

Certificate No. RC



ALF

EX-1234

# THE FEDERAL REPUBLIC OF NIGERIA

COMPANIES AND ALLIED MATTERS DECREE, 1990

COMPANY LIMITED BY SHARES

MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION

CORPORATE AFFAIRS COMMISSION  
APPROVED BY  
30 JUNE 1998  
SIGN

CANADIAN PETROLEUM NIGERIA LIMITED

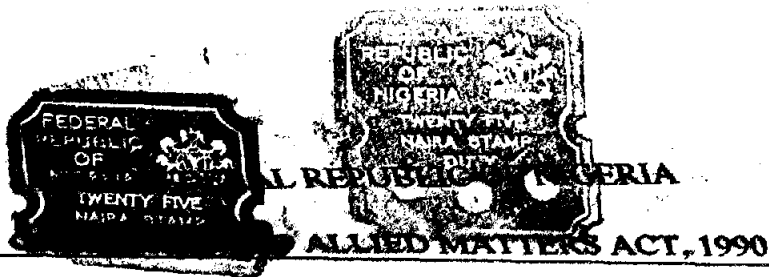
Incorporated this 11th day of March, 1998.

Certified True Copy  
Sign  
Companies Incorp. Officer  
Corporate Affairs Commission

Prepared by

D. AKINRELE & CO.  
188, Awolowo Road,  
S. W. Ikoyi,  
Lagos.

59500 60628



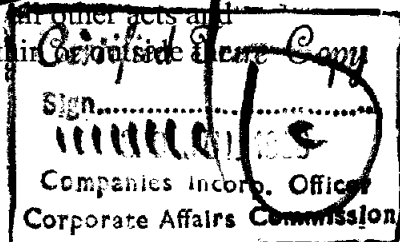
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

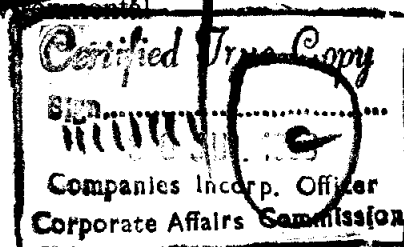
OF

CANADIAN PETROLEUM NIGERIA LIMITED

1. The name of the Company is **CANADIAN PETROLEUM NIGERIA LIMITED**.
2. The registered office of the Company will be in Nigeria.
3. The objects for which the Company is established are:
  - (a) To explore, prospect and survey by geophysical, geological, geo-chemical, electric, mechanical, and other means and to drill, bore and mine with a view to the discovery, location, extraction and working in or upon the earth or under the seas, of crude oil, natural gas, ozokerite, petroleum, asphaltum, bitumen, bituminous rock and all other mineral and hydrocarbon substances and sub-surface materials, deposits and formations.
  - (b) To explore, develop, produce, sell, trade in and transport hydrocarbons and other minerals and to participate in, to finance, or in any other way to take an interest in, to act as consultant of and to manage and administer other business enterprises to acquire and exploit exploratory licences, and to do any and every act or thing, proper, necessary, and incidental to the general purpose of this Company.
  - (c) To acquire the right through licences and leases, to avail itself of petroleum substances, such as crude oil, natural gas, ozokerite, etc. and to prospect, drill, pump, store, refine, distribute and sell the aforesaid petroleum substances and refined petroleum and petrochemical products.
  - (d) To buy, acquire, sell, retain, deal in, or otherwise dispose of absolutely or contingently, petroleum and/or gas properties and interests (whether like or different) and any rights, title, or interest therein, and to act as trustee for holders of oil lands in the receiving and disbursement of funds to be used in drilling for the common benefit of the landholders; and to do all other acts and things required to be done in connection therewith, either within or outside the Federal Republic of Nigeria.

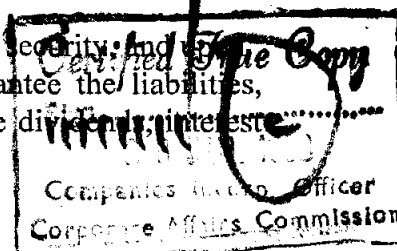


- (e) To purchase, sell and own royalties, in oil and gas lands and leases; to pay mortgage, notes, taxes assessments, and other charges that are or may become ~~a lien or charge against any lands or leases in which the Company may have a~~ royalty interest.
- (f) To act as consultants in oil and gas related matters, to provide energy and general petroleum services, oil and water well drilling, mud and reservoir engineering, oil and gas pipelines construction and maintenance, access road construction and maintenance.
- (g) To provide logistical, management, co-ordination and support services to companies engaged in the business of petroleum prospecting, exploration, development, production and marketing and to render advice on new ventures, business development and strategic planning to the aforesaid companies.
- (h) To drill for water and improve service waters and to establish systems for supply of water for petroleum operations and for consumption by its employees; to get and use such quantities of gravel, sand, lime, gypsum, stone, clay and the like materials as may be reasonably necessary for the conduct of petroleum and petrochemical operations.
- (i) To act as a support service company in the oil industry and to perform all manner of support services relating to petroleum prospecting, exploration, development, production and marketing, such services to include but not be limited to drilling, directional drilling, production, logging, seismic downhole data acquisition and processing, construction, installation and maintenance of oil rigs, oil platforms, refineries, oil and gas pipelines and all other services in connection with oil, gas, water and geo-thermal wells.
- (j) To erect, maintain and operate buildings, machinery, furnaces, compression and/or pumping stations, processing plants, refineries, petro-chemical plants, field roads and all constructions, installations and works necessary for conduct of petroleum and petro-chemical operations.
- (k) To build, maintain and operate roads, railways, tramways, pipelines, or other means of transport for the conveyance of petroleum and petroleum product within the licence and lease areas and from the licence and lease area to such other places as is deemed necessary for the diligent conduct of the business.
- (l) To carry on the business of distribution, sale, supply and marketing of petroleum and allied products, either directly or as representatives and agents for crude oil and petroleum products sales both locally and internationally and to act as agents for refiners.
- (m) To carry on services relating to oil pollution and spillage



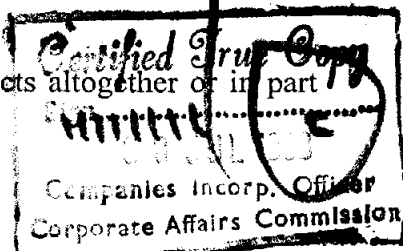
controls, oil field equipment, haulage services, crude oil transportation and haulage services, crude oil tanks calibration, clearing and maintenance services.

- (n) To import, export, own, hold, deal generally in, dispose of and encumber all manner of oil and allied industries related equipment specifically, but not exhaustively, including the following: gauges, pressure and flow equipment and devices, oil and gas derricks, cranes, drilling plants and machinery, appliances, equipment gaskets, piping, tools, apparatus, devices, fixtures and supplies, pump stations, tanks and tank farms, refineries pipelines and absorption plants and compressors, and to provide all services connected to or with these and other similar equipment, and all services used in connection with the oil and gas industry or its similar and inter-dependent lines of business and to act as broker or agent for others in all of the above areas.
- (o) To buy, otherwise acquire, sell, and otherwise dispose of any and all real estate and personal property for use in the business of the Company; to construct any and all buildings, pipelines, pumping stations, and storage tanks, and any and all other buildings required in carrying on the business of the Company.
- (p) To sell, let, lease, mortgage or otherwise dispose of the lands, houses, buildings and other property in its possession or ownership and to acquire by purchase, exchange or otherwise any such properties whether in possession or in reversion, whether vested or contingent, and whether subject or not to any charges or encumbrances.
- (q) To acquire copyrights, licences and privileges of any sort likely to be conducive to the objects of the Company, and to distribute and deal with such printed matter as the Company may think fit, and to grant licences or rights in respect of any property of the Company to any other person or persons, firm or company.
- (r) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (s) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with such rights, powers and privileges as may be thought fit, debentures or debenture stock either permanent or redeemable or repayable and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (t) To make advances to customers and others with or without security, and on such terms as the Company may approve, and to guarantee the liabilities, obligations and contracts of customers and others and the dividends, interest



and capital of the shares, stocks or securities of any company in which it is a member or is otherwise interested.

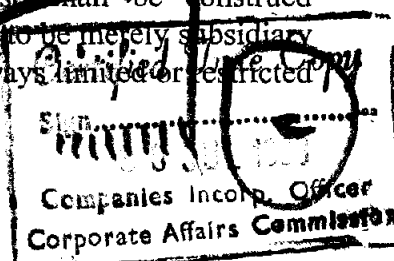
- (u) To purchase or otherwise acquire houses, offices, workshops, buildings and premises and any fixed and movable machinery, tools, engines, boilers, plants, implements, patterns, stock-in-trade, patent and patent rights, convenient to be used in or about the trade or business of engineers, founders, smiths or machinists.
- (v) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- (w) To invest and deal with the moneys of the Company not immediately required for the purpose of the business of the Company in or upon such investments and in such manner as may from time to time be determined.
- (x) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by a mortgage, charge or lien upon the whole or any part of the Company's property or assets, (whether present or future) including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
- (y) To enter into any arrangement with any government or authority, Federal, State, Local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any government or authority any rights, privileges and concessions which the Company may think desirable.
- (z) To obtain any provisional order or Act of the legislature for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (aa) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal, with all or any part of the property and rights of the Company.
- (ab) To distribute in specie by way of dividend or otherwise, among the shareholders, customers or employees of the Company, any shares or securities belonging to the Company or any property or assets of the Company.
- (ac) To amalgamate with any other company having objects altogether or in part similar to those of the Company.



- (ad) To invest the capital of the Company, accretions to capital and the income of the Company or such part thereof as the Board of Directors of the Company ~~and from time to time, in real estate, bonds, stocks, shares or securities~~ otherwise and to invest the proceeds of any sale or sales in other investment of like nature.
- (ae) To acquire any such investments as aforesaid by purchase, original subscription, tender, participation in syndicates or otherwise, whether or not fully paid up, and to make payments therefor as called up or in advance of calls or otherwise, and to underwrite subscriptions for the same, conditionally or otherwise.
- (af) To advance money and to guarantee any obligations and contracts of or otherwise assist and aid in any way, any company or corporation any of whose shares, stocks, debentures, debenture stocks, bonds, obligations or other securities are held by the Company.
- (ag) To adopt such means of making known the products and business of the Company as may seem expedient, and in particular by advertising in the press, over the radio, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (ah) To carry out all or any part of the foregoing objects and purposes as principal, agent or otherwise, either alone or in association with any other persons, firms, associations, companies or corporations, and in any part of the world, or to such extent as a corporation or company organised or registered under the provisions of the Companies and Allied Matters Act, 1990 or any Laws of Nigeria or any statutory modification thereof for the time being in force may now or hereafter lawfully do, as a member of or as the owner or holder of any stock of or shares of, or interest in any venture, trust or syndicate, and to a like extent, in connection therewith to make, enter into and perform such contracts or deeds with any companies, corporations, associations, partnerships, firms, joint ventures, trusts, syndicates or governments or sub-divisions or agencies thereof, and to do such acts and things and to exercise such powers as a natural person could lawfully make, enter into, perform, do or exercise.

**AND IT IS HEREBY DECLARED THAT** the word "Company" in this clause when applied to this company shall be deemed to include any partnership or other body of persons, political, mercantile or otherwise, whether incorporated or not and whether existing or hereafter to be formed.

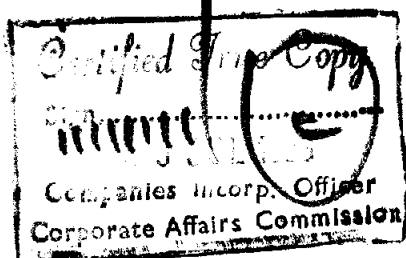
It is further declared that each sub-clause of this clause shall be construed independently of the other sub-clause and shall not be deemed to be merely subsidiary to the objects mentioned in any other sub-clause or be in any ways limited or restricted.



by reference to or inference from the terms of any other sub-clause or by the name of  
the Company.

5. The liability of the members is limited by shares.

6. The share capital of the Company is ₦10,000,000 (Ten Million Naira)  
divided into 10,000,000 (Ten Million) Ordinary Shares of ₦1.00 (One Naira)  
each.



We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set

Names, addresses and descriptions of subscribers	Number of shares taken by each subscriber	Signatures
<p>Canadian Petroleum West Africa Holdings Limited  2nd Floor, Sir Walter Raleigh House,  48-50 The Esplanade,  St. Helier, Jersey, JE2 3QB  Channel Islands  British Isles.</p> <p>(Limited Liability Company)</p>	9,999,999	<i>Gary Guidry</i>
<p>FOAC Nominees Limited  188, Awolowo Road,  South-West Ikoyi,  Lagos.</p> <p>(Limited Liability Company)</p>	1	<i>Ademola Akinrele</i>

Dated this 1<sup>st</sup> day of JULY 19 98

Signed on behalf of Canadian Petroleum West Africa Holdings Limited

By:

Name: Gary Guidry

Designation: Director

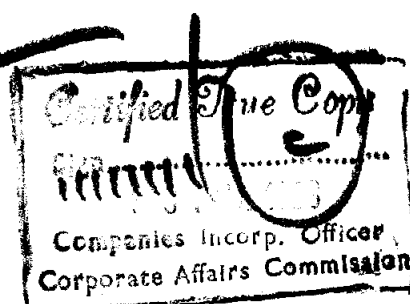
Signed on behalf of FOAC Nominees Limited

By:

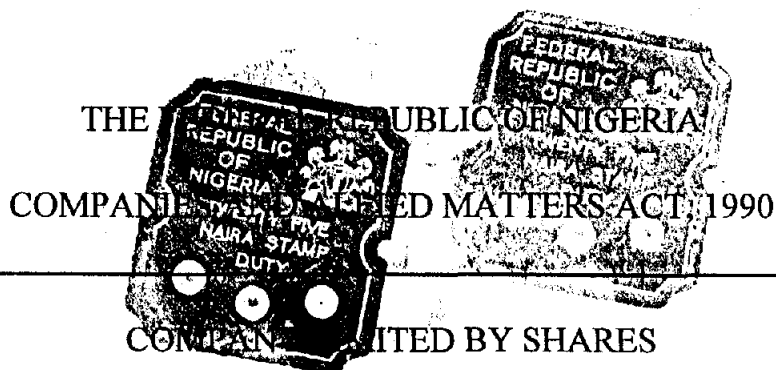
Name: ADEMOLA AKINRELE

Designation: Managing Director

*[Handwritten signature]*  
DO NOT WRITE IN THESE SPACES  
THIS DOCUMENT HAS BEEN  
RECORDED  
IN THE OFFICE OF THE  
COMPANIES INCORPORATION  
COMMISSIONER  
Lagos







## ARTICLES OF ASSOCIATION

OF

### CANADIAN PETROLEUM RESOURCES NIGERIA LIMITED

#### TABLE "A" OF THE COMPANIES AND ALLIED MATTERS ACT

1. Subject as hereinafter provided and except where the same are repeated or contained in these Articles of Association, the regulations contained in Table A in the first schedule to the Companies and Allied Matters Act (hereinafter called "Table A") shall not apply to this company.

#### INTERPRETATION

2. In these Articles, unless the context otherwise requires:

##### Words

##### Meanings

"The Articles"

means these Articles of Association or as from time to time altered by Special Resolution.

"The Companies Act"

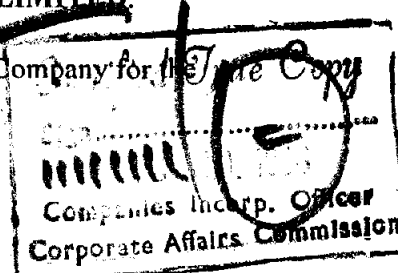
means the Companies and Allied Matters Act, 1990 or any statutory re-enactment or modification thereof for the time being in force and reference to any section or provision of the Companies and Allied Matters Act shall include a reference to any statutory re-enactment or modification of such section or provision for the time being in force.

"The Company"

means CANADIAN PETROLEUM RESOURCES NIGERIA LIMITED.

"The Directors"

means the Directors of the Company for the time being.



"Bankrupt"	includes a person compounding or arranging with or making an assignment of all his property for the benefit of his creditors, and "Bankruptcy" shall have a corresponding meaning.
"Month"	shall mean calendar month.
"Office"	shall mean the registered office for the time being of the Company.
"In writing"	means written, typewritten, lithographed, stamped or printed or partly in one of the said forms and partly in another, and other modes of representing or reproducing words in a visible form.
"Nigeria"	means the territories for the time being comprised in the Federal Republic of Nigeria.
"The Register"	means the Register of Members to be kept pursuant to Section 83 of the Companies Act
"The Seal"	means the Common Seal of the Company.
"Secretary"	includes (subject to the provisions of the Companies Act) an Assistant or Deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Words importing the singular number include the plural, and vice versa, and words importing the masculine gender include the feminine gender, and vice versa.

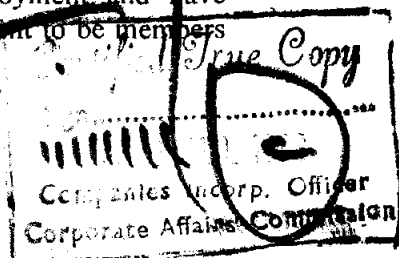
Words importing individuals include corporations, except where otherwise stated.

Save as aforesaid, any words or expressions defined in the Companies Act or any statutory modification thereof in force at the date of adoption of these Articles shall, if not inconsistent with the subject matter or context bear the same meaning in these Articles.

### PRIVATE COMPANY

3. The Company is a private company, and accordingly:

- (a) The right to transfer shares is restricted in the manner hereinafter provided.
- (b) The number of members for the time being of the Company (exclusive of persons who are for the time being in the employment of the Company and of persons who, having been formerly in the employment and have continued after the determination of their said employment to be members



of the Company) is not to exceed fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this paragraph be treated as a single member.

~~any individual in the position of director for the shares of the company of the~~  
Company is promoted.

## SHARE CAPITAL

### 4. Subject to the provisions of the Companies Act -

- (a) without prejudice to any rights attached to any issued shares, any share may be issued with such rights or restrictions as the Company may by special resolution determine;
- (b) the Company may -
  - (i) issue; or
  - (ii) convert any existing non-redeemable shares, whether issued or not, into, shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the shareholder, on such terms and in such manner as may be determined by special resolution;
- (c) unissued shares shall be at the disposal of the Directors who may allot, grant *options over or otherwise dispose of them to such persons and on such terms* as the Directors think fit.
- (d) **Ordinary Share Rights**

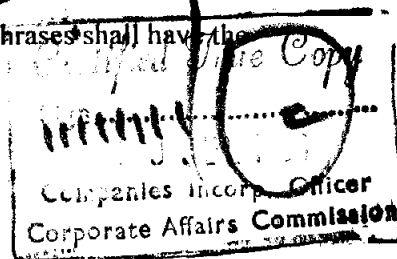
The holders of the Ordinary Shares shall be entitled:

- (i) to vote at all meetings of shareholders of the Company and shall have one vote for each Ordinary Share held;
  - (ii) to receive, subject to the rights of the holders of another class of shares, any dividend declared by the Company; and
  - (iii) to receive, subject to the rights of the holders of another class of shares, the remaining property of the Company on the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.
- (e) **Preference Shares - Introductory Clause**

The rights, privileges, restrictions and conditions attaching to the Preference Shares are as follows:

(f) **Preference Shares - Definitions**

In these share conditions, the following words and phrases shall have the following meanings:



- (i) "redemption amount" of each Preference Share means the sum of ₦10.00 plus any premium paid in respect thereof;
- (ii) "redemption price" of each Preference Share means the redemption amount plus an amount equal to all dividends which have at the relevant time been declared or accrued on the share but which have not then been paid (if any);

(g) **Preference Share Rights**

The holders of the Preference Shares shall be entitled to attend and vote at all meetings of Company and shall have one vote for each Preference Share held.

(h) **Preference Shares - Dividend Rights**

(i) **Non-Cumulative Preference Shares**

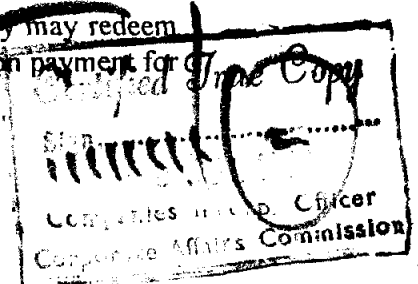
Subject to the Companies Act the holders of the Non-Cumulative Preference Shares shall in each financial year of the Company and always in preference and priority to any payment of dividends on the Ordinary Shares, be entitled to non-cumulative dividends at a rate to be determined from time to time by the board of Directors, payable in one or more instalments, and no dividends shall be paid or set apart for payment on the Ordinary Shares unless all non-cumulative dividends on the Preference Shares have been declared and paid or set aside for payment. The holders of the Non-Cumulative Preference Shares shall not be entitled to any dividends other than as provided for in this Article 4(h)(i).

(ii) **Cumulative Preference Shares**

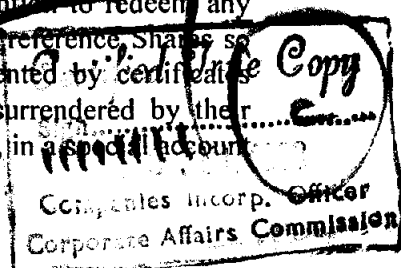
Subject to the Companies Act the holders of the Cumulative Preference Shares shall in each financial year of the Company and always in preference and priority to any payment of dividends on the Ordinary Shares, be entitled to cumulative dividends at a rate to be determined from time to time by the board of directors, payable in one or more instalments, and no dividends shall be paid or set apart from payment on the Ordinary Shares unless all cumulative dividends on the Preference Shares have been declared and paid or set aside for payment. The holders of the Cumulative Preference Shares shall not be entitled to any dividends other than as provided for in this Article 4(h)(ii). Dividends shall accrue on the Cumulative Preference Shares from the date of issue.

(i) **Preference Shares - redemption rights**

- (i) General - Subject to the Companies Act, the Company may redeem the whole or any part of the issued Preference Shares on payment for each share to be redeemed of the redemption price.



- (ii) Notice - Unless all the holders of the Preference Shares to be redeemed have waived notice of the redemption, the Company shall give not less than 30 days' notice in writing of the redemption by mailing to each person who at the date of mailing is a registered holder of the Preference Shares to be redeemed a notice in writing of the intention of the Company to redeem those Preference shares. The notice shall be mailed in a prepaid envelope addressed to each such shareholder at his address as it appears on the books of the Company or, in the event of the address of any such shareholder not so appearing, then to the last known address of any such shareholder provided, however, that accidental failure or omission to give any such notice to one or more of those holders shall not affect the validity of the redemption. The notice shall set out the redemption price of the shares to be redeemed and the date on which redemption is to take place and, if a part only of the Preference Shares held by the person to whom notice is given is to be redeemed, the number so to be redeemed.
- (iii) Redemption procedure - on or after the date so specified for redemption in the notice, the Company shall pay or cause to be paid to or to the order of the registered holders of the shares to be redeemed the redemption price of those shares on presentation and surrender, at the registered office of the Company or any other place designated in the notice, of the certificates representing the shares so called for redemption. Payment shall be made by wire transfer or by cheque drawn on any one of the Company's bankers.
- (iv) Partial redemption - In case a part only of the Preference Shares is at any time to be redeemed, the shares so to be redeemed shall either be selected by lot in such manner as the Board of Directors so determines or, if the Board of Directors so determines, shall be redeemed pro rata, disregarding fractions, and the Board of Directors may provide for such adjustments as may be necessary to avoid the redemption of fractions of shares. If a part only of the Preference Shares represented by any certificates is redeemed, a new certificate for the balance shall be issued by the Company.
- (v) Cessation of rights - From and after the date specified for redemption in any such notice, the Preference Shares called for redemption shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of them, unless payment of the redemption price of the Preference Shares is not made on presentation of the certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.
- (vi) Deposit of redemption price - The Company shall have the right, at any time after the mailing of notice of its intention to redeem any shares, to deposit the redemption price of the Preference Shares so called for redemption or of the shares represented by certificates which have not at the date of deposit been surrendered by the holders in connection with any such redemption, in a special account.



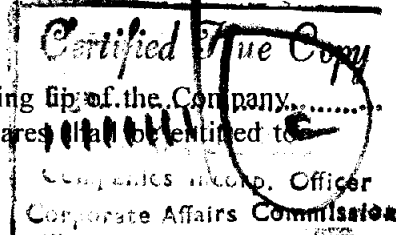
in any bank or any trust company named in the notice, to be paid without interest to or to the order of the respective holders of those shares called for redemption on presentation and surrender to a bank or trust company of the certificates representing the shares and, on the deposit being made or on the date specified for redemption in the notice, whichever is the later, the Preference Shares in respect of which the deposit has been made shall be redeemed and their holders after the deposit or redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price of the Preference Shares so deposited, against presentation and surrender of the certificates held by them respectively, and interest allowed on any such deposit shall belong to the Company.

(j) **Preference shares - retraction rights**

- (i) General - Subject to the Law, a holder of any Preference shares shall be entitled to require the Company to redeem the whole or any part of of the Preference Shares registered in the name of the holder on the books of the Company.
- (ii) Notice - A holder of shares to be redeemed shall tender to the Company at its registered office a request in writing specifying (i) that the holder desires to have the whole or any part of the Preference Shares registered in his name redeemed by the Company and (ii) the business day, which shall be not less than 30 days after the day of which the request in writing is given to the Company, on which the holder desires to have the Company redeem the shares (the "redemption date") together with the share certificates, if any, representing Preference Shares which the registered holder desires to have the Company redeem.
- (iii) Redemption procedure - On receipt of a request and share certificates, the Company shall, on the redeption date, redeem the shares by paying the registered holder an amount equal to the redemption price. This payment shall be wire transfer or by cheque drawn on any one of the Company's bankers. If a part only of the Preference Shares represented by any certificate is redeemed, a new certificate for the balance shall be issued by the Company.
- (iv) Cessation of rights - The Preference Shares shall be redeemed on the redemption date and from that date the shares shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of the shares, unless payment of the redemption price is not made on the redemption date, in which case the rights of the holders of the shares shall remain unaffected.

(k) **Preference Shares - distribution rights**

In the event of the liquidation, dissolution or winding up of the Company, whether voluntary, the holder of the Preference Shares shall be entitled to



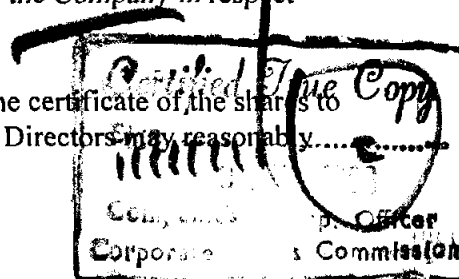
receive, before any distribution of any part of the assets of the Company among the holders of the Ordinary Shares, and amount equal to the redemption price of their shares and no more.

**(I) Preference Shares - conversion rights**

- (i) General - A holder of any Preference Shares shall be entitled to convert on a share-for-share basis the whole or any part of the Preference Shares registered in the name of the holder on the books of the Company into Ordinary Shares.
- (ii) Notice - A holder of the shares to be converted shall tender to the Company at its registered office a request in writing specifying that the holder desires to have the whole or any part of the Preference Shares registered in his name converted into Ordinary Shares, together with the share certificates, if any, representing the Preference Shares which the registered holder desires to have converted. If a part only of the Preference Shares represented by any certificates is converted, a new certificate for the balance shall be issued by the Company.
- (iii) Anti-dilution - In the event that the Preference Shares or the Ordinary Shares are at any time sub-divided, consolidated or changed into a greater or lesser number of shares of the same or another class, an appropriate adjustment shall be made in the rights and conditions attached to the Preference Shares so as to maintain the relative rights of the holders of those shares.

**TRANSFER OF SHARES**

- 5. Subject as herein otherwise provided, no transfer of any share in the capital of the Company shall be made or registered without the previous sanction of the Directors who may, without assigning any reason, decline to give any such sanction and shall so decline in the case of any transfer the registration of which would involve a contravention of Article 3.
- 6. All shares in the Company shall be transferrable by written instrument in the common form signed by both the transferee and the transferor and the transferor shall be deemed to remain the holder of the share(s) until the name of the transferee is entered in the register of members in respect thereof.
- 7. The Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares on which the Company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the Annual General Meeting in each year. The Directors may refuse to register any instrument of transfer unless:
  - (a) A fee not exceeding twenty-five kobo is paid to the Company in respect thereof; and
  - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require.



require to show the right of the transferor to make the transfer and if the Directors refuse to register a transfer of any shares they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

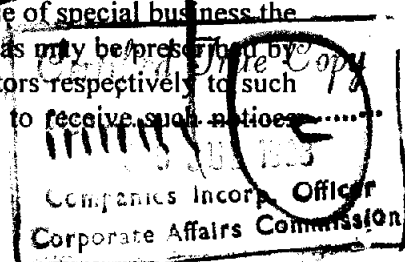
8. The personal representatives of a deceased sole holder of a share shall be the only persons recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors, or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognised by the Company as having any title to the share.
9. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall upon such evidence being produced as may from time to time be required by the Directors have the right either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
10. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any rights conferred by membership in relation to meetings of the Company.

#### INCREASE OF CAPITAL

11. The Company in General Meeting may from time to time by ordinary resolution increase its share capital by the creation of new shares, such amount to be divided into shares of respective amount and the General Meeting may create classes of shares or attach any right to classes of shares (if any) to carry preferential, deferred or other special rights with regard to dividends, return of capital, voting or otherwise as the resolution shall prescribe.
12. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

#### NOTICE OF MEETINGS

13. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by Twenty-one days notice in writing at the very least. A meeting of the Board of Directors shall be called by Fourteen days notice in writing at the least. The notice shall be exclusive of the day on which it is given and shall specify the place, the day and the hour of meeting and, in case of special business the general nature of that business shall be given in any manner as may be prescribed by the Company, in general meeting or by the Board of Directors respectively to such persons as are, under regulations of the Company, entitled to receive such notices.



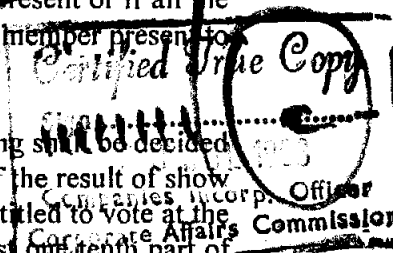


from the Company; provided that meetings of the Company and a meeting of the Board of Directors shall notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed:

- (a) In the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat;
  - (b) In the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right; and
  - (c) In the case of a meeting of the Board of Directors, by all the Directors entitled to attend and vote thereat.
14. The accidental omission to give notice of a meeting to and the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

15. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the Accounts, Balance Sheets, and the Report of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the Auditors.
16. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided, two members present in person or by proxy shall be a quorum.
17. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of whatever class present shall be a quorum.
18. The Chairman, if any, of the Board of Directors shall preside at every General Meeting, but if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to act as Chairman, the members present shall choose some Director or if no Director be present or if all the Directors present decline to take the chair, they shall choose some member present to be Chairman of the Meeting.
19. At any General Meeting, a Resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of show of hands) demanded by the Chairman or at least three members entitled to vote at the meeting or by the holders present in person or by proxy of at least one-tenth part of the total voting rights of all the members holding shares on which an aggregate sum



has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right. Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried ~~unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence thereof, without proof of~~ resolution. A proxy need not be a member of the Company.

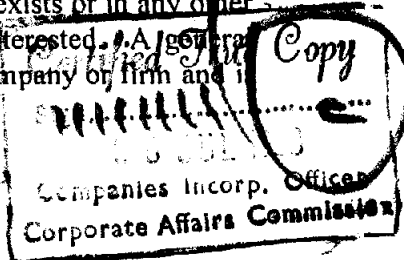
20. Any corporation which is a member of the Company may, by resolution of its Directors or other governing body, authorise any person to act as its representative at any meeting or meetings of this Company or of any class of members thereof and such representative shall be entitled to exercise the same powers on behalf of the corporation, which he represents as if he had been an individual shareholder and including the power, when personally present, to vote on a show of hands.
21. Subject to the provisions of the Companies Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be valid and effectual as if the same had been passed at a General Meeting of the Company duly convened and held.
22. A person may take part in the proceedings of a General Meeting as a proxy whether or not he is a member of the Company.

#### VOTES OF MEMBERS

23. On a show of hands every member present in person or by proxy shall have one vote. On a poll every member shall have one vote for each share of which he is the holder.

#### DIRECTORS

24. The first Directors of the Company shall be appointed in writing by the subscribers to the Memorandum of Association or by a majority of them who may appoint themselves or any one or more of themselves.
25. It shall not be necessary for any Director of the Company to acquire or hold any share qualification but any Director shall be entitled to attend and speak at any General Meeting and at any separate meeting of the holders of any class of shares in the Company.
26. No Director or intending Director shall be disqualified by his office from contracting with the Company, either as a vendor, purchaser, lessee, tenant or otherwise, nor shall any such contract or agreement or any contract or arrangement entered by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by him on any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature of his interest shall be declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if his interest then exists or in any other case at the first meeting of the Board after he becomes so interested. A general notice that a Director is a member or Director of a specified company or firm and is

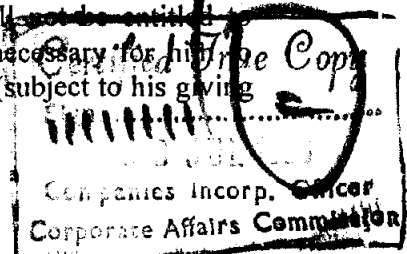


to be regarded as interested in all transactions with such company or firm shall be sufficient disclosure under this Article, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transactions with such company or firm. Subject to disclosure as aforesaid, a Director shall be entitled to vote in respect of any such contract or arrangement in which he is so interested. A Director of the Company may be or become a Director of any company promoted by the Company or in which it may be interested and no such Director shall be accountable for any benefits received as a Director or member of such company.

27. A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director.
28. The Board may grant retiring pensions or annuities or other allowances including allowances of death, to any person or to the widow or dependant of any person in respect of services rendered by him to the Company as Managing Director, Assistant Managing Director or in any other executive office or employment under the Company or indirectly as an executive officer or employee of any subsidiary company of the Company or of its holding company (if any) notwithstanding that he may be or have been a Director of the Company and make payment towards insurance or trusts for such purposes in respect of such pensions, annuities, and allowances in the terms of engagement of any such person.
29. The Company in General Meeting may from time to time direct such sums as may be thought fit to be paid as and by way of remuneration to the Directors and any such sum shall be divided amongst them as they may agree, or failing agreement, equally. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them respectively in or about the performance of their duties as Directors.

#### POWERS AND DUTIES OF DIRECTORS

30. Any two Directors may execute instruments and/or deeds on behalf of the Company.
31. The Directors, from time to time and at any time may provide through local Boards, Attorneys or Agencies for the management of the affairs of the Company outside Nigeria, and may appoint any person to be members of such local Board or as Attorneys or Agents and may remove any person so appointed and appoint others in their place, and may fix their remuneration.
32. The Directors, from time to time and at any time may delegate to any such local Boards, Attorneys or agents any of the powers, authorities and discretion for the time being vested in the Directors, other than the power to make calls, forfeit shares, borrow money or issue debentures and any such delegation may be made on such terms and subject to such conditions as the Directors may think fit, and may include a power to sub-delegate and the Directors may at any time annul or vary such delegation, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
33. Any Director may at any time appoint any other Director or appoint any other person his alternate and may at any time remove any alternate Director appointed by him, and appoint another in his place. An alternate Director shall not be entitled to receive any remuneration from the Company nor shall it be necessary for him to acquire or hold any qualification share, but he shall be entitled (subject to his giving



to the Company an address within Nigeria at which notices may be served on him) to receive notice of meetings of the Directors and to attend and to vote on behalf of the Director he is representing. An alternate Director, if his appointor ceases for any reason to be a Director, shall ipso facto cease to be an alternate Director. Every person acting as an alternate Director shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be an agent for the Director appointing him. Any appointment and removal of an alternate Director made by any Director in pursuance of this article shall be in writing under the hand of the Director making the same and shall be sent to or left at the registered office of the Company.

### **BORROWING POWERS**

34. The Directors may, subject to the provisions of Article 3 hereof at any time borrow or raise for the purposes of the Company from the Directors, member and any other persons, such sums of money and at such rates of interest in any form or manner and for any amount as the Directors may think proper, and may secure the payment of such moneys or any other money which the Company may be liable to pay by mortgage or charge or debenture or debenture stock, perpetual or otherwise, forming a charge upon the whole or any of the property, assets and undertaking of the Company both present and future, including its unpaid or uncalled capital for the time being, in such manner and upon such terms and conditions and with such securities may be issued at discount, premium or otherwise, and with any special privileges as to redemption, surrender, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors or otherwise.

### **MANAGING DIRECTOR**

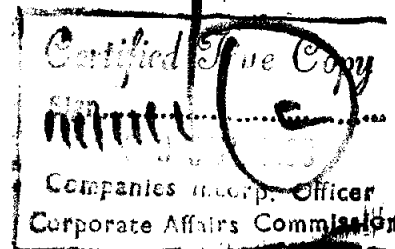
35. The Directors may from time to time appoint one or more of their body to the office of Managing Director or Manager and may appoint any such person as Managing Director or Manager for such term, and upon such remuneration (whether by way of salary or commission, or participation in profits, or partly in one way and partly in another) as they may think fit; but this appointment shall be subject to determination ipso facto if he ceases for any reason to be a Director, or if the Company in General Meeting resolves that his tenure of the office as Managing Director or Manager be determined.

### **PROCEEDINGS OF DIRECTORS**

36. The quorum necessary for the transaction of the business of the Directors shall be two Directors. Resolutions of the Directors shall be adopted by a simple majority. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors.

### **DISQUALIFICATION OF DIRECTORS**

37. The office of a Director shall be vacated:
- (a) if he becomes bankrupt or compounds with his creditors;
  - (b) if he is found lunatic or becomes of unsound mind;



- (c) if he resigns his office by notice in writing left at or sent to the registered office of the Company.

### REMOVAL OF DIRECTORS

38. The members in General Meeting may by Ordinary resolution elect, re-elect or remove any person as a Director of the Company.
39. Without prejudice to the power of the Company in General Meeting to appoint and remove Directors, the Directors shall have power at any time and from time to time to appoint any person as Director either to fill a casual vacancy or as an addition to the existing Directors.

### CAPITALIZATION OF PROFITS

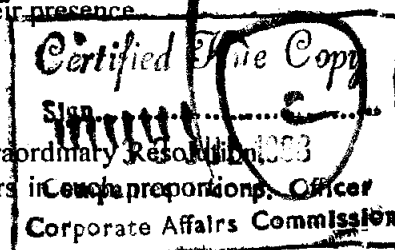
40. The Company in General Meeting may at any time and from time to time, upon the recommendation of the Directors by resolution declare that it is expedient to capitalise any sums or sum (1) forming part of the undivided profits standing to the credit of the Company's reserve fund or (2) being undivided profits in the hands of the Company not required for the payment of any dividend and that the same be set free for distribution accordingly, and may direct the appropriation of any such sum or sums among the members or any class of members who would be entitled to such profits if distributed as dividend and in the same proportion in which they would have been so entitled by applying the same in paying up shares or debentures of the Company or in any one or more of such ways for distribution among such members as fully paid and the Directors shall give effect to such resolution.
41. Where any difficulty arises in regard to any distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value of distribution of such specific assets or any part thereof, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trust for the person entitled to participate in the dividend or in the appropriation or distribution on such sum or sums as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with the Act and Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or to such appropriation and distribution and such appointment shall be effective and binding upon the members.

### SEAL

42. The seal of the Company shall not be affixed to any instrument except by the authority of resolution of the Board of Directors and in the presence of at least one Director and of the Secretary or such other person as the Directors may appoint for the purpose, and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### WINDING UP

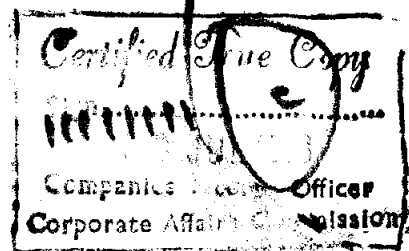
43. In winding up the liquidator may, with the sanction of an Extraordinary Resolution, distribute all or any of the assets in specie among the members in such proportions as the liquidator may think fit.

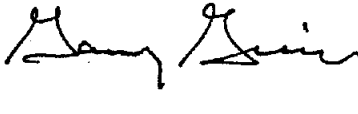



and manner as may be determined by resolution, provided always that if any such distribution is determined to be made otherwise than in accordance with the existing rights of the members every member shall have the same rights of dissent and other ancillary rights as if such resolution were a Special Resolution passed pursuant to Section 457 of the Companies Act.

#### INDEMNITY

44. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 388 of the Act in which relief is granted to him by the Court.



Names, addresses and descriptions of subscribers	Signatures
Canadian Petroleum West Africa Holdings Limited 2nd Floor, Sir Walter Raleigh House, 48-50 The Esplanade, St. Helier, Jersey, JE2 3QB Channel Islands British Isles.  (Limited Liability Company)	
FOAC Nominees Limited 188, Awolowo Road, South-West Ikoyi, Lagos.  (Limited Liability Company)	

Dated this 1<sup>st</sup> day of JULY, 1998

Signed on behalf of Canadian Petroleum West Africa Holdings Limited

By:

Name: Gary Guidry

Designation: Director

Signed on behalf of FOAC Nominees Limited

By:



Name: ADEMOLA AKINWALE

Designation: Managing Director  
 Canadian/CPN1.mem

