

PETROLIA ASA
AND
PETROLIA E&P HOLDINGS PLC

MERGER PLAN
COMMON DRAFT TERMS OF CROSS-BORDER MERGER

The boards of directors of:

1. Petrolia E&P Holdings PLC, a public company limited by shares duly established and incorporated under the laws of the Republic of Cyprus with registration number 291883, with its registered office at 27 Spyrou Kyprianou, ERNST & YOUNG HOUSE, 4001 Limassol, Republic of Cyprus (the "**Surviving Company**"), and

2. Petrolia ASA, a public limited company registered under the laws of Norway with registration number: 977 321 484, having its head office in the municipality of Oslo and registered address: Haakon VII's gate 1, 0116 Oslo, Norway, (the "**Transferring Company**"),

collectively referred to as the "**Merging Companies**",

have prepared this merger plan (the "**Merger Plan**") pursuant to section 13-26 of the Norwegian public limited company act (the "**NPLCA**"), the Norwegian SE act section 5, article 201F(1) of the Cyprus Companies Law Cap. 113 and article 20 of the Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE):

WHEREAS it is the intention of the Transferring Company and the Surviving Company to consummate a cross-border merger in order to restructure the Petrolia Group and optimize its operations by transferring the Petrolia group's headquarters from Norway to Cyprus (the "**Merger**");

WHEREAS it is the intention of Transferring Company and the Surviving Company that on the Effective Date and in accordance with Article 201A(1)(a)(i) of Companies Law, Cap. 113, section 13-17 cf. section 13-33 of the NPLCA, Articles 2(1) and 17(2)(a) of Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE), as amended:

- a) The Transferring Company shall merge with the Surviving Company;
- b) The Transferring Company shall be wound up without going into liquidation and transfer all of its assets and liabilities to the Surviving Company; and
- c) The Surviving Company will issue new shares to the shareholders of the Transferring Company commensurate with the economic value of their shares in the Transferring Company and their contribution to the Surviving Company; and
- d) The Surviving Company shall adopt the legal form of a Societas Europaea-European Public Company registered in the Republic of Cyprus, in accordance with the relevant provisions of the EU and Cypriot law.

1 DEFINITION OF TERMS

1.1 For the purposes of this Merger Plan, the following terms shall have the meaning set out below, unless the context suggests otherwise:

"Cyprus Companies Law" shall mean the Companies Law, Cap. 113 of the Republic of Cyprus;

"Concerned Subsidiaries" shall mean the subsidiaries of the Transferring Company or

the Surviving Company in the EU member states and EEA members states that become subsidiaries of Petrolia E&P Holdings SE upon its formation;

“Cypriot law”

shall mean the laws of the Republic of Cyprus;

“Cypriot Law No. 277(I)/2004”

shall mean the Cypriot Law No. 277(I)/2004, transposing into Cypriot law the provisions of the EU Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees;

“Norwegian laws”

shall mean the laws of the Kingdom of Norway;

“Norwegian SE Act”

shall mean the law 01.04.2005 no 14, the SE act;

“NPLCA”

shall mean the law 13.06.1997 no 45, the Public limited company act;

“Effective Date”

shall mean the day as of which the Merger and the simultaneous formation of the SE are entered into the Cypriot Register of Companies (in compliance with the SE Regulation) and thus the date on which the Merger becomes effective, pursuant to Article 27 of the SE Regulation;

“Employees”

shall mean the employees of the Merging Companies and of the Concerned Subsidiaries;

“EU law”

shall mean the regulations, directives and statutes of the European Union, including SE Regulation;

“Petrolia E&P Holdings SE”

shall mean the Surviving Company, immediately following the transformation of its legal status from a Cypriot public limited liability company into a Cypriot registered SE by the registration of the Surviving Company as an SE in the Cypriot Register of Companies; with such transformation of legal form taking place on the Effective Date;

“Merger”

Shall mean the cross-border merger of the Transferring Company with and into the Surviving Company through a merger by acquisition under Article 17(2)(a) of SE Regulation;

“Merging Companies”

shall mean the Transferring Company and the Surviving Company;

“Merger Plan”

shall mean this merger plan containing the common draft terms of the Merger;

"Norwegian Tax Law"	shall mean law 26.03.1999 no 14, the Act on tax on wealth and income.
"Rig Merger"	shall mean the merger of Petrolia Rigs II AS with IO&R AS in accordance with the provisions of the NPLCA, to be completed at a date prior to the Effective Date;;
"SE"	shall mean " <i>Societas Europaea</i> ", which is a European company established under the SE Regulation;
"SE Regulation"	shall mean the Council Regulation (EC) No 2157/2001 dated October 8, 2001, on the Statute for a European Company (SE), as amended;

Unless stated otherwise, references to articles are references to the Articles of this Merger Plan.

- 1.2 The article headings in this Merger Plan are for ease of orientation only and have no impact on the interpretation hereof.
- 1.3 For the purpose of this Merger Plan, "subsidiary" of a company means an undertaking over which that company exercises a dominant influence defined in accordance with Article 5 of the Cypriot Law 68 (I)/2002 transposing into Cypriot law the provisions of Article 3(2) to (7) of Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.
- 1.4 References to the word "include" or "including" (or any similar term) are not to be construed as implying any limitation, and general words introduced by the word "other" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things.

2 MERGER

- 2.1 Subject to the terms and conditions stipulated in Merger Plan and in compliance with Cypriot law, Norwegian law and EU law, and in particular, Section 201A(1)(a)(ii) of Companies Law, Cap. 113, section 13-17 cf. section 13-33 of the NPLCA and Articles 2(1), 17(2)(a), and 29(1) of the SE Regulation, the Surviving Company shall acquire all of the assets and liabilities of the Transferring Company.
- 2.2 The Merger shall take effect as of the Effective Date, in accordance with Article 27(1) of the SE Regulation.
- 2.3 As at the Effective Date:

- a) The Transferring Company shall be dissolved without going into liquidation, and the entirety of its assets and liabilities shall be acquired by and transferred to the Surviving Company in accordance with Article 29(1)(a) and (c) of the SE Regulation;
- b) The Surviving Company shall adopt the legal form of an SE in accordance with Article 29(1)(d) of the SE Regulation, following the registration of the Surviving Company as an SE in the Cypriot Register of Companies in accordance with Article 12(1) of the SE Regulation, and its legal standing shall thereafter be governed pursuant to Article 9(1) of the SE Regulation by the SE Regulation, its own Memorandum and Articles of Association (Statutes), and the applicable Cypriot law;
- c) The shareholders of the Transferring Company shall become shareholders of the Surviving Company in accordance with Article 29(1)(b) of the SE Regulation and all issued and outstanding shares of the Transferring Company shall cease to exist.

3 NAME, LEGAL FORM, SEAT, REGISTERED OFFICE

- 3.1 The business names, legal forms, official seats and registered (and head) offices of the Merging Companies are listed above.
- 3.2 As of the Effective Date:-
 - a) The business name of the Surviving Company shall change to Petrolia E&P Holdings SE;
 - b) The registered office of the Surviving Company shall be at 27 Spyrou Kyprianou, ERNST-&YOUNG-HOUSE, 4001-Limassol, Republic of Cyprus;

4 EXCHANGE RATIO

- 4.1 The share capital of the Surviving Company shall be increased in consideration of the assets and liabilities of the Transferring Company contributed to the Surviving Company by the issuance of new shares to be allotted to the shareholders of the Transferring Company.
 - (i) The exchange ratio has been calculated based upon the fair market value of the Merging Companies, which for these purposes is understood to be the price of the Transferring Company's shares on the Oslo Stock Exchange as per the date of this merger Plan, and the book equity value of the Surviving Company.
- 4.2
 - a) In the event the Rig Merger is completed before the Effective Date:
 - (ii) The value of the Transferring Company and consequently the value of the contribution to the Surviving Company for the purposes of this Merger Plan is NOK 160,101,585 (USD 27,200,867 based on an exchange rate of 5.8859 per 28 November 2011), which has been valued according to its reasonable value, which for these purposes is understood to be the fair market value based on the price of the

Transferring Company's shares on the Oslo Stock Exchange as per the date of this Merger Plan, and the book equity value of the Surviving Company.

- (iii) As a consequence of the above, in exchange for all issued and paid up shares in the capital of the Transferring Company, consisting of 302,078,453 shares with a nominal value of NOK 0.04 each, following the completion of the Rig Merger, the Surviving Company will increase its authorised capital and will issue and allot to the shareholders of the Transferring Company, following the completion of the Rig Merger, 27,200,867 shares in the capital of the Surviving Company with a nominal value of USD 1 each, the exchange ratio between the shares of the Transferring Company and the shares of the Surviving Company thus being 0.090045702, or approximately 1 new share in the capital of the Surviving Company for 11 shares in the Transferring Company.

b) In the event the Rig Merger is not completed before the Effective Date:

- (iv) The value of the Transferring Company and consequently the value of the contribution to the Surviving Company for the purposes of this Merger Plan is NOK 88,551,585 (USD 15,44,698 based on an exchange rate of 5.8859 per 28 November 2011), which has been valued according to its reasonable value, which for these purposes is understood to be the fair market value based on the price of the Transferring Company's shares on the Oslo Stock Exchange as per the date of this Merger Plan 2011 and the book equity value of the Surviving Company.

- (i) As a consequence of the above, in exchange for all issued and paid up shares in the capital of the Transferring Company, consisting of 167,078,463 shares with a nominal value of NOK 0.04 each, the Surviving Company will increase its authorised capital and will issue and allot to the shareholders of the Transferring Company, 15,044,698 shares in the capital of the Surviving Company with a nominal value of USD 1 each, the exchange ratio between the shares of the Transferring Company and the shares of the Surviving Company thus being 0.090045702 or approximately 1 new share in the capital of the Surviving Company for 11 shares in the Transferring Company.

- 4.3 No fractional shares will be issued. Instead, any fractional shares will be compiled into whole shares sold. The net revenue from such sale will be allocated proportionally to the holders of fractional shares.

5 TERMS OF ISSUE AND ALLOTMENT OF SHARES IN THE ACQUIRING COMPANY TO THE SHAREHOLDER OF THE DISSOLVING COMPANY

- 5.1 The new shares to be issued in accordance with section 4 above shall be allotted to the shareholders of the Transferring Company in proportion to their shareholdings in the Transferring Company immediately before the Effective Date.
- 5.2 The issue and allotment of shares by the Surviving Company to the shareholders of the Transferring Company will be registered in the register of members of the Surviving Company and will become effective immediately upon completion of the Merger on the Effective Date.

6 ACTIVITIES OF THE TRANSFERRING COMPANY

- 6.1 The activities of the Transferring Company shall be continued by the Surviving Company.
 - 6.2 The Surviving Company shall take over the management of the business of the Transferring Company on the Effective Date.
 - 6.3 The Surviving Company shall make sure that the assets and affairs of the Transferring Company are separated from its own until the Merger takes effect on the Effective Date.
 - 6.4 The Surviving Company will maintain parts of Transferring Company's Norwegian organization as branch offices.
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7 ENTITLEMENT TO DIVIDENDS

- 7.1 The new shares in the capital of the Surviving Company to be issued and allotted to the shareholders of the Transferring Company on the Effective Date and upon the completion of the Merger shall entitle all shareholders to participate from the Effective Date in the past and future profits of the Surviving Company with no conditions other than those set out in the Articles of Association of the Surviving Company in relation to the distribution and declaration of dividends.
 - 7.2 There are no special conditions attached to the exercise of the right to dividends
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8 DECISIVE MERGER DATE FROM AN ACCOUNTING AND TAX PERSPECTIVE

- 8.1 From an accounting perspective, the Merger shall take effect from the Effective Date and as a result the date from which transactions of the Transferring Company shall be treated for accounting purposes as those of the Surviving Company shall be the Effective Date.
- 8.2 The Merger shall be carried out pursuant to the accounting principle of continuity, so that all assets recognized in the balance sheets of the Transferring Company, shall be recognized with the same values on the balance sheet of the Surviving Company.
- 8.3 From a Norwegian tax perspective, the Merger shall take effect from the Effective Date and as set out in section § 11-10 (2) of the Norwegian Tax Law.

9 METHODS OF VALUATION OF THE ASSETS AND LIABILITIES OF THE DISSOLVING COMPANY

- 9.1 The assets and liabilities of the Transferring Company which shall be acquired by and transferred to the Surviving Company are valued at their fair market value as

per the share price of of the Transferring Company at the Oslo Stock Exchange per the date of this Merger Plan.

10 DATE OF RELEVANT ACCOUNTS

10.1 The terms of the Merger have been set out on the basis of

- a) the annual accounts for the Transferring Company as per 31 December 2010. The Surviving Company has not yet published annual accounts.

11 SPECIAL RIGHTS, MEASURES, ADVANTAGES

11.1 The Merging Companies have not issued any shares or other securities to which special rights are attached, and no such securities or shares will be issued by the Surviving Company upon the Merger and its registration as an SE. Consequently, there shall be no rights conferred by the Surviving Company on the holders of such shares or securities or any measures proposed concerning them.

11.2 No special advantages are to be granted to the experts who examine this Merger Plan or to the members of the board of directors or to other members of the administrative, management, supervisory or controlling organs of the Merging Companies.

12 BOARD OF DIRECTORS OF THE SURVIVING COMPANY

12.1 At present the board of directors of the Surviving Company is constituted as follows:

Kjetil Forland
Erwin Joseph Pierre Godec
Demos Demou

12.2 Following the Completion the Merger the board of directors of the Surviving Company (to be transformed into Petrolia E&P Holdings SE) shall be composed as follows:

Berge Gerdt Larsen
Unni Fossberg Terefe
Erik Johan Frydenbø
Sjur Storaas

13 SUPERVISORY BOARD OF THE SURVIVING COMPANY

13.1 At present the Surviving Company does not have a supervisory board. After the Merger the Surviving Company (to be transformed into Petrolia E&P Holdings SE) will not have a supervisory board either.

14 STATUTES OF PETROLIA SE

- 14.1 The Surviving Company shall amend its articles of association so that they comply with Title III of the SE Regulation and Cypriot law and thereafter the articles of association shall become the Statutes of Petrolia E&P Holdings SE.
- 14.2 The amended Statutes of Petrolia E&P Holdings SE (attached hereto as an integral part of this Merger Plan) shall take effect as of the Effective Date.

15 EMPLOYEES' ISSUES AND PROCEDURE FOR DETERMINING TERMS OF INVOLVEMENT OF EMPLOYEES

- 15.1 The employees of the Transferring Company shall be acquainted with the reasons for, and will be given the opportunity to discuss the Merger, cf. NPLCA section 13-11 and the Norwegian Working Environment Act section 16-5, in addition and without prejudice to any other rights such employees may have under this Merger Plan, the SE-Regulation, and the laws of Norway and Cyprus.
- 15.2 The boards of directors of the Merging Companies shall seek to reach an agreement with the Employees concerning their involvement in the affairs of Petrolia E&P Holdings SE in accordance with Cypriot Law No. 277(I)/2004.
- 15.3 In order to reach an agreement on the involvement of the Employees, a special negotiating body shall be established to represent the Employees in negotiations with the boards of directors of the Merging Companies.
- 15.4 The total number of the members of the special negotiating body and the allocation of the seats on the special negotiation body among the individual EU member states or EEA members states in which the Merging Companies and the Concerned Subsidiaries have Employees are to be determined in accordance with Cypriot law, in particular, Cypriot Law No. 277(I)/2004.
- 15.5 The election and appointment of the individual members of the special negotiating body shall be governed by the laws of those EU member states or EEA member states in which the Merging Companies and the Concerned Subsidiaries have Employees, i.e. the applicable law shall always be that of the state in which the respective special negotiation body members are to be elected or appointed.
- 15.6 The negotiations between the boards of directors of the Merging Companies and the special negotiating body on the involvement of the Employees in affairs of Petrolia E&P Holdings SE shall be governed by Cypriot law, in particular, Law No. 277(I)/2004.
- 15.7 The merger will not result into any significant changes for the employees of the Merging Companies and of the Concerned Subsidiaries.

16 CONDITIONS PRECEDENT AND APPROVAL OF RESOLUTION TO ENTER INTO THE MERGER

16.1 In accordance with Article 23 of the SE Regulation and the applicable Articles 201C (5) and 198 (2) of Companies Law, Cap. 113, (1) this Merger Plan shall be approved by the general meeting of the shareholders of the Surviving Company to be granted by a majority of three fourths of the shareholders being present and voting in such meeting. In accordance with section 13-3 (2) cf. section 13-25 (1) no 2 of the NPLCA, the Merger Plan must be approved by the general meeting of the shareholders of the Merging Companies. The resolution requires the endorsement of a majority of two thirds of the shareholders being present and voting in such meeting.

16.2 Without prejudice to any other provision of this Merger Plan, including the provisions of clause 16.3, the resolutions to adopt this Merger do not require the prior approval of any other body of the Merging Companies or of any third party.

16.3 It is a condition precedent for the due completion of the Merger:

- (a) that all statutory conditions for completion have been met;
 - (b) that all required licences and approvals are in place;
 - (c) that the Oslo Stock Exchange has consented to the listing of the shares of the Surviving Company as a continuation of the listing of the shares of the Transferring Company;
 - (d) that bondholders in the Transferring Company's bond loan has consented to the completion of the Merger;
 - (e) that no creditors or other third parties have objected to the completion of the Merger;
 - (f) that the general meetings of the Merging Companies approves the arrangements in relation to the involvement of employees in the Surviving Company.
 - (g) that the Rig Merger has been completed.
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16.4 Condition (c) and (g) above may be waived by the Transferring Company in its sole discretion.

17 MISCELLANEOUS

17.1 Before the Cyprus District Court of Limassol issues an order approving the Merger pursuant to Article 26 of the SE Regulation, the Norwegian Register of Business Enterprises should have issued a certificate confirming that all formal requirements for completion of the merger under Norwegian law have been completed, cf NPLCA section 13-31. Such a certificate may only be given after the expiry of the creditor notice period set out in NPLCA section 13-15, cf. section 13-25 (2) no. 5.

17.2 This Merger Plan shall be sent to the shareholders the Merging Companies at least one month prior to the general meetings of the Merging Companies scheduled to approve the Merger Plan according to Article 23 of the SE Regulation. The last financial statements, annual report and auditor reports of Petrolia ASA are included as appendix 4 to the Merger Plan.

17.3 Subject to the approval of this Merger Plan by the boards of directors of the Merging Companies, this Merger Plan shall be filed with the Norwegian Register of Business Enterprises for registration, as set out in the NPLCA section 13-29 jf. § 13-13 and with the Cyprus Register of Companies in accordance with the Cypriot SE Regulation of 2004.

18 APPENDICES

18.1 The Merger Plan has the following appendices:

1. The articles of association of the Transferring Company;
2. The articles of association of the Surviving Company;
3. The articles of association of Petrolia E&P Holdings SE after completion of the Merger;
4. Annual accounts, annual reports and auditors' reports for Petrolia ASA for the three previous accounting years, as well as the interim report for the first six months of 2011;

5. The incorporation documentation for the Surviving Company.

18.2 This Merger Plan has been executed in two- 2 - original copies, of which each of the parties shall keep one copy.

(Signature page to follow)

THE BOARD OF DIRECTORS OF PETROLIA ASA



Berge Gerdt Larsen
Chairman of the Board



Siri Skjerve
Board Member



Erik Frydenbo
Board Member

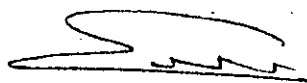


Unni F. Tefre
Board Member

THE BOARD OF DIRECTORS OF PETROLIA E&P HOLDINGS PLC



Kjetil Forland,
chairman



Erwin Joseph
Pierre Godec



Demos Demou

THE BOARD OF DIRECTORS OF PETROLIA ASA

Berge Gerdt Larsen,
chairman

Erik Johan Frydenbø

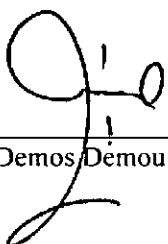
Unni Fossberg Tefre

Sjur Storaas

THE BOARD OF DIRECTORS OF PETROLIA E&P HOLDINGS PLC

Kjetil Forland,
chairman

Erwin Joseph
Pierre Godec


Demos Demou

REPORT ON THE PROPOSED CROSS-BORDER MERGER BETWEEN PETROLIA E&P HOLDING PLC AND PETROLIA ASA

The board of directors of Petrolia ASA (the "**Company**") has prepared this report pursuant to the Norwegian Public Limited Companies Act section 13- 27 cf. section 13 – 9 in connection with the proposed cross-border merger between the Company and Petrolia E&P Holdings PLC with the latter as the surviving entity (the "**Merger**"), resulting in the creation of an European Company (SE) under the name of Petrolia E&P Holdings SE.

MERGING COMPANIES

The Company, and

Petrolia E&P Holdings PLC, a public limited company registered under the laws of the Republic of Cyprus with registration number: 291883, having its head office in the municipality of Oslo and registered address: 27 Spyrou Kyprianou, ERNST & YOUNG HOUSE, 4001 Limassol, Republic of Cyprus (hereinafter "**Petrolia Cyprus**").

BACKGROUND AND RATIONALE

The Company is incorporated in Norway and is currently listed on the Oslo Stock Exchange. The Company is the holding company of a group of companies comprising of several subsidiaries operating in many countries across the globe and providing oilfield services, and other drilling & well or oil & gas related services.

In order to move closer to key markets for the group and at the same time maintain a European presence the Company has decided to initiate the process of relocating its head offices to Cyprus. The Company considered as the most favourable method for its redomiciliation to Cyprus to complete a cross-border merger with a Cyprus public company (PLC) with the latter as the surviving entity, leading to the conversion of such PLC into a European company (SE) and the subsequent continuation of its operations under the corporate form of a Cyprus registered SE.

In the Company's annual general meeting held 28 June 2011, the board of directors requested an indicative instruction from the general meeting on whether or not to initiate the Merger. The general meeting voted unanimously in favor of giving the board of director a mandate to go ahead with the process.

Petrolia Cyprus was established by the Company, specifically in order to facilitate the transfer of Petrolia ASA to Cyprus as per the above. As per the date of this report, 34 994 of the shares of Petrolia Cyprus is held by NET AS while 6 shares are held by nominee shareholders in order to comply with Cyprus law ownership requirements for public companies. NET AS holds approximately 6.52% of the shares of the Company.

Petrolia Cyprus has no assets apart from its paid-in share capital, and its business activity consists solely of business development conducted by one part time employee. After completion of the merger, Petrolia will consider expanding its business in Cyprus. Petrolia Cyprus will be the surviving entity in the Merger and will be converted into a Cyprus registered SE immediately upon the completion of the Merger.

The business of the Company will continue as a going concern in Petrolia Cyprus. The financial position and management of the Company will therefore not change as a result of the Merger. The Company will maintain its current presence in Norway, but will in addition have sufficient presence and activity in Cyprus to be considered domiciled in Cyprus for tax purposes.

VALUATION AND EXCHANGE RATE

Since Petrolia Cyprus is at the currently essentially a newly created special purpose vehicle with minimum operations, the exchange ratio has been determined almost exclusively on the basis of the valuation of the Company. The fair market value of the Company has been established based on the price of the Company's shares on the Oslo Stock Exchange as per the date of the merger plan. ~~The fair market value of Petrolia Cyprus has been determined based on Petrolia Cyprus' book equity since Petrolia Cyprus has no other assets than its paid-in share capital.~~

Before the Merger is completed, the Company plans to issue new shares as consideration in a merger between its wholly owned subsidiary, Petrolia Rigs II AS and IO&R AS (the "**Rig Merger**"). The new shares will be issued against contribution in kind in the form of receivables against Petrolia Rigs II AS in the amount of NOK 74,250,000. However, to accommodate for the eventuality that this share issue might not take place, the Company has calculated two alternative exchange ratios.

In the event the Rig Merger is completed before the Merger, Petrolia Cyprus will issue and allot 27,200,867 shares with a nominal value of USD 1 each to the shareholders of the Company. The exchange ratio between the shares of the Company and the shares of Petrolia Cyprus will thus be 0,090045702, ~~or approximately 1 new share in the capital of the Surviving Company for 11~~ shares in the Transferring Company.

In the event the Rig Merger is not completed before the Merger, Petrolia Cyprus will issue and allot 15,044,698 shares with a nominal value of USD 1 each to the shareholders of the Company. The exchange ratio between the shares of the Transferring Company and the shares of the Surviving Company will thus be 0,090045702 or approximately 1 new share in the capital of the Surviving Company for 11 shares in the Transferring Company.

No fractional shares will be issued. Instead, any fractional shares will be compiled into whole shares sold. The net revenue from such sale will be allocated proportionally to the holders of fractional shares.

There have been no particular difficulties in determining the exchange ratio for the Merger.

LEGAL ASPECTS OF THE MERGER

The Merger will be completed in accordance with the provisions of the Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE), the Companies Law of Cyprus Cap 113 and the secondary Cypriot SE Regulations, as far as Petrolia Cyprus is concerned, and the

Norwegian Public limited company act and the Norwegian SE act, as far as the Company is concerned.

The Merger and the common merger plan will be published in the official publications of Norway and Cyprus, will be submitted for approval to the general meetings of both merging companies as well to the competent authorities both in Cyprus and in Norway. Completion of the Merger is conditional upon a number of factors, including, but not limited to, the Company obtaining the consent of the bondholders of its bond loan, and the consent of Oslo Stock Exchange to the continued listing of the shares of the merged company. The Merger will be completed upon its registration and the registration of the Company as an SE with the Department of the Cyprus Registrar of Companies.

Upon completion of the Merger: a) the Company will be wound up without going into liquidation and transfer all of its assets and liabilities to Petrolia Cyprus; b) the Petrolia Cyprus will issue new shares to the shareholders of the Company corresponding with the economic value of their shares in the Company and c) the Company will adopt the form of a Societas Europaea-European Public Company registered in the Republic of Cyprus, in accordance with the relevant provisions of the EU and Cyprus law.

ASPECTS CONCERNING EMPLOYEES CREDITORS AND SHAREHOLDERS

The employees of the Company will receive information about the reasons for, and will be given the opportunity to discuss the Merger, cf. the Norwegian Public Limited Companies Act section 13-11 and the Norwegian Working Environment Act section 16-5. As the Company and its subsidiaries have several employees across the European Economic Area it is also envisaged that negotiations with these employees will take place in order to determine their participation in the contemplated SE. These negotiations will be held in accordance with the provisions of the Cyprus law 277(I) of 2004 transposing into Cyprus law the Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees.

The Merger is not expected to have any impact on the Company's creditors as all assets, rights and obligations of the Company will be transferred to Petrolia Cyprus, which has no obligations or debt of its own. The financial position of the merged company will thus be the same as that of the Company.

The Merger is not expected to have any economic impact on the shareholders of the Company as they will receive shares in Petrolia Cyprus corresponding to their respective shareholdings in the Company. After completion of the Merger, the shareholders will hold shares in a Cyprus registered SE company instead of in a Norwegian public limited company. The Company will be governed by Cyprus company law, and will have a new set of articles of association. However, there will be no major changes in the shareholders rights following the completion of the Merger. The merged company will remain listed on Oslo Stock Exchange, and will follow applicable rules and procedures for such listed Companies.


(Signature page to follow)

THE BOARD OF DIRECTORS OF PETROLIA ASA



Berge Gerdt Larsen

Chairman of the Board



Ståle Schrøder

Board Member



Erik Frydenlø

Board Member



Unni F. Tefre

Board Member

Til generalforsamlingen i Petrolia ASA

RSM Hasner AS, Statsautoriserte Revisorer
Vollsveien 13 c, 1366 Lysaker
Tlf: (+47)67 52 88 00, Fax: (+47)67 59 04 30
E-mail: rsmhasner@rsmhasner.no
www.rsmhasner.no
Org.nr: 982 316 588 MVA

Deres ref.
Your ref.

Vår ref. AO/pøs
Our ref.

Redegjørelse for fusjonsplanen i overdragende selskap (Petrolia ASA)

På oppdrag fra styret i Petrolia ASA avgir vi som uavhengig sakkyndig denne redegjørelsen for fusjonsplanen datert 29. november 2011 mellom Petrolia E&P Holdings Plc (Kypros) og Petrolia ASA i samsvar med allmennaksjeloven § 13–28. Ved fusjonen overdras samtlige eiendeler og forpliktelser til Petrolia E&P Holdings Plc. Styret i hvert selskap er ansvarlig for informasjonen og de verdsettelse som vederlaget bygger på. Vår oppgave er å utarbeide en redegjørelse om fastsettelsen av vederlaget.

Redegjørelse om fastsettelse av vederlaget

Nærmere om selskapene som fusjoneres

For å komme nærmere viktige markeder for konsernet og samtidig opprettholde en europeisk tilstedeværelse, har Petrolia ASA besluttet å starte en prosess med å flytte hovedkontor til Kypros. Det skal gjennomføres en grenseoverskridende fusjon med det kypriotiske selskapet Petrolia E&P Holdings Plc, hvor sistnevnte blir det overtakende selskapet. Etter gjennomføring av fusjonen vil Petrolia ASA vurdere å utvide sin virksomhet i Kypros.

Petrolia E&P Holdings Plc er et selskap uten virksomhet og ble etablert av Petrolia ASA for å legge til rette for overføringen av Petrolia ASA sin virksomhet fra Norge til Kypros. NET AS eier 34 994 aksjer i Petrolia E&P Holdings Plc av totalt 35 000 utstedte aksjer per dato for denne redegjørelsen. NET AS eier videre anslagsvis 6,52 % av aksjene i Petrolia ASA før fusjon med IO&R AS, anslagsvis 3,6 % av aksjene etter nevnte fusjon. Petrolia E&P Holdings Plc har ingen eiendeler bortsett fra kontantbeholdning tilsvarende innskutt aksjekapital på USD 35.000. Petrolia E&P Holdings Plc vil være overtakende selskap i fusjonen og vil bli konvertert til et kypriotisk registrerte SE-selskap umiddelbart etter gjennomføring av fusjonen.

Petrolia ASA er registrert i Norge og notert på Oslo Børs. Selskapet er et holdingselskap for en gruppe av selskaper som opererer i mange land over hele verden. Selskapet er en større aktør innen oljefelt tjenester og andre bore, brønn eller olje og gass relaterte tjenester.

Vurdering av verdi og bytteforhold

Bytteforholdet er basert på verdsettelse av henholdsvis Petrolia ASA og Petrolia E&P Holdings Plc. Petrolia ASA er verdsatt på bakgrunn av kursverdien for selskapets aksjer på Oslo Børs per 28. november 2011. Verdien av Petrolia E&P Holdings Plc er fastsatt på bakgrunn av

kontantbeholdningen pålydene USD 35.000 omregnet til kurs USD/NOK 5,8859 per 28. november 2011.

I det tilfelle fusjonen mellom Petrolia ASA og IO&R AS ("Rig fusjonen") er gjennomført før ikrafttredelsesdato:

- I henhold til fusjonsavtalen mellom partene skal aksjonærene i Petrolia ASA, for hver aksje motta 0,090045702 vederlagsaksjer i Petrolia E&P Holdings Plc. Dette medfører en utstedelse av 27 200 867 vederlagsaksjer i Petrolia E&P Holdings Plc, tilsvarende en kapitalutvidelse på USD 27 200 867 til tegningskurs USD 1, med pålydende USD 1.

I det tilfelle fusjonen mellom Petrolia ASA og IO&R AS ikke er gjennomført før ikrafttredelsesdato:

- I henhold til fusjonsavtalen mellom partene skal aksjonærene i Petrolia ASA, for hver aksje motta 0,090045702 vederlagsaksjer i Petrolia E&P Holdings Plc. Dette medfører en utstedelse av 15 044 698 vederlagsaksjer i Petrolia E&P Holdings Plc, tilsvarende en kapitalutvidelse på USD 15 044 698 til tegningskurs USD 1, med pålydende USD 1.

Årsberetning, årsregnskap og revisjonsberetning for Petrolia ASA for 2008, 2009 og 2010 følger som vedlegg. Likeledes vedlegges siste kvartalsregnskap for Petrolia ASA. Petrolia E&P Holdings Plc er som tidligere nevnt nystiftet selskap, og det foreligger således ingen årsberetning, årsregnskap eller revisjonsberetning.

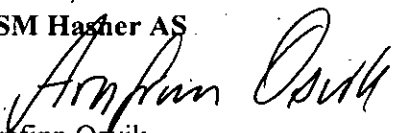
Den benyttede fremgangsmåte for fastsettelse av vederlaget er etter vår oppfatning hensiktsmessig. Det kan ikke ses å være spesielle forhold å bemerke når det gjelder verddivurderingen av det som skal overtas. Det har ikke vært særlige vanskeligheter i forbindelse med fastsettelsen av vederlaget. Etter vår mening er vederlaget til aksjeeierne i Petrolia ASA rimelig og saklig begrunnet.

Den uavhengige sakkyndiges uttalelse

Vi har utført vår kontroll og avgir vår uttalelse i samsvar med standard for attestasjonsoppdrag SA 3802 "Revisors uttalelser og redegjørelser etter selskapslovgivningen". Standarden krever at vi planlegger og utfører kontroller for å oppnå betryggende sikkerhet for at vederlaget til aksjeeierne i Petrolia ASA er rimelig og saklig begrunnet. Arbeidet omfatter kontroll av verdsettelse av vederlaget. Videre har vi vurdert de verdsettelsesmetoder som er benyttet og de forutsetninger som ligger til grunn for verdsettelsen. Vår kontroll gir etter vår mening et forsvarlig grunnlag for vår uttalelse. Vi mener at begrunnelsen for vederlaget til aksjeeierne i Petrolia ASA på 0,090045702 aksjer i Petrolia E&P Plc for hver aksje i Petrolia ASA, er rimelig og saklig, basert på verdsettelsen av selskapene som beskrevet ovenfor.

Lysaker, 29. november 2011

RSM Hasner AS


Arnfinn Osvik

Statsautorisert revisor

PETROLIA ASA
ARTICLES OF ASSOCIATION
(As of 2nd September 2011)

§ 1

The name of the Company is Petrolia ASA. The Company is a public limited liability company.

§ 2

The registered office of the Company is in Oslo.

§ 3

The object of the Company is to carry out petroleum, shipping, offshore, transport, trade, industrial and financing activity and other related activities, and to participate as a shareholder or in other ways in other enterprises.

§ 4

The share capital is NOK 6.683.138,52 divided on 167.078.463 shares of NOK 0,04 each. The shares of the Company are registered with Verdpapirsentralen (the Norwegian Central Securities Depository).

§ 5

The Board of Directors of the Company consists of 3 to 5 directors. The Company is bound by the signature of the Chairman of the Board or by the joint signatures of two directors of the Board.

§ 6

The following issues will be considered and decided by the Annual General meeting :

- a. Adoption of the profit and loss statement and balance sheet, including application of the profit for the year or coverage of the loss for the year.
- b. Adoption of the consolidated profit and loss statement and balance sheet.
- c. Election of directors of the Board of Directors.
- d. Other issues which pursuant to law or the Articles of Association are to be decided by the Annual General Meeting.

Documents that shall be considered at the general meeting may be published on the Company's website. The same applies to documents that due to statutory requirements must be attached to or included in the calling notice to the general meeting. If the documents are published in such manner, the statutory requirements for distribution to the shareholders shall not apply. A shareholder may still request to get sent documents that shall be considered by the general meeting.

§ 7

The Company shall have a nomination committee. The committee shall present to the general meeting a proposal for candidates to be elected as members of the Board. The committee shall also propose to the general meeting the board members' remuneration.

The nomination committee shall consist of three members. The members of the nomination committee shall be elected by the company's general meeting. The committee shall be independent of the Board and the management of the Company. The general meeting shall set the committee members' remuneration. The general meeting may adopt instructions for the nomination committee. The costs of the nomination committee shall be covered by the Company.

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THE COMPANIES LAW, CAP. 113

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PETROLIA E&P HOLDINGS PLC

INTERPRETATION

1. In these Articles:

"Board of Directors" means the board of Directors of the Company at the relevant time;

"Cyprus" means the Republic of Cyprus;

"Directors" mean the directors for the time being of the Company;

"Independent Director" means a Director free of any business, family or other relationship with the Company, its controlling member(s), the management of either the Company or entities with significant connections with the Company that would create a conflict of interest such as to impair his or her judgment. A Director who is an employee of the Company or a company associated with it shall be deemed to be lacking the necessary independence for the purpose of these Articles;

"regulated market" shall have the meaning ascribed thereto in the Law and shall refer to regulated market located or functioning within a Member State of the European Economic Area;

"the Law" means the Companies Law, Cap. 113 (as amended) or any law substituting or amending same;

"the seal" means the common seal of the Company and, as appropriate, any official seal kept by the Company by virtue of section 36 of the Law;

"the Secretary" means any person appointed to perform the duties of the secretary of the Company and includes an assistant secretary;

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Law or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

TABLE "A" EXCLUDED

2. The regulations contained in Table "A" in the First schedule to the Law shall not apply except so far as the same are repeated or contained in these Articles.

BUSINESS

3. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such times as they think fit, and may be permitted by them to be in abeyance, whether the branch or kind of business commenced or not, so long as the Directors deem it expedient not to commence or proceed with it.

SHARE CAPITAL AND VARIATION OF RIGHTS

4. The authorised and unissued shares of the Company shall be at the disposal of the members which may by ordinary resolution or resolution passed with the requisite majority in accordance with section 59A of the Law (as may be applicable) authorise the Directors to allot or otherwise dispose of any authorised and unissued shares provided always no shares shall be issued at a discount, except as provided by section 56 of the Law.
5. Without prejudice to any special rights previously conferred on the holders of any existing shares or classes of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
6. The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Law. The special resolution sanctioning the issue shall also make alterations to these Articles as are necessary to specify the terms on which and the manner in which the shares are to be redeemed.
7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of the class) may, whether or not the Company is being wound up, be varied only (but not otherwise) in compliance with the provisions of section 59(A)(1) of the Law.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

9. The Company may exercise the powers of paying commissions conferred by section 52 of the Law, provided that the rate per cent of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
10. Except as required by law, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
11. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of 25 cents for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. ~~Provided that in respect of a share or shares held jointly by several persons the~~ Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders.
12. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of 25 cents, or such less sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the Directors think fit.
13. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Article shall prohibit transactions mentioned in the proviso to section 53(1) of the Law.

14. Notwithstanding the provisions of Article 13 hereof, to the fullest extent permitted by applicable law, the Company may acquire its shares either directly or through a person acting in his own name subject to and in compliance with the applicable provisions of sections 57A through to 57F (both inclusive) of the Law.

LIEN

15. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
17. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
18. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

19. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall (subject to receiving at least fourteen day's notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
20. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, and may be required to be paid by instalments.

21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate not exceeding 8 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
23. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. The Directors may on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
24. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 5 per cent per annum, as may be agreed upon between the Directors and the member paying such sum in advance.

TRANSFER OF SHARES

25. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
26. Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve.
27. The Directors may decline to register the transfer of a share on which the Company has a lien. The Directors may also decline to recognise any instrument of transfer unless: -
 - (a) 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 to show the right of the transferor to make the transfer; and
 - (b) the instrument of transfer is in respect of only one class of share.

28. Notwithstanding any other provision of these Articles, in the event the shares, titles or securities of the Company are being traded in a foreign market, it shall be lawful for the Company to register the transfer of shares or debentures of the Company, even if no proper instrument of transfer has been delivered to the Company, provided the transfer was made in accordance with the law or regulations governing the operation of the relevant market.
29. If the Directors refuse to register a transfer, they shall within 30 days after the date, on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
30. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
31. The Company shall be entitled to charge a fee not exceeding 25 cents on the registration of every probate, letters of administration, certificates of death or marriage, power of attorney, or other instrument.

TRANSMISSION OF SHARES

32. In case of the death of a member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
33. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced, as may from time to time properly be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, 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 that member before his death or bankruptcy, as the case may be.
34. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer was a transfer signed by that member.
35. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends 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 right conferred by membership in relation to meetings of the Company.

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

36. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter during such times as any ~~part of the call or instalment remains unpaid,~~ serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
37. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non- payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the ~~payment required by the notice has been made,~~ be forfeited by a resolution of the Directors to that effect.
39. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
40. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
41. A statutory declaration in writing that the declarant is a Director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

43. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
44. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to these Articles, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; ~~and the Directors may, from time to time, fix the minimum~~ amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
45. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
46. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

47. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
48. The Company may by ordinary resolution: -
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 60(1)(d) of the Law;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

49. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

GENERAL MEETINGS

50. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint. ~~Where the Company is admitted to trading on a regulated market the Company shall place the date of its next annual general meeting on its website from the end of its previous financial year or not later than 45 days before the annual general meeting, whichever is the sooner.~~
51. All general meetings other than annual general meetings shall be called extraordinary general meetings.
52. The Directors may, whenever they think fit, convene an extraordinary general meeting. On the requisition of members in accordance with section 126 of the Law, the Directors shall convene an extraordinary general meeting. If at any time there are not sufficient Directors within Cyprus who are capable of acting to form a quorum, ~~any Director or any two members of the Company may convene an extraordinary~~ general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

53. In the case of an annual general meeting or of a meeting convened to pass a special resolution or in any other case at least 21 days' notice must be given (exclusive in each case of the day on which the notice is served or deemed to be served and the day for which the notice is given). Where the Company is admitted to trading on a regulated market the notice shall comply in all respects with the mandatory requirements of section 127A(3) of the Law and shall be published on the website of the Company no later than 21 days (in the case of an annual general meeting or a meeting convened for the passing of a special resolution or in any other case) before the meeting to which it relates together with all other documents so required by the Law to be similarly published absent publication for technical reasons. Without prejudice to the preceding sentence, the notice shall specify the place, the day and the hour of meeting (and in the case of an annual general meeting shall specify the meeting as such) and state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him. In the case of special business, the notice must specify the general nature of that business and in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose a special or extraordinary

resolution as the case may be. The notice shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these Articles, entitled to receive such notices from the Company;

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, 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; and
- (b) in the case of any other meeting, by 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 per cent in nominal value of the shares giving that right.~~

54. The accidental omission to give notice of a meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

55. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the ~~exception of declaring a dividend, the consideration of the accounts, balance sheets,~~ and the reports, 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.
56. 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 herein otherwise provided, members present in person or by proxy representing 50% plus 1 (one) of the voting share capital of the Company in issue shall be a quorum. Where the Company is admitted for trading on a regulated market the Company may by decision of its Board of Directors permit participation at general meetings via electronic means, including a mechanism for casting votes either before or during the general meeting, to the extent permissible but otherwise subject only to such conditions and restrictions prescribed under the Law.
57. 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, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

58. The Chairman, if any, of the Board of Directors of the Company shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.
59. If at any meeting no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting the members present shall choose one of their number to be chairman of the meeting.
60. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than ~~the business left unfinished at the meeting from which the adjournment took place.~~ When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
61. Subject to Article 56 hereof, 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 the show of hands) demanded:-
- (a) by the chairman; or
 - (b) —by at least two members present in person or by proxy; or
 - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being 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 the shares conferring that right.

Unless a poll be so 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 book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

62. Except as provided in Article 65 hereof, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.
64. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

VOTES OF MEMBERS

65. Subject to any rights or restrictions, for the time being attached to any class or classes of shares, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder. In the event of the Company being admitted to trading on a regulated market the Company may, notwithstanding any other provision of these Articles, by decision of its Board of Directors provide for electronic voting or voting by correspondence. In such case the notice convening the general meeting shall set out the procedure to be followed, including in the case of voting by correspondence the specified date and time by which the Company must receive a vote given by correspondence, provided that such specified date and time shall not be more than 24 hours before the time that the voting shall end.
66. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
67. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by the Court, and any such administrator, committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
68. No member shall be entitled to vote at any general meeting either personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
69. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection, made in due time, shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
70. On a poll, votes may be given either personally or by proxy.

71. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
72. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within Cyprus, as is specified for that purpose in the notice convening the meeting, at any time before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, at any time before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. In the event of the Company being admitted to trading on a regulated market the notice of general meeting (referred to in Article 53 hereof) shall specify to what extent the Company is willing to accept electronic notice of the appointment of proxy holders. Where the Company has specified it is willing to accept electronic notice of the appointment of a proxy holder a member may appoint a proxy by electronic means at the address provided for by the Company.
73. An instrument appointing a proxy shall be in common form or form which the Directors approve. A proxy shall act in accordance with the given instructions of the member by whom such proxy was appointed as set forth in the instrument of proxy. A member may not appoint more than one proxy to be present and vote on any one general meeting, except that where the Company is admitted to trading on a regulated market (i) a member acting in the course of a business on behalf of a client may appoint a proxy for each of his clients or appoint as proxy any third party designated by a client and (ii) a member may appoint more than one proxy in relation to shares held in more than one securities account.
74. Proxies need not be witnessed. The proxy shall, unless it states the contrary, be valid for an adjournment of the meeting as well as the meeting to which it relates.
75. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
76. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid, shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
77. Subject to the provisions of the Law, 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 as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several

documents in the like form, each signed by one or more of the members or their attorneys, and signature in the case of a corporate body which is a member shall be sufficient if made by a director or other authorised officer thereof or its duly appointed attorney.

CORPORATION ACTING BY REPRESENTATIVES AT MEETINGS

78. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such persons as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents, as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

79. Unless and until otherwise determined by the members by ordinary resolution, the number of Directors (other than alternate Directors) shall be a minimum of two, of which at least two shall be Independent Directors and there shall be no maximum number of Directors.
80. Only Independent Directors shall be entitled to remuneration which shall, from time to time, be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
81. The shareholding qualification for directors may be fixed by the Company in general meeting, and unless and until so fixed, no qualification shall be required.
82. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

BORROWING POWERS

83. The Directors may exercise all the powers of the Company to borrow money, and to charge or mortgage its undertaking, property and assets (both present and future) including its uncalled capital, or any part thereof and, subject to the Law, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

84. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting, but subject, nevertheless to any provisions of these Articles or the Law, and also subject to such regulations, which are not inconsistent with those regulations or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
85. The Directors may, from time to time, and at any time by power of attorney or Directors resolution appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the authorised representative, attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or Directors resolution may contain such provisions for the protection and convenience of persons dealing with any such authorised representative or attorney as the Directors may think fit and may also authorise any such authorised representative or attorney to delegate all or any of the powers, authorities and discretions vested in him. Without prejudice to the above, the Directors may appoint any company, firm or persons or body of persons expressly to sign (without requirement to attach any seal) any document for and on behalf of the Company and any document so signed shall have the same effect as if it was executed under the common seal of the Company.
86. The Company may exercise the powers conferred by section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
87. The Company may exercise the powers conferred upon the Company by sections 114 to 117 (both inclusive) of the Law with regard to the keeping of a branch register of members ("flag out register"), and the Directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register.
88. (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company, shall declare the nature of his interest at a meeting of the Directors in accordance with section 191 of the Law.
- (2) A Director shall not vote at a meeting of the Board of Directors or a committee of the Board of Directors (nor be counted in the quorum) on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the Company's interests unless his interest or duty arises only because the case falls within one or more of the permitted interests set out as follows:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the Company's benefit or the benefit of any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; and
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other of the Company's securities, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange.

(3) 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 for such period and on such terms (as to remuneration and otherwise) as the Directors may determine, and no Director or intending Director shall be disqualified by his office by contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is 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 any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

(4) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

89. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

90. The Directors shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

DISQUALIFICATIONS OF DIRECTORS

91. The office of Director shall be vacated if the Director:
- (a) ceases to be a Director by virtue of section 176 of the Law; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) becomes prohibited from being a Director by reason of any order made under section 180 of the Law; or
 - (d) becomes of unsound mind; or
-
- (e) resigns his office by advance notice in writing to the Company.

APPOINTMENT OF ADDITIONAL DIRECTORS AND REMOVALS OF DIRECTORS

92. Only members shall be entitled to remove a Director from office. Without prejudice to the provisions of Article 93, the Company may at any time remove a Director by special resolution.
93. The Company may, by ordinary resolution, of which special notice has been given in accordance with section 136 of the law, remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
94. Only members shall be entitled to appoint a Director to office. At any time, and from time to time, the Company may by ordinary resolution, appoint any person as Director and (subject to the next following sentence) determine the period for which such person is to hold office. In any event any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

PROCEEDINGS OF DIRECTORS

95. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors. It shall be necessary to give 96 hours' notice of a meeting of Directors to any Director for the time being absent from Cyprus who has supplied to the Company a registered address situated outside Cyprus. All meetings of the Board of Directors and committee meetings of the Directors shall take place in Cyprus or in any other place, provided that the integrity of the Cyprus tax residency of the Company is maintained and not

prejudiced. Any Director or a member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

96. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be at least 50% of the Directors or their alternates, including at least one Independent Director. If within half an hour from the time appointed for a meeting of the Directors a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors present may determine, and the quorum required for the transaction of the business of the Directors at any such adjourned meeting shall be as established in accordance with this Article except that it shall not include any minimum number of Independent Directors.
97. The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but not for any other purpose.
98. The Directors may elect a chairman of their meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
99. The Directors may delegate any of their powers to a committee or committees, including but not limited to the Audit Committee, consisting of such member or member of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors, as to its powers, constitution, proceedings, quorum or otherwise. The duties of the Audit Committee shall include a proposal to the Board of Directors as regards the appointment, termination and remuneration of the Company's auditors and keeping under continuous review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors. Without prejudice to the above, the Audit Committee shall be allocated such additional duties as shall be mandatory (if any) for performance by the Audit Committee under and in accordance with the Norwegian Code of Practice for Corporate Governance.
100. A committee may elect a chairman of its meetings who in any event shall be an Independent Director; if no such chairman is elected, or if, at any meeting, the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

101. Subject to any regulations imposed on it by the Directors, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the members present.
102. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
103. A resolution in writing signed or approved by letter, facsimile or electronic communication by each Director or his alternate shall be as valid and effectual as if it ~~had been passed at a meeting of the Directors duly convened and held and when~~ signed may consist of several documents each signed by one or more of the persons aforesaid.

ALTERNATE DIRECTORS

104. (a) Each Director shall have power, from time to time, to nominate another Director or any other person who is approved by the Board of Directors to be an alternate Director, to act as his alternate Director and at his discretion to remove such alternate Director.
- (b) An alternate Director shall (except as regards power to appoint an alternate director and remuneration) ~~be subject in all respects to the terms and~~ conditions existing with reference to the other Directors, and shall be entitled to receive notice of all meetings of Directors and to attend, speak and vote at any such meeting at which his appointor is not present and generally to perform all the functions and exercise all the powers of his appointor as a Director in the absence of the appointor.
- (c) One person may act as alternate Director to more than one Director and while he is so acting, shall be entitled to a separate vote for each Director he is representing and, if he is himself a Director, his vote or votes as an alternate Director shall be in addition to his own vote, and, where the quorum exceeds two, he shall be considered as two Directors for the purpose of making a quorum.
- (d) Any appointment or removal of an alternate Director may be made in writing (including by facsimile) delivered to the registered office of the Company or at a duly convened and held meeting of the Board of Directors. Any appointment or removal shall be confirmed, as soon as possible, by letter, but may be acted upon by the Company meanwhile.
- (e) If a Director making any such appointment, as aforesaid, shall cease to be a Director otherwise than by reason of vacating his office at a meeting of the

Company at which he is re-elected, the person appointed by him shall thereupon cease to have any power or authority to act as an alternate Director.

- (f) A Director shall not be liable for the acts and defaults of any alternate Director appointed by him.

MANAGING DIRECTOR

105. The Directors may, from time to time appoint one or more of their body to the office of managing Director, for such period and on such terms, as they think fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
106. A managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another), as the Directors may determine.
107. Subject to the prior approval of the Company by ordinary resolution, the Directors may entrust and confer upon a managing Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or the exclusion of their own powers, and may, from time to time revoke, withdraw, alter or vary all or any of such powers. Notwithstanding the above or any other provision of these Articles, but subject to the exemption mentioned below, each managing Director of the Company shall be entitled, acting alone and without requirement for prior or subsequent approval of the Board of Directors or the members of the Company, to negotiate, conclude, sign and implement any single deal, engagement, arrangement or agreement which shall not involve expenditure by the Company in excess of EUR 10,000; provided always that a decision to be taken by the Company in respect of any transaction (irrespective of value) relating to a subsidiary of the Company or shares or participation interest held by the Company directly or indirectly in any entity (being a subsidiary of the Company or not) shall be within the sole authority of the Board of Directors.

SECRETARY

108. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
109. The Directors may appoint an assistant Secretary or assistant Secretaries and temporary substitutes for the Secretary.
110. A provision of the Law or these Articles, requiring or authorising a thing to be done by or to a Director and the Secretary, shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

THE SEAL

111. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

DIVIDENDS AND RESERVE

112. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
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113. ~~The Directors may, from time to time, pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.~~
114. No dividend shall be paid otherwise than out of profits, and no dividend (interim or final) shall be declared and/or paid otherwise than in strict conformity with the Law.
115. The Directors may, before recommending any dividend, and shall where the Law so requires, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including the shares of the Company, where the Law so permits) as the Directors may from time to time, think fit. ~~The Directors may also, without placing the same to the reserve, carry forward any profits which they may think prudent not to divide.~~
116. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts (excluding premium) paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts (excluding premium) paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
117. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
118. Any general meeting declaring a dividend or bonus, may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle

the same as they think expedient, and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments 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 as may seem expedient to the Directors.

119. Any dividend interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.

120. No dividend shall bear interest against the Company.

FINANCIAL STATEMENTS AND ACCOUNTS

121. The Board of Directors shall cause the observance of section 141 of the Law in respect of the keeping of proper books of account.
122. The books of account shall be kept at the registered office of the Company, or subject to section 141(3) of the Law, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
123. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any of them, shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.
124. The Board of Directors shall cause the documents specified in section 152 of the Law to be prepared and to be laid before the Company in general meetings within the time frame set by the Law.
125. Without prejudice to section 127A(4) of the Law where applicable, copies of the documents referred to in section 152(1) of the Law shall, not less than twenty-one days before the date of the meeting, be available to be sent to every member and every holder of debentures, of the Company and to every person registered under Article 33 hereof.

CAPITALISATION OF PROFITS

126. Subject to the Law, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the

credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution, amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

127. Whenever such a resolution, as aforesaid, shall have been passed the Directors shall, subject to the Law, make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions by the issue of fractional certificates or by payment in cash or otherwise, as they think fit, for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company, on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

AUDIT

128. Auditors shall be appointed and their duties regulated in accordance with sections 153 to 156 (both inclusive) of the Law.

NOTICES

129. Any notice required by these Articles to be given by Company may be given by any visible form on paper, including facsimile and electronic mail. A notice communicated by immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

130. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
131. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every member (at the postal address, facsimile number or e-mail address supplied by the member to the Company);
 - (b) every person (at the postal address, facsimile number or e-mail address supplied by such person to the Company) upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in ~~bankruptcy of a member where the member but his death or bankruptcy would~~ be entitled to receive notice of the meeting;
 - (c) the auditor for the time being of the Company; and
 - (d) any other person entitled by Law to receive notices of general meetings.

WINDING UP

132. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Law, divide amongst the members in specie or kind, the whole or any part of the assets of ~~the Company (whether they shall consist of property of the same kind or not)~~ and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees, upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

133. Every Director or other officer for the time being of the Company, shall be indemnified out of the assets of the Company against any damage or liability which he may sustain or incur in or about the execution of his duties including liability incurred by him in defending any proceeding whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 383 of the Law in which relief is granted to him by the Court; and no Director or officer of the Company shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by section 197 of the Law.
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**THE COMPANIES LAW, CAP. 113
EUROPEAN COMPANY
STATUTES AND MEMORANDUM OF
ASSOCIATION OF THE
EUROPEAN PUBLIC COMPANY LIMITED BY
SHARES**

PETROLIA E&P HOLDINGS SE

THE COMPANIES LAW (CAP. 113)
EUROPEAN PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
“PETROLIA E&P HOLDINGS SE”

1. The name of the Company is:

“PETROLIA E&P HOLDINGS SE “

2. The registered office of the Company will be situated in Cyprus.
3. The objects for which the Company is established are:

- (1) To carry out petroleum, shipping, offshore, transport, trade, industrial and financing activity and other related activities and to participate as a shareholder or in other ways in other enterprises.
- (2) To acquire and hold shares, stock, debentures, debenture stock, bonds, promissory notes, commercial or negotiable or in any way transferable instruments, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business as well as debentures, debenture stock, bonds, promissory notes, investments, obligations and securities issued or guaranteed by any government, sovereign state, public corporation, public body or authority, independent, dependent, municipal, local or other wherever situated.
- (3) To acquire any such shares, stock, debentures, debenture stock, bonds, promissory notes, commercial or negotiable or in any way transferable instruments, investments, obligations and securities by participating in the incorporation, by contract, by tender, purchase, exchange, underwriting, by participating in syndicates or otherwise and whether these are fully paid up or not and under any conditions or restrictions considered to be proper.
- (4) To exercise and give effect to all the rights and powers which arise or emanate from the ownership by the Company of any shares, stock, debentures, debenture stock, bonds, promissory notes, commercial or negotiable or in any way transferable instruments, investments, obligations or other securities, including, without prejudice to the generality of the

matters aforesaid, the right to exercise all the powers of veto or control which the Company may have in consequence of its ownership of any special proportion of the issued or nominal value of the shares and to render all the necessary services relating to the management, control and supervision of any company in which the Company is interested under such terms as may be deemed proper.

- (5) To sell, mortgage, pledge or otherwise alienate any shares, stock, debentures, debenture stock, bonds, promissory notes, investments, obligations or securities or other movable property of all kinds and form of the Company.
- (6) ~~To carry on the business of land and property developers of every and any~~ description and to acquire by purchase, lease, exchange, grant, gift, assignment, possession, licence or otherwise such lands, buildings, leases, underleases, rights or privileges, stocks, shares and debentures in companies, policies of insurance and other such property as the Company may deem fit and shall acquire the same for the purposes of investment and development and with a view to receiving the income therefrom; and to enter into any contracts and other arrangements of all kinds with persons having dealings with the Company and on such terms and for such periods of time as the Company may from time to time determine, on a commission or fee basis or otherwise, and to carry on any other trade or business, whatever, of a like or similar nature.
- (7) To erect, construct, commence construction, extend, convert and maintain any buildings, works and machinery necessary or suitable for the objects of the Company.
- (8) To carry on the business of commission agents, factors, general merchants and dealers in every description of machines, engines, goods, fittings, equipment, material and substances, exporters and importers, concessionaires, wholesale and retail traders, carriers, warehousemen, designers, advertising contractors or agents, or trustees, brokers or agents of any company or person or in any other capacity in any country or state, to manufacture, develop, process, refine, repair, purchase, sell, export, import, deal in or let on hire all kinds of machines, engines, goods, fittings, equipment, substances, articles, services and material (tangible or intangible) of any kind which may be advantageous to the Company or which any of the customers or other companies having dealings with the Company may from time to time require.
- (9) To establish or acquire and carry on offices, trading stations, factories, shops, agencies, sub-agencies, warehouses, sale-rooms or other premises for the purpose of attaining the objects of the Company.
- (10) To apply for, acquire and hold any privileges, monopolies, licences,

concessions, patents or other rights or powers from any government or state, or any sovereign or local or other authority or person, and to exercise, carry on and work any powers, rights or privileges so obtained and to constitute or incorporate the company under the laws of any foreign country or state and to observe all the requirements and conditions in order to enable the Company to carry on all its activities, businesses or works in any such country or state.

- (11) To carry on business as advisers on the management, administration and organisation of industries and businesses of all types and the training and utilisation of personnel for any industry and business, and to carry on all or any of the businesses of industrial, commercial, administrative and financial consultants, advisers to corporations, partnerships and individuals engaged in any business, profession or other activity and personnel consultants.
- (12) To advise on accounting and financial matters, on the extending, developing and improving of all types of businesses or industries and their respective managerial and business performance and organisational efficiency and all systems or processes relating to the production, storage, distribution, marketing and sale of goods or the rendering of services of any kind.
- (13) To provide or assist in providing financial services of every kind including (but not limited to) hire purchase credit sale or deferred payment, or similar transactions, to acquire bills of exchange, merchandise hire purchase or other agreements or any chose in action options or rights of any kind and generally to carry on business and to act as financiers, capitalists, brokers, investment managers and generally to carry on any finance business.
- (14) To recruit employ and place crews on ships and to render to shipowner and others services of any nature and either generally or for a particular voyage, including administration of the financial affairs of ships and the management thereof and to act as shipbroker, agent, or intermediary for securing freights or cargoes as well as for the purchase sale, chartering of ships or otherwise, and to carry on the business of contractors in respect of construction works or works of services of any nature.
- (15) To bareboat charter vessels of any kind and to register the same at any ship registry in accordance with any relevant law and to purchase, take in exchange, hire, manage, charter, build, or otherwise acquire, hold or equip ships or vessels of any kind with or without their equipment machinery, furniture and receptacles, or shares or interests in such ships or vessels, as well as shares or other documents of companies possessed of such ships or vessels, and to employ the same in the conveyance of passengers, goods and produce of all kinds, including live stock, oil or other liquids and generally any kind of articles, between any ports or places, in Cyprus or elsewhere and to acquire any postal subsidies, and to maintain, repair, improve, alter, let out on hire, mortgage or otherwise deal with, sell or dispose of any such ships or

vessels shares or documents.

- (16) To carry on the business of shipowners, carriers by land and sea, managers, dealers and agents of ships and shipping companies, shipchandlers, warehousemen, contractors, owners of barges, lighters, motor boats or other small vessels, forwarding agents, agents of all kinds, stevedores, shipbrokers, freight contractors, shipowners, wharfingers, manufacturers and merchants of ice, owners and keepers of refrigerating stores and spaces and to insure with any company or person against any loss, damage, risk or liability of any kind which may affect the Company, its property, its products or the persons or articles transported by it and its transport means as well as to carry on the business of insurance agents for any type of insurance business, including marine insurance.
- (17) To engage in research into all problems relating to personnel and industrial and business management and distribution, marketing and selling of goods or the rendering of services; to collect, prepare and distribute information and statistics relating to any type of business, industry or technology; and to promote or propose such methods, procedures and measures as may be considered appropriate.
- (18) To act as agents or managers in carrying on any works, business concerns and undertakings and to employ experts to investigate and examine into the condition, management, prospects and value of any business or undertaking and generally of any assets, properties, interests or rights of any kind.
- (19) To carry on business as financial consultants, stock exchange consultants, consultants on banking matters, tax consultants, property development and investment consultants, business consultants, market research consultants, business transfer agents, valuers and estate agents and to act as intermediary, agent or trustee of any person or business undertaking for the negotiation, conclusion and carrying out of any financial, commercial or other agreement or arrangement of any kind.
- (20) To carry on all kinds of promotion business, and, in particular, to form, constitute, float, lend money to, assist, manage and control any companies or legal persons and to market, advertise or promote goods, services, machinery, electronic and other appliances, material or any other thing whatsoever.
- (21) To carry on business as capitalists, financiers, bankers, moneylenders, the business of an investment trust company, the business of a guarantee and indemnity company, insurance brokers and agents, consultants on insurance matters, of general merchants and to carry on and execute all kinds of financial, commercial and other business or operations which may seem to be capable of being conveniently carried on or in connection with all or any of the objects of the Company, or calculated, directly or indirectly, to

enhance the goodwill or value or reputation of the Company, or render profitable any of the property or other rights or interests of the Company.

- (22) To advance, deposit, or lend money, and to exchange, discount, endorse or deal in shares, bills, coupons, indemnity or credit or security documents, and other negotiable or transferable documents on such terms and conditions as may seem expedient.
 - (23) To undertake and execute any trust or trust business, and also to undertake the office of delegate, receiver, executor, administrator, liquidator, secretary, treasurer or to become manager of any business, and to keep any register and act as depositary.
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- (24) To carry on the businesses or undertakings of insurers, insurance agents and brokers in all their branches and of advisers on questions of insurance, inspectors, valuers, assessors, appraisers and average adjusters.
 - (25) To carry on business as tourist and travel agents and contractors, and to facilitate travelling, and to provide for, and promote the provision to tourists and travellers of conveniences of all kinds and to carry on business as hotel keepers, restaurant keepers, general caterers, transport agents, insurance agents and brokers, and any other businesses that can be conveniently carried on or in connection with the aforesaid or any other business of the Company.
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- (26) To provide services of any kind including, without any limitation, the carrying on of advisory, consultancy, brokerage and agency business of any kind.
 - (27) To engage, provide employ, hire out or act as agent for, the services of artists, actors, singers, entertainers, authors, composers producers, directors, engineers, experts or specialist of any sort.
 - (28) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
 - (29) To establish or contribute to, to manage or take part in the establishment of and superintend companies or other legal persons, associations and societies for the promotion, expansion, undertaking, carrying on and performance of any works or businesses of any description, both public and private, and to acquire and dispose of, in any way howsoever, shares and interests in any such companies or associations or societies or in any other company or their respective assets.
 - (30) To co-ordinate the administration, policies, management, supervising, control, research, development and planning of any business or activity of,

and to act as consultant to, any company or companies or group of companies now or here-after formed or acquired which may be or may become related or associated in any way with the Company or with any company related or associated therewith and either without remuneration or on such terms as to remuneration as may be agreed.

- (31) To organize, incorporate, reorganize, aid and assist, financially or otherwise, any companies or persons and to provide technical, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision.
- (32) To apply for and obtain from any government or authority or person any orders, rights, privileges, licences, franchises, concessions and contracts for or in relation to the construction, execution, equipment, improvement, management, administration or control of any works and conveniences.
- (33) To engage in and carry on all or any of the businesses of designers, manufacturers, processors and packers of, commission agents and dealers in goods, chattels, products, metals, minerals, machinery and merchandise of all kinds.
- (34) To engage in and carry on the business of scientific research in all its branches including the registration in any country, acquisition, improvements, discovery and development of any processes, inventions, formulas, patents, trade-marks, designs and the like, and to acquire by purchase or otherwise and own, sell, lease or otherwise dispose of or deal in the same, and for the purposes aforesaid or any of them to acquire, construct, maintain, supervise and operate laboratories and research centres, as well as factories and workshops for the manufacture and processing of products.
- (35) To acquire by purchase or otherwise and hold as investment, or otherwise any investments, improvements, processes, patents, applications, trade-marks, trade names, trade secrets, labels, designs, licences, brands, formulas and the like and to sell, exchange, grant licences or vary the same as the company may from time to time determine.
- (36) To purchase, take on lease or in exchange, hire, renew, or otherwise acquire and hold any property, movable or immovable, or share or interest therein and to sell, let or otherwise dispose of any lands, buildings, machinery, rights, stock-in-trade, business concerns and any other property of any kind including all of the assets of the Company and to perform any services or render any consideration and to construct, equip, alter and maintain any buildings, works and machinery necessary or convenient for the Company's business and in each case for any consideration which may be thought fit.
- (37) To employ the funds of the Company in the development and expansion of the business of the Company and all or any of its subsidiary or associated

companies and in any other company whether now existing or hereafter to be formed and engaged in any like business of the Company or any of its subsidiary or associated companies or of any other industry or trade ancillary thereto or which can conveniently be carried on in connection therewith.

- (38) To invest and deal with the moneys of the Company in or upon such investments (other than shares in the Company) and to vary the investments of the Company in such manner as may from time to time seem expedient.
- (39) To amalgamate with any other company or enterprise which either in part or as a whole has objects similar to those of the Company.
- (40) To acquire either in part or as a whole the property or the obligations of any person or persons, legal or physical, and of any description, so long as the Company deems them capable of promoting its business and contribute to its success.
- (41) To enter into contracts, agreements and arrangements with other companies, person or persons, legal or physical and of whatever description, on lawful consideration and to carry on their behalf any kind of business connected with the objects of the Company.
- (42) To construct, carry out, support, maintain, improve, manage, operate, control and superintend works of all kinds which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to or otherwise aid or take part in the construction, carrying out, support, maintenance, improvement, management, operating, controlling and superintending the same.
- (43) To employ for its own account or for account of third parties, to supply or to secure the supply of specialized and non-specialized personnel and laborers, for work of any nature and for the requirements of companies of any nature, or for persons in any country and also to offer services of any nature, for the recruitment and employment of personnel and laborers of any nature and also the procuring and supplying of materials and services of any nature.
- (44) To carry on all kinds of exploration business, and in particular to prospect, search for and explore mines and grounds supposed to contain metals, minerals, ores, oil or precious stones and to search for and obtain, prepare and diffuse information in regard to mines, mining claims, mining districts and localities.
- (45) To purchase, take on lease or otherwise acquire, and to sell, dispose of and deal with mines, oil wells, mining rights, ores, oil and oils substances, metals, precious stones, and undertakings connected therewith, and to work, exercise and develop, mines, oil wells, mining rights and mineral rights and

generally to deal in ores, minerals, oils and precious stones of all kinds.

- (46) To carry on the business of statisticians, computer programmers and analysts and to obtain, compile and distribute statistics and other information relating to any trade, industry or business.
 - (47) To exploit the experience and know-how to be obtained from the above activities or business and to carry on the works or businesses of consultants of business which are similar to the business carried on by the Company, to provide and undertake technical or other studies and to provide assistance of a technical nature in relation to such businesses and generally to act as consultant or adviser.
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- (48) To carry on all or any of the above activities, businesses, acts or works in any part of the world, either alone, in its own name and for its own account and benefit or jointly or in conjunction or in partnership or in co-operation with any other company, association or person and either as agent, factor, contractor, trustee or otherwise and either directly or through agents, sub-contractors, nominees or otherwise.
 - (49) To procure the registration or recognition of the Company in any country or place in any part of the world and to observe all the requirements and conditions in order to enable the Company to carry on all its activities, businesses or works in any such country or place and to establish in such country or place offices, shops, agencies, sub-agencies, warehouses, sale-rooms or other premises for the purpose of attaining the objects of the Company.
 - (50) To invest and manage the capital and monies of the Company in such shares or other investments, mortgages or pledges as it would be deemed fit or in such a way as the Directors may from time to time decide, as well as to subscribe for, take, buy or otherwise acquire and possess shares or other interests in other companies or debentures or other securities in same.
 - (51) To enter into any arrangements with any Government or Authority, Municipal, local or otherwise, which might be considered as conducive to the attainment of the objects of the Company or of any of them, to obtain by such arrangement concessions, rights or privileges, which, as a whole or each one separately the Company would wish to obtain and use and to comply with such arrangements, rights, privileges and concessions.
 - (52) To appoint and engage employees, servants, workers, personnel, agents or other persons in connection with the business of the Company.
 - (53) To remunerate any person or firm rendering services to the Company or working in the Company either by payment of money or by the issue of shares as fully or partly paid up or by granting a dividend or interest in the profits of

the Company.

- (54) To enter into any arrangement with any governmental, municipal, local or other authority or body or person that in the circumstances may seem necessary or conducive to the objects of the Company and also to obtain, purchase, hire, take on lease, exchange from any such authorities or persons and to register and use any invention rights, patents, brevets d' invention, trade marks, charters, contracts, licence, concessions, easements, rights or privileges and to sell, donate, let out on hire or generally alienate such rights or privileges to carry on the business of an inventor, designer or research organization.
- ~~(55) To insure with any other company, firm or person anything, property, interest, liability, obligation or situation against losses, damages, detriments, obligations, liabilities, situations and risks of all kinds.~~
- (56) To create and grant mortgages and other charges on the Company's assets and to grant and sign indemnities, guarantees and letters of indemnity to or in favour of any person, whether legal or natural, and to secure the repayment of any guaranteed amount or the performance of any obligation by such persons by granting or providing the same securities or charges as if these securities or charges were available for a loan contracted by the Company. The creation, grant and signing of such guarantees, securities or indemnities constitutes a self-evident and conclusive fact that the same was made in the interest and/or for the promotion of the objects of the Company.
- (57) To borrow, or raise money and to lend money either with or without security in such manner as the Company shall think fit and to mortgage, pledge or charge the whole or any part of the undertaking of the Company and the movable or immovable property and assets of the Company, present or future, wherever situated or any part of the uncalled capital of the Company, to secure any loan or loans, and to issue bonds, promissory notes, bills of exchange, debentures with or without a floating charge and debentures redeemable at any time and in such manner as the Company shall think fit.
- (58) To issue, draw, endorse, negotiate, discount and execute bonds, promissory notes and other instruments payable to order or the bearer.
- (59) To acquire and undertake the whole or any part of the business or property, movable or immovable, and the liabilities of any natural or legal person carrying on or proposing to carry on any business which the Company is authorized to carry on or which may be carried on in conjunction therewith or which is capable of being conducted so as, directly or indirectly, to benefit the Company, or possessed of property suitable for the purposes of the Company.
- (60) To amalgamate, enter into partnership, into any arrangement for sharing of

profits, joint venture or otherwise to co-operate with any natural or legal person and carrying on or engaged in any business, work or transaction which the Company is authorized to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as, directly or indirectly, to benefit the Company.

- (61) To establish or promote or consent in establishing or promoting or otherwise contribute in the establishment or promotion of any legal person for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may in the circumstances seem directly or indirectly calculated to benefit the Company and to place, guarantee the placing of, or secure the disposition of, to purchase or otherwise acquire all or any part of the shares or other securities of any such person.
- (62) To distribute among the members of the Company in specie any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made without the sanction for the time being required by Law.
- (63) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory Pension or Provident Funds or other Funds for the benefit of any persons who are or were at any time in the service of the Company or of any Company which is a subsidiary of the Company or is allied to or otherwise associated with the Company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, or the wives, widows, families or other dependents of any such persons and to grant or otherwise procure the grant of donations, gratuities, pensions, allowances, contributions or other benefits to any such persons.
- (64) To establish, subsidize and subscribe to any institutions, clubs or funds calculated to be for the benefit of or to advance the interests of the Company or of any such other company referred to in the preceding sub-clause, and to make payments to or towards the insurance of any such person referred to in the preceding sub-clause and to do any of the matters set out herein and in the preceding sub-clause, either alone or in conjunction with any other legal person as aforesaid.
- (65) To grant donations for charitable, medical, cultural, scientific, educational, artistic, athletic, entertaining or other objects which the Company may consider to be to the public benefit, to found, administer, operate, participate in, finance or give financial or other support to any charitable, medical, benevolent, cultural, scientific, educational, artistic, athletic or other institutions, funds, centres, associations or organizations as the Company may from time to time deem fit or desirable and, itself or under its auspices, to undertake, carry on, participate in association with others, finance or

support any research, charitable, cultural, scientific, educational, artistic, athletic, entertaining or other activities, including the provision, finance or promotion of scholarships or studies as the Company may deem fit or desirable.

- (66) To pay for any rights or properties acquired by the Company and to remunerate any person whether by cash payment or by allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- (67) To pay out of the funds of the Company all costs, charges and expenses of and incidental to the formation and registration of the Company and any company promoted by the Company and also all costs and expenses of and incidental to the acquisition by the Company of any property or assets.
- (68) To carry on any other activity and do anything of any nature which may seem to the Company capable of being conveniently carried on or done in connection with the above, or may seem to the Company calculated directly or indirectly to benefit the Company.
- (69) To pay all expenses related to the formation and registration of the Company.
- (70) To do all or any of the above acts either alone or in conjunction with others and in various legal capacities, such as principal, mandatory, agent contractor, trustee or in any other capacity envisaged by the Law, as well as generally and for every purpose or object to act in any capacity as above.
- (71) To participate in or otherwise aid any charitable or philanthropic body or purpose or other purpose of public benefit.
- (72) To do all such other things this may be deemed expedient, incidental or directly or indirectly conducive, to the above objects or any of them.

Notwithstanding any provision contained in this Clause it is hereby declared that:

- (a) the Company shall not provide any financial or investment services set out in the First Annex to the Investment Services Business Law, No. 148 (I) of 2002, other than to its shareholders or bodies corporate in its group of companies except with the prior permission of the appropriate authorities of the Republic of Cyprus or unless such restriction is lifted;
- (b) the word "company" in this Clause, when not applied to this Company, as well as the words "legal person" shall be deemed to include any company or body of persons of limited liability or otherwise or any other legal person whether domiciled in Cyprus or elsewhere, and whether constituted under the Laws of Cyprus or of any other country or

state or of any colony or dependency and whether existing or hereafter to be formed. And the word "person" (unless the context otherwise permits) shall be deemed to include a legal person; and

- (c) in the interpretation of this clause the powers conferred on the Company by any of the sub-clauses of this Clause shall not be restricted or affected to any extent by any other sub-clause or by the name of the Company and any such sub-clause shall be construed independently as if each and every such sub-clause contained the main objects of the Company.

4. The liability of the members is limited.

5. The share capital of the Company is U.S. Dollars 27 235 867 divided into 27 235 867 shares of One U.S. Dollar (US\$ 1.00) each, the Company having the power to increase or reduce the said capital.

Subject to and without prejudice to any special rights or privileges attached to any class of shares forming part of the Company's capital, the rights which will be attached to any issued shares may be varied as provided in the Company's Articles of Association, as if the Company's capital was already divided into different classes of shares and as if the rights attached to any class of shares were varied and any of the unissued shares in the original capital and any new shares to be issued from time to time, may be issued with any preferential right with regard to dividends or the return of capital or both or with any privilege or advantage over other shares previously issued or to be issued at or about the same time, or with restricted or deferred rights as compared to any other shares previously issued or to be issued at or about the same time or with any special or restricted rights or without any voting right, and generally issued on such terms and with such reservations, rights, privileges or restrictions as may from time to time be resolved, subject always to the relative provisions, if any, of the Articles of Association for the time being in force and the provisions of the Companies Law for the time being in force.

EUROPEAN COMPANY

STATUTES

- of -

PETROLIA E&P HOLDINGS SE

THE COMPANIES LAW CAP. 113
EUROPEAN PUBLIC LIMITED LIABILITY COMPANY
STATUTES
OF PETROLIA E&P HOLDINGS SE
("Company")

INTERPRETATION

1. In these Statutes:-

The following words and expressions have the following meanings:-

"address"	in relation to an electronic communication includes any number or address used for the purposes of such communication;
"administrative organ"	means the body responsible for the management of the Company, and in these Statutes such term is used interchangeably with, and should be construed synonymously with, the term "directors", meaning the members of the administrative organ or any of them acting as the administrative organ of the Company. In addition, a reference in the Law to the board of directors or the directors shall be construed as a reference to the administrative organ or the members thereof, respectively;
"auditors"	means the auditors of the Company;
"Cyprus"	means the Republic of Cyprus;
"director"	means, except where the context otherwise requires, a member of the administrative organ of the Company, as such term is

used in the Rules and "directors" shall be construed accordingly;

- "electronic communication"** means facsimile transmission or e-mail;
- "executed"** includes any mode of execution;
- "Independent Director"** means a Director free of any business family or other relationship with the Company;
- "Law"** means the Companies Law, Cap.113 including any statutory modification or re-enactment thereof for the time being in force;

"office" means the registered office of the Company;

"regulated market" "regulated market" shall have the meaning ascribed thereto in the Law and shall refer to regulated market located or functioning within a Member State of the European Economic Area;

"the Rules" shall collectively mean Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE), Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European Company with regard to the involvement of employees and The European Public Limited – Liability Company Regulations 2004 (Statutory Instrument 2004 No.2326)

"seal" means the common seal of the Company and, as appropriate, any official seal kept by the Company by virtue of section 36 of the Law;

"Statutes" means the Statutes of the Company, wherein are set forth, the rules for the operation of the Company. In addition, a reference in the Law to "articles of association" shall be construed as a reference to these Statutes;

Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them.

No power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation.

Except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under the Statutes or under another delegation of the power.

Unless the context otherwise requires, words or expressions contained in these Statutes bear the same meaning as in the Law or in the Rules as the case may be but excluding any statutory modification thereof not in force when these Statutes become binding on the Company.

References to a document being executed include references to its being executed under hand or under seal or by any other method.

Unless the context otherwise requires, any reference to "writing" or "written" shall include any method of reproducing words or text in a legible and non-transitory form and for the avoidance of doubt shall include e-mail.

Save where specifically required or indicated otherwise words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.

Statute and paragraph headings are inserted for ease of reference only and shall not affect construction.

TABLE "A" EXCLUDED

2. The Regulations contained in Table "A" in the First Schedule to the Law shall not apply except so far as the same are repeated or contained in these Statutes.

EUROPEAN COMPANY

2. (A) These Statutes shall be read, construed and applied on the basis that the same are designed for a European public limited liability company (Societas Europaea or SE) within the meaning of the Law and the Rules and accordingly if any of the provisions hereof is inconsistent with the Law or the Rules such provision shall be to the extent possible interpreted in accordance with the Law and the Rules and where this is not possible such provision shall be deemed not applicable..

BUSINESS

3. The Company shall pay all preliminary and other expenses and carry into effect and take over or continue (with such modifications, if any, as the contracting parties shall agree and the directors shall approve), any agreement or business or work reached or carried on (as the case might be) prior to its incorporation.

SHARE CAPITAL & VARIATION OF RIGHTS

4. The authorised and unissued shares of the Company shall be at the disposal of the members which may by ordinary resolution or resolution passed with the requisite majority in accordance with section 59A of the Law (as may be applicable) authorise the Directors to allot or otherwise dispose of any authorised and unissued shares provided always no shares shall be issued at a discount, except as provided by section 56 of the Law.
5. Unless otherwise determined by the Company in general meeting any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered, and limiting a time which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Company may, subject to these Statutes, dispose of the same in such manner as it thinks most beneficial to the Company. The Company may, in like manner, dispose of any such new or original shares as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same cannot in the opinion of the Company be conveniently offered in manner hereinbefore provided.
6. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by special resolution determine.
7. Subject to the provisions of section 57 of the Law, the Company may by special resolution create and sanction the issue of preference shares which are, or at the option of the Company or the holder are to be liable, to be redeemed (out of cash or other assets lawfully available for that purpose) subject to and in accordance with the provisions of the Law. The special resolution sanctioning the issue shall also make alterations to these Articles as are necessary to specify the terms on which and the manner in which the shares are to be redeemed.
8.
 - (A) References in these Statutes to "shares" or "ordinary shares" shall mean the ordinary shares of the Company currently in issue and unless these Statutes provide to the contrary any new ordinary shares as may be issued which shall confer upon the holders thereof the same rights and rank *pari passu* therewith in all respects.

(B) The rights attaching to the ordinary shares are as follows:

As to Voting:-

to receive notice of and attend and vote at all general meetings of the Company voting being on the basis of a single vote per share;

As to Income and Capital:-

Subject to the rights of holders of preference shares (if any) to receive such dividends as members or the Company may from time to time declare and on a return of capital whether on a liquidation or otherwise to receive:-

- (a) the amounts paid up on such shares;
- (b) any premium paid thereon; and
- (c) to participate in any surplus available to the members.

No dividends and no return of capital shall be paid in respect of any ordinary shares until all redeemable preference shares (if any) have been redeemed and all sums due to holders thereof paid in full. All ordinary shares shall rank pari passu in all respects.

- 9. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of the class) may, whether or not the Company is being wound up, be varied only (but not otherwise) in compliance with the provisions of section 59(A)(1) of the Law and article 60 of the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE).
- 10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 11. The Company may exercise the powers of paying commissions conferred by section 52 of the Law, provided that the rate per cent of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 12. Except as required by law, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

13. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of 25 cents for every certificate after the first or such less sum as the directors shall from time to time determine. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders.
14. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of 25 cents, or such less sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the directors think fit.
15. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in these Statutes shall prohibit transactions mentioned in the proviso to section 53 (1) of the Law.
16. Notwithstanding the provisions of Article 15 hereof, to the fullest extent permitted by applicable law, the Company may acquire its shares either directly or through a person acting in his own name subject to and in compliance with the applicable provisions of sections 57A through to 57F (both inclusive) of the Law.

LIEN

17. The Company shall have a first and paramount lien on every share (whether or not a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Statute. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
18. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

19. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
20. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

21. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed as the directors may determine.
22. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed, and may be required to be paid by installments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate not exceeding 8 per cent per annum as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.
25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Statutes be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Statutes as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The directors may, if they think fit, receive from any holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general

meeting shall otherwise direct) 5 per cent per annum, as may be agreed upon between the directors and the member paying such sum in advance.

TRANSFER OF SHARES

27. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
28. Subject to such of the restrictions of these Statutes as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the directors may approve.

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29. The directors may decline to register any transfer of any share which would otherwise be permitted hereunder if it is a transfer of a share on which the Company has a lien;

The directors may also decline to recognise any instrument of transfer unless: -

- (a) 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 to show the right of the transferor to make the transfer; and
- (b) the instrument of transfer is in respect of only one class of share.

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30. If the directors refuse to register an instrument of transfer of a share, they shall within thirty (30) days after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
 31. Notwithstanding any other provision of these Statutes, in the event the shares, titles or securities of the Company are being traded in a foreign market, it shall be lawful for the Company to register the transfer of shares or debentures of the Company, even if no proper instrument of transfer has been delivered to the Company, provided the transfer was made in accordance with the law or regulations governing the operation of the relevant market.
 32. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
 33. The Company shall be entitled to charge a fee not exceeding 25 cents on the registration of every probate, letters of administration, certificates of death or marriage, power of attorney, or other instrument.

TRANSMISSION OF SHARES

34. In case of the death of a member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
35. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced, as may from time to time properly be required by the directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, 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 that member before his death or bankruptcy, as the case may be.
36. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Statutes relating to the right to transfer and the registration of transfer as aforesaid shall apply as if the death or bankruptcy of the member had not occurred and the notice of transfer was a transfer signed by that member.
37. A person becoming entitled to a share in consequence of the merger or consolidation of any member being a corporation may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person.
38. A person becoming entitled to a share by reason of the death or bankruptcy of a member shall be entitled to the same dividends 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 right conferred by membership in relation to meetings of the Company.

Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

39. A person becoming entitled to a share in consequence of the merger or consolidation of any member being a corporation shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

FORFEITURE OF SHARES

40. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the directors may at any time thereafter during such times as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
41. The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
42. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.
43. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
44. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
45. A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
46. The provisions of these Statutes as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

47. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
48. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may, from time to time, fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
49. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
50. Such of the Statutes of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

51. Subject to the provisions of these Statutes and the Law, the Company may, from time to time, by ordinary resolution by the general meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
52. The Company may by ordinary resolution (subject to the provisions of these Statutes and the Law):-
 - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 60 (1) (d) of the Law;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
53. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by the Law and these Statutes.

GENERAL MEETINGS

54. The Company shall hold a general meeting at least once every calendar year, subject to the provisions of the Law and the Rules, within six (6) months of the end of its financial year, as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it needs not to hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint. Where the Company is admitted to trading on a regulated market the Company shall place the date of its next annual general meeting on its website from the end of its previous financial year or not later than 45 days before the annual general meeting, whichever is the sooner.
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55. All general meetings other than annual general meetings shall be called extraordinary general meetings.
56. The directors may, whenever they think fit, convene an extraordinary general meeting, and an extraordinary general meeting shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 126 of the Law. If at any time there are not sufficient directors within Cyprus who are capable of acting to form a quorum, any director or any two members of the Company may convene an extraordinary general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the directors. General meetings shall be held wherever the directors consider appropriate within or outside Cyprus.
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57. Any Member of the Company holding at the date of the deposit of a relevant requisition not less than one-twentieth of such of the subscribed capital of the Company carrying not less than one-twentieth of all voting rights at general meetings of the Company shall be entitled to require that one or more additional items be put on the agenda of any general meeting.

NOTICE OF GENERAL MEETINGS

58. In the case of an annual general meeting or of a meeting convened to pass a special resolution or in any other case at least 21 days' notice must be given (exclusive in each case of the day on which the notice is served or deemed to be served and the day for which the notice is given). Where the Company is admitted to trading on a regulated market the notice shall comply in all respects with the mandatory requirements of section 127A(3) of the Law and shall be published on the website of the Company no later than 21 days (in the case of an annual general meeting or a meeting convened for the passing of a special resolution or in any other case) before the meeting to which it relates together with all other documents so required by the Law to be similarly published absent publication for technical reasons. Without prejudice to the preceding sentence, the notice shall specify the place, the day and the hour of meeting (and in the case of an annual general meeting shall specify the meeting as such) and state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him. In the case of special business, the notice

must specify the general nature of that business and in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose a special or extraordinary resolution as the case may be. The notice shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these Statutes, entitled to receive such notices from the Company;

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Statute, 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; and

(b) in the case of any other meeting, by 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 per cent in nominal value of the shares giving that right.

59. The accidental omission to give notice of a meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

60. All general meetings of the Company shall be conducted in English, and all notices and relevant materials shall be prepared with an English translation (if not in English). The minutes of each general meeting shall be prepared in English.

PROCEEDINGS AT GENERAL MEETINGS

61. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the financial statements and the reports, 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.

62. 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 herein otherwise provided, members present in person or by proxy representing 5% of the voting share capital of the Company in issue shall be a quorum. Where the Company is admitted for trading on a regulated market the Company may by decision of the administrative organ permit participation at general meetings via electronic means, including a mechanism for casting votes either before or during the general meeting, to the extent permissible but otherwise subject only to such conditions and restrictions prescribed under the Law.

63. 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, or to such other day and at such other time and place as the directors may

determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

64. The directors present shall elect one of their number to be chairman of the general meeting.
65. If at any meeting no director is willing to act as chairman or if no director is present within fifteen (15) minutes after the time appointed for holding the meeting the members present shall choose one of their number to be chairman of the meeting.
66. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
67. Subject to Statute 62 hereof, 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 the show of hands) demanded:-
 - (a) by the chairman; or
 - (b) by at least two members present in person or by proxy; or
 - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being 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 the shares conferring that right.

Unless a poll be so 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 book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

68. Except as provided in Statute 71, if a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

69. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.
70. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

VOTES OF MEMBERS

71. Subject to any rights or restrictions, for the time being attached to any class or classes of shares, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder. In the event of the Company being admitted to trading on a regulated market the Company may, notwithstanding any other provision of these Statutes, by decision of the administrative organ provide for electronic voting or voting by correspondence. In such case the notice convening the general meeting shall set out the procedure to be followed, including in the case of voting by correspondence the specified date and time by which the Company must receive a vote given by correspondence, provided that such specified date and time shall not be more than 24 hours before the time that the voting shall end.
72. In the case of joint holders of shares the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
73. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by the Court having jurisdiction, and any such administrator, committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
74. No member shall be entitled to vote at any general meeting either personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection, made in due time, shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

76. On a poll, votes may be given either personally or by proxy.
77. On a poll, the votes cast shall not include votes attaching to shares in respect of which the member has not taken part, either personally or by proxy, in the vote or has abstained or has returned a blank or spoilt ballot paper.
78. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
79. The instrument appointing a proxy and the power of attorney or other authority, if any, ~~under which it is signed or a notarially certified copy of that power or authority shall be~~ deposited at the registered office of the Company or at such other place within Cyprus, as is specified for that purpose in the notice convening the meeting, at any time before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, at any time before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. In the event of the Company being admitted to trading on a regulated market the notice of general meeting (referred to in Statute 58 hereof) shall specify to what extent the Company is willing to accept electronic notice of the appointment of proxy holders. Where the Company has specified it is willing to accept electronic notice of the appointment of a proxy holder, a member may appoint a proxy by electronic means at the address provided for by the Company.
80. An instrument appointing a proxy shall be in common form or form which the Directors approve. A proxy shall act in accordance with the given instructions of the member by whom such proxy was appointed as set forth in the instrument of proxy. A member may not appoint more than one proxy to be present and vote on any one general meeting, except that where the Company is admitted to trading on a regulated market (i) a member acting in the course of a business on behalf of a client may appoint a proxy for each of his clients or appoint as proxy any third party designated by a client and (ii) a member may appoint more than one proxy in relation to shares held in more than one securities' accounts.
81. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
82. Proxies need not be witnessed. The proxy shall, unless it states the contrary, be valid for an adjournment of the meeting as well as the meeting to which it relates.
83. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid, shall have been received by the Company at the office

before the commencement of the meeting or adjourned meeting at which the proxy is used.

84. Subject to the provisions of the Law, 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 as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form, each signed by one or more of the members or their attorneys, and signature in the case of a corporate body which is a member shall be sufficient if made by a director or other authorised officer thereof or its duly appointed attorney.

CORPORATION-ACTING-BY-REPRESENTATIVES-AT-MEETINGS

85. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such persons as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents, as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

86. Unless and until otherwise determined by the members by ordinary resolution, the number of Directors (other than alternate Directors) shall be a minimum of three, of which at least two shall be Independent Directors and there shall be no maximum number of Directors.
87. Only Independent Directors shall be entitled to remuneration which shall, from time to time, be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company.
88. The shareholding qualification for directors may be fixed by the Company in general meeting, and unless and until so fixed, no qualification shall be required.
89. A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

BORROWING POWERS

90. The directors may exercise all the powers of the Company to borrow money, and to charge or mortgage its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

91. The Company shall operate under a one-tier system as prescribed by the Rules. Subject to the provisions of the Rules, the Law and the Statutes, the business of the Company shall be managed by the directors who may exercise all the powers of the Company.
- ~~92. The business of the Company shall be managed by the directors, who may pay all~~ expenses incurred in promoting and registering the Company, and may exercise all such powers as are not, by the Law, the Rules or by these Statutes, required to be exercised by the Company in general meeting, but subject, nevertheless to any provisions of Law, the Rules or by these Statutes, and also subject to such regulations, which are not inconsistent with those regulations or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.
93. The directors shall be under a duty, even after they have ceased to hold office, not to divulge any information which they have concerning the Company the disclosure of which might be prejudicial to the Company's interests, except where such disclosure is required or permitted under law or is in the public interest.
94. The directors may, from time to time, and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Statutes) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him. Notwithstanding the generality of the foregoing, any of the below transactions shall require the prior express authorization the administrative organ: a) the acquisition or disposal of real (immovable) property in Cyprus; and b) the disposal of real (immovable) property in Cyprus
95. The Company may exercise the powers conferred by section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the directors.
96. The Company may exercise the powers conferred upon the Company by sections 114 to 117 (both inclusive) of the Law with regard to the keeping of a branch register of members ("flag out register"), and the directors. may (subject to the provisions of those

sections) make and vary such regulations as they may think fit respecting the keeping of any such register.

97. (A) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company, shall declare the nature of his interest at a meeting of the administrative organ in accordance with section 191 of the Law.

(B) A Director shall not vote at a meeting of the administrative organ or a committee of the administrative organ (nor be counted in the quorum) on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the Company's interests unless his interest or duty arises only because the case falls within one or more of the permitted interests set out as follows:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the Company's benefit or the benefit of any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; and
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other of the Company's securities, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange.

(C) 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 for such period and on such terms (as to remuneration and otherwise) as the directors may determine, and no director or intending director shall be disqualified by his office by contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is 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 any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.

(D) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.

98. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time determine.
99. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors and of any remuneration fixed by the directors;
 - (b) of the names of the directors present at each meeting of the administrative organ and of any committee of the directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors.

Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting of the Company, or class of members of the Company, or of the directors or of a committee of directors (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

DISQUALIFICATIONS OF DIRECTORS

100. The office of a director shall be vacated if the director:-
- (a) ceases to be a director by virtue of section 176 of the Law; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) becomes prohibited from being a director by reason of any order made under section 180 of the Law; or
 - (d) becomes of unsound mind; or
 - (e) resigns his office by notice in writing to the Company.

APPOINTMENT OF ADDITIONAL DIRECTORS AND REMOVALS OF DIRECTORS

101. The first directors - members of the administrative organ shall be appointed by and upon the adoption of these Statutes and shall be:

Berge Gerdt Larsen

Erik Johan Frydenbø

Unni Fossberg Tefre

Sjur Storaas

102. Only members shall be entitled to remove a Director from office. Without prejudice to the provisions of Statute 103, the Company may at any time remove a director by special resolution.
103. The Company may, by ordinary resolution, of which special notice has been given in accordance with section 136 of the law, remove any director before the expiration of his period of office, notwithstanding anything in these Statutes or in any agreement or in any ~~agreement between the Company and such director. Such removal shall be without~~ prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.
104. Only members shall be entitled to appoint a director to office. At any time, and from time to time, the Company may by ordinary resolution, appoint any person as director and (subject to the next following sentence) determine the period for which such person is to hold office. In any event any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

PROCEEDINGS OF DIRECTORS

105. ~~The directors may meet together for the dispatch of business, adjourn, and otherwise~~ regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The directors shall meet at least once every three (3) months to discuss the progress and foreseeable development of the Company. Questions arising at any meeting shall be decided by the majority of votes of the directors present at such meeting. The chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he may have. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors. Unless otherwise agreed, at least five (5) business days' notice of each meeting of the administrative organ must be given, and may be given in writing or by telephone (if followed by written notice). A notice must be accompanied by an agenda and a board paper setting out in such reasonable details as may be practicable in the circumstances the subject matter of the meeting. All meetings of the administrative organ and all committee meetings shall take place in Cyprus unless the administrative organ or the directors participating in a committee meeting decide otherwise for any particular meeting. Any director or a member of a committee of the directors-administrative organ may participate in a meeting of the administrative organ or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. Such a meeting shall be deemed to take place where it is convened to be held or where the chairman of the meeting is. The word "meeting" in these Statutes shall be construed accordingly.