption, increased cost of working and wasted effort or expenditure or any special, indirect or consequential damage together with all legal costs and expenses associated with the foregoing types of loss.
- 1.1.7 “Effective Date” shall be the xxxxxx day of xxxxxxxxx, 2018.
- 1.1.8 “Forcados River Manifold Lease Automatic Custody Transfer Unit” or “FRM LACT Unit” means the Lease Automatic Custody Transfer unit owned and installed at the Forcados river manifold by the NPDC/SNJ JV to enable HEOSL as pipeline operator measure the daily quantities of crude delivered at the FRM to the SPDC JV Forcados oil terminal.
- 1.1.9 “Governmental Authority” means any relevant national, state, local or other sub-division of the Federal Government of Nigeria or any agency, commission or authority thereof acting within its legal authority.
- 1.1.10 “Gross Negligence” means any act or failure to act (whether sole, joint or concurrent) which seriously and substantially deviates from a diligent course of action or which is in reckless disregard of or wanton indifference of a risk known, or so obvious that it should have been known, and so great as to cause harm to people, property or the environment; unless Gross Negligence has a different meaning ascribed to it under the governing law of the Agreement provided such meaning is established by statute, regulation or other written law or by judicial precedent and is in clear, unambiguous terms and closed to conflicting judicial interpretation, and in which case Gross Negligence shall have the ascribed meaning.
- 1.1.11 “Incident Report” means any report of any accident, safety, environmental or other incident arising out of, or relating to the Shared Services which is required to be reported to any regulatory authority;
- 1.1.12 Loss” or “Losses” means any and all damages, claims, losses, expenses, liabilities, injuries, fines, penalties, settlements, awards, judgments, actions or other costs whatsoever (including legal fees), together with accrued interest thereon, that may be suffered or incurred;
- 1.1.12 HEOSL’s Associated Persons means any directors, employees, Affiliate, of [HEOSL](#)
- 1.1.13 “NPDC/SNR JV Facilities” means the facilities owned by the NPDC/SNR JV and operated by HEOSL and includes the FRM LACT Unit.
- 1.1.14 “Person” means any natural person, company, firm, partnership, corporation, governmental agencies or other juristic persons.

- 1.1.16 “Shared Electric Power” means the electric power generated by SPDC for powering the SPDC JV Northbank flow station which SPDC has agreed to share with HEOSL for the purpose of providing secondary power to NPDC/SNR’s FRM LACT Unit.
- 1.1.17 “Shared Services” means the services which HEOSL will share with SPDC, pursuant to the terms of this Agreement and includes the, Northbank field logistics base catering services, helicopter flight services and vehicle transportation services which are more particularly set out in Appendix 1.
- 1.1.18 “Shared Electric Power Cost” means HEOSL’s share of SPDC’s cost of generating power at the Northbank flow station as set out in Appendix 2.
- 1.1.18 “Shared Service Costs” means the costs of the Shared Services set out in Appendix 2
- 1.1.19 SPDC JV Facilities means all the facilities owned, or leased by the SPDC JV or operated by SPDC to which HEOSL will be granted access in accordance with the provisions of this Agreement, for the purposes of utilizing the Shared Services.
- 1.1.20 “SPDC’s Associated Persons” means any director, employees, and Affiliates (and their directors and employees), of SPDC.
- 1.1.21 “Switch Gear” A general term covering switching devices and their combination with associated control, measuring, protective and regulating equipment, also assemblies of such devices and equipment with associated interconnections, accessories, enclosures and supporting structures, intended in principle for use in connection with generation, transmission, distribution and conversion of electric power.
- 1.1.22 “Third Party” means any person or entity other than SPDC and SPDC’s Associated Persons and HEOSL and HEOSL’s Associated Persons.
- 1.1.23 “Wilful Misconduct” means a deliberate act or omission the consequences of which were foreseen or foreseeable and intended to cause harm to people, property or the environment: unless Willful Misconduct has a different meaning ascribed to it under the governing law of the Agreement provided such meaning is established by statute, regulation or other written law or by judicial precedent and is in clear unambiguous terms and closed to conflicting judicial interpretation, and in which case Gross Negligence shall have the ascribed meaning.

1.2 Interpretation

Unless the context otherwise requires:

- (a) Headings are for convenience only and shall be ignored in construing this Agreement
- (b) Words importing the singular include the plural and vice versa;

- (c) References to a gender include any other gender;
- (d) Any reference to an Article shall be to an Article in this Agreement.
- (e) References to a “person” are to any natural or legal person, including individuals, companies, corporations and partnerships;
- (f) References to a law, decree, rule or regulation are to such law, decree, rule or regulation as amended, supplemented, consolidated or repealed from time to time;
- (g) References to any agreement or contract are to such agreement or contract as amended, supplemented, novated or replaced from time to time;
- (h) References to time are to local time in Nigeria;
- (i) The Appendices attached hereto, form an integral part of this Agreement. Any Article containing a reference to an Appendix shall be read as if all or such part or section of the Appendix referred to is set out at length in the body of the Article itself. In the event of any conflict between an Appendix and the main body of this Agreement, the latter shall prevail.

ARTICLE 2 SCOPE OF THE AGREEMENT

This Agreement sets out the terms and conditions under which SPDC will grant HEOSL access to the Shared Electric Power and Shared Services and the rights, duties and obligations of the Parties connected therewith.

ARTICLE 3 THE SHARED SERVICES

- 3.1 In consideration of the reimbursement of the applicable Shared Electric Power Cost and Shared Services Cost, SPDC shall provide HEOSL with access to the Shared Electric Power and the following Shared Services on the terms set out in this Agreement :
 - a) Northbank field logistic base catering service;
 - b) Helicopter flight services and;
 - c) Vehicle transportation services
 - d) Government Security Agencies logistic support services
- 3.2 HEOSL hereby warrants and undertakes that it shall use the Shared Electric Power exclusively for the purpose of powering the FRM LACT Unit. In no event shall the Shared Electric Power, be sold or permitted to be used by any other Person in any manner inconsistent with the provisions of this Agreement and any Applicable Laws.
- 3.3 HEOSL hereby warrants and undertakes that it shall utilise the Shared Services exclusively for the purpose of running and operating the FRM LACT Unit. In no event shall the Shared Services be permitted to be used by any other person or be used/permited to be used in any manner inconsistent with the provisions of this Agreement and any Applicable Laws.

- 3.4 The Parties hereby agree that HEOSL's access to the Shared Electric Power has been granted by SPDC on the basis that the Shared Electric Power will only serve as secondary back-up power to the FRM LACT Unit. HEOSL shall at all times be solely responsible for procuring and maintaining, its own primary power supply to the FRM LACT Unit and SPDC shall not be liable for any consequences of non-availability of the Shared Electric Power at the FRM LACT Unit.
- 3.5 HEOSL shall obtain and maintain at its own cost, any right of way, easements, other rights and any necessary Authorisations required for the installation, operation and maintenance of electrical equipment and installations required for accessing the Shared Electric Power.
- 3.6 HEOSL hereby authorises and grants SPDC, full access to NPDC/SNR's Facilities for the purpose of providing access to the Shared Services. HEOSL acknowledges that the shared services are provided by SPDC's contractors and service providers. and HEOSL-~~HEOSL~~ shall adhere at all times to SPDC's instructions and directives in respect of the services.
- 3.8 SPDC hereby authorises and grants ~~HEOSL~~~~NPDC~~~~HEOSL~~, full access to SPDC's Facilities for the purpose of accessing and utilizing the Shared Services.
- 3.8 ~~HEOSL~~~~NPDC~~~~HEOSL~~ may, from time to time, request to share other additional services which are not listed under this Article 3, and SPDC may at its sole discretion provide access to such services. The Parties agree to negotiate in good faith the terms and conditions under which SPDC will grant ~~NPDC~~~~HEOSL~~-~~HEOSL~~ access to such additional services.

ARTICLE 4 SPDC'S RIGHTS AND OBLIGATIONS

- 4.1 In granting ~~HEOSL~~~~NPDC~~~~HEOSL~~ access to the Shared Services and the Shared Electric Power, SPDC shall perform its obligations hereunder with the same degree of care, skill and prudence customarily exercised when engaged in similar activities for itself or its Affiliates.
- 4.2 In performing its obligations under this Agreement, SPDC shall accord ~~HEOSL~~~~NPDC~~~~HEOSL~~ and its Affiliates the same priority under comparable circumstances as it provides itself and its Affiliates. Without limiting the generality of the foregoing, in granting access to the Shared Electric Power and the Shared Services, SPDC and its Affiliates shall not discriminate against HEOSL or any of its Affiliates solely because ~~HEOSL~~ or its Affiliates are utilising the Shared Services.
- 4.3 Notwithstanding any provision of this Agreement to the contrary, SPDC shall be entitled to :
- (i) change the process of granting access to a particular Shared Service or the Shared Electric Power which does not adversely affect the benefits to HEOSL of the Shared Service or quality of such Shared Service or the Shared Electric Power in any material respect..
 - (ii) make emergency changes in the access to the Shared Service and the Shared Electric Power on a temporary and short-term basis in emergency situations; and/or
 - (iii) change a particular contractor providing the Shared Service and the Shared Electric Power

- 4.4 SPDC shall not be required by reason only of this Agreement to expand the SPDC JV facilities, incur new long-term capital expenses, or, engage additional service contractors in order to grant HEOSL access to the Shared Services. Any such expansion, capital expenses or engagement of additional contractors shall be at SPDC's sole discretion.

ARTICLE 5 HEOSL's RIGHTS AND OBLIGATIONS

- 5.1 HEOSL acknowledges that it has received a copy of the Shell Commitment and Policy on Health, Security, Safety, the Environment and Social Performance in Appendix 4 and the Life Saving Rules in Appendix 5 (the "**HSSE STANDARDS**"). HEOSL agrees that it shall comply with the **HSSE STANDARDS** in all its activities in connection with this Agreement.
- 5.2 HEOSL shall be responsible for the general management of its activities and that of its personnel, employees, contractors and agents, including health, safety and environmental issues, logistics, security and community matters in respect of its activities at the FRM and in relation to the Shared Services and Shared Electric Power. HEOSL in utilizing the Shared Services shall ensure that its employees at all times adhere to SPDC's policies, process and procedures.
- 5.3 HEOSL shall supply SPDC with all necessary information and data required for HEOSL's use of the Shared Services and Shared Electric Power, and take such other action as is reasonably requested by SPDC to enable SPDC ensure the availability of the Shared Services.
- 5.4 HEOSL shall promptly reimburse SPDC for the Shared Service Cost and the Shared Electric Power Cost and other sums attributable to carrying out repairs or replacement of items damaged by HEOSL's employees.
- 5.5 HEOSL shall be solely responsible for its employees, agent and contractors and SPDC shall have the right to require HEOSL, forthwith at HEOSL's cost, to remove any of HEOSL's personnel if, in the opinion of SPDC (which shall be binding in the absence of manifest error), such employees agent and contractors are guilty of misbehavior, or otherwise give SPDC reasonable cause to believe that their continued presence jeopardizes the smooth and safe conduct of operations at SPDC JV facilities . SPDC shall communicate concerns to HEOSL regarding its employees, agent or contractor with a view to remedying the situation before requiring removal of such HEOSL personnel. HEOSL warrants that it has, and will ensure that it maintains in force, an active programme to combat potential drug and/or alcohol abuse by any of HEOSL's employees, agent and contractors who will be utilizing the Shared Services under this Agreement which is compatible with and at least the same standard as SPDC's own equivalent programme, and that it will take all necessary steps to ensure that such employees, agents or contractors do not at any time during the period of transit/use of the helicopter or stay at the Northbank Field Logistic base, partake of or be under the influence of any drug, alcohol, or other intoxicating substance.
- 5.6 HEOSL shall ensure that its employees, agents or contractors do not bring any hazardous substance, illegal items, alcohol and drugs on to the vehicles or helicopter (including gels and liquids in hand luggage) or allow any hazardous substance to be placed, held, located or

disposed of, on, any part of SPDC JV facilities to which such employees, agents or contractors have been granted access.

ARTICLE 6 AUTHORIZED REPRESENTATIVES

- 6.1 Each Party shall appoint a representative (“Authorized Representative”) who shall act as its respective contact point for all matters connected with this Agreement. Such Authorized Representatives shall hold regular review meetings (at least once a quarter) to discuss the Shared Services and Shared Electric Power as well as any other related issues.

SPDC’s Representative:

Name:

Designation:

Normal Work Location:

HEOSL’s Representative:

Name:

Designation:

Normal Work Location:

ARTICLE 7. INVOICING AND COST REIMBURSEMENT

- 7.1 HEOSL shall reimburse SPDC at cost for the Shared Services and the Shared Electric Power utilized pursuant to this Agreement. The Shared Service Costs shall be based on the applicable cost elements set out in Appendix 2- SPDC shall forward an invoice to HEOSL on or before the 15th day of the month in respect of the preceding quarter for the Shared Service Costs and Shared Electric Power Costs , to be reimbursed by HEOSL within sixty (60) days of receipt of the invoice.
- 7.2 HEOSL shall remit the Shared Service Costs and Shared Electric Power costs within sixty (60) days of receipt of each invoice.
- 7.3 The Parties shall meet on the 15th day after the end of the last month of the quarter to reconcile the costs and remittances. Where there has been an under remittance, HEOSL shall within 60 days of the reconciliation meeting reimburse SPDC the value of the under remittance. Where there is an over remittance SPDC shall issue a credit note to HEOSL for the sum of the over remittance.

- 7.4 The service cost details provided in Appendix 2 are the costs charged to SPDC by the various contractors/service providers providing the Shared Services and may be subject to review where there is an agreed contractual variation with the relevant contractor. In the event that there is an agreed variation of the contract prices by a relevant contractor/service provider SPDC shall inform HEOSL of the change and Appendix 2 shall be revised accordingly.
- 7.5 Additional services including emergency services to which access is granted outside those specified in Clause 3.1, and the cost of repair and replacement of any damages attributable to HEOSL's employees shall be reimbursed separately at cost by HEOSL and payable within 60 days of the date from the receipt of SPDC's invoice in respect of same
- 7.6 The Shared Service Cost and Shared Electric Power Costs are exclusive of V.A.T. and are to be remitted without deduction or withholdings or any kind.
- 7.7 If HEOSL fails or neglects to reimburse any Shared Electric Power Cost or Shared Service Cost after sixty (60) days of invoice issue, SPDC shall be entitled to disconnect electricity supply to the FRM LACT Unit. With respect to the Shared Services, SPDC shall be entitled to suspend HEOSL's access to the Shared Service.
- 7.8 HEOSL is not entitled by reason of any set off, counterclaim, abatement or analogous deduction to refuse to remit or reimburse any amount costs due in respect of the Shared Services Costs and the Shared Electric Power Costs under this Agreement.
- 7.9 Prior to the execution of this Agreement, SPDC shall forward a debit note to HEOSL for the cost incurred by SPDC JV (on HEOSL's behalf) in connecting HEOSL's FRM LACT Unit to the Northbank Electric power ("Electricity Infrastructure Cost") SPDC shall also forward a debit note to HEOSL for all other ad-hoc agreed costs incurred by SPDC on HEOSL's behalf in the course of the FRM LACT installation. This Agreement shall not become effective until
- (i) HEOSL fully reimburses SPDC all verifiable Electricity Infrastructure Costs set out in Appendix 3 of this Agreement, and
 - (ii) HEOSL fully reimburses SPDC for the ad hoc costs incurred in the course of the FRM LACT installation as referenced above and verified by HEOSL.

ARTICLE 8 ASSIGNMENT

- 8.1 SPDC shall be entitled to assign, novate or transfer any or all of its rights and/or obligations under this Agreement and shall notify HEOSL of such assignment or novation.
- 8.3 HEOSL shall not assign, novate or transfer any or all of its rights and/or obligations under this Agreement without first obtaining SPDC's consent in writing. SPDC shall not grant consent to such assignment:

- (i) unless and until all outstanding costs have been paid by HEOSL, or
- (ii) receipt by SPDC of an unconditional undertaking by HEOSL's assignee to assume all HEOSL's obligations and pay all outstanding costs to SPDC immediately upon the execution of the deed of assignment/novation. Notwithstanding any undertaking by the assignee, HEOSL shall continue to be liable for all costs payable to SPDC in respect of the Shared Services and Shared Electric Power until the monies are received by SPDC.

ARTICLE 9 NON-EXCLUSIVITY OF SERVICE PROVISION

Nothing in this Agreement shall prevent SPDC from granting access to any of the Shared Services to any other Person and nothing in this Agreement shall prevent HEOSL from obtaining all or any part of Shared Services from any other Person other than SPDC.

ARTICLE 10 SUSPENSION OF SHARED SERVICES

Without prejudice to any other right available under this Agreement, SPDC shall be entitled to suspend HEOSL's access to the Shared Services:

- (i) where such suspension is required in the event of any environmental or safety problems or any emergency involving the safeguarding of lives or property
- (ii) where duly authorized by any Applicable Law or any relevant Governmental Authority
- (iii) where any information or document provided by HEOSL in connection with the Shared Services or Shared Electric Power is found to be false or incorrect.
- (iv) where there is any continued unauthorized use of the Shared Electric Power in breach of the provisions of this Agreement and HEOSL has failed and or refused to remedy such breach
- (v) any continued failure by HEOSL to remit or reimburse any invoice for the Shared Services and/or Shared Electric Power after the invoice due date except where HEOSL is disputing the invoice in good faith and has remitted, all amounts not in dispute

In the event of a suspension as a result of any of the foregoing, SPDC shall only allow HEOSL access to the Shared Service and Shared Electric Power when HEOSL has satisfactorily remedied the condition which resulted in the suspension.

ARTICLE 11 LIABILITIES AND INDEMNITIES

11.1 SPDC makes no representation or warranty regarding HEOSL's use of or access to the Shared Electrical Power or Shared Services. SPDC shall not in any way be liable to HEOSL and HEOSL shall utilise the Shared Electric Power and Shared Services strictly at its own risk. HEOSL hereby indemnifies and holds harmless SPDC for any Loss it may suffer or relating to loss of or damage to HEOSL's property and personal injury including death or disease to any person employed by HEOSL and HEOSL's agents or contractors arising from or relating to

- (i) the performance of any contractor providing any Shared Services or the performance of this Agreement
- (ii) the condition of any Shared Service or the Shared Electric Power

- (iii) The acts or omissions of the Government Security Personnel providing security cover under this Agreement
 - (iv) HEOSL's use of the Shared Electric Power and Shared Services.
- 11.2 HEOSL shall, at all times and without limitation, be fully liable for, and shall indemnify, save and hold harmless SPDC, its Affiliates and the SPDC JV parties from and against all Losses SPDC, its Affiliates and the SPDC JV parties may sustain, pay or incur, or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by Third Parties, relating to, resulting from or arising out of all or any of the following:
 - (i) use of the Shared Electric Power and Shared Services by HEOSL;
 - (ii) any breach, or violation of the terms of this Agreement by HEOSL;
 - (iii) any injury or death occasioned to or suffered by any Person or any damage to property arising under this Agreement by reason of any act or failure to act (provided such act or failure to act is due to the Gross Negligence or Wilful Misconduct of HEOSL even if such Losses result from any act or omission, negligent or otherwise, of HEOSL.
- 11.4 SPDC shall be responsible for and shall save, indemnify, defend and hold harmless HEOSL from and against any claims, losses, damages, costs (including legal costs), expenses and liabilities of whatsoever nature and howsoever caused in respect of:
 - (a) loss of or damage to SPDC's property; and
 - (b) personal injury including death or disease to any person employed by SPDC or SPDC's agents or contractors arising from or relating to the performance of the Agreement.

Except where caused by the Gross Negligence or Wilful misconduct of HEOSL.
- 11.5 No Party shall be liable to the other for any Consequential Loss suffered by such Party and each Party shall save, indemnify, defend and hold harmless the other Party from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of Consequential Loss, that may be suffered or incurred by such Party arising from or relating to the performance of this Agreement. Except where caused by the Gross Negligence of SPDC or HEOSL as the case may be, or Willful Misconduct of either Party as the case may be; and
- 11.5 Neither Party excludes or limits its liability for fraud or any other liability to the extent that the same may not be excluded or limited as a matter of law by or on behalf of such Party.

ARTICLE 12 INSURANCE

- 12.1 Without in any way limiting the liability of HEOSL under this Agreement, HEOSL shall obtain and maintain, at its sole cost during this Agreement, Workers' Compensation insurance or employer's liability insurance on an occurrence basis covering HEOSL's employees. HEOSL shall also maintain adequate insurance covering the FRM LACT Unit.
- 12.2 HEOSL shall ensure that each policy referred to above shall be endorsed to the effect that all rights of subrogation against SPDC its Affiliates and SPDC JV parties are waived.

ARTICLE 12 CONFIDENTIALITY

- 12.1 Each Party shall treat and keep Confidential Information in strict confidence, and shall not transmit, reveal, disclose or otherwise communicate Confidential Information in whole or in part to any Third Party without the prior written approval of the other Party, except as otherwise provided herein. A Party may, without obtaining prior written approval of the other Party, disclose Confidential Information:
- (i) to a Party's Affiliates or its Affiliates' directors, officers or employees but only to the extent reasonably required for the performance of this Agreement by that Party.
 - (ii) to the extent required by applicable laws, permits or by regulations of any government or governmental agency or as may be lawfully requested by such agencies or entities;
 - (iii) to the extent required by the rules of any recognized stock exchange or the Securities and Exchange Commission of the Federal Republic of Nigeria or other securities and/or exchange entity having jurisdiction over the disclosing Party or its Affiliates or any shareholder of such Party, in compliance with such entity's rules and regulations;
 - (iv) to the extent required by an order of a court of competent jurisdiction or to an arbitrator solely for the purpose of determining a dispute or matter under or pursuant to the terms of this Agreement;
 - (v) to the extent that the Confidential Information is already or becomes lawfully in the public domain or for any reason ceases to be confidential otherwise other than as a result of a failure of or breach by the disclosing Party;
 - (vi) to the extent that the Confidential Information is properly and reasonably required by any professional adviser, consultant, expert, contractor or subcontractor employed or retained by that Party or its Affiliates;

Provided that the disclosing Party shall, where practicable, give prior written Notice to the other Party before divulging Confidential Information under paragraphs (i), (ii) or (iii).

- 12.2 Where disclosure of Confidential Information as permitted by this Article 12 is made, appropriate safeguards shall, as far as practicable, be made by the disclosing Party as a prerequisite to such disclosure to prevent the person to whom Confidential Information is disclosed from making any further disclosure of such information without the prior written approval of the Parties; and, in particular, it shall be a condition of such disclosure to any person under sub-Article 12.1 (i) above that the disclosing Party shall obtain an undertaking from such person to be bound by confidentiality provisions at least as restrictive as those contained in this Article 12.
- 12.3 The provisions of this Article 12 shall survive and continue to bind the Parties (including any of their Affiliates) and Confidential Information shall be treated as confidential in accordance with the terms and conditions of this Article 12 for a period of five (5) years after this Agreement has expired or is terminated.
- 12.4 Unless required by law, no Party may make a public announcement, communication or circular concerning this Agreement unless it has first obtained a written consent of the other Party. The foregoing restriction shall continue to apply for a period of two years following the termination of this Agreement.

ARTICLE 13 BUSINESS ETHICS AND CONFLICTS OF INTEREST

- 13.1 Each Party agrees and undertakes to the other Party that, in connection with this Agreement, it is knowledgeable about and will comply with all laws, regulations, rules and requirements relating to anti-bribery or anti-money laundering applicable to its performance of this Agreement.
- 13.2 Each Party warrants that it has not paid, nor has it undertaken to pay, and that it shall in the future not pay directly or indirectly, any bribe, pay-off, kickback or unlawful commission and that it has not in any other way or manner paid or promised to pay any sums, whether in Naira or foreign currency and whether in Nigeria or abroad, or in any other manner given or offered to give any commission, fee, rebate, gift or entertainment of significant cost or value in Nigeria or abroad to any public official (or immediate family member of such public official (meaning a spouse, dependent child or household member) (i.e. any person holding a legislative, administrative or judicial office, including any person exercising a public function for a public agency, a public enterprise or a public international organization), candidate for political office, person or company, or any person or entity acting for or on behalf of or in trust for such public official, candidate for political office, person or company, in connection with this Agreement, where such commission, fee, rebate, gift or other items of value would violate the applicable laws of Nigeria, United Kingdom Bribery Act of 2010 (as amended), the United States of America Foreign Corrupt Practices Act of 1977 (as amended) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997 and the other public and commercial anti-bribery laws that may apply (collectively referred to as “Anti-Bribery Laws and Obligations”). Breach of this Article 13 shall constitute a material breach of this Agreement and shall entitle the non-defaulting Party to terminate

the Agreement forthwith upon notice to the Party in breach. The Party in breach shall be liable for and indemnify the non-defaulting Party for all costs and expenses incurred by the non-defaulting Party as a result of the breach of this Article.

- 13.2 No director, employee or agent of SPDC shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement, or enter into any business arrangement with any director, employee or agent of HEOSL or any affiliate other than as a representative of HEOSL or its affiliate, without prior written notification to SPDC.
- 13.3 No director, employee or agent of HEOSL shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with this Agreement, or enter into any business arrangement with any director, employee or agent of SPDC or any affiliate other than as a representative of SPDC or its affiliate, without prior written notice thereof to HEOSL.
- 13.4 Each Party shall as soon as possible notify the other Party of any investigation or proceeding initiated by a governmental authority relating to an alleged violation of applicable anti money laundering and Anti-Bribery Laws and Obligations by such Party, or its Affiliates, or any of their directors, officers, employees, personnel, or any service providers of such Party or its Affiliates, concerning operations and activities under this Agreement. Such Party shall use reasonable efforts to keep the other Parties informed as to the progress and disposition of such investigation or proceeding, except that such Party shall not be obligated to disclose to the other Parties any information that would be considered legally privileged.
- 13.5 Each Party hereby indemnify and hold harmless the other Party for any losses, damages, liabilities, expenses, and actions of whatever kind and nature, including legal fees and expenses suffered by them as a result of the events underlying:
 - a) Such Party's admission of allegations made by a governmental authority concerning operations and/or activities under this Agreement that such Party or its Affiliates or their directors, officers, employees, and personnel have violated Anti-Bribery Laws and Obligations applicable to such Party; or
 - b) The final adjudication concerning operations and/or activities under this Agreement that such Party or its Affiliates or their directors, officers, employees, and personnel have violated Anti-Bribery Laws and Obligations applicable to such Party.
 - c) The indemnity obligations under Article 13.1 and 13.5 shall survive termination or expiration of this Agreement. However, the above indemnities shall not apply for the benefit of any Party having materially breached its warranty and/or covenant set out in this Article 13.
- 13.6 Each Party shall maintain for a period of seven (7) years after the end of the termination of the Agreement, all business records related to the Agreement, which shall include at a minimum all invoices for payment submitted in relation to the Agreement along with supporting documentation to assure compliance with the anti-bribery laws, regulations, rules and requirements. The other Party shall have the right to audit at their sole cost the records of the other Party for the limited purpose of ensuring compliance with the Anti-Bribery Laws and Obligations at any time during and within seven (7) years after termination of the Agreement. A Party may terminate this Agreement by providing thirty (30) days written notice to the other Party, if in its reasonable judgment supported by credible evidence, the other Party is in breach of any of the provisions of Article 13.

ARTICLE 14 FORCE MAJEURE

- 14.1 Neither Party shall be considered to be in default in the performance of its obligations under this Agreement to the extent that performance of any such obligations is delayed or hindered by Force Majeure except as herein expressly provided to the contrary.
- 14.2 Force Majeure shall mean:
- Any unforeseeable or prejudicial event or situation or set of circumstances beyond the control of either Party to this Agreement, including but not limited to floods, storms, earthquakes, invasion, , hostilities, revolution, uprising, tumults, insurrection, boycott, strikes, community disturbances, civil commotion, quarantine restrictions, epidemics, sabotage, riots, war (declared or undeclared), blockade, labour disturbances, strikes, blowouts, lightning and acts of or orders of Government or interference by a governmental agency or official and any similar or other circumstances, situations, events, positions which disrupt business or which prevent or hinder the performance of any of the obligations of such Party under this Agreement.
- 14.3 As soon as practicable after the occurrence of any event or condition which a Party claims to constitute Force Majeure, or as soon as practicable after determining that the occurrence was in the nature of Force Majeure and would affect the non-performing Party's ability to observe and perform any of its obligations under this Agreement, the non-performing Party shall give to the other Party detailed notice in writing to the effect that it is unable by reason of Force Majeure to perform the particular obligations. Such notices shall set out all available information pertaining to such Force Majeure, the relevant facts and consequences and a statement of the steps and period believed necessary to remedy the Force Majeure. The Party whose obligations have been suspended as aforesaid shall use reasonable endeavors to resume the performance of such obligations as soon as reasonably possible and shall notify the other Party accordingly.
- 14.4 Notwithstanding the foregoing provisions of Article 14.3, the terms of settlement of any strike, lockout or other industrial or labor disturbance shall be wholly at the discretion of the Party claiming to be affected by such Force Majeure conditions and such Party shall not be required to accede to the demands of its opponents in any such strike, lockout or other industrial or labor disturbance solely to remedy any resultant Force Majeure period. The affected Party shall continue to keep the other Party fully advised of the progress being made in its efforts to remedy any Force Majeure conditions.
- 14.5 Notwithstanding anything in Article 14.1 (and without prejudice to the generality thereof), the following events or circumstances shall not be treated either as Force Majeure or caused thereby:
- i) failure by a Party to give notice required by this Agreement unless such failure was itself due to Force Majeure affecting all means of serving notices in accordance with Article 16
 - ii) Failure by any PARTY to pay any sums due under this Agreement
- 14.6. The Parties shall consult together with a view to determining mutually acceptable measures to overcome the Force Majeure event and the difficulties arising therefrom. If, however, normal operations are prevented for a continuous period of more than three (3) months, either Party may suspend its other obligations under this Agreement and may thereafter elect to terminate the Agreement if the suspension is not lifted and normal operations resumed.

ARTICLE 15 TERM AND TERMINATION

- 15.1 This Agreement shall remain in force for a period of five (5) years from the Effective Date unless otherwise earlier terminated as set out below.

- 15.2 Either Party shall have the right to terminate this Agreement:
- a) by giving the other Party at least three (3) months prior notice to that effect in writing.
 - b) in the event that the other Party makes an assignment for the benefit of the creditors, or becomes bankrupt or insolvent, or is petitioned into bankruptcy, or takes advantage of any state, federal or foreign bankruptcy or insolvent act, or if a receiver or manager is appointed for all or substantial amount of its property and business and such receiver or manager remains undischarged for a period of thirty (30) days;
 - c) in the event that the other Party has its corporate existence terminated by voluntary or involuntary dissolution;
 - d) in the event that the other Party defaults in the performance of any of its covenants or obligations contained in this Agreement and such default is not remedied to the non-defaulting Party's reasonable satisfaction within thirty (30) days after notice to the defaulting Party of such default, or if the defaulting Party has not promptly commenced to rectify the default within a period of thirty (30) days or is not proceeding diligently to rectify the default;
 - e) by reason of Force Majeure as provided in Article 14.6 or as a result of a breach of Article 13.
- 15.3 SPDC shall be entitled terminate this Agreement or cease to grant HEOSL access to a particular Shared Service under this Agreement or the Shared Electric Power by giving HEOSL three (3) months' Notice to that effect.
- 15.4 Unless otherwise agreed between the Parties, HEOSL shall upon termination of this Agreement immediately discontinue the use of and access to the Shared Service(s) and the Shared Electric Power.
- 15.5 Without prejudice to any other provisions of this Agreement, the termination of this Agreement shall except as specifically stated in this Agreement, not prejudice any obligations, rights or remedies accruing before, at or in consequence of its termination.

ARTICLE 16. NOTICES

- 16.1 Any communication under this Agreement shall, unless otherwise provided herein, be sufficiently made if delivered by hand, prepaid courier or electronic or regular mail to be confirmed by a letter, at the addresses hereinafter specified and shall, unless otherwise provided therein, be deemed to be made on the day of delivery by hand, five (5) days after dispatch in the case of prepaid courier or regular mail. Unless otherwise specified by prior notice in writing by the Party to receive a notice, the addresses to which communications shall be sent to shall be;

SPDC	HEOSL Attention: No. 98 Awolowo Road, South-West Ikoyi, Lagos, Nigeria
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ARTICLE 17. INCIDENT REPORTS

- 17.1 In the event of any accident, safety, environmental or other incident which requires to be reported to any regulatory authority arising out of, or relating, the Shared Services, SPDC shall ensure, that HEOSL is promptly furnished with a copy of the incident report.

ARTICLE 18. TAXES

- 18.1 All sums payable under or pursuant to this Agreement are exclusive of VAT (if any). Accordingly, where any Shared Services requires the payment of VAT, HEOSL shall, in addition to any reimbursement required for that Shared Services, reimburse such VAT.

ARTICLE 19 GOVERNING LAW AND DISPUTE RESOLUTION

- 19.1 This AGREEMENT and all matters arising from or connected with it shall be governed by and construed in accordance with Nigerian Law.
- 19.2 In the event of any dispute, controversy or claim arising out of, or in connection with, this Agreement including any question regarding its existence, validity, interpretation, breach or termination; the Parties' Authorised Representatives shall meet to discuss the matter in dispute and make all reasonable efforts to reach an agreement;
- 19.3 If no agreement is reached within forty-five (45) days of the first meeting of the Authorised Representatives of the Parties, the dispute shall be referred to the Managing Directors of SPDC and HEOSL.
- 19.4 In the event that the Managing Directors of both Parties cannot resolve the dispute within sixty (60) days of the reference of the dispute to them, then either Party may serve on the other Party a demand for arbitration. The provisions of the Arbitration and Conciliation Act Cap A18 Laws of the Federation of Nigeria, 2004 shall apply.

- 19.5 Within thirty (30) days of service of the notice of arbitration, the Parties shall each appoint an independent arbitrator. The arbitrators shall each have not less than twenty years' experience in the oil and gas industry.
- 19.6 If either the claimant or the respondent fails to appoint an arbitrator within the stipulated period, then the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch), shall appoint an arbitrator for such claimant or respondent on the application of the other Party (advance notice of the intention to apply having been given in writing by the applicant Party to the other Party).
- 19.7 The arbitrators appointed pursuant to Clause 19.5 or Clause 19.6 shall appoint the presiding arbitrator within thirty (30) days after they are appointed. If the Party appointed arbitrators fail to appoint the presiding arbitrator within the time stipulated, then the presiding arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of either Party (advance notice of the intention to apply having been given in writing by the applicant Party to the other Party).
- 19.8 When an arbitrator refuses or neglects to act, or is incapable of acting or dies, a new arbitrator shall be appointed in his place and the above provisions of appointing an arbitrator shall, mutatis mutandis, govern the appointment of any such new arbitrator.
- 19.9 The arbitration rules, procedures, and decisions shall be binding upon the Parties. The award shall be delivered within three (3) months after the appointment of the presiding arbitrator or within such extended period, as may be agreed upon by the arbitrators. Each Party shall bear its own share of the cost of the arbitration. The venue of the arbitration shall be Lagos, Nigeria, and the applicable law shall be the laws of the Federal Republic of Nigeria.

ARTICLE 20 GENERAL LEGAL PROVISIONS

20.1 Relationship of the Parties

No provision of this Agreement shall create a partnership between the Parties or make a Party the agent of the other Party for any purpose. A Party has no authority to bind, to contract in the name of, or create a liability for the other Party in any way or for any purpose. Nothing herein contained in respect of the Shared Services or Shared Electric Power shall be construed as creating a partnership of any kind, any association, or a trust, or as imposing upon any or all Parties any partnership duty, obligation, or liability, and each Party shall be responsible only for its individual obligations and liabilities as herein provided.

20.2 Costs

20.2.1 Except as otherwise provided in this Agreement, each Party shall bear its own costs arising out of or in connection with the preparation, negotiation and implementation of this Agreement and all other documents referred therein.

20.2.2 Each Party shall (at its cost) do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement.

20.3 Amendments

This Agreement may not be amended or modified orally and no amendment or modification shall be effective unless it is in writing and signed by the Parties.

20.4 Waiver

20.4.1 Except as otherwise provided in this Agreement, no delay or omission by any Party in exercising any right, power or remedy provided by law or under this Agreement shall affect its right, power or remedy or operate as a waiver of it.

20.4.2 No waiver by a Party of the enforcement of any provisions of this Agreement shall take effect or shall be binding unless it is in writing and signed by the Authorized Representatives of the Party giving the waiver. Furthermore, any such waiver shall relate only to such matter, non-compliance or breach to which it expressly relates and shall not apply to any subsequent other matter, non-compliance or breach.

20.4.3 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

20.5 Entire Agreement

This Agreement constitutes the entire Agreement between the Parties in relation to the issues contained herein and supersedes all prior negotiations, representations or agreements related to the subject matter hereof, either written or oral.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed the day and year first above written.

Signed for and on behalf of

The Shell Petroleum Development Company of Nigeria Limited:

Signature:.....

Name:.....

Designation:.....

Witnessed by:

Signature:

Name:.....

Designation:.....

Signed for and on behalf of

HERITAGE ENERGY OPERATIONAL SERVICES LIMITED:

Signature:.....

Name:.....

Designation :.....

Witnessed by:

Signature:

Name:.....

Designation:.....

Appendix 1

1. Shared Electric Power

- 1.1 SPDC shall grant HEOSL access to the Shared Electric Power at a nominal voltage of 400/ 120 volts and at a nominal frequency of 50Hz. The approved load shall be 80 Kw. HEOSL shall ensure that all its electrical installations are compliant with all relevant codes, standards, and Applicable Laws.
- 1.2 HEOSL shall apply prudent electrical practice and prudent utility practice and in all undertakings and activities with respect to this Agreement.
- 1.3 SPDC Electrical personnel shall have unrestricted access to inspect the power utility facilities on the LACT Unit when necessary; However, the boundary limit for HEOSL's electrical personnel shall remain the incomer switchgear on the LACT SKID; the SPDC end of the electrical supply network shall be operated under SPDC's Electrical Safety Rules (ESR) and Electrical Safety Operational Procedures (ESOP).

2 Shared Field Logistics Base (FLB)

- 2.1 SPDC shall grant HEOSL, access to the shared FLB catering and laundry services to be utilized by HEOSL's personnel or representatives on duty and resident at SPDC's Northbank FLB for the purpose of operating the FRM LACT Unit
- 2.2 The maximum number of HEOSL personnel or representatives to be catered for at the Northbank FLB shall be Six (6) at every point in time. If HEOSL wishes to exceed this maximum for any reason, it shall send a request to SPDC in writing and subject to availability, SPDC may accept or decline as the case may be.
- 2.3 Without prejudice to any other provisions of this Agreement, SPDC shall give HEOSL three (3) months advance notice if SPDC wishes to change or close down the stated location of the Northbank FLB.

3 Shared Helicopter Flight Services

- 3.1 HEOSL's personnel and authorized representatives operating or visiting the FRM LACT Unit shall be provided with access to the shared helicopter and the helicopter operator shall convey such personnel to and from the FLB as required.
- 3.2 HEOSL shall ensure that its personnel and authorized representatives to be conveyed in the helicopter shall comply with all relevant rules, regulations, permits and certifications applicable to SPDC's helicopter passengers.
- 3.3 HEOSL shall by a way of written manifest advise SPDC of the names of its representatives intended to be provided with helicopter flight services seven (7) days before their travel date. SPDC shall confirm availability of Helicopter services to HEOSL within three (3) days of receipt of HEOSL's request for helicopter services for HEOSL's representatives.

4 Shared Vehicle Transportation Services

- 4.1 SPDC shall instruct the contractor providing the vehicle transportation services to convey HEOSL's personnel operating the FRM LACT Unit daily to and from the LACT UNIT.
- 4.2 The maximum number of HEOSL personnel to be conveyed shall be Six (6).

5 Grant of access to other services provided by SPDC's contractors/vendors

- 5.1 SPDC will use reasonable endeavors to grant HEOSL access to other services provided by its contractors which are not listed in clause 3.1 for the purpose of the smooth and efficient operations of the FRM LACT Unit.
- 5.2 When HEOSL requires access to such services referred to in Clause 5.1, above, HEOSL shall forward its request to SPDC in writing. Upon receipt of HEOSL's request, SPDC shall evaluate the request and communicate if it has a contractor/vendor providing such service and if it is able or in a position to share or grant HEOSL access to such service. If SPDC is in a position to share such service, it shall provide HEOSL with the costs of such services as communicated by the contractor/vendor and

Parties shall agree in writing the terms of sharing the service as well as service costs reimbursement by HEOSL.

Appendix 2

Shared Electric Power Costs

1. SPDC shall advise HEOSL of its share of the costs for the Shared Electric Power and HEOSL shall remit to SPDC quarterly its share of the Shared Electric Power Costs. The computation of NDPC's share of cost shall be based on Table A below.
2. SPDC and HEOSL shall carry out quarterly cost reconciliation.

Table A

Shared Services Cost

Shared Helicopter Flight Services	Naira	USD
Return Flight Osubi to Northbank per Passenger (Return trip)	126,000.00	600.00

Shared Northbank Field Logistic Base Catering Services		
Feeding	Naira	USD

Breakfast @ N1,016.60	1,016.60	0.00
Lunch @ N1,472.58	1,472.58	0.00
Dinner @ N1,472.58	1,472.58	0.00
Total per day	3,961.76	0.00

Shared Vehicle Transportation Services and Government Security Agency Logistics Services Support	Naira	USD
Civilian Transportation (Hiace bus) per day	19,828.61	0.00
Escort Pickup Van (Hilux) per day	15,000.00	0.00
Daily Feeding for 8 JTF @ N3,450 each	27,600.00	0.00
Allowance for 8 armed men @ N2,000 each	16,000.00	0.00

ESTIMATED COST OF POWER GENERATION AT FORCADOS NORTHBANK LACT UNIT ESTIMATED COST N21/kWh (\$0.07 X N305.00) Total power generated from 1212kVA gen set=970kW Estimated NPDC consumption=80kW Cost sharing ratio(NPDC: SPDC)=80:890= 1:11.125= 0.0899				
S/N	COST COMPONENT	TOTAL COST	12 Months F\$	Basis
1	Apportioned average cost of Gas Generator: Model G3516, 1212kVA Gas powered generator (@ sharing factor of 0.13)	654,991.93	5,888.38	Vendor quote for caterpillar model Number G3516LE - \$654,991.93 Gas powered generators in SPDC are depreciated over a 10 year period (Fixed Asset Team) depreciation factor=0.1
2	Fuel Gas Consumption	49,330.00	4,434.77	Annual fuel gas consumption of the Gen set is 55,875m3/year. That is 19.73MMscf/year. With a benchmark cost of gas to power of \$2.5/Mscf
3	Operations & PM - 1212kVA Set (@ sharing factor of 0.0899)	124,000.00	11,147.60	Curent Operations and Preventive Maintenance cost for - 1212kVA Gen Set = N37,820,000/year (Reference contract - NG01021799)
4	CM - 1212kVA Set (@ a sharing factor of 0.0899)	198,162.00	17,814.76	Average cost of corrective maintenance on unit CM - 1212kVA Gen set: N60,439,410/year (Bulk of the cost is for spares procurement, referencing cost spent on CM for a similar Gas Generator in SPDC operation)
5	Overheads	102,648.39	9,228.09	Estimataed at 10% of Direct Cost ; covers attributable office, admin, security and all other indirect overheads
	TOTAL	1,129,132.32	48,513.60	
	KW Generated	8,497,200	700,800	80KW; 100% Load Factor & 24hrs day
	\$/kWh		\$0.07	
	₦/kWh		₦ 21.11	

Appendix 3

Northbank High Voltage Transmission System Upgrade For NPDC FRM LACT Unit

MATERIAL COST								
S/No	MATERIAL DESCRIPTION	UNIT	QUANTITY	UNIT COST IN NGN	UNIT COST IN US\$	GROSS IN NGN	GROSS IN US\$	GROSS IN F\$
1	Provide and Install 1PC 250kVA 11kV/415V Customised Stepdown Transformer (COPPER WINDING)- SPDC DEP specification	EA	1	-	10,500.00	-	10,500.00	10,500.00
2	Silica gel	PK	2	2,612.43	-	5,224.85	-	16.60
3	1CX150MM2 BARE CONDUCTOR ACSR (3Runs)	M	4500	4,550.00	-	20,475,000.00	-	65,051.63
4	120mm 4core armour under ground cable(Thermal and water resistan	M	5	35,865.76	-	179,328.81	-	569.75
5	ABB 630A, 50KVA Moulded case circuitbreaker	EA	4	-	2,500.00	-	10,000.00	10,000.00
6	ABB 400A 50KVA Moulded case circuitbreaker	EA	3	-	2,000.00	-	6,000.00	6,000.00
7	50mm 3core XLPE cable(11kV)	M	50	-	66.67	-	3,333.50	3,333.50
8	4 core, 1x70 0sqmm armoured	M	10	20,984.38	-	209,843.83	-	666.70
9	POT isolators	EA	5	5,508.13	-	27,540.63	-	87.50
10	Binding wires	Rol	4	10,500.00	-	42,000.00	-	133.44
11	Guy wire/stay	EA	10	11,016.25	-	110,162.50	-	350.00
12	Low voltage feeder pillar	EA	1	70,000.00	283.36	70,000.00	283.36	505.76
13	Watt Meter	PC	1	80,890.75	-	80,890.75	-	257.00
14	1 x 70mm2 PVC/SWA/PVC	M	10	6,993.75	-	69,937.45	-	222.20
15	D-FUSE SET	PC	10	1,731.13	-	17,311.25	-	55.00
16	DISC	PC	8	3,147.50	-	25,180.00	-	80.00
17	Special TERMINATING KIT FOR XLPE CABLE	set	1	-	283.36	-	283.36	283.36
18	240mm Cable Lugs	EA	8	1,447.85	-	11,582.80	-	36.80
19	400mm Cable Lugs	EA	8	5,246.88	-	41,975.06	-	133.36
20	Line Tap	EA	8	5,246.88	-	41,975.06	-	133.36
21	Cable Ties	EA	10	1,353.43	-	13,534.25	-	43.00
22	Bolts & Nuts	lot	1	25,000.00	-	25,000.00	-	79.43
23	Scaffold	day	8	20,000.00	-	160,000.00	-	508.34
24	Cable shroud	EA	5	-	7.54	-	37.70	37.70
25	Cable gland greater than 80mm2 cable	EA	10	-	213.25	-	2,132.50	2,132.50
Total Material Cost Estimate						21,606,487.23	32,570.42	101,216.92
INSTALATION COST								
S/No	SERVICES	UNIT	NO OF DAYS	RATE IN NGN	RATE IN US\$	GROSS IN NGN	GROSS IN US\$	GROSS IN F\$
1	Electrical Engineer	EA	40	24,680.00		987,200.00	-	3,136.46
2	Electrical Technician	EA	40	20,000.00		800,000.00	-	2,541.70
3	Civil Engineer	EA	40	24,680.00		987,200.00	-	3,136.46
4	Helpers	EA	40	5,000.00		200,000.00	-	635.42
5	HSE officer	EA	40	20,400.00		816,000.00	-	2,592.53
6	HSSE and SP(FTO, Comm workers, PPE, fire estiguisher, first aid)		1	600,000.00		600,000.00	-	1,906.27
7	IHIPO and IR TEST(Special electrical measuring tools)	Lot	1		6,452.00	-	6,452.00	6,452.00
8	Ramp Barge		4	42,579.00	396.00	170,316.00	1,584.00	2,125.12
9	Tug boat		4	91,932.00	855	367,728.00	3,420.00	4,588.32
10	Mobile Crane		2	280,000.00		560,000.00		1,779.19
12	Self Loader - 5 Tons	EA	4	28,200.00		112,800.00	-	358.38
13	RT CRANE 30 - 50 Tons	EA	4	188,000.00		752,000.00	-	2,389.20
14	Welding Machine	EA	4	20,000.00		80,000.00	-	254.17
15	Concrete Mixer	EA	5	30,000.00		150,000.00	-	476.57
Total Instalation Cost Estimate						6,583,244.00	11,456.00	32,371.79
Total Materials and Instalation Cost (NGN)				28,189,731.23				
Total Materials and Instalation Cost (US\$)				44,026.42				
Total Materials and Instalation Cost (F\$)				133,588.71				

Appendix 4

SHELL COMMITMENT AND POLICY ON HEALTH, SECURITY, SAFETY, THE ENVIRONMENT AND SOCIAL PERFORMANCE

COMMITMENT

In Shell we are all committed to:

- Pursue the goal of no harm to people;
- Protect the environment;
- Use material and energy efficiently to provide our products and services;
- Respect our neighbours and contribute to the societies in which we operate;
- Develop energy resources, products and services consistent with these aims;
- Publicly report on our performance;
- Play a leading role in promoting best practice in our industries;
- Manage HSSE & SP matters as any other critical business activity; and
- Promote a culture in which all Shell employees share this commitment.

In this way we aim to have an HSSE & SP performance we can be proud of, to earn the confidence of customers, shareholders and society at large, to be a good neighbour and to contribute to sustainable development.

POLICY

Every Shell Company:

- Has a systematic approach to HSSE & SP management designed to ensure compliance with the law and to achieve continuous performance improvement;
- Sets targets for improvement and measures, appraises and reports performance;
- Requires contractors to manage HSSE & SP in line with this policy;
- Requires joint ventures under its operational control to apply this policy, and uses its influence to promote it in its other ventures;
- Engages effectively with neighbours and impacted communities; and
- Includes HSSE & SP performance in the appraisal of staff and rewards accordingly.



Ben van Beurden
Chief Executive Officer

Originally published in March 1997 and updated by the executive committee December 2009.

General Disclaimer: The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this Policy the expression "Shell" is sometimes used for convenience when references are made to companies within the Shell group or to the group in general. Likewise, the words "we", "us" and "our" are also used to refer to Shell companies in general or those who work for them. These expressions are also used where no useful purpose is served by identifying specific companies.



Initialled for SHIPPER

Initialled for TERMINAL OPERATOR

Appendix 5

LIFE SAVING RULES



Note: Commuting, alcohol in social settings and smoking in office environments are out of scope

Initialed for SHIPPER	Initialed for TERMINAL OPERATOR