

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

	)	
In re:	)	Chapter 11
	)	
COBALT INTERNATIONAL ENERGY, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 17-36709 (MI)
	)	
Debtors.	)	(Jointly Administered)
	)	

**NOTICE OF FILING OF CERTAIN SUCCESSFUL BID DOCUMENTS**

**PLEASE TAKE NOTICE** that on January 25, 2018, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief* [Docket No. 299] (the “Bidding Procedures Order”)<sup>2</sup> authorizing the Debtors to conduct an auction (the “Auction”) to determine the highest or otherwise best bid for the Debtors’ assets.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with the Bidding Procedures Order, on March 6, 2018, the Debtors conducted the Auction at the Magnolia Hotel, 1100 Texas Avenue, Houston, Texas 77002.

**PLEASE TAKE FURTHER NOTICE** that on March 7, 2018, the Debtors filed the *Notice of Successful Bidders and Backup Bidders* [Docket No. 542], reflecting the Successful Bids for the Assets.

**PLEASE TAKE FURTHER NOTICE** that copies of the Qualified Bid Documents for the Successful Bids for the Debtors’ Anchor, North Platte, Shenandoah, and exploration assets are attached hereto as **Exhibits A** through **D**, respectively. The Qualified Bid Documents for the Debtors’ Heidelberg assets will be filed in a separate notice to follow.

**PLEASE TAKE FURTHER NOTICE** that copies of the Bidding Procedures Order and any other related documents are available: (a) upon request to Kurtzman Carson Consultants LLC (the notice and claims agent retained in these chapter 11 cases) by calling 866-967-1782 (United States and Canada) and 310-751-2682 (International); (b) by visiting the website

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, LP (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors’ service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bidding Procedures Order.



maintained in these chapter 11 cases at <http://www.kccellc.net/cobalt>; or (c) for a fee via PACER by visiting <http://www.txs.uscourts.gov>.

Houston, Texas  
Dated: March 16, 2018

*/s/ Zack A. Clement*  
Zack A. Clement (Texas Bar No. 04361550)  
**ZACK A. CLEMENT PLLC**  
3753 Drummond Street  
Houston, Texas 77025  
Telephone: (832) 274-7629

---

-and-

James H.M. Sprayregen, P.C. (admitted *pro hac vice*)  
Marc Kieselstein, P.C. (admitted *pro hac vice*)  
Chad J. Husnick, P.C. (admitted *pro hac vice*)  
Brad Weiland (admitted *pro hac vice*)  
W. Benjamin Winger (admitted *pro hac vice*)  
Laura Krucks (admitted *pro hac vice*)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
300 North LaSalle Street  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

*Co-Counsel to the Debtors and Debtors in Possession*

**Certificate of Service**

I certify that on March 16, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Zack A. Clement*

\_\_\_\_\_  
Zack A. Clement

**Exhibit A**

---

---

**ASSET PURCHASE AGREEMENT**

**DATED AS OF MARCH 12, 2018**

**BY AND AMONG**

**COBALT INTERNATIONAL ENERGY L.P., AS SELLER,**

**AND**

**TOTAL E&P USA, INC.,**

**AS BUYER**

---

---

**TABLE OF CONTENTS**

	<b>Page</b>
ARTICLE 1 Definitions.....	6
1.1    Definitions.....	6
1.2    Other Definitions and Interpretive Matters.....	17
ARTICLE 2 Purchase and Sale.....	18
2.1    Purchase and Sale.....	18
2.2    Excluded Assets.....	20
2.3    Assumed Liabilities.....	22
2.4    Excluded Liabilities.....	22
2.5    Assigned Contracts and Cure Costs.....	23
2.6    Assignment of Assets Subject to Consent Requirements.....	25
2.7    Further Assurances.....	25
ARTICLE 3 Purchase Price.....	26
3.1    Purchase Price.....	26
3.2    Deposit.....	26
ARTICLE 4 Closing.....	26
4.1    Closing Date.....	26
4.2    Payment on the Closing Date.....	27
4.3    Buyer’s Deliveries.....	27
4.4    Seller’s Deliveries.....	28
4.5    Plan of Reorganization.....	29
ARTICLE 5 Representations and Warranties of Seller.....	29
5.1    Organization and Good Standing.....	29
5.2    Authority; Validity; Governmental Authority Consents.....	29
5.3    No Conflict.....	30
5.4    Permits.....	30
5.5    Hedging.....	30
5.6    Legal Proceedings.....	30
5.7    Brokers or Finders.....	31
5.8    Assigned Contracts; Operatorship.....	31
5.9    AFEs.....	31
5.10    Preferential Purchase Rights.....	31
5.11    Credit Support.....	31
5.12    Non-Consent Operations.....	32
5.13    Compliance with Laws.....	32
5.14    Delivery of Hydrocarbons.....	32

5.15	Defensible Title.....	32
5.16	Operation of Assets.....	32
5.17	Rentals.....	32
5.18	Plug and Abandon Notice.....	32
5.19	Taxes.....	33
5.20	Knowledge Qualifier for Non-Operated Assets.....	33
5.21	Bankruptcy Actions .....	34
ARTICLE 6 Representations and Warranties of Buyer.....		34
6.1	Organization and Good Standing.....	34
6.2	Authority; Validity; Consents.....	34
6.3	No Conflict.....	35
6.4	Availability of Funds .....	35
6.5	Litigation.....	35
6.6	Bankruptcy.....	35
6.7	Brokers or Finders.....	35
6.8	Knowledge and Experience .....	35
6.9	Qualification to Assume Operatorship.....	36
ARTICLE 7 Actions Prior to the Closing Date .....		36
7.1	Operations Prior to the Closing Date .....	36
7.2	Commercially Reasonable Efforts .....	38
7.3	Bankruptcy Court Approval.....	39
7.4	Updates and Amendments of Exhibits.....	40
7.5	Bidding Procedures.....	40
7.6	Intentionally Omitted.....	40
7.7	Intentionally Omitted.....	40
7.8	BOEM Qualifications .....	40
7.9	Surety Bonds.....	41
7.10	Access to Information Prior to Closing .....	41
ARTICLE 8 Additional Agreements .....		42
8.1	Taxes.....	42
8.2	Allocation of Purchase Price.....	43
8.3	Bulk Sales .....	44
8.4	Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.....	44
8.5	Post-Closing Books and Records and Personnel .....	44
8.6	No Other Representations or Warranties; Disclaimers; NORM.....	45
8.7	Casualty.....	47
8.8	Successor Operator .....	48
8.9	Accounting Adjustments for Revenues and Expenses.....	48
8.10	Initial Adjustment at Closing.....	49
8.11	Adjustment Post-Closing .....	49

8.12	Allocation of Revenues and Expenses .....	51
ARTICLE 9 Conditions Precedent to Obligations of Buyer to Close .....		52
9.1	Accuracy of Representations .....	52
9.2	Seller’s Performance .....	52
9.3	No Order .....	52
9.4	Seller’s Deliveries .....	52
9.5	Sale Order .....	53
ARTICLE 10 Conditions Precedent to the Obligation of Seller to Close .....		53
10.1	Accuracy of Representations .....	53
10.2	Sale Order .....	53
10.3	Buyer’s Performance. ....	53
10.4	No Order .....	53
10.5	Buyer’s Deliveries .....	54
ARTICLE 11 Termination .....		54
11.1	Termination Events .....	54
11.2	Effect of Termination .....	55
ARTICLE 12 SURVIVAL AND INDEMNIFICATION .....		56
12.1	Survival of Seller’s Representations and Warranties .....	56
12.2	Survival of Buyer’s Representations and Warranties .....	57
12.3	Indemnification by Buyer .....	57
12.4	Indemnification Procedures .....	58
12.5	Calculation of Liabilities .....	59
12.6	Tax Treatments of Indemnity Payments .....	59
ARTICLE 13 General Provisions .....		59
13.1	Confidentiality. ....	59
13.2	Public Announcements. ....	59
13.3	Notices. ....	60
13.4	Waiver; Waiver of Damages .....	61
13.5	Entire Agreement; Amendment .....	61
13.6	Assignment .....	62
13.7	Severability .....	62
13.8	Expenses .....	62
13.9	Time of the Essence .....	62
13.10	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver .....	62
13.11	Counterparts .....	63
13.12	Parties in Interest; No Third Party Beneficiaries .....	63
13.13	No Recourse .....	63
13.14	Specific Performance .....	64



13.15 Intentionally Omitted .....64  
13.16 Approval of the Bankruptcy Court .....64

**SCHEDULES:**

<u>Schedule 1.1</u>	Seller's Knowledge Persons
<u>Schedule 2.1(b)(ix)</u>	Known Receivables
<u>Schedule 2.2(i)</u>	Excluded Contracts
<u>Schedule 2.5(b)</u>	Cure Costs
<u>Schedule 5.9</u>	AFEs
<u>Schedule 7.9</u>	Surety Bonds
<u>Schedule 8.2</u>	Allocated Values

**EXHIBITS:**

<u>Exhibit A</u>	Assigned Leases and Interests
<u>Exhibit B</u>	Wells
<u>Exhibit C</u>	Assigned Contracts
<u>Exhibit D-1</u>	Form of County Assignment
<u>Exhibit D-2</u>	Form of DOI Assignment

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”), dated as of March 12, 2018 (the “Execution Date”), is by and among Cobalt International Energy L.P., a Delaware limited partnership (“Seller”), and TOTAL E&P USA, INC., a Delaware corporation, whose address is 1201 Louisiana Street, Suite 1800, Houston, TX 77002 (“Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually (as either Seller or Buyer) as a “Party”.

### RECITALS

**WHEREAS**, Seller is the owner of record of certain interests in oil and gas leases, oil and gas wells, and other properties located in the Gulf of Mexico;

**WHEREAS**, on December 14, 2017, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

**WHEREAS**, Seller desires to sell to Buyer all of the Assets, and Buyer desires to purchase from Seller all of the Assets and assume all of the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

**WHEREAS**, the Parties intend to effectuate the transactions contemplated by this Agreement through a chapter 11 plan; and

**WHEREAS**, Seller’s ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order by the Bankruptcy Court;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE 1

#### DEFINITIONS

##### 1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.11.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(iv).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignments” means, collectively, (i) the Assignment and Bill of Sale from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as Exhibit D-1, and (ii) the Assignment of Record Title Interest in Federal OCS Oil and Gas Lease (DOI) and/or the Assignment of Operating Rights in Federal OCS Oil and Gas Lease (DOI) (in each case) from Seller to Buyer, pertaining to the Assets, substantially in the forms attached to this Agreement as Exhibit D-2.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled *In re Cobalt International Energy, Inc., et al*, jointly administered under Case No. 17-36709, and pending before the Bankruptcy Court.

“Bankruptcy Code” means Title 11 of the United States Code, Sections 101 *et seq.*

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Bidding Procedures” means the bidding procedures attached as Schedule 1 to the Bidding Procedures Order.

“Bidding Procedures Order” means the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief.*

“BOEM” means the Bureau of Ocean Energy Management.

“BOEM Qualifications” has the meaning set forth in Section 7.8.

“BSEE” means the Bureau of Safety and Environmental Enforcement.

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Houston, Texas.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Group” means Buyer and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).

“Chapter 11 Plan” has the meaning set forth in Section 4.5.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Contract Notice” has the meaning set forth in Section 2.5(b).

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5(a).

“Defensible Title” means that record and beneficial title of Seller which, as of the Effective Time and the Closing: (i) entitles Seller to receive and retain a Net Revenue Interest for

each Lease and Unit (if any) throughout the productive life of such Lease or Unit (as applicable) which is not less than the Net Revenue Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any decrease caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; (ii) obligates Seller, for each Lease or Unit (if any), to bear a Working Interest for such Lease or Unit (as applicable) throughout the productive life of such Lease or Unit which is not more than the Working Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any increase (A) that also results in the Net Revenue Interest associated with the Lease or Unit being proportionately increased, or (B) caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; and (iii) is free and clear of all Encumbrances, subject to any Permitted Encumbrances.

“Deposit” has the meaning set forth in Section 3.2.

“Designation Deadline” means 5:00 p.m., Central Time, on the date that is five (5) Business Days prior to the Closing Date, or such later date as Buyer and Seller shall mutually agree and as the Bankruptcy Court may authorize.

“DOI” means the United States Department of the Interior and its various U.S. government agencies responsible for management of energy resources on the Outer Continental Shelf, including the Bureau of Ocean Energy Management; Bureau of Safety and Environmental Enforcement and Office of Natural Resources Revenue, as applicable, and any of their predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service, and any successors agencies.

“Effective Time” means 12:00 a.m. Central Time on January 1, 2018.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest or other restriction or limitation of any kind (whether known or unknown, secured or unsecured or in the nature of setoff or recoupment, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of the Bankruptcy Case, and whether imposed by agreement, understanding, law, equity, or otherwise, including claims otherwise arising under doctrines of successor liability).

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release or threatened release of pollutants, contaminants, NORM, chemicals or industrial, toxic or

hazardous substances (collectively, “Pollutants”) on or into the environment, (b) protection of health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (“Air Pollution Control Act”), the Clean Water Act (“CWA”), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (“NEPA”), the Endangered Species Act (“ESA”), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (“FWCA”), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Resources Conservation and Recovery Act (“RCRA”), the Toxic Substance Control Act, the Occupational, Safety and Health Act (“OSHA”), the Emergency Planning and Community Right-To-Know Act (“EPCRA”), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (“HSWA”) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Equipment” has the meaning set forth in Section 2.1(b)(vi).

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means the Contracts set forth in Schedule 2.2(i), as such Schedule may be revised (or deemed revised) in accordance with this Agreement to (a) add each Contract that is designated as or deemed to be an Excluded Contract pursuant to Section 2.5 or any other provision of this Agreement and (b) remove each Contract that is designated as or deemed to be an Assigned Contract pursuant to Section 2.5 or any other provision of this Agreement.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller, insofar as they relate to Seller’s business generally and are not reasonably necessary for the future ownership or operation of the Assets, (b) all legal files and records (other than title opinions and curative materials), except to the extent relating to any Assumed Liability, (c) Seller’s federal or state income, franchise or margin tax files and records, (d) employee files, (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, except for confidentiality agreements and non-disclosure agreements, (g) seismic and specific seismic lines unless assignable by Seller without cost or Buyer has agreed to and pays the cost, (h) information subject to a valid legal privilege and (i) any other files or records to the extent relating to any Excluded Assets.

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expiration Date” has the meaning set forth in Section 12.2.

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest has passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Settlement Statement” has the meaning set forth in Section 8.11.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality (in each case) having jurisdiction.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hard Consent” has the meaning set forth in Section 2.6.

“Hazardous Substance” means any Pollutant and any “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements and imbalances under operating agreements.

“Indemnification Claim” has the meaning set forth in Section 12.4(a).

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data.



“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge (without any duty of inquiry) of any of the individuals listed on Schedule 1.1 with respect to such matter, and (b) in the case of Buyer, the actual knowledge (without any duty of inquiry) of any of the officers of Buyer.

“Known Receivables” means all expenditures incurred by Seller, as operator, prior to the Effective Time in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, which, as of two (2) Business Days prior to the Closing Date, remain outstanding and owed to Seller, such amounts and third parties being more particularly described on Schedule 2.1(b)(ix).

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) (1) has had, or would reasonably be expected to have, a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it directly results from or directly arises out of (i) the pendency of the Bankruptcy Case or the financial condition of Seller; (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (iii) changes in Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iv) acts of God, including hurricanes, storms and other natural disasters; (v) any action allowed or contemplated by this Agreement or taken at the express written request of Buyer (except with respect to any unintended consequences occurring in connection therewith); or (vi) actions of Governmental Authorities; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or interest rates, exchange rates, commodity prices or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; (e) any objections in

the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, or (iii) the Bidding Procedures; (f) any Order of the Bankruptcy Court or any actions or omissions of Seller as required thereby; and (g) any action taken by Seller at the express written request of, or with the express written consent of, Buyer; *provided*, in the cases of clauses (a)(iv), (b)(i), (b)(ii) and (c), that such change, event or occurrence does not materially disproportionately affect the Assets, or (2) has had, or would reasonably be expected to have, a material adverse effect on Seller's ability to perform its obligations under this Agreement or any Transaction Documents or to consummate the transactions contemplated hereby or thereby.

“Net Revenue Interest” means, for any Well, Lease or Unit, Seller's share of the Hydrocarbons produced, saved and marketed therefrom or attributable thereto (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

“Non-Disclosure Agreement” has the meaning set forth in Section 13.1.

“NORM” means naturally occurring radioactive materials.

“Operating Agreement” has the meaning set forth in Section 12.7.

“Operating Expenses” means all capital expenditures, operating expenses and other costs and expenses paid in the ordinary course and, where applicable, under and pursuant to the relevant operating or unit agreement, if any, in connection with the ownership, development, operation, and maintenance of the Assets (including rentals, overhead, royalties and other charges), including overhead charges and other indirect expenses billed under applicable operating agreements, but excluding (in all cases) Liabilities attributable to (a) personal injury or death, property damage, torts, breach of contract or violation of any Legal Requirement, (b) obligations relating to the abandonment or plugging of Wells, dismantling or decommissioning facilities, closing pits and/or restoring the surface around such Wells, facilities and pits, (c) Liabilities arising out of or related to Environmental Law, (d) obligations with respect to Imbalances, (e) obligations attributable to Suspense Funds, (f) obligations with respect to hedge or other derivative contracts, (g) obligations relating to Taxes and (h) claims for indemnification or reimbursement from any third party with respect to costs of the types described in the preceding clauses (a) through (g), whether such claims are made pursuant to contract or otherwise.

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Outside Date” has the meaning set forth in Section 11.1(a)(vi).

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Party Affiliate” has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Permits” has the meaning set forth in Section 2.1(b)(v).

“Permitted Encumbrances” means any of the following: (a) any rights, obligations, or duties reserved to or vested in any Governmental Authority and all applicable Legal Requirements, except (in each case) to the extent the same (i) operates to reduce the applicable Net Revenue Interest in any Lease or Unit below that shown in Exhibit A (as applicable) or increase the applicable Working Interest in a Lease or Unit above that shown in Exhibit A for such Lease or Unit, (as applicable), or (ii) adversely affects the ownership and/or operation of the affected Assets (as currently used or owned) in any material respect (any matter that would cause an effect contemplated by clause (i) or clause (ii) above, a “Negative Title Effect”); (b) the terms and conditions of all Assigned Contracts set forth in Exhibit C or that Buyer designates as Assigned Contracts pursuant to Section 2.5, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; (c) easements, rights-of-way, servitudes, permits, surface leases and other similar rights on, over, or in respect of any of the Assets, as long as any such encumbrances, individually or in the aggregate, do not have a Negative Title Effect; (d) all royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests and other burdens with respect to a Well if the net cumulative effect of such burdens does not have a Negative Title Effect; (e) liens or other Encumbrances for Taxes not yet due and payable; (f) materialman’s, mechanic’s, repairman’s, employee’s, contractor’s, operator’s and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet due that are inchoate and have not been perfected pursuant to law; (g) any consents and approvals from Governmental Authorities that are customarily obtained post-Closing; (h) the terms and conditions of the Assigned Leases and Interests, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; and (i) any Encumbrances that will be released by the Sale Order.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Post-Closing Covenant” has the meaning set forth in Section 12.1.

“Post-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Potential Bidders” has the meaning set forth in Section 7.5.

“Pre-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Preliminary Settlement Statement” means that certain statement provided by Seller to Buyer pursuant to Section 8.10, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(vii).

“Representative” means, with respect to a particular Person, any director, officer, member, manager or employee of such Person.

“Review Period” has the meaning set forth in Section 8.11.

“Sale Order” means an Order of the Bankruptcy Court in form and substance approved by Buyer authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests to Buyer, and confirming the chapter 11 plan pursuant to section 1129 of the Bankruptcy Code.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Group” means Seller and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Seller Indemnified Parties” has the meaning set forth in Section 12.3(a).

“Seller Taxes” means any Tax liabilities of Seller, or otherwise imposed on the Assets in respect of any Tax, including without limitation any Liability of Seller for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise, but excluding any Asset Taxes that are the specifically allocated to Buyer pursuant to Section 8.1(b).

“Settlement Letter” has the meaning set forth in Section 12.7.

“Straddle Period” has the meaning set forth in Section 8.1(b).

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide proposal or offer to or from a Person other than Buyer or its Representatives with respect to (i) any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation,

business combination, joint venture, partnership, sale of assets or equity interests or restructuring involving Seller or any of its material assets, properties or businesses, or (ii) any other direct or indirect acquisition involving Seller and/or one or more of its Subsidiaries or any of their material assets, properties or businesses, that, in each case, the board of directors of Seller has determined in accordance with the Bidding Procedures Order (including the “Minimum Bidding Overbid Increment” described therein) in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction superior to Seller than the transactions contemplated hereunder, taking into account all terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surety Bonds” has the meaning set forth in Section 7.9.

“Suspense Funds” means proceeds of production and associated penalties and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not, and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into or delivered pursuant to this Agreement, including change of operator

forms and change of operator notices required under applicable operating agreements and applicable Legal Requirements.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, any similar Legal Requirement and the rules and regulations thereunder.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, Lease or Unit, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well, Lease or Unit (as applicable) that Seller is required to bear and pay.

## 1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to “\$” or “dollars” means United States dollars.

(iii) Exhibits/Schedules. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.



(vii) Including. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsperson shall be applied against any Person with respect to this Agreement.

## ARTICLE 2

### PURCHASE AND SALE

#### 2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller, the Assets, free and clear of all Liabilities and Encumbrances other than the Assumed Liabilities.

(b) The “Assets” shall mean all right, title and interest of Seller in, to or under the following, less the Excluded Assets:

(i) the Leases described in Exhibit A, together with any and all other rights, titles, and interests of Seller in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Seller’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(ii) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the

Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(iv) subject in each case to Section 2.5, all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 2.1(b)(xi), collectively, the “Assigned Contracts”);

(v) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(vi) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(vii) all of the files, records, information, and data, whether written or electronically stored, in Seller’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Seller without cost, or Buyer has agreed to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(viii) all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;



(ix) all Known Receivables, cash call pre-payments and other refunds due to Seller for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(x) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(xi) to the extent not covered in Section 2.1(b)(iv) above, all rights of Seller under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

## 2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the "Excluded Assets"):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 2.1(b)(viii) and (iii) cash relating to any Assumed Liability;
- (c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;
- (d) all shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries;
- (e) all minute books, stock ledgers, corporate seals and stock certificates of Seller;
- (f) all Excluded Records;
- (g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;
- (h) except as provided in Section 8.7(b), all insurance policies and rights to proceeds thereof;
- (i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

- (j) all Intellectual Property;
- (k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;
- (l) all claims, refunds, loss carry forwards, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;
- (m) all rights, claims or causes of action by, or in the right of Seller against, any current or former director or officer of Seller or its Affiliates;
- (n) the Avoidance Actions;
- (o) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document;
- (p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 2.1(b)(i) through Section 2.1(b)(xi), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of “royalty relief” or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Seller’s audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);
- (q) the following documents prepared or received by Seller with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Seller, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Seller of any bids submitted by any prospective purchaser, (iv) correspondence between or among Seller, its respective representatives, and any prospective purchaser other than Buyer, (v) internal valuations or economic models and (vi) correspondence between Seller or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in this Agreement;
- (r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;
- (s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;
- (t) all rights to the use of deposits and retainers to the extent held and applied by Seller’s professionals on or before sixty (60) days after the earlier to occur of (i) the effective

date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(u) the Excluded Contracts.

### 2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, without limiting any of Buyer's rights under this Agreement, and except for Liabilities associated with any Excluded Asset, Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), the following Liabilities to the extent not otherwise discharged by the Sale Order (collectively, the "Assumed Liabilities"):

(a) Assigned Contracts. All of Seller's Liabilities under the Assigned Contracts arising at or after the Closing Date.

(b) Plugging and Abandoning Obligations. All of Seller's plugging and abandonment obligations under any Legal Requirements or Lease with respect to the Assets, whether such Liabilities arise prior to, at or after the Closing Date.

(c) Cure Costs. All Cure Costs.

(d) Suspense Funds. All Suspense Funds, together with any escheatment obligations related thereto.

(e) Environmental Liabilities. All Liabilities under Environmental Law arising from, related to or associated with Seller's interest in the Assets (including the performance of all related salvage, site clearance, and surface restoration operations relating thereto), to the extent such Liabilities arise on or after the Closing Date.

Notwithstanding anything in this Agreement to the contrary, the assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

### 2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller (regardless of when arising), other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the "Excluded Liabilities"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities also shall include, without limitation, all Liabilities arising from or relating to the following:

(a) all indebtedness for borrowed money of Seller;

(b) Seller Taxes and all Transfer Taxes;

(c) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(d) any Liabilities relating to any Excluded Asset;

(e) all guaranties of third party obligations by Seller or reimbursement obligations to guarantors of any of Seller's obligations;

(f) all Liabilities relating to (i) the employment or performance of services, or termination of employment or services, by Seller or its Affiliates of any individual on or before the Closing Date, (ii) workers' compensation claims against Seller or its Affiliates that relate to any period on or before the Closing Date, irrespective of whether such claims are made prior to or after the Closing, (iii) any employee benefit plan, and (iv) the WARN Act with respect to any of Seller's or its Affiliates' employees;

(g) all Liabilities to any of Seller's Affiliates and all amounts payable to any of Seller's Affiliates or Representatives, in each case to the extent relating to the Assets and any period of time prior to Closing; and

(h) all Operating Expenses to the extent attributable to the ownership or operation of the Assets prior to the Effective Time.

## 2.5 Assigned Contracts and Cure Costs.

(a) Cure Costs. At the Closing, Buyer shall pay, pursuant to the Sale Order, any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts and Assigned Leases and Interests (the "Cure Costs") to which Seller is a party and which are included in the Assets. Buyer shall not be required to make any payment of Cure Costs for, or otherwise have any Liabilities with respect to, any Contract that is not an Assigned Contract.

### (b) Contract and Cure Schedule.

(i) Within five (5) Business Days following the date hereof, Seller shall deliver to Buyer a revised Exhibit C and Schedule 2.5(b), which shall contain a list of each of the Assigned Contracts along with Seller's good faith estimate of the amount of Cure Costs applicable to each such Assigned Contract, respectively; *provided*, that if no Cure Cost is estimated to be applicable with respect to any particular Assigned Contract, the amount of such Cure Cost for such Assigned Contract shall be reflected in Schedule 2.5(b) as "\$0.00." At any time prior to the Designation Deadline, Buyer shall have the right, which right may be exercised at any time and from time to time in Buyer's sole and absolute discretion, to provide written notice to Seller (each such notice, a "Contract Notice") of Buyer's election to (i) designate any Contract (including any Contract that is an Excluded Contract immediately prior to such designation) identified in the subject Contract Notice as an Assigned Contract, and upon such designation such Contract shall constitute an Assigned Contract (and, if applicable, shall cease to constitute an Excluded Contract), and Seller shall use commercially reasonable efforts, subject to entry of the Sale Order by the Bankruptcy Court, to assign such Contract to Buyer; and (ii) designate any Contract (including any Contract that is an Assigned Contract immediately prior to

such designation) as an Excluded Contract, and upon such designation such Contract shall constitute an Excluded Contract (and, if applicable, shall cease to constitute an Assigned Contract).

(ii) Within ten (10) Business Days following Buyer's delivery of a Contract Notice to Seller designating any Contract as an Assigned Contract, Seller shall, at no cost or expense to Buyer, take all requisite actions (including providing notice, proper service, resolving objections, and all other actions required for such assumption and assignment to comply with Section 363 and/or 365 of the Bankruptcy Code, as applicable) to assume and assign such Contract to Buyer. Without limiting the generality of the foregoing, upon receipt of a Contract Notice electing to designate a Contract as an Assigned Contract, Seller shall use commercially reasonable efforts to obtain Bankruptcy Court approval, as part of the Sale Order, of the assumption and assignment of such Assigned Contract to Buyer and fixing the Cure Costs relating to such Assigned Contract, *provided, however*, that if the Cure Costs fixed by the Bankruptcy Court for any Contract either are greater than the amount set forth on Schedule 2.5(b) or are not consented to by Buyer at or prior to the hearing before the Bankruptcy Court to consider the assumption and assignment of such Contract, then Buyer shall be permitted at such hearing to forthwith revoke its designation of any such Contract as an Assigned Contract and thereupon such Contract shall be deemed to be an Excluded Contract for all purposes of this Agreement. Following the entry of the Sale Order by the Bankruptcy Court, Buyer shall assume from Seller the Assigned Contracts pursuant to Section 365 of the Bankruptcy Code and the terms of such Sale Order.

(iii) From the date that a revised Exhibit C and Schedule 2.5(b) is provided through (and including) the Designation Deadline, promptly following any changes to the information set forth on such Exhibit C and Schedule 2.5(b) (including any new Contracts included in the Assets to which Seller becomes a party and any change in the Cure Cost of any such Contract), Seller shall provide Buyer with a schedule that updates and corrects Exhibit C and Schedule 2.5(b). Upon Buyer's designation of any Contract as an Assigned Contract or an Excluded Contract pursuant to this Section 2.5(b), the relevant Exhibits and Schedules hereto (including Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), as applicable) shall automatically be deemed to have been amended to reflect such designation, and promptly thereafter Seller shall update such Exhibits and Schedules to reflect such designation (including, with respect to any Contract designated as an Assigned Contract, to add to Exhibit C and Schedule 2.5(b) Seller's good faith estimate of the amount of Cure Costs applicable thereto) and deliver copies thereof to Buyer.

(c) Bankruptcy Court Matters. Seller shall give written notice to Buyer prior to the submission of any motion in its Bankruptcy Case to assume or reject any Contracts relating to the Assets or the operations with respect thereto, together with a copy of the proposed Sale Order, and, without the prior written consent of Buyer, Seller shall not assume or reject any such Contracts. Seller shall promptly reject, following the Designation Deadline, any Contract that (i) Buyer has designated as an Excluded Contract pursuant to Section 2.5(b) or (ii) any Contract that Buyer has not designated as an Assigned Contract by the Designation Deadline (all such Contracts being deemed to be Excluded Contracts for purposes of this Agreement). Any Contracts that are rejected subject to Bankruptcy Court approval or are the subject of a rejection motion at the Designation Deadline, after complying with the provisions

of Section 2.5(b), shall constitute Excluded Contracts. Buyer shall not have any obligation or liability whatsoever with respect to any Excluded Contract.

## 2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing) (a) has not been obtained, waived or satisfied, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, and further, (i) failure to obtain such third party consent or waiver would cause (A) the assignment of any Asset affected thereby to be void or voidable or (B) the termination of (or the right to terminate) a Lease or other Asset under the express terms thereof, (ii) such consent or waiver requested by Seller is denied in writing, or (iii) such consent or waiver is required from a Governmental Authority (each such consent or waiver, to the extent the underlying agreement cannot be assumed or assigned, without the counterparty's consent, pursuant to Section 365 of the Bankruptcy Code, a "Hard Consent"), then the Assets affected by such Hard Consent shall be held back from the Assets conveyed at Closing without reduction to the Base Purchase Price. Any Asset so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such Hard Consent has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Asset pursuant to the terms of this Agreement. Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the consent had been obtained. In the case of licenses, certificates, approvals, authorizations, Leases, Contracts and other commitments included in the Assets (i) that cannot be transferred or assigned without obtaining the applicable Hard Consent (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such Hard Consent and, if any such Hard Consent is not obtained, Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Seller thereunder); *provided* that nothing in this Section 2.6 shall (1) require Seller to make any payment to any third party for which funds in the full amount of such payment obligation are not provided to Seller by Buyer in advance in cash or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing.

## 2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the



intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

### ARTICLE 3

#### PURCHASE PRICE

##### 3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Assets shall consist of cash in an amount equal to One Hundred Eighty-One Million AND NO/100 DOLLARS (\$181,000,000) (collectively, the "Base Purchase Price") and the assumption by Buyer of the Assumed Liabilities. Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Section 8.9 hereof (as adjusted, the "Purchase Price"). The Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

##### 3.2 Deposit.

Prior to the execution of this Agreement, Buyer has paid to Citibank, N.A. (the "Escrow Agent"), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the aggregate amount of Fifteen Million AND NO/100 DOLLARS (\$15,000,000) (together with all interest earned thereon, the "Deposit"). At Closing, the Parties shall cause the Escrow Agent to release the Deposit to Seller, and the Deposit shall be credited against the Purchase Price to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c), then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty). If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination.

### ARTICLE 4

#### CLOSING

##### 4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the "Closing") shall take place at the office of Seller at 920 Memorial City Way, Houston, Texas 77024 (or at such other location as the Parties may mutually agree), on April 6, 2018, or if all conditions to Closing in Article 9 and Article 10 have not been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions) by such date, no later than three (3) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date."

4.2 Payment on the Closing Date.

Subject to satisfaction or waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the Purchase Price by wire transfer of immediately available funds to an account specified in writing by Seller at least three (3) Business Days prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

4.3 Buyer's Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

- (a) the Purchase Price to Seller in accordance with Section 4.2;
- (b) a copy of Buyer's certificate of incorporation, certified as of a recent date by the Secretary of State of the State of Delaware;
- (c) the appropriate DOI forms (including without limitation, as applicable, Form BOEM-1017, Form BOEM-1019 and Form BOEM-1022) to reflect Buyer as the designated applicant for oil spill financial responsibility purposes for the Leases (or portions thereof) and shall deliver to Seller such other evidence that Buyer is qualified with the applicable Governmental Authorities to succeed Seller as the designated applicant of the Assets for oil spill financial responsibility purposes;
- (d) in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as applicable) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public;
- (e) all instruments necessary to become a party to and assume obligations in the operating agreements applicable to the Assets in forms reasonably acceptable to Buyer (which forms have been initially prepared by Seller and delivered to Buyer at least ten (10) Business Days prior to Closing);
- (f) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to: (i) there having been no amendments to the certificate of incorporation of Buyer since the date of the certified certificate of incorporation delivered pursuant to Section 4.3(b); (ii) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) incumbency and signatures of the officers or other authorized signatories of Buyer executing the Transaction Documents to which Buyer is a party;
- (g) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including change of operator forms to be



prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(h) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by Buyer (without waiving Buyer's rights pursuant to Section 8.11);

(j) evidence as Seller may reasonably request at least ten (10) Business Days prior to Closing demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets; and

(k) such other assignments and other good and sufficient instruments of assumption and transfer, in forms reasonably satisfactory to the Parties, as Seller may reasonably request at least ten (10) Business Days prior to Closing to transfer and assign the Assumed Liabilities to Buyer.

#### 4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as applicable) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public;

(b) each other Transaction Document to which Seller is a party, duly executed (and acknowledged, where applicable) by Buyer, including change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(c) a certified copy of the Sale Order;

(d) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(e) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a “foreign person” as defined therein;

(f) a counterpart of the Preliminary Settlement Statement executed by Seller (without waiving Seller’s rights pursuant to Section 8.11);

(g) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in forms reasonably satisfactory to the Parties, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller in, to or under any or all the Assets; and

(h) a recordable release of any debt instruments, including liens, loans, notes, trusts, mortgages, financing statements, pledges, fixture filings, credit agreements or any other encumbrances affecting the Assets created by, through, or under Seller or any Affiliate or any of their respective predecessors in interest, in a form reasonably acceptable to Buyer.

#### 4.5 Plan of Reorganization.

The Parties agree that the transactions contemplated by this Agreement and the other Transaction Documents shall be consummated by Seller through a plan of reorganization for Seller under chapter 11 of the Bankruptcy Code, which shall be in form and substance satisfactory to Buyer in its sole discretion, and shall, among other things, provide for customary releases to the Buyer (the “Chapter 11 Plan”). The Parties shall cooperate and negotiate in good faith to prepare the necessary documentation and execute such documents and take such actions as are reasonably necessary to obtain confirmation of the Chapter 11 Plan, and to satisfy the conditions to and effectiveness of the Chapter 11 Plan and cause the “Effective Date” thereunder to occur, as promptly as practicable.

### ARTICLE 5

#### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants the following to Buyer:

##### 5.1 Organization and Good Standing.

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite limited partnership or limited liability company power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary.

##### 5.2 Authority; Validity; Governmental Authority Consents.

Seller has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other

Transaction Documents to which Seller is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein have been duly and validly authorized by all requisite limited partnership or limited liability company action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing and no other approvals (shareholders, members or otherwise) on the part of Seller is necessary to authorize such execution and delivery. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by general principles of equity. Subject to requisite Bankruptcy Court approval, except (a) for entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) for any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal Requirements, and (d) for any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, Seller is not required to give any notice to, make any filing with or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby or thereby.

### 5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or violate or conflict with, or give rise to a right of termination, revocation, modification or cancellation under, or cause any acceleration of any obligation of Seller under (a) any agreement, indenture, or other instrument to which Seller is bound, (b) any of the governing documents of Seller, (c) any Order or (d) any Legal Requirement.

### 5.4 Permits.

Seller has not received written notice of default under any material Permit that has not been resolved in its entirety, and no violations exist in respect of such Permits.

### 5.5 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Effective Time.

### 5.6 Legal Proceedings.

Except for the Bankruptcy Case, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened (i) against Seller that seeks to restrain or prohibit or otherwise

challenge the consummation, legality or validity of the transactions contemplated hereby as of the Execution Date, (ii) against any of the Assets, or (iii) against Seller or any Affiliate with respect to the ownership, operation, development, maintenance or use of any of the Assets.

5.7 Brokers or Finders.

Neither Seller nor any of its Affiliates or any Person acting on behalf of Seller has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer or any of its Affiliates is or will become liable.

5.8 Assigned Contracts; Operatorship.

(a) (i) all Assigned Contracts are in full force and effect, (ii) except for the Bankruptcy Case, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any such Assigned Contract has occurred or is continuing on the part of Seller or to Seller's Knowledge on the part of any other Person thereto, (iii) there are no oral Assigned Contracts that are still in force and effect or that were in effect at any time from the Effective Time to the Closing, (iv) Seller has not given or received any unresolved written notice of default, amendment, waiver, price redetermination, market out, curtailment or termination with respect to any Assigned Contract, and (v) prior to the execution of this Agreement, Seller has made available to Buyer true, complete and correct copies of each Assigned Contract and all amendments thereto.

(b) Neither Seller nor any Affiliate of Seller has been removed as operator, or has been treated as having resigned as operator, by any Person under any of the Contracts covering the Assets, and to Seller's knowledge, no such action has been threatened by any Person.

5.9 AFEs.

Except as set forth on Schedule 5.9, as of the Execution Date, there are no authorities for capital expenditures or other commitments to make capital expenditures (collectively, "AFEs") with respect to the Assets that have been proposed, or approved, by any Person having authority to do so (including internal AFEs of Seller that has not been delivered to third parties) (in each case) with respect to which all of the activities anticipated in such AFEs have not been completed as of the Effective Time.

5.10 Preferential Purchase Rights.

There are no preferential purchase rights, tag rights or drag rights (in each case) applicable to the transactions contemplated by this Agreement that have not been satisfied or waived.

5.11 Credit Support.

There are no bonds, guarantees, letters of credit and other similar credit support instruments maintained by Seller or any of its Affiliates with respect to any Governmental Authority or other Person pertaining to Seller's ownership or operation of the Assets that Buyer will be required to obtain in order to own and operate the Assets after Closing.

5.12 Non-Consent Operations.

No operations are being conducted or have been conducted on the Assets with respect to which Seller has elected to be (or has been deemed to be) a non-consenting party under the applicable operating agreement or has otherwise failed to participate in such operations and with respect to which all of Seller's rights have not yet reverted to it.

5.13 Compliance with Laws.

Except as may result from the Bankruptcy Case, (i) Seller has not received written notice from any Governmental Authority alleging a violation of any Legal Requirements relating to the Assets that has not been resolved in its entirety, (ii) Seller's ownership and operation of the Assets is in material compliance with all Legal Requirements, and (iii) no Hazardous Substances have been released at or from the Properties or related to the Assets, except for any immaterial release.

5.14 Delivery of Hydrocarbons.

Neither Seller nor any of its Affiliates is obligated by virtue of any take-or-pay payment, production payment, advance payment or other similar payment, to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Assets at some future time without receiving full payment therefor at or after the time of delivery.

5.15 Defensible Title.

Seller owns Defensible Title to all of the Assets; provided that this representation does not cover any Encumbrance or other matters that do not arise by, through or under Seller or any Affiliate of Seller.

5.16 Operation of Assets.

Since January 1, 2018 (i) there has been no action with respect to the Assets that would have required the consent of Buyer under Section 7.1 had such Section 7.1 then been in effect and (ii) there has been no Material Adverse Effect.

5.17 Rentals.

All bonuses, delay rentals, minimum royalties and royalties due and payable under the Assigned Leases and Interests have been timely paid in accordance with applicable Leases and Legal Requirements.

5.18 Plug and Abandon Notice.

To Seller's Knowledge, there are no Wells (i) in respect of which Seller has received an Order from any Governmental Authority requiring that such Wells be plugged and abandoned, or (ii) that are required to be plugged and abandoned in accordance with applicable Legal Requirements but have not been plugged and abandoned in accordance with applicable Legal Requirements.

5.19 Taxes.

(a) All Tax returns relating to or in connection with Seller's acquisition, ownership, or operation of the Assets required to be filed have been timely filed and all such Tax returns are correct and complete in all material respects.

(b) All Taxes relating or applicable to Seller's acquisition, ownership or operation of the Assets (including Asset Taxes) that are or have become due have been timely paid in full, and Seller is not delinquent in the payment of any such Taxes.

(c) There is not currently in effect any extension or waiver of any statute of limitations of any jurisdiction regarding the assessment or collection of any Tax of Seller relating to Seller's acquisition, ownership or operation of the Assets.

(d) There are no administrative or judicial proceedings pending against the Assets or against Seller relating to or in connection with the Assets by any Governmental Authority with respect to Taxes.

(e) All Tax withholding and deposit requirements imposed by applicable law with respect to any of the Assets or the business of Seller have been satisfied in full in all respects.

(f) Seller is not (i) a "foreign person" within the meaning of Section 1445 of the Code or (ii) an entity disregarded as separate from any other Person within the meaning of Section 301.7701-3(a) of the regulations promulgated by the United States Department of Treasury pursuant to and in respect of provisions of the Code.

(g) There are no liens on any of the Assets for Taxes (other than Permitted Encumbrances).

(h) No Asset is subject to any tax partnership agreement or provisions requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

5.20 Knowledge Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with operational matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge".

5.21 Bankruptcy Actions.

Seller has complied in all material respects with all noticing and other provisions of the Bidding Procedures Order, the Sale Order, and any Order approving the assignment and assumption of any Assigned Lease and Interest or Assigned Contract, and has otherwise provided all notices related to the Bankruptcy Case in accordance with Legal Requirements, including to all known holders of Encumbrances and all Tax authorities.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Buyer is duly qualified or licensed to do business in the State(s) where the Assets are located.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing, and no other approvals (shareholders, members or otherwise) on the part of Buyer is necessary to authorize such execution and delivery. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Subject to requisite Bankruptcy Court approval, except for (a) entry of the Sale Order, (b) any notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filings, consents or approvals under any applicable antitrust, competition, trade regulation, foreign investment or similar Legal Requirements and (d) any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, Buyer is not or will not be required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby.



6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture or other instrument to which it is bound, (b) any of the governing documents of Buyer, (c) any Order or (d) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and assume the Assumed Liabilities. Buyer's ability to consummate the transaction contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

As of the Execution Date, there are no Proceedings pending or, to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates which, if adversely determined would reasonably be expected to have a material adverse effect on Buyer's ability to perform its obligations under this Agreement and the other Transaction Documents.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Seller or any of its Affiliates is or will become liable.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this



Agreement and, except for its reliance on Seller's representations, warranties and covenants contained herein and in the Transaction Documents, it has relied solely upon the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

At Closing, Buyer is qualified to own and, where applicable, assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner or operator. To the extent required by the applicable state, tribal and federal Governmental Authorities, Buyer currently has, and will continue to maintain, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (x) as expressly contemplated by this Agreement, (y) with the prior written consent of Buyer, and (z) as otherwise required by Legal Requirements, at all times from and after the date of this Agreement until the Closing:

(a) Seller shall:

(i) use commercially reasonable efforts to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause the Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(iii) pay or cause to be paid all bonuses and rentals, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred or due with respect to the Assets;

(iv) maintain, or cause the applicable third party operators to maintain, all Assigned Leases and Interests, Permits and Assigned Contracts in full force and effect;

(v) furnish Buyer with copies of all AFEs, in each case, within three (3) days of receipt from a third party or generation by Seller, as applicable, and report to Buyer on operational matters and the general status of ongoing operations; and

(vi) provide Buyer with copies of any and all material correspondence received from any Governmental Authority with respect to the Assets, as soon as reasonably practicable, but in no event later than two (2) Business Days after Seller's receipt thereof.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) make any capital expenditure or commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests, except for emergency operations taken in the face of risk to life, injury, property or the environment or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel, amend or modify any Assigned Contract, Permit or Assigned Lease and Interest, or fail to exercise any renewal right with respect to any Assigned Contract that by its terms would otherwise expire;

(iv) sell, lease, transfer or otherwise dispose of or encumber all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business;

(v) enter into a Contract that if entered into on or prior to the date of this Agreement would be an Assigned Contract;

(vi) commence, release or settle any Action or waive any claims or rights of value, in each case, attributable to the Assets;

(vii) fail to pay its accounts payable in accordance with customary business practices or take any action to materially accelerate the collection of accounts receivable outside the ordinary course of business (in each case) to the extent relating to the Assets;

(viii) voluntarily relinquish Seller's position as operator with respect to any Asset operated by Seller;

(ix) request or make application to any Governmental Authority for any variation to or cancellation of any material Permit or participate in or acquiesce to any variation or cancellation of the same;

(x) make any regulatory or other filings of any kind with any Governmental Authority with respect to the Assets, except in the ordinary course of business consistent with past practices or as required in connection with the consummation of the transactions contemplated by this Agreement;

(xi) elect or be deemed to have elected to “non-consent”, or fail to participate in, the drilling or reworking of any well, any seismic program or any other operation which would cause Seller or Buyer to suffer a penalty or lose or forfeit any interests in the Assets under any applicable operating agreement or Legal Requirements; or

(xii) make, change or revoke any Tax election; change an annual accounting period; adopt or change any accounting method with respect to Taxes; file any amended Tax Return; enter into any closing agreement; settle or compromise any Tax claim or assessment; or consent to any extension or waiver of the limitation period applicable to any claim or assessment with respect to Taxes; or

(xiii) enter into any agreement or commitment to take any action prohibited by this Section 7.1(b).

## 7.2 Commercially Reasonable Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things reasonably necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using their respective commercially reasonable efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied; (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all other commercially reasonable steps as may be necessary to obtain all necessary Governmental Authorizations and avoid any Proceeding by any Governmental Authority; and (iii) the execution or delivery of any additional instruments reasonably necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Property operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Property a copy of the recorded Assignment(s) evidencing the conveyance of Seller’s interest in such Property to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance.

(b) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of the Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of

Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

7.3 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval.

(b) Seller shall cooperate with Buyer and its Representatives in connection with the Bid Procedures Order, the Sale Order and the bankruptcy proceedings in connection therewith. Such cooperation shall include, but not be limited to, consulting with Buyer at Buyer's reasonable request concerning the status of such proceedings and providing Buyer with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court. Seller shall not file, acquiesce to, or support any plan of reorganization other than the Chapter 11 Plan, or any confirmation order other than the Sale Order. Seller further covenants and agrees that the terms of any proposed Chapter 11 Plan or proposed Sale Order that it submits to the Bankruptcy Court shall not conflict with, supersede, abrogate, nullify or restrict the terms of this Agreement, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement.

(c) In the event an appeal is taken or a stay pending appeal is requested, from the Sale Order, Seller shall promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from such Order. Seller shall use its commercially reasonable efforts to defend any such appeal. Notwithstanding the foregoing, any resulting changes to this Agreement or any Transaction Document or any resulting changes to the Orders shall be subject to Buyer's approval in its sole discretion.

(d) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably

likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.4 Updates and Amendments of Exhibits.

Until the third Business Day before Closing, Seller shall have the right to amend, modify and/or supplement Exhibit A, Exhibit C and Schedule 2.5(b), in each case, as applicable, in order to reflect any new Contracts or Leases entered into by Seller to the extent permitted by this Agreement, and Seller shall amend Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), from time to time, as required pursuant to Section 2.5(b).

7.5 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that, prior to and through and until the conclusion of the Auction, Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from third parties (the "Potential Bidders") for the Assets in connection with any alternative transaction pursuant to the terms of the Bidding Procedures Order.

7.6 Intentionally Omitted.

7.7 Intentionally Omitted.

7.8 BOEM Qualifications.

(a) Prior to Closing, and only to the extent that any such qualification is required by applicable Legal Requirements to own or operate the Assets, Buyer shall, (i) to the extent not currently qualified, become qualified with the BOEM to hold oil and gas leases, rights-of-way, and right-of-use easements on the U.S. Outer Continental Shelf under 30 CFR 550 and 30 CFR 556.35 and to meet any other requirements under applicable Legal Requirements to receive and hold such assets and properties (the "BOEM Qualifications"), (ii) to the extent not currently qualified, become qualified with each applicable Governmental Authority to hold all state oil and gas leases, state rights-of-way and state right-of-use easements included in the Assets, and (iii) if requested by Seller, provide Seller evidence of such qualification, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and such other Governmental Authorities to obtain such registration and qualification, including all applicable BOEM approval letters and issuance of Company Number for Buyer.

(b) Prior to Closing, Buyer shall (i) obtain all bonds, letters of credit and guarantees necessary to replace the Surety Bonds as required pursuant to Section 7.9, except for those Surety Bonds that cannot be obtained until BOEM approves assignment of the Assets (to the extent any such approval is necessary), as further provided in Section 7.9, (ii) to the extent not currently qualified, become qualified and approved (in each case, only to the extent that any such qualification or approval is required by Legal Requirements to own or operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of all Leases

and all other Assets that Seller currently operates, and (iii) to the extent requested by Seller, provide Seller evidence of such qualifications and approvals, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and all other applicable Governmental Authorities.

(c) Promptly following the Closing, Buyer shall be qualified and approved (in each case, only to the extent that any such qualification or approval is required by applicable Legal Requirements to own or operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of any applicable Assets for which Buyer is obligated to operate under this Agreement.

#### 7.9 Surety Bonds.

Buyer acknowledges that none of the bonds, letters of credit and guarantees posted by Seller or its Affiliates with Governmental Authorities or other third parties and relating to the Assets (collectively, the "Surety Bonds") will be transferred to Buyer. On or before the Closing Date, or, with respect to those Surety Bonds that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, Buyer shall obtain, or cause to be obtained in the name of Buyer and effective as of the Closing Date, replacements for such Surety Bonds set forth in Schedule 7.9 (if any), attached hereto as of the date of Buyer's execution hereof (in each case, as may be required by applicable Legal Requirements) and take any other actions required by any Governmental Authority to the extent such replacements or actions are necessary (a) for Buyer's ownership of the Assets and (b) to permit the cancellation of the Surety Bonds posted by Seller and/or its Affiliates solely with respect to the Assets. In addition, at or prior to Closing, or, with respect to those Surety Bonds set forth in such Schedule 7.9 that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, if requested by Seller, Buyer shall deliver to Seller evidence of the posting of bonds or other security with all applicable Governmental Authorities meeting the requirements of such authorities to own and, where appropriate, operate, the Assets.

#### 7.10 Access to Information Prior to Closing.

Prior to the Closing Date, Buyer and Buyer's Representatives shall be entitled to make such investigation of the Assets and such examination of the books, records, documents and information of Seller relating to the Assets as Buyer reasonably requests, and to make copies of such books, records, documents and information, all at Buyer's sole expense. Any such investigation or examination shall be conducted during regular business hours and under reasonable circumstances, and Seller shall reasonably cooperate therewith. Each Party shall cause its Representatives to cooperate fully with the Representatives of the other Party in connection with any such investigation or examination. No investigation by Buyer prior to or after the Execution Date shall diminish or obviate any of the representations, warranties, covenants or agreements of Seller contained in this Agreement.



## ARTICLE 8

### ADDITIONAL AGREEMENTS

#### 8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement (“Transfer Taxes”) shall be borne by Seller. Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall be allocated and shall bear all ad valorem, property, excise, sale, use, severance, production or similar Taxes based upon acquisition, operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) assessed with respect to the Assets (collectively, the “Asset Taxes”) for (i) any period ending on or prior to the Effective Time and (ii) the portion of any Straddle Period ending on or prior to the Effective Time. Buyer shall be allocated and shall bear all Asset Taxes (i) for the portion of any Straddle Period beginning after the Effective Time, and (ii) for any period beginning after the Effective Time. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Time (“Straddle Periods”), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Time shall (1) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Effective Time or, in the case of an Asset Tax imposed on a transaction basis, whether the relevant transaction closed on or prior to the Effective Time (which shall be Seller’s responsibility) and from and after the Effective Time (which shall be Buyer’s responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Time (which shall be Seller’s responsibility) and the period after the Effective Time (which shall be Buyer’s responsibility). For purposes of clause (1) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Effective Time and the period beginning at the Effective Time. To the extent the actual amount of an Asset Tax is not known at the time an adjustment is to be made with respect to such Asset Tax pursuant to Section 8.9, 8.10 or 8.11, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Asset Tax for purposes of such adjustment. To the extent the actual amount of an Asset Tax (or the amount thereof paid or economically borne by a Party) is ultimately determined to be different than the amount (if any) that was taken into account in the Final Settlement Statement as finally determined pursuant to Section 8.11, timely payments will be made from one Party to the other to the extent necessary to cause each Party to bear the amount of such Asset Tax that is allocable to such Party under this Section 8.1(b). Within a reasonable time prior to the payment of any amounts pursuant to the preceding sentence, the requesting Party shall give notice to the

other Party of the Tax payable and the other Party's Liability therefor, although failure to do so will not relieve the other Party from its Liability hereunder. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.1(b) shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(c) Seller shall timely file any Tax Return with respect to Asset Taxes due on or before the Closing Date or that otherwise relates solely to periods before the Closing Date (a "Pre-Closing Tax Return") and shall pay any Asset Taxes shown due and owing on such Pre-Closing Tax Return. From and after the Closing Date, Buyer shall timely file any Tax Returns with respect to Asset Taxes required to be filed after the Closing Date for any Straddle Period (a "Post-Closing Tax Return"), and shall pay any Asset Taxes shown due and owing on such Post-Closing Tax Return. Buyer shall file any Post-Closing Tax Return in a manner consistent with past practice except as otherwise required by Law. Within fifteen (15) days prior to filing, Seller shall deliver to Buyer a draft of any such Pre-Closing Tax Return for Buyer's review and approval (which approval will not be unreasonably withheld or delayed). Within fifteen (15) days prior to filing, Buyer shall deliver to Seller a draft of any such Post-Closing Tax Return for Seller's review and approval (which approval will not be unreasonably withheld or delayed). The Parties agree that (i) this Section 8.1(c) is intended to solely address the timing and manner in which certain Tax Returns relating to Asset Taxes are filed and the Asset Taxes shown thereon are paid to the applicable Taxing Authority, and (ii) nothing in this Section 8.1(c) shall be interpreted as altering the manner in which Asset Taxes are allocated to and economically borne by the Parties.

(d) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(d) shall be borne by the Party requesting it.

## 8.2 Allocation of Purchase Price.

The Base Purchase Price shall be allocated among the Assets as set forth on Schedule 8.2 and to the extent necessary to allocate the Base Purchase Price among the asset classes listed on Internal Revenue Service Form 8594, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the "Allocated Value" of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the "Tax Allocation". Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their



respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Code §1060) as promptly as possible following the Closing Date and in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position for US federal state and local income tax purposes inconsistent therewith upon examination of any Tax return, in any refund claim, in any tax litigation, or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party's prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation; and *provided, further*, that the general allocation of value described in this Section 8.2 shall not be indicative or binding for any allocation of value in any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

### 8.3 Bulk Sales.

Seller has complied with any "bulk sales," "bulk transfer" or similar Legal Requirement that is applicable with respect to the sale and transfer of any or all of the Assets to Buyer.

### 8.4 Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.

(a) With respect to each Assigned Contract and Assigned Lease and Interest, Buyer shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract or Assigned Lease and Interest. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts and the Assigned Leases and Interests, such as furnishing timely requested and factually accurate affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making Buyer's and Seller's employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.2 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) From and after the Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

### 8.5 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim), (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets without Seller's consent (which consent shall not be unreasonably withheld, conditioned or delayed) and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller's sole expense and upon reasonable advance notice, to such Records solely to the extent such access directly relates to the Bankruptcy Case, the wind-down of the operations of Seller, or the functions of any such trusts or successors, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such files, books, records and other materials; *provided, however*, that to the extent any such access involves entry upon the Assets or premises of Buyer, Seller shall not, and shall cause such Person to not, interfere with the ordinary conduct of business or operation of the Assets and at all times during such access, such Persons shall be accompanied by at least one Representative of Buyer. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller's estate, Seller shall preserve and keep the Records and, at Buyer's sole expense, shall make such Records, records and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during or after the time during which they must be maintained pursuant to this Section 8.5, such Party shall first give ninety (90) days' prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

#### 8.6 No Other Representations or Warranties; Disclaimers; NORM.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL**

SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

(b) **WAIVER OF CONSUMER AND OTHER RIGHTS:** BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 *ET SEQ.*, VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Buyer acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and Seller's representations, warranties and covenants made herein and in the Transaction Documents. Buyer hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) **BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY SELLER OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.**

#### 8.7 Casualty.

(a) If, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed One Million Dollars (\$1,000,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.7(b), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. In addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.7(b), in such repair, restoration or replacement, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds arising out of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by

Seller in collecting such proceeds. Any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

(c) Notwithstanding anything to the contrary in this Agreement, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller in respect thereof or other sums paid to Seller by third parties (or an assignment of claims related thereto) in respect of such condemnation or Casualty Loss, which proceeds and other sums shall be payable to Buyer only upon or after the Closing of the transactions contemplated hereby. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, OR OTHER FAULT OF SELLER (EXCLUDING ANY CASUALTY LOSS TO THE EXTENT ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP).**

#### 8.8 Successor Operator.

With respect to the Assigned Leases and Interests (or portions thereof) that are operated by Seller as of the Effective Time, (a) Buyer agrees that Seller will continue to operate such Assets until the DOI has approved Buyer as the operator thereof (except to the extent applicable Legal Requirements require otherwise), whereupon operations will be turned over to Buyer as the successor operator; and (b) Seller will cooperate with Buyer in Buyer's attempt to become successor operator with respect to all such Assets, including (a) by sending written notice seeking the written undertakings of the other Working Interest owners of such Assets to Buyer's succession as operator to Seller with respect to such Assets, (b) confirming that such Working Interest owners will consent to Buyer's succeeding Seller as operator of such Assets under the joint operating agreements and unit operating agreements applicable thereto, and (c) taking any other action reasonably requested by Buyer with respect to the transfer of operatorship with respect to such Assets.

#### 8.9 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller above a custody transfer point on the Effective Time that is credited to the Assets, such value to be the current market price or the price paid, less Taxes and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Time (including any pre-paid charges); (iii) the aggregate amount of all Known Receivables; (iv) all cash call pre-payment amounts paid by Seller and



associated with the Assets on and after the Effective Time; (v) an amount equal to \$0.00 per month (or prorated portion thereof) for the period from the Effective Time to the Closing Date, representing overhead charges of Seller with respect to Seller's operated Properties; and (vi) any other amount set forth herein or agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from the sale of Hydrocarbons, produced from and after the Effective Time, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons not otherwise accounted for hereunder) actually received by Seller; (ii) the amount of the Suspense Funds; (iii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Time; and (iv) any other amount set forth herein or agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Time multiplied by the market price at the location of the Wells per Mcf of gas and per barrel of oil for such Well as of the Effective Time (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or the Assets for Seller's ownership prior to the Effective Time multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

#### 8.10 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a Preliminary Settlement Statement showing its computations, calculated in good faith, of the amount of each adjustment provided for in Section 8.9 above, together with reasonably supporting documentation, and Seller shall promptly provide such additional supporting documentation and information as Buyer may reasonably request. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, then with respect to any disputed adjustment Seller's computation thereof shall be used at Closing, subject to further adjustment under Section 8.11 below. If the amount of adjustments so determined that would result in a Base Purchase Price reduction exceeds the amount of adjustments so determined that would result in a Base Purchase Price increase, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

#### 8.11 Adjustment Post-Closing.

From and after the Closing Date until the date that is sixty (60) days following the Closing (the "Review Period"), upon at least two (2) Business Days' written notice from the Party requesting such access, each of Buyer and Seller shall (and shall cause their respective Affiliates to) afford the other Party and its Representatives reasonable access, during normal

business hours, to its employees, properties, books, Contracts and Records, and outside accountants to the extent the requesting Party reasonably deems necessary, and shall furnish promptly to the other Party all information concerning the Assets as may reasonably be requested by the other Party, solely to the extent reasonably related to the requesting Party's calculation of the adjustments provided for in Section 8.9 and its review of the Preliminary Settlement Statement and the calculations set forth therein. During the Review Period, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 8.9, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing pursuant to Section 8.9, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. If the Parties fail to agree on final adjustments within such Review Period, either Party may elect by written notice to the other Party within thirty (30) days after the end of such Review Period to submit the disputed items to a nationally-recognized, independent accounting firm mutually agreed upon by the Parties in writing (the "Accounting Referee"); *provided, however*, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as substitute Accounting Referee, by a date that is sixty (60) days after the end of the Review Period, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court (if the Bankruptcy Case has not closed or if the Bankruptcy Case has closed, the Houston office of the American Arbitration Association) to appoint a substitute Accounting Referee; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Once the Accounting Referee has been appointed pursuant to the foregoing and has agreed to serve, then the Parties shall promptly submit the disputed items to the Accounting Referee for resolution. Any disputed items described in this Section 8.11 with respect to which a Party does not elect to submit such disputed items to an Accounting Referee within such thirty (30) day period described above shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. The Accounting Referee, however, may not award any amounts greater than or less than the respective positions of Buyer and Seller. Seller and Buyer shall share equally the Accounting Referee's costs, fees and expenses (including attorneys' fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the "Final Settlement Statement"), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee's decision) by wire transfer of immediately available US funds to an account designated in writing by the Party entitled to receive such amounts. During the period between Closing and the point in time when

the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.12, and (ii) deliver any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party pursuant to Section 8.12, and such payments and deliveries shall be considered in determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

8.12 Allocation of Revenues and Expenses.

(a) Except as expressly provided herein, Seller shall remain entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds) and shall remain responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time prior to the Effective Time. Except as expressly provided otherwise in this Agreement, and subject to the occurrence of the Closing, Buyer shall be entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds), and shall be responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time from and after the Effective Time. All Operating Expenses attributable to the Assets that are incurred with respect to operations conducted or production produced prior to the Effective Time shall be paid by Seller and all Liabilities with respect thereto shall be Excluded Liabilities. All capital expenditures, operating expenses or other expenses attributable to the Assets that are (i) approved after the date hereof in accordance with Section 7.1(b)(ii) or (ii) incurred with respect to operations conducted or production produced from and after the Effective Time in accordance with Section 7.1 shall be paid by or allocated to Buyer. Such amounts that are received prior to Closing shall be accounted for in the Preliminary Settlement Statement or Final Settlement Statement, as applicable. All amounts that are received after Closing but prior to the date of the Final Settlement Statement shall be accounted for in the Final Settlement Statement or pursuant to Section 8.12(b).

(b) Seller, on the one hand, and Buyer, on the other hand, each agree that, from and after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash), proceeds of production or other property that they may receive on or after the Closing which properly belongs to the other and will account to the other for all such receipts. In addition, if (i) any Party pays monies for costs or expenses which are the obligation of the other Party pursuant to the terms of this Agreement, then such other Party shall promptly reimburse the Party which paid such monies, (ii) a Party receives an invoice regarding an expense or obligation which is owed by the other Party pursuant to the terms of this Agreement, such Party



receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same, and (iii) a Party received an invoice regarding and expense or an obligation, which is partially an obligation of both Seller and Buyer pursuant to the terms of this Agreement, then the Parties shall consult with each other, and each shall promptly pay its respective portion of such expense or obligation to the obligee.

## ARTICLE 9

### CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

#### 9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date); *provided, however*, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 9.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracies in such representations and warranties (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) taken together results in a Material Adverse Effect. Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

#### 9.4 Seller's Deliveries.

Each of the deliveries required to be made by Seller to Buyer pursuant to Section 4.4 shall have been so delivered or Seller shall be ready, willing and able to make such deliveries.

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Buyer, which consent may be withheld by Buyer in its sole discretion.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or Seller's waiver, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.2 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Seller, which consent may be withheld by Seller in its sole discretion.

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be

pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

#### 10.5 Buyer's Deliveries.

Each of the deliveries required to be made by Buyer to Seller pursuant to Section 4.3 shall have been so delivered or Buyer shall be ready, willing and able to make such deliveries.

### ARTICLE 11

#### TERMINATION

##### 11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by either Seller or Buyer:

(i) if a Governmental Authority issues an Order which is in effect, or an Action or Proceeding is pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing; provided that such Order, Action or Proceeding was not requested, encouraged or supported by the terminating Party;

(ii) by mutual written consent of Seller and Buyer;

(iii) in the event Seller enters into a definitive agreement regarding a Superior Proposal; *provided* that the board of directors of Seller determines in good faith after consultation with its outside financial advisors and outside legal counsel, and based on the advice of such counsel, that proceeding with the Transactions would be inconsistent with applicable fiduciary duties;

(iv) if Seller, in accordance with the Bidding Procedures Order, enters into (or provides written notice to Buyer of their intent to enter into) one or more agreements to sell, transfer, or otherwise dispose of any material portion of the Assets in a transaction or series of transactions other than in the ordinary course of business with one or more Persons other than Buyer;

(v) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction;

(vi) if the Closing has not occurred by the close of business on the date that is fifteen (15) days after the date on which the Bankruptcy Court enters the Sale Order (the "Outside Date"); *provided, however*, that (1) Buyer shall be permitted to terminate this

Agreement pursuant to this Section 11.1(a)(vi) only if (w) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Buyer's conditions to Closing set forth in Article 9 have been fully satisfied or otherwise waived by Buyer and (z) Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(vi) only if (w) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Seller's conditions to Closing set forth in Article 10 have been fully satisfied or otherwise waived by Seller and (z) Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller; or

(vii) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case;

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Seller to cure such breach within ten (10) days after receipt of written notice from Buyer of such breach; *provided, however*, that Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order;

(ii) if Seller announces or files any stand-alone plan of reorganization or liquidation or otherwise fails to perform under Section 7.3(b); or

(iii) if the Sale Order is modified in any material respect without the consent of Buyer; or

(c) by Seller in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the receipt of written notice from Seller of such breach; *provided, however*, that Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order.

## 11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party except as provided in this Section 11.2. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provision, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

(b) In the event that Buyer has the right to terminate this Agreement pursuant to Section 11.1(b)(i), Buyer shall be entitled to (1) terminate this Agreement pursuant to Section 11.1(b)(i) and receive the Deposit, free and clear of any claims thereon by Seller (and the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Buyer pursuant to Section 3.2), and/or (2) seek to recover damages from Seller, as well as seek all other remedies available to Buyer, at law or in equity, including seeking the specific performance of Seller hereunder.

(c) In the event that Seller has the right to terminate this Agreement pursuant to Section 11.1(c), notwithstanding Section 13.14, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement pursuant to Section 11.1(c) and retain the Deposit as liquidated damages, and not as a penalty, for such termination, free and clear of any claims thereon by Buyer (and the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Seller pursuant to Section 3.2). The Parties agree that, should Seller have the right to terminate this Agreement pursuant to Section 11.1(c), the foregoing described liquidated damages are reasonable considering all of the circumstances existing as of the Execution Date and constitute the Parties' good faith estimate of the actual damages reasonably expected to result from such termination of this Agreement by Seller.

(d) In the event that this Agreement is terminated for a reason other than as set forth in Section 11.2(b) or Section 11.2(c), then the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Buyer pursuant to Section 3.2.

(e) Each Party acknowledges that the agreements contained in this Section 11.2 are an integral part of the transactions contemplated by this Agreement, that without these agreements such Party would not have entered into this Agreement, and that any amounts payable pursuant to this Section 11.2 do not constitute a penalty.

## ARTICLE 12

### SURVIVAL AND INDEMNIFICATION

#### 12.1 Survival of Seller's Representations and Warranties.

The representations and warranties (other than the representations and warranties contained in Section 5.19) of Seller contained herein and in any certificate or other Transaction Documents (other than the Assignments) delivered by Seller pursuant to this Agreement and the covenants of Seller contained in Section 7.1 (in each case) shall survive the Closing through and including the date that is six (6) months after the Closing Date; *provided* that if a written notice of any claim with respect to any such representations, warranties or covenants is given prior to

the expiration thereof then such representation, warranty or covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement. Seller's representations and warranties contained in Section 5.19 and Seller's covenants and agreements contained in Sections 8.1 and 8.2 (to the extent relating to Seller Taxes) shall survive the Closing until the expiration of the applicable statute of limitations, plus sixty (60) days. Each of Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the covenants and agreements of Seller in any of Section 2.6, 2.7, 7.2(a) and (b), 8.11 or 8.12 (each a "Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b) (i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

#### 12.2 Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained in Article 6 of this Agreement shall survive the Closing through and including the date that is twelve (12) months after the Closing Date (the "Expiration Date"); *provided, however*, that any obligations to indemnify and hold harmless shall not terminate with respect to any Liabilities as to which a Seller Indemnified Party shall have given notice to Buyer in accordance with Section 12.4(a) on or before the Expiration Date.

#### 12.3 Indemnification by Buyer.

(a) From and after the Closing, subject to Section 12.2, Buyer hereby agrees to indemnify and hold Seller and each member of the Seller Group (collectively, the "Seller Indemnified Parties") harmless from and against:

(i) any and all Liabilities based upon, attributable to or resulting from the breach of any representation or warranty of Buyer set forth in Article 6 hereof, or any representation or warranty contained in any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(ii) any and all Liabilities based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Buyer under this Agreement; and

(iii) all Assumed Liabilities.

(b) Notwithstanding anything contained herein to the contrary, any Seller Indemnified Party making an Indemnification Claim under this Section 12.3 must give notice to the indemnifying Party of any such Indemnification Claim in writing on or prior to the Expiration Date.



#### 12.4 Indemnification Procedures.

(a) In the event that any Actions shall be instituted or that any claim or demand shall be asserted by any Seller Indemnified Party in respect of which payment may be sought under Section 12.3 (an “Indemnification Claim”), the Seller Indemnified Party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has Knowledge which is covered by the indemnity to be forwarded to the indemnifying Party; *provided* that a Seller Indemnified Party need not wait until an Action has been instituted or demand has been asserted before delivering written notice of an Indemnification Claim to the indemnifying Party. The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Seller Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder. If the indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the Seller Indemnified Party of its intent to do so. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, the Seller Indemnified Party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying Party shall assume the defense of any Indemnification Claim, the Seller Indemnified Party may participate, at his or its own expense, in the defense of such Indemnification Claim; *provided, however*, that such Seller Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying Party if (a) so requested by the indemnifying Party to participate or (b) in the reasonable opinion of counsel to the Seller Indemnified Party a conflict or potential conflict exists between the Seller Indemnified Party and the indemnifying Party that would make such separate representation advisable; and *provided, further*, that the indemnifying Party shall not be required to pay for more than one such counsel for all Seller Indemnified Parties in connection with any Indemnification Claim. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 12.4 to the contrary, neither the indemnifying Party nor any Seller Indemnified Party shall, without the written consent of the other, settle any Indemnification Claim or consent to entry of any judgment unless the claimant and such Party provide to such other Party an unqualified release from all liability in respect of the Indemnification Claim. If the indemnifying Party makes any payment on any Indemnification Claim, the indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Seller Indemnified Party to any insurance benefits or other claims of the Seller Indemnified Party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Seller Indemnified Party and the indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Seller Indemnified Party shall forward to the indemnifying Party notice of any sums due and owing by the indemnifying Party pursuant to this Agreement with respect to such matter.

12.5 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Seller Indemnified Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.6 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based, unless a final determination with respect to the Seller Indemnified Party causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the non-disclosure agreement entered into by them and/or their Affiliates in connection with the transactions contemplated by this Agreement (the “Non-Disclosure Agreement”), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that (a) disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreement, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreement. Upon the Closing, the Non-Disclosure Agreement shall terminate and be of no further force or effect.

13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transaction contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to, on or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transaction contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party’s (including such Party’s respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party if such statement, declaration or public announcement is permitted by the applicable Legal Requirements.



13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if received from a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties); *provided that* in the event any such notice, consent, waiver or other communication under this Agreement is received by the receiving Party outside of normal business hours or on a day other than a Business Day, then such notice, consent, waiver or other communication will be deemed given on the next Business Day during normal business hours:

(i) If to Seller, then to:

Cobalt International Energy, L.P.  
Cobalt Center  
920 Memorial City Way  
Suite 100  
Fax: 713-579-9104  
Attention: Rich Smith  
Email: Rich.Smith@cobaltintl.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, Illinois 60654  
Attn: Chad Husnick, P.C.; Brad Weiland  
Phone: (312) 862-7182  
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP  
609 Main Street, 45th Floor  
Houston, Texas 77002  
Attn: Anthony Speier, P.C.; Rahul Vashi  
Phone: (713) 836-3639  
E-mail: rahul.vashi@kirkland.com

(ii) If to Buyer:

TOTAL E&P USA, INC.  
1201 Louisiana Street, Suite 1800  
Houston, TX 77002

Attention: Nikita Taldykin  
Telephone: 713-647-3326  
E-mail: nikita.taldykin@total.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
811 Main Street, Suite 3700  
Houston, TX 77002  
Attention: Chris Bennett  
Telephone: 713-546-7417  
E-mail: chris.bennett@lw.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12) WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules and the Exhibits), and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party), and any purported assignment in violation of this Section 13.6 shall be void *ab initio*.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

The Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) **Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.**

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a Texas state court or a federal court

sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER, BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

13.11 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.12 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind. Notwithstanding the foregoing, a Party shall have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of the other members of the Seller Group or Buyer Group, as applicable (but shall not be obligated to do so).

13.13 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Documents, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being

expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.14 Specific Performance.

The Parties acknowledge that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Each Party further agrees that, in addition to any other remedy that such Party may have under law or equity, without posting bond or other undertaking, such Party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking any remedy provided for in this Section 13.14, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement and (ii) nothing contained in this Section 13.14 shall require any Party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 13.14 before exercising any other right under this Agreement.

13.15 Intentionally Omitted.

13.16 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, any and all obligations under this Agreement are subject to the entry of the Sale Order.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

Cobalt International Energy, L.P.

By: David Powell  
Name: David D. Powell  
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

TOTAL E&P USA, INC.

A handwritten signature in blue ink, appearing to read 'J. Sanz-Saiz', is written over a horizontal line.

By: \_\_\_\_\_

Name: Jose-Ignacio Sanz-Saiz

Title: President & CEO

**EXHIBIT A**

**Assigned Leases and Interests**

[See attached.]



<u>Area</u>	<u>Block</u>	<u>Original Lessor</u>	<u>Original Lessee</u>	<u>Lessor / Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Prospect Name</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Royalty Rate</u>	<u>Net Revenue Interest</u>	<u>Gross Acres</u>	<u>Depths</u>
Green Canyon	762	United States of America Department of Interior	BHP Billiton Petroleum (Deepwater) Inc.	OCS-G 25198	GL-024-03	5/1/2003	4/30/2014	Anchor	Anchor Unit	20.00%	12.50%	17.500%	5,760	All Depths
Green Canyon	763	United States of America Department of Interior	Chevron U.S.A. Inc.	OCS-G 25199	GL-024-04	6/1/2003	5/31/2014	Anchor	Anchor Unit	20.00%	12.50%	17.500%	5,760	All Depths
Green Canyon	806	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 31751	GL-024-01	3/1/2008	2/28/2018	Anchor	Anchor Unit	20.00%	16.67%	16.666%	5,760	All Depths
Green Canyon	807	United States of America Department of Interior	Chevron U.S.A. Inc.	OCS-G 31752	GL-024-05	3/1/2008	2/28/2018	Anchor	Anchor Unit	20.00%	16.67%	16.666%	5,760	All Depths
Green Canyon	850	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 31757	GL-074-01	3/1/2008	2/28/2018	Anchor	Anchor Unit	20.00%	16.67%	16.666%	5,760	All Depths
Green Canyon	851	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 31758	GL-003-02	3/1/2008	2/28/2018	Anchor	Anchor Unit	20.00%	16.67%	16.666%	5,760	All Depths

**Exhibit B: Wells****Anchor**

API Well Number	Well Name	Well Name Suffix	Bottom Lease Number	Bottom Area	Bottom Block	Operator	Spud Date	Status Code
608114062100	001	ST00BP00	G31752	Green Canyon	807	Chevron U.S.A. Inc.	3/16/2014	Sidetracked
608114062101	001	ST00BP01	G31752	Green Canyon	807	Chevron U.S.A. Inc.	5/28/2014	Permanently Abandoned
608114063500	002	ST00BP00	G31752	Green Canyon	807	Chevron U.S.A. Inc.	8/12/2014	Sidetracked
608114063501	002	ST00BP01	G31752	Green Canyon	807	Chevron U.S.A. Inc.	7/9/2015	Sidetracked
608114067300	003	ST00BP00	G31752	Green Canyon	807	Chevron U.S.A. Inc.	9/17/2016	Sidetracked
608114067301	003	ST00BP01	G31752	Green Canyon	807	Chevron U.S.A. Inc.	12/4/2016	Permanently Abandoned
608114063502	002	ST01BP00	G31751	Green Canyon	806	Chevron U.S.A. Inc.	8/14/2015	Permanently Abandoned
608114066100	001	ST00BP00	G31751	Green Canyon	806	Chevron U.S.A. Inc.	1/26/2016	Sidetracked
608114066101	001	ST00BP01	G25198	Green Canyon	762	Chevron U.S.A. Inc.	2/26/2016	Permanently Abandoned

Exhibit C: Assigned Contracts

<u>#</u>	<u>Tracking No.</u>	<u>Contract ID</u>	<u>Contract No.</u>	<u>Contract Name</u>	<u>Agreement Type</u>	<u>Contract Party</u>	<u>Counterparty</u>	<u>Effective Date</u>	<u>Asset</u>	<u>Contract Availability</u>
1	1116862	1229	LAND-1116862-GL-024-D	Anchor Unit Agreement - GC 807 Unit	Unit Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	2/1/2014	Anchor	VDR Index No. 5.3.158
2	1116862	1230	LAND-1116862-GL-024-D	Anchor - Amendment Unit Agmt and UOA	Unit Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	2/1/2014	Anchor	VDR Index No. 5.3.158
3	1116874	1231	LAND-1116874-GL-024-E	Anchor Unit JOA 2-1-2014	Unit Operating Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	2/1/2014	Anchor	VDR Index No. 5.3.159
4	1116874	1232	LAND-1116874-GL-024-E	Anchor - Amendment Unit Agmt and UOA	Unit Operating Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	2/1/2014	Anchor	VDR Index No. 5.3.159
5	1116874	1233	LAND-1116874-GL-024-E	ANCHOR-UOA-2ND AMENDMENT-08162016080601	Unit Operating Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	2/1/2014	Anchor	VDR Index No. 5.3.159
6	1106264	1203	LAND-1106264-GL-024-B	Acreage Exch Agmt - Racer-Anchor.1213	Lease Exchange and Agreement	Cobalt International Energy, L.P.	TOTAL E&P USA, INC.	11/26/2013	Anchor	VDR Index No. 5.3.5
7	1161852	1285	LAND-1161852-GL-024-G	Anchor Velocity License Agmt-May 2015	Velocity Model License Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	5/21/2015	Anchor	VDR Index No. 5.3.12
8	1205244	1293	LAND-1205244-GL 024-H	WELL DATA TRADE-ANCHOR-RYDBERG DEEP-03072016100415	Data Trade Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	11/5/2015	Anchor	VDR Index No. 5.3.14
9	1213162	1295	LAND-1213162-GL-024-I	Anchor Mutual CA for 20M Technology 4 1 16 Final Draft	Confidentiality / Non-Disclosure Agreement (NDA)	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	4/1/2016	Anchor	VDR Index No. 5.3.16
10	1216079	1300	LAND-1216079-GL-024-J	ANCHOR-DATA SHARING AGREEMENT-07012016132711	Electronic Data Sharing Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	6/30/2016	Anchor	VDR Index No. 5.3.18
11	1217790	1311	LAND-1217790-GL-024-L	Anchor North-UOA 1-25-16	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	1/25/2016	Anchor	VDR Index No. 5.3.19
12	1232662	1322	LAND-1232662-GL-024-M	ANCHOR SOUTH AGREEMENT-	Anchor South Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	6/28/2017	Anchor	VDR Index No. 5.3.49

#	<u>Tracking No.</u>	<u>Contract ID</u>	<u>Contract No.</u>	<u>Contract Name</u>	<u>Agreement Type</u>	<u>Contract Party</u>	<u>Counterparty</u>	<u>Effective Date</u>	<u>Asset</u>	<u>Contract Availability</u>
				07262017085410						
13	1232732	1323	LAND-1232732-GL-024-N	ANCHOR-MELMAR-DATA TRADE AGREEMENT-08012017143823	Data Trade Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	6/15/2017	Anchor	VDR Index No. 5.3.50
14	1234570	1324	LAND-1234570-GL-024-O	ANCHOR SEISMIC AGREEMENT-10312017085151	Participation Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	10/15/2017	Anchor	VDR Index No. 5.3.52
15	1234587	1325	LAND-1234587-GL-024-P	DATA PURCHASE AND SALE AGREEMENT-10302017090152	Data Purchase & Sale Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	10/1/2017	Anchor	VDR Index No. 5.3.53

**EXHIBIT D-1**

**Attached to and made a part of that certain Asset Purchase Agreement  
by and among Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer**

**Form of County Assignment**

**ASSIGNMENT AND BILL OF SALE**

STATE OF [●] §  
§ KNOW ALL PERSONS BY THESE PRESENTS:  
[COUNTY/PARISH] OF [●] §

This ASSIGNMENT AND BILL OF SALE (this “Assignment”), effective as of the Effective Time, is from COBALT INTERNATIONAL ENERGY L.P., a Delaware limited partnership (“Assignor”), to TOTAL E&P USA, INC., a Delaware corporation (“Assignee”). Assignor and Assignee are hereinafter referred to as a “Party” and collectively as the “Parties.” All capitalized terms not specifically defined herein shall have the meaning assigned such term in the Purchase Agreement.

WHEREAS, on December 14, 2017, Assignor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

WHEREAS, Assignor and Assignee entered into that certain Asset Purchase Agreement dated March 12, 2018 (the “Purchase Agreement”), pursuant to which Assignor has agreed to assign, transfer and convey and Assignee has agreed to purchase and acquire all of Assignor’s right, title, and interest in and to the Assets; and

WHEREAS, on [●], 2018, the Bankruptcy Court entered the Sale Order authorizing the Assignor to sell the Assets to Assignee pursuant to the terms and conditions of the Purchase Agreement.

**ARTICLE I  
Assignment**

**Section 1.1** Effective Time. The conveyance and assignment herein shall be deemed effective as of January 1, 2018 at 12:01 a.m., Central Time (the “Effective Time”).

**Section 1.2** Assignment. Assignor, for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms set forth herein, does by these presents GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto Assignee all of Assignor’s rights, title, and interest in, to, and under the following (less the Excluded Assets, collectively, the “Assets”):

(a) all existing oil and gas leases, oil, gas and mineral leases or subleases, and other leasehold interests, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to



reassignment (collectively, the “Leases”) described in Exhibit A, together with any and all other rights, titles, and interests of Assignor in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Assignor’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(b) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(c) all oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing (collectively, the “Hydrocarbons”) produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(d) all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 1.2(k), collectively, the “Assigned Contracts”);

(e) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(f) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(g) all of the files, records, information, and data, whether written or electronically stored, in Assignor’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Assignor without cost, or Assignee has agreed

to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(h) all claims, refunds, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;

(i) all Known Receivables, cash call pre-payments and other refunds due to Assignor for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(j) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(k) to the extent not covered in Section 1.2(d) above, all rights of Assignor under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

**Section 1.3** Excluded Assets. Assignor shall EXCEPT, RESERVE and RETAIN and the Assets shall not include the following assets (the “Excluded Assets”):

(a) the Purchase Price delivered to Assignor pursuant to the Purchase Agreement;

(b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 1.2(h) and (iii) cash relating to any Assumed Liability;

(c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;

(d) all shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries;

(e) all minute books, stock ledgers, corporate seals and stock certificates of Assignor;

(f) all Excluded Records;

(g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;



(h) except as provided in Section 8.7(b) of the Purchase Agreement, all insurance policies and rights to proceeds thereof;

(i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

(j) all Intellectual Property;

(k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(l) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;

(m) all rights, claims or causes of action by, or in the right of Assignor against, any current or former director or officer of Assignor or its Affiliates;

(n) the Avoidance Actions;

(o) any rights, claims or causes of action of Assignor under the Purchase Agreement or any other Transaction Document;

(p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 1.2(a) through Section 1.2(k), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of “royalty relief” or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Assignor’s audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);

(q) the following documents prepared or received by Assignor with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Assignor of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee, (v) internal valuations or economic models and (vi) correspondence between Assignor or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in the Purchase Agreement;

(r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;

(s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;

(t) all rights to the use of deposits and retainers to the extent held and applied by Assignor's professionals on or before sixty (60) days after the earlier to occur of (i) the effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(u) the Excluded Contracts.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, and appurtenances thereto and forever belonging thereto unto Assignee, and its successors and assigns forever subject to the other terms and provisions set forth in this Assignment.

## ARTICLE II DISCLAIMERS; ASSUMPTION

**Section 2.1 Disclaimers. EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF ASSIGNOR OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, ASSIGNOR'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF ASSIGNOR). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, ASSIGNOR FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY ASSIGNOR IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING ASSIGNEE'S RIGHTS UNDER THIS ASSIGNMENT OR THE TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR (INCLUDING, WITHOUT LIMITATION, IN RESPECT OF**

ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

AS TO ANY OF THE ASSETS WHICH MAY BE LOCATED WITHIN THE JURISDICTION OF LOUISIANA, THE ASSIGNEE EXPRESSLY WAIVES: (I) THE WARRANTY OF FITNESS FOR INTENDED PURPOSES OR GUARANTEE AGAINST HIDDEN OR LATENT REDHIBITORY VICES UNDER LOUISIANA LAW, INCLUDING LOUISIANA CIVIL CODE ARTICLES 2520, ET SEQ, (II) ALL RIGHTS IN REDHIBITION PURSUANT TO LOUISIANA CIVIL CODE ARTICLE 2520, ET SEQ.; AND (III) ALL RIGHTS WHICH MAY EXIST UNDER THE LOUISIANA UNFAIR TRADE PRACTICE AND CONSUMER PROTECTION LAW, LA. R.S. 51:1402 ET SEQ. FURTHER, FOR ALL SUCH PURPOSES, ASSIGNOR ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THE WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE AND EXPLAINED IN DETAIL AND THAT ASSIGNEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER OF WARRANTY OF FITNESS AND/OR WARRANTY AGAINST REDHIBITORY VICES AND DEFECTS FOR THE ASSETS.

**Section 2.2 ENVIRONMENTAL CONDITION.** ASSIGNEE ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY ASSIGNOR OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIALS (“NORM”). NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING ASSIGNEE’S RIGHTS UNDER THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, ASSIGNEE SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.

**Section 2.3 Conspicuous.** Assignee and Assignor agree that, to the extent required by applicable law to be effective, the disclaimers of certain warranties contained in this Assignment are “conspicuous” disclaimers.

**Section 2.4 Independent Investigation.** Assignee acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Assignee’s own estimate and appraisal of the extent and value of Assignor’s Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Assignee acknowledges that in entering into this Assignment, it has relied on the aforementioned investigation and Assignor’s representations, warranties and covenants made herein and in the Transaction Documents. Assignee hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Assignor or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

**Section 2.5 Assumption.** Assignee hereby assumes and agrees to fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, or discharged) all of the Assumed Liabilities arising in respect of the Assets provided that Assignee does not assume any obligations or Liabilities attributable to the Excluded Liabilities.

### **ARTICLE III OTHER PROVISIONS**

**Section 3.1 Conveyance subject to the Purchase Agreement.** This Assignment is expressly subject to the Purchase Agreement. Nothing in this Assignment shall operate to modify or limit, release, or otherwise impair any Party’s respective rights, obligations, remedies, or indemnities in the Purchase Agreement. If any provision of this Assignment is construed to conflict with any provision of the Purchase Agreement, the provisions of the Purchase Agreement shall be deemed controlling to the extent of such conflict.

**Section 3.2 Further Assurance.** The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Assignment; *provided* that nothing in this Section 3.2 shall prohibit Assignor from ceasing operations or winding up its affairs following the Closing.

**Section 3.3 Assignment.** The provisions of this Assignment shall be construed as covenants running with the land and this Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and each of their respective successors and assigns.

**Section 3.4 Special Warranty of Defensible Title.** Assignor warrants Defensible Title to all of the Assets unto Assignee, its successors and assigns against every Person whomsoever lawfully claiming the same or any part thereof, by, through or under Assignor or its Affiliates (including, for the avoidance of doubt, any action or inaction on the part of Assignor or its Affiliates), but not otherwise.

**Section 3.5 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.**

(a) EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAWS OR ANY OTHER LAW THAT WOULD MAKE THE LAWS OF ANY OTHER JURISDICTION OTHER THAN THE STATE OF TEXAS APPLICABLE HERETO.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Assignment and to decide any claims or disputes which may arise or result from, or be connected with, this Assignment, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Assignment shall be heard and determined in a Texas state court or a federal court sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3 of the Purchase Agreement) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE ACTIONS OF ASSIGNOR, ASSIGNEE OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

**Section 3.6 Waiver of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS ASSIGNMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12 OF THE PURCHASE AGREEMENT) WITHOUT GIVING EFFECT TO THIS SECTION 3.6.

**Section 3.7 Interpretive Matters.** Unless otherwise expressly provided, for purposes of this Assignment, the following rules of interpretation shall apply:

(a) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Assignment, the date that is the reference date in calculating such period shall be excluded;

(b) Any reference in this Assignment to gender includes all genders, and words imparting the singular number only include the plural and vice versa;

(c) Words such as “herein,” “hereof” and “hereunder” refer to this Assignment as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; and

(d) The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

**Section 3.8 Counterparts.** This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Assignment and all of which, when taken together, shall constitute one and the same instrument.

**Section 3.9 Additional Assignments.** Certain of the Assets may require approval to transfer by a Governmental Authority, and as such may require separate assignment instruments made on officially approved forms, or forms acceptable to such Governmental Authority, (including any assignments of record title, operating rights and/or rights of ways filed with the BOEM or BSEE) and in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. Assignor’s interest conveyed by such separate assignments are the same, and not in addition to, Assignor’s interest conveyed in this Assignment.

Where separate assignments of the Assets have been or will be executed for filing with, and approval by, applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Assets herein made and shall not constitute any additional Assignment or assignment of such properties, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment or the other Transaction Documents and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by Assignor to Assignee and (c) shall be deemed to contain all of the terms and provisions of this Assignment and the Transaction Documents, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Parties have executed this Assignment on the dates set forth in their respective acknowledgements hereto, but this Assignment shall be effective for all purposes as of the Effective Time.

WITNESSES TO ALL SIGNATURES:                      ASSIGNOR:

Cobalt International Energy, L.P.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_







**EXHIBIT D-2**

**Form of DOI Assignment**

[See attached.]

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 06/30/2019

**ASSIGNMENT OF RECORD TITLE INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.  
\_\_\_\_\_  
Lease Effective Date  
\_\_\_\_\_  
New Lease No. (BOEM Use Only)

**Part A: Assignment**

**Legal description of the OCS oil and gas lease or the officially designated subdivision of the lease being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

**Assignor(s):** **Percentage Interest Conveyed**  
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]

**Assignee(s):** **Percentage Interest Received**  
TOTAL E&P USA, INC. 01500

**The approval of this assignment is restricted to record title interest only.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

**For BOEM use only**

This Assignment of Record Title Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By \_\_\_\_\_  
Authorized Official for BOEM Title BOEM Approval Date

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

**Part B: Certification and Acceptance**

1. Each Assignor certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior's nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agree to communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the "Act"), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Record Title Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Assignor Name:** [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]      **Assignor Name:**

**Assignor Qualification No.** [02873]/[03070]

**Assignor Qualification No.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:  
Signatory Title:

Signatory Name:  
Signatory Title:

\_\_\_\_\_  
Execution Date

\_\_\_\_\_  
Execution Date

**Assignee Name:** TOTAL E&P USA, INC.

**Assignee Name:**

**Assignee Qualification No.** 01500

**Assignee Qualification No.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:  
Signatory Title:

Signatory Name:  
Signatory Title:

\_\_\_\_\_  
Execution Date

\_\_\_\_\_  
Execution Date

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 6/30/2019

**ASSIGNMENT OF OPERATING RIGHTS INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.  
\_\_\_\_\_  
Lease Effective Date

**Part A: Assignment**

**Legal description of the Operating Rights being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

**Assignor(s):** **Percentage Interest Conveyed**  
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]

**Assignee(s):** **Percentage Interest Received**  
TOTAL E&P USA, INC. 01500

**The approval of this assignment is restricted to operating rights only. This assignment does not affect record title interest.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment

**For BOEM use only**

This Assignment of Operating Rights Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By \_\_\_\_\_ Title \_\_\_\_\_ BOEM Approval Date \_\_\_\_\_  
Authorized Official for BOEM

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. The BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under Section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

Part B – Certification and Acceptance

1. Each Assignor certifies it is the owner of the operating rights interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior’s nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agrees to communicate the requirement to comply with these regulations to persons with whom it does business related to this operating rights interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee’s execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the “Act”), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties’ liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Operating Rights Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together will constitute but one and the same instrument provided. However, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Assignor Name: [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]

Assignor Name:

Assignor Qualification No: [02873]/[03070]

Assignor Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date

Execution Date

Assignee Name: TOTAL E&P USA, INC.

Assignee Name:

Assignee Qualification No: 01500

Assignee Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date

Execution Date



**Schedule 1.1**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC., as Buyer

**Seller's Knowledge Persons**

Richard A. Smith - Senior Vice President, Strategy and Business Development

Rod Skaufel - President, Operations

Timothy Cutt - Chief Executive Officer

Ben Davis - Land Manager, Gulf of Mexico

**Schedule 2.1(b)(ix)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Known Receivables**

None.

**Schedule 2.2(i)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Excluded Contracts**

None.

**Schedule 2.5(b)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Cure Costs**

None.

**Schedule 5.9**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC., as Buyer

**AFEs**

Cobalt Projects AFE report							Feb 28, 2018
AFE No	AFE Name	Net Authorized Amount	Net Actuals Inception to Feb 2018	VOWD Actuals Inception to Feb 2018	Final Fcst'ed cost	Final FCST Cost % Auth	Status
16-101_100	ANCHOR #3 (GREEN CANYON 762 #1)	53,886,970.00	52,220,180.24	52,220,180.24	52,220,180.24	97%	
16-106_100	ANCHOR #4 (GC 807 #3)	52,037,938.00	49,866,242.91	49,866,242.91	49,866,242.91	96%	
15-227A_100	ANCHOR FEASIBILITY STUDY	5,000,000.00	4,381,353.64	4,381,353.64	4,381,353.64	88%	
16-002A_100	ANCHOR CORE & FLUID ANALY. (BP-2 & ST-2 Wells)	1,300,000.00	896,616.56	896,616.56	1,185,672.40	91%	
16-220A_100	ANCHOR 2 FLUID ANALYSIS	162,000.00	156,489.75	156,489.75	156,489.75	97%	
16-232_100	ANCHOR #3 CORE & FLUID ANALYSIS	1,214,000.00	694,316.97	694,316.97	913,104.60	75%	
17-001-_100	ANCHOR SELECT STAGE IPT & STUDIES	33,400,000.00	10,831,428.75	10,831,428.75	24,647,905.80	74%	
17-113-_100	Anchor 4 Core & Fluid Study	868,348.00	571,818.62	571,818.62	702,292.80	81%	
17-122-_100	ANCHOR #2 RSWC, BIOSTRATIG. & NMR	102,000.00	102,057.70	102,057.70	102,057.70	100%	
<b>Grand Total</b>		<b>147,971,256.00</b>	<b>119,720,505.14</b>	<b>119,720,505.13</b>	<b>134,175,299.84</b>		

**Schedule 7.9**

To that certain Asset Purchase Agreement by and between  
 Cobalt International Energy L.P., as Seller,  
 and TOTAL E&P USA, INC. as Buyer

**Surety Bonds**

<b><u>Date</u></b>	<b><u>Bond No.</u></b>	<b><u>Issuer</u></b>	<b><u>Beneficiary</u></b>	<b><u>Amount</u></b>	<b><u>Contract Description</u></b>
11/20/2008	RLB0012287	RLI Insurance Company	U.S. Department of Interior	\$1,000,000.00	Outer Continental Shelf (OCS) Mineral Lessee's and Operator Bond

**Schedule 8.2**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Allocated Values**

<u>#</u>	<u>Area</u>	<u>Block</u>	<u>Original Grantor</u>	<u>Original Grantee</u>	<u>Lessor/Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Prospect Name</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Gross Acres</u>	<u>Depths</u>	<u>Allocated Values</u>
1	Green Canyon	762	United States of America	BHP Billiton Petroleum (Deepwater) Inc.	OCS-G 25198	GL-024-03	5/1/03	4/30/14	Anchor	Anchor Unit	20.00%	5,760	All Depths	Total Allocated Value: \$181,000,000
2	Green Canyon	763	United States of America	Chevron U.S.A. Inc.	OCS-G 25199	GL-024-04	6/1/03	5/31/14	Anchor	Anchor Unit	20.00%	5,760	All Depths	
3	Green Canyon	806	United States of America	Cobalt International Energy, L.P.	OCS-G 31751	GL-024-01	3/1/08	2/28/18	Anchor	Anchor Unit	20.00%	5,760	All Depths	
4	Green Canyon	807	United States of America	Chevron U.S.A. Inc.	OCS-G 31752	GL-024-05	3/1/08	2/28/18	Anchor	Anchor Unit	20.00%	5,760	All Depths	
5	Green Canyon	850	United States of America	Cobalt International Energy, L.P.	OCS-G 31757	GL-074-01	3/1/08	2/28/18	Anchor	Anchor Unit	20.00%	5,760	All Depths	
6	Green Canyon	851	United States of America	Cobalt International Energy, L.P.	OCS-G 31758	GL-003-02	3/1/08	2/28/18	Anchor	Anchor Unit	20.00%	5,760	All Depths	



**Exhibit B**

*North Platte Joint APA Execution Version*

---

---

**ASSET PURCHASE AGREEMENT**

**DATED AS OF MARCH 12, 2018**

**BY AND AMONG**

**COBALT INTERNATIONAL ENERGY L.P.,**

**AS SELLER,**

**AND**

**TOTAL E&P USA, INC.,**

**AND STATOIL GULF OF MEXICO LLC**

**COLLECTIVELY, AS BUYER**

---

---

## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE 1 Definitions.....	6
1.1    Definitions.....	6
1.2    Other Definitions and Interpretive Matters.....	17
ARTICLE 2 Purchase and Sale.....	18
2.1    Purchase and Sale .....	18
2.2    Excluded Assets .....	20
2.3    Assumed Liabilities .....	22
2.4    Excluded Liabilities .....	23
2.5    Assigned Contracts and Cure Costs.....	23
2.6    Assignment of Assets Subject to Consent Requirements .....	25
2.7    Further Assurances.....	26
ARTICLE 3 Purchase Price .....	26
3.1    Purchase Price.....	26
3.2    Deposit .....	26
ARTICLE 4 Closing .....	27
4.1    Closing Date.....	27
4.2    Payment on the Closing Date.....	27
4.3    Buyer’s Deliveries. ....	27
4.4    Seller’s Deliveries .....	29
4.5    Plan of Reorganization.....	30
ARTICLE 5 Representations and Warranties of Seller .....	30
5.1    Organization and Good Standing.....	30
5.2    Authority; Validity; Governmental Authority Consents.....	30
5.3    No Conflict.....	31
5.4    Permits .....	31
5.5    Hedging.....	31
5.6    Legal Proceedings .....	31
5.7    Brokers or Finders.....	31
5.8    Assigned Contracts; Operatorship .....	31
5.9    AFEs .....	32
5.10   Preferential Purchase Rights .....	32
5.11   Credit Support.....	32
5.12   Non-Consent Operations.....	32
5.13   Compliance with Laws .....	32
5.14   Delivery of Hydrocarbons.....	33

5.15	Defensible Title.....	33
5.16	Operation of Assets.....	33
5.17	Rentals.....	33
5.18	Plug and Abandon Notice.....	33
5.19	Taxes.....	33
5.20	Knowledge Qualifier for Non-Operated Assets.....	34
5.21	Bankruptcy Actions.....	34
5.22	Suspension of Production.....	34
ARTICLE 6 Representations and Warranties of Buyer.....		35
6.1	Organization and Good Standing.....	35
6.2	Authority; Validity; Consents.....	35
6.3	No Conflict.....	36
6.4	Availability of Funds.....	36
6.5	Litigation.....	36
6.6	Bankruptcy.....	36
6.7	Brokers or Finders.....	36
6.8	Knowledge and Experience.....	36
6.9	Qualification to Assume Operatorship.....	37
ARTICLE 7 Actions Prior to the Closing Date.....		37
7.1	Operations Prior to the Closing Date.....	37
7.2	Commercially Reasonable Efforts.....	39
7.3	Bankruptcy Court Approval.....	40
7.4	Updates and Amendments of Exhibits.....	41
7.5	Bidding Procedures.....	41
7.6	Intentionally Omitted.....	41
7.7	Intentionally Omitted.....	41
7.8	BOEM Qualifications.....	41
7.9	Surety Bonds.....	42
7.10	Employees.....	43
7.11	Access to Information Prior to Closing.....	43
ARTICLE 8 Additional Agreements.....		43
8.1	Taxes.....	43
8.2	Allocation of Purchase Price.....	45
8.3	Bulk Sales.....	46
8.4	Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.....	46
8.5	Post-Closing Books and Records and Personnel.....	46
8.6	No Other Representations or Warranties; Disclaimers; NORM.....	47
8.7	Casualty.....	49
8.8	Successor Operator.....	50
8.9	Accounting Adjustments for Revenues and Expenses.....	50

8.10	Initial Adjustment at Closing .....	51
8.11	Adjustment Post-Closing .....	51
8.12	Allocation of Revenues and Expenses .....	52
ARTICLE 9 Conditions Precedent to Obligations of Buyer to Close .....		53
9.1	Accuracy of Representations .....	53
9.2	Seller’s Performance .....	54
9.3	No Order .....	54
9.4	Seller’s Deliveries .....	54
9.5	Sale Order .....	54
ARTICLE 10 Conditions Precedent to the Obligation of Seller to Close .....		54
10.1	Accuracy of Representations .....	55
10.2	Sale Order .....	55
10.3	Buyer’s Performance .....	55
10.4	No Order .....	55
10.5	Buyer’s Deliveries .....	55
ARTICLE 11 Termination .....		56
11.1	Termination Events .....	56
11.2	Effect of Termination .....	57
ARTICLE 12 SURVIVAL AND INDEMNIFICATION .....		58
12.1	Survival of Seller’s Representations and Warranties .....	58
12.2	Survival of Buyer’s Representations and Warranties .....	59
12.3	Indemnification by Buyer .....	59
12.4	Indemnification Procedures .....	59
12.5	Calculation of Liabilities .....	60
12.6	Tax Treatments of Indemnity Payments .....	61
12.7	Release .....	61
ARTICLE 13 General Provisions .....		61
13.1	Confidentiality. ....	61
13.2	Public Announcements. ....	62
13.3	Notices. ....	62
13.4	Waiver; Waiver of Damages .....	64
13.5	Entire Agreement; Amendment .....	64
13.6	Assignment .....	64
13.7	Severability .....	65
13.8	Expenses .....	65
13.9	Time of the Essence .....	65
13.10	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver .....	65
13.11	Counterparts .....	66

13.12	Parties in Interest; No Third Party Beneficiaries .....	66
13.13	No Recourse.....	66
13.14	Specific Performance .....	67
13.15	Intentionally Omitted.....	67
13.16	Approval of the Bankruptcy Court .....	67

**SCHEDULES:**

<u>Schedule 1.1</u>	Seller's Knowledge Persons
<u>Schedule 2.1(b)(ix)</u>	Known Receivables
<u>Schedule 2.2(i)</u>	Excluded Contracts
<u>Schedule 2.5(b)</u>	Cure Costs
<u>Schedule 5.9</u>	AFEs
<u>Schedule 7.9</u>	Surety Bonds
<u>Schedule 8.2</u>	Allocated Values

**EXHIBITS:**

<u>Exhibit A</u>	Assigned Leases and Interests
<u>Exhibit B</u>	Wells
<u>Exhibit C</u>	Assigned Contracts
<u>Exhibit D-1</u>	Form of County Assignment
<u>Exhibit D-2</u>	Form of DOI Assignment



## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”), dated as of March 12, 2018 (the “Execution Date”), is by and among Cobalt International Energy L.P., a Delaware limited partnership (“Seller”), and TOTAL E&P USA, INC., a Delaware corporation, whose address is 1201 Louisiana Street, Suite 1800, Houston, TX 77002 (“TEPUSA”) and Statoil Gulf of Mexico LLC, a Delaware limited liability company, whose address is 2107 City West Boulevard, Suite 100, Houston, TX 77042 (“Statoil” and each of TEPUSA and Statoil, a “Buyer Party”, and collectively, “Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually (as either Seller or Buyer) as a “Party”.

### RECITALS

**WHEREAS**, Seller is the owner of record of certain interests in oil and gas leases, oil and gas wells, and other properties located in the Gulf of Mexico;

**WHEREAS**, on December 14, 2017, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

**WHEREAS**, Seller desires to sell to Buyer all of the Assets, and Buyer desires to purchase from Seller all of the Assets and assume all of the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

**WHEREAS**, the Parties intend to effectuate the transactions contemplated by this Agreement through a chapter 11 plan; and

**WHEREAS**, Seller’s ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order by the Bankruptcy Court;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE 1

#### DEFINITIONS

##### 1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.11.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(iv).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignments” means, collectively, (i) the Assignment and Bill of Sale from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as Exhibit D-1, and (ii) the Assignment of Record Title Interest in Federal OCS Oil and Gas Lease (DOI) and/or the Assignment of Operating Rights in Federal OCS Oil and Gas Lease (DOI) (in each case) from Seller to Buyer, pertaining to the Assets, substantially in the forms attached to this Agreement as Exhibit D-2.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled *In re Cobalt International Energy, Inc., et al*, jointly administered under Case No. 17-36709, and pending before the Bankruptcy Court.

“Bankruptcy Code” means Title 11 of the United States Code, Sections 101 *et seq.*

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Bidding Procedures” means the bidding procedures attached as Schedule 1 to the Bidding Procedures Order.

“Bidding Procedures Order” means the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief.*

“BOEM” means the Bureau of Ocean Energy Management.

“BOEM Qualifications” has the meaning set forth in Section 7.8.

“BSEE” means the Bureau of Safety and Environmental Enforcement.

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Houston, Texas.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Group” means each Buyer Party and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).

“Chapter 11 Plan” has the meaning set forth in Section 4.5.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Contract Notice” has the meaning set forth in Section 2.5(b).

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5(a).

“Defensible Title” means that record and beneficial title of Seller which, as of the Effective Time and the Closing: (i) entitles Seller to receive and retain a Net Revenue Interest for

each Lease and Unit (if any) throughout the productive life of such Lease or Unit (as applicable) which is not less than the Net Revenue Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any decrease caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; (ii) obligates Seller, for each Lease or Unit (if any), to bear a Working Interest for such Lease or Unit (as applicable) throughout the productive life of such Lease or Unit which is not more than the Working Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any increase (A) that also results in the Net Revenue Interest associated with the Lease or Unit being proportionately increased, or (B) caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; and (iii) is free and clear of all Encumbrances, subject to any Permitted Encumbrances.

“Deposit” has the meaning set forth in Section 3.2.

“Designation Deadline” means 5:00 p.m., Central Time, on the date that is five (5) Business Days prior to the Closing Date, or such later date as Buyer and Seller shall mutually agree and as the Bankruptcy Court may authorize.

“DOI” means the United States Department of the Interior and its various U.S. government agencies responsible for management of energy resources on the Outer Continental Shelf, including the Bureau of Ocean Energy Management; Bureau of Safety and Environmental Enforcement and Office of Natural Resources Revenue, as applicable, and any of their predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service, and any successors agencies.

“Effective Time” means 12:00 a.m. Central Time on January 1, 2018.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest or other restriction or limitation of any kind (whether known or unknown, secured or unsecured or in the nature of setoff or recoupment, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of the Bankruptcy Case, and whether imposed by agreement, understanding, law, equity, or otherwise, including claims otherwise arising under doctrines of successor liability).

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release or threatened release of pollutants, contaminants, NORM, chemicals or industrial, toxic or

hazardous substances (collectively, “Pollutants”) on or into the environment, (b) protection of health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (“Air Pollution Control Act”), the Clean Water Act (“CWA”), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (“NEPA”), the Endangered Species Act (“ESA”), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (“FWCA”), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Resources Conservation and Recovery Act (“RCRA”), the Toxic Substance Control Act, the Occupational, Safety and Health Act (“OSHA”), the Emergency Planning and Community Right-To-Know Act (“EPCRA”), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (“HSWA”) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Equipment” has the meaning set forth in Section 2.1(b)(vi).

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means the Contracts set forth in Schedule 2.2(i), as such Schedule may be revised (or deemed revised) in accordance with this Agreement to (a) add each Contract that is designated as or deemed to be an Excluded Contract pursuant to Section 2.5 or any other provision of this Agreement and (b) remove each Contract that is designated as or deemed to be an Assigned Contract pursuant to Section 2.5 or any other provision of this Agreement.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller, insofar as they relate to Seller’s business generally and are not reasonably necessary for the future ownership or operation of the Assets, (b) all legal files and records (other than title opinions and curative materials), except to the extent relating to any Assumed Liability, (c) Seller’s federal or state income, franchise or margin tax files and records, (d) employee files, (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, except for confidentiality agreements and non-disclosure agreements, (g) seismic and specific seismic lines unless assignable by Seller without cost or Buyer has agreed to and pays the cost, (h) information subject to a valid legal privilege and (i) any other files or records to the extent relating to any Excluded Assets.

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expiration Date” has the meaning set forth in Section 12.2.

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest has passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Settlement Statement” has the meaning set forth in Section 8.11.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality (in each case) having jurisdiction.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hard Consent” has the meaning set forth in Section 2.6.

“Hazardous Substance” means any Pollutant and any “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements and imbalances under operating agreements.

“Indemnification Claim” has the meaning set forth in Section 12.4(a).

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data.



“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge (without any duty of inquiry, except as set forth on Schedule 1.1) of any of the individuals listed on Schedule 1.1 with respect to such matter, and (b) in the case of Buyer, the actual knowledge (without any duty of inquiry) of any of the officers of Buyer.

“Known Receivables” means all expenditures incurred by Seller, as operator, prior to the Effective Time in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, which, as of two (2) Business Days prior to the Closing Date, remain outstanding and owed to Seller, such amounts and third parties being more particularly described on Schedule 2.1(b)(ix).

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) (1) has had, or would reasonably be expected to have, a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it directly results from or directly arises out of (i) the pendency of the Bankruptcy Case or the financial condition of Seller; (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (iii) changes in Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iv) acts of God, including hurricanes, storms and other natural disasters; (v) any action allowed or contemplated by this Agreement or taken at the express written request of Buyer (except with respect to any unintended consequences occurring in connection therewith); or (vi) actions of Governmental Authorities; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or interest rates, exchange rates, commodity prices or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; (e) any objections in



the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, or (iii) the Bidding Procedures; (f) any Order of the Bankruptcy Court or any actions or omissions of Seller as required thereby; and (g) any action taken by Seller at the express written request of, or with the express written consent of, Buyer; *provided*, in the cases of clauses (a)(iv), (b)(i), (b)(ii) and (c), that such change, event or occurrence does not materially disproportionately affect the Assets, or (2) has had, or would reasonably be expected to have, a material adverse effect on Seller's ability to perform its obligations under this Agreement or any Transaction Documents or to consummate the transactions contemplated hereby or thereby.

"Net Revenue Interest" means, for any Well, Lease or Unit, Seller's share of the Hydrocarbons produced, saved and marketed therefrom or attributable thereto (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

"Non-Disclosure Agreements" has the meaning set forth in Section 13.1.

"NORM" means naturally occurring radioactive materials.

"Operating Agreement" has the meaning set forth in Section 12.7.

"Operating Expenses" means all capital expenditures, operating expenses and other costs and expenses paid in the ordinary course and, where applicable, under and pursuant to the relevant operating or unit agreement, if any, in connection with the ownership, development, operation, and maintenance of the Assets (including rentals, overhead, royalties and other charges), including overhead charges and other indirect expenses billed under applicable operating agreements, but excluding (in all cases) Liabilities attributable to (a) personal injury or death, property damage, torts, breach of contract or violation of any Legal Requirement, (b) obligations relating to the abandonment or plugging of Wells, dismantling or decommissioning facilities, closing pits and/or restoring the surface around such Wells, facilities and pits, (c) Liabilities arising out of or related to Environmental Law, (d) obligations with respect to Imbalances, (e) obligations attributable to Suspense Funds, (f) obligations with respect to hedge or other derivative contracts, (g) obligations relating to Taxes and (h) claims for indemnification or reimbursement from any third party with respect to costs of the types described in the preceding clauses (a) through (g), whether such claims are made pursuant to contract or otherwise.

"Order" means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

"Outside Date" has the meaning set forth in Section 11.1(a)(vi).

"Party" or "Parties" means, individually or collectively, Buyer and Seller.

"Party Affiliate" has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Permits” has the meaning set forth in Section 2.1(b)(v).

“Permitted Encumbrances” means any of the following: (a) any rights, obligations, or duties reserved to or vested in any Governmental Authority and all applicable Legal Requirements, except (in each case) to the extent the same (i) operates to reduce the applicable Net Revenue Interest in any Lease or Unit below that shown in Exhibit A (as applicable) or increase the applicable Working Interest in a Lease or Unit above that shown in Exhibit A for such Lease or Unit, (as applicable), or (ii) adversely affects the ownership and/or operation of the affected Assets (as currently used or owned) in any material respect (any matter that would cause an effect contemplated by clause (i) or clause (ii) above, a “Negative Title Effect”); (b) the terms and conditions of all Assigned Contracts set forth in Exhibit C or that Buyer designates as Assigned Contracts pursuant to Section 2.5, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; (c) easements, rights-of-way, servitudes, permits, surface leases and other similar rights on, over, or in respect of any of the Assets, as long as any such encumbrances, individually or in the aggregate, do not have a Negative Title Effect; (d) all royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests and other burdens with respect to a Well if the net cumulative effect of such burdens does not have a Negative Title Effect; (e) liens or other Encumbrances for Taxes not yet due and payable; (f) materialman’s, mechanic’s, repairman’s, employee’s, contractor’s, operator’s and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet due that are inchoate and have not been perfected pursuant to law; (g) any consents and approvals from Governmental Authorities that are customarily obtained post-Closing; (h) the terms and conditions of the Assigned Leases and Interests, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; and (i) any Encumbrances that will be released by the Sale Order.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Post-Closing Covenant” has the meaning set forth in Section 12.1.

“Post-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Potential Bidders” has the meaning set forth in Section 7.5.

“Pre-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Preliminary Settlement Statement” means that certain statement provided by Seller to Buyer pursuant to Section 8.10, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(vii).

“Representative” means, with respect to a particular Person, any director, officer, member, manager or employee of such Person.

“Request for Suspension of Production” means the request for suspension of production submitted by Seller to the DOI on December 15, 2017.

“Review Period” has the meaning set forth in Section 8.11.

“Sale Order” means an Order of the Bankruptcy Court in form and substance approved by Buyer authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests to Buyer, and confirming the chapter 11 plan pursuant to section 1129 of the Bankruptcy Code.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Group” means Seller and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Seller Indemnified Parties” has the meaning set forth in Section 12.3(a).

“Seller Taxes” means any Tax liabilities of Seller, or otherwise imposed on the Assets in respect of any Tax, including without limitation any Liability of Seller for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise, but excluding any Asset Taxes that are the specifically allocated to Buyer pursuant to Section 8.1(b).

“Settlement Letter” has the meaning set forth in Section 12.7.

“Statoil” has the meaning set forth in the introductory paragraph.

“Straddle Period” has the meaning set forth in Section 8.1(b).

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide proposal or offer to or from a Person other than Buyer or its Representatives with respect to (i) any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets or equity interests or restructuring involving Seller or any of its material assets, properties or businesses, or (ii) any other direct or indirect acquisition involving Seller and/or one or more of its Subsidiaries or any of their material assets, properties or businesses, that, in each case, the board of directors of Seller has determined in accordance with the Bidding Procedures Order (including the “Minimum Bidding Overbid Increment” described therein) in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction superior to Seller than the transactions contemplated hereunder, taking into account all terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surety Bonds” has the meaning set forth in Section 7.9.

“Suspense Funds” means proceeds of production and associated penalties and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not, and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“TEPUSA” has the meaning set forth in the introductory paragraph.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations

of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into or delivered pursuant to this Agreement, including change of operator forms and change of operator notices required under applicable operating agreements and applicable Legal Requirements.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, any similar Legal Requirement and the rules and regulations thereunder.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, Lease or Unit, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well, Lease or Unit (as applicable) that Seller is required to bear and pay.

## 1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to “\$” or “dollars” means United States dollars.

(iii) Exhibits/Schedules. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) Including. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

## ARTICLE 2

### PURCHASE AND SALE

#### 2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller, the Assets, free and clear of all Liabilities and Encumbrances other than the Assumed Liabilities, in each case, in the undivided interest described below:

- (i) one-third (1/3) of Seller’s interest in the Assets to TEPUSA; and
- (ii) two-thirds (2/3) of Seller’s interest in the Assets to Statoil.

(b) The “Assets” shall mean all right, title and interest of Seller in, to or under the following, less the Excluded Assets:

(i) the Leases described in Exhibit A, together with any and all other rights, titles, and interests of Seller in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character



described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Seller’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(ii) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(iv) subject in each case to Section 2.5, all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 2.1(b)(xi), collectively, the “Assigned Contracts”);

(v) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(vi) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(vii) all of the files, records, information, and data, whether written or electronically stored, in Seller’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Seller without cost, or Buyer has agreed to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(viii) all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;

(ix) all Known Receivables, cash call pre-payments and other refunds due to Seller for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(x) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(xi) to the extent not covered in Section 2.1(b)(iv) above, all rights of Seller under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

## 2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the "Excluded Assets"):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 2.1(b)(viii) and (iii) cash relating to any Assumed Liability;
- (c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;
- (d) all shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries;
- (e) all minute books, stock ledgers, corporate seals and stock certificates of Seller;
- (f) all Excluded Records;



(g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;

(h) except as provided in Section 8.7(b), all insurance policies and rights to proceeds thereof;

(i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

(j) all Intellectual Property;

(k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(l) all claims, refunds, loss carry forwards, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;

(m) all rights, claims or causes of action by, or in the right of Seller against, any current or former director or officer of Seller or its Affiliates;

(n) the Avoidance Actions;

(o) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document;

(p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 2.1(b)(i) through Section 2.1(b)(xi), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of “royalty relief” or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Seller’s audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);

(q) the following documents prepared or received by Seller with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Seller, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Seller of any bids submitted by any prospective purchaser, (iv) correspondence between or among Seller, its respective representatives, and any prospective purchaser other than Buyer, (v) internal valuations or economic models and (vi) correspondence

between Seller or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in this Agreement;

(r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;

(s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;

(t) all rights to the use of deposits and retainers to the extent held and applied by Seller's professionals on or before sixty (60) days after the earlier to occur of (i) the effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(u) the Excluded Contracts.

### 2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, without limiting any of Buyer's rights under this Agreement, and except for Liabilities associated with any Excluded Asset, Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), the following Liabilities to the extent not otherwise discharged by the Sale Order (collectively, the "Assumed Liabilities"):

(a) Assigned Contracts. All of Seller's Liabilities under the Assigned Contracts arising at or after the Closing Date.

(b) Plugging and Abandoning Obligations. All of Seller's plugging and abandonment obligations under any Legal Requirements or Lease with respect to the Assets, whether such Liabilities arise prior to, at or after the Closing Date.

(c) Cure Costs. All Cure Costs.

(d) Suspense Funds. All Suspense Funds, together with any escheatment obligations related thereto.

(e) Environmental Liabilities. All Liabilities under Environmental Law arising from, related to or associated with Seller's interest in the Assets (including the performance of all related salvage, site clearance, and surface restoration operations relating thereto), to the extent such Liabilities arise on or after the Closing Date.

Notwithstanding anything in this Agreement to the contrary, the assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller (regardless of when arising), other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the “Excluded Liabilities”). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities also shall include, without limitation, all Liabilities arising from or relating to the following:

- (a) all indebtedness for borrowed money of Seller;
- (b) Seller Taxes and all Transfer Taxes;
- (c) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;
- (d) any Liabilities relating to any Excluded Asset;
- (e) all guaranties of third party obligations by Seller or reimbursement obligations to guarantors of Seller’s obligations;
- (f) all Liabilities relating to (i) the employment or performance of services, or termination of employment or services, by Seller or its Affiliates of any individual on or before the Closing Date, (ii) workers’ compensation claims against Seller or its Affiliates that relate to any period on or before the Closing Date, irrespective of whether such claims are made prior to or after the Closing, (iii) any employee benefit plan, and (iv) the WARN Act with respect to Seller’s or its Affiliates’ employees;
- (g) all Liabilities to any of Seller’s Affiliates and all amounts payable to any of Seller’s Affiliates or Representatives, in each case to the extent relating to the Assets and any period of time prior to Closing; and
- (h) all Operating Expenses to the extent attributable to the ownership or operation of the Assets prior to the Effective Time.

2.5 Assigned Contracts and Cure Costs.

(a) Cure Costs. At the Closing, Buyer shall pay, pursuant to the Sale Order, any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts and Assigned Leases and Interests (the “Cure Costs”) to which Seller is a party and which are included in the Assets. Buyer shall not be required to make any payment of Cure Costs for, or otherwise have any Liabilities with respect to, any Contract that is not an Assigned Contract.

(b) Contract and Cure Schedule.

(i) Within five (5) Business Days following the date hereof, Seller shall deliver to Buyer a revised Exhibit C and Schedule 2.5(b), which shall contain a list of each of the Assigned Contracts along with Seller's good faith estimate of the amount of Cure Costs applicable to each such Assigned Contract, respectively; *provided*, that if no Cure Cost is estimated to be applicable with respect to any particular Assigned Contract, the amount of such Cure Cost for such Assigned Contract shall be reflected in Schedule 2.5(b) as "\$0.00." At any time prior to the Designation Deadline, Buyer shall have the right, which right may be exercised at any time and from time to time in Buyer's sole and absolute discretion, to provide written notice to Seller (each such notice, a "Contract Notice") of Buyer's election to (i) designate any Contract (including any Contract that is an Excluded Contract immediately prior to such designation) identified in the subject Contract Notice as an Assigned Contract, and upon such designation such Contract shall constitute an Assigned Contract (and, if applicable, shall cease to constitute an Excluded Contract), and Seller shall use commercially reasonable efforts, subject to entry of the Sale Order by the Bankruptcy Court, to assign such Contract to Buyer; and (ii) designate any Contract (including any Contract that is an Assigned Contract immediately prior to such designation) as an Excluded Contract, and upon such designation such Contract shall constitute an Excluded Contract (and, if applicable, shall cease to constitute an Assigned Contract).

(ii) Within ten (10) Business Days following Buyer's delivery of a Contract Notice to Seller designating any Contract as an Assigned Contract, Seller shall, at no cost or expense to Buyer, take all requisite actions (including providing notice, proper service, resolving objections, and all other actions required for such assumption and assignment to comply with Section 363 and/or 365 of the Bankruptcy Code, as applicable) to assume and assign such Contract to Buyer. Without limiting the generality of the foregoing, upon receipt of a Contract Notice electing to designate a Contract as an Assigned Contract, Seller shall use commercially reasonable efforts to obtain Bankruptcy Court approval, as part of the Sale Order, of the assumption and assignment of such Assigned Contract to Buyer and fixing the Cure Costs relating to such Assigned Contract, *provided, however*, that if the Cure Costs fixed by the Bankruptcy Court for any Contract either are greater than the amount set forth on Schedule 2.5(b) or are not consented to by Buyer at or prior to the hearing before the Bankruptcy Court to consider the assumption and assignment of such Contract, then Buyer shall be permitted at such hearing to forthwith revoke its designation of any such Contract as an Assigned Contract and thereupon such Contract shall be deemed to be an Excluded Contract for all purposes of this Agreement. Following the entry of the Sale Order by the Bankruptcy Court, Buyer shall assume from Seller the Assigned Contracts pursuant to Section 365 of the Bankruptcy Code and the terms of such Sale Order.

(iii) From the date that a revised Exhibit C and Schedule 2.5(b) is provided through (and including) the Designation Deadline, promptly following any changes to the information set forth on such Exhibit C and Schedule 2.5(b) (including any new Contracts included in the Assets to which Seller becomes a party and any change in the Cure Cost of any such Contract), Seller shall provide Buyer with a schedule that updates and corrects Exhibit C and Schedule 2.5(b). Upon Buyer's designation of any Contract as an Assigned Contract or an Excluded Contract pursuant to this Section 2.5(b), the relevant Exhibits and Schedules hereto

(including Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), as applicable) shall automatically be deemed to have been amended to reflect such designation, and promptly thereafter Seller shall update such Exhibits and Schedules to reflect such designation (including, with respect to any Contract designated as an Assigned Contract, to add to Exhibit C and Schedule 2.5(b) Seller's good faith estimate of the amount of Cure Costs applicable thereto) and deliver copies thereof to Buyer.

(c) Bankruptcy Court Matters. Seller shall give written notice to Buyer prior to the submission of any motion in its Bankruptcy Case to assume or reject any Contracts relating to the Assets or the operations with respect thereto, together with a copy of the proposed Sale Order, and, without the prior written consent of Buyer, Seller shall not assume or reject any such Contracts. Seller shall promptly reject, following the Designation Deadline, any Contract that (i) Buyer has designated as an Excluded Contract pursuant to Section 2.5(b) or (ii) any Contract that Buyer has not designated as an Assigned Contract by the Designation Deadline (all such Contracts being deemed to be Excluded Contracts for purposes of this Agreement). Any Contracts that are rejected subject to Bankruptcy Court approval or are the subject of a rejection motion at the Designation Deadline, after complying with the provisions of Section 2.5(b), shall constitute Excluded Contracts. Buyer shall not have any obligation or liability whatsoever with respect to any Excluded Contract.

#### 2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing) (a) has not been obtained, waived or satisfied, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, and further, (i) failure to obtain such third party consent or waiver would cause (A) the assignment of any Asset affected thereby to be void or voidable or (B) the termination of (or the right to terminate) a Lease or other Asset under the express terms thereof, (ii) such consent or waiver requested by Seller is denied in writing, or (iii) such consent or waiver is required from a Governmental Authority (each such consent or waiver, to the extent the underlying agreement cannot be assumed or assigned, without the counterparty's consent, pursuant to Section 365 of the Bankruptcy Code, a "Hard Consent"), then the Assets affected by such Hard Consent shall be held back from the Assets conveyed at Closing without reduction to the Base Purchase Price. Any Asset so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such Hard Consent has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Asset pursuant to the terms of this Agreement. Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the consent had been obtained. In the case of licenses, certificates, approvals, authorizations, Leases, Contracts and other commitments included in the Assets (i) that cannot be transferred or assigned without obtaining the applicable Hard Consent (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such Hard Consent and, if any such Hard Consent

is not obtained, Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Seller thereunder); *provided* that nothing in this Section 2.6 shall (1) require Seller to make any payment to any third party for which funds in the full amount of such payment obligation are not provided to Seller by Buyer in advance in cash or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing.

2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Assets shall consist of cash in an amount equal to Three Hundred Thirty-Nine Million AND NO/100 DOLLARS (\$339,000,000); (collectively, the "Base Purchase Price") and the assumption by Buyer of the Assumed Liabilities. Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Section 8.9 hereof (as adjusted, the "Purchase Price"). The Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

3.2 Deposit.

Prior to the execution of this Agreement, the Buyer Parties have paid (or caused to be paid) to Citibank, N.A. (the "Escrow Agent"), pursuant to those certain escrow agreements by and among Seller, Escrow Agent and each Buyer Party, a deposit in the aggregate amount of Thirty Million AND NO/100 DOLLARS (\$30,000,000) (together with all interest earned thereon, the "Deposit"). At Closing, the Parties shall cause the Escrow Agent to release the Deposit to Seller, and the Deposit shall be credited against the Purchase Price to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c), then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty). If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to the Buyer Parties within two (2) Business Days of such termination.



ARTICLE 4

CLOSING

4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the “Closing”) shall take place at the office of Seller at 920 Memorial City Way, Houston, Texas 77024 (or at such other location as the Parties may mutually agree), on April 6, 2018, or if all conditions to Closing in Article 9 and Article 10 have not been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions) by such date, no later than three (3) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date and time at which the Closing actually occurs is hereinafter referred to as the “Closing Date.”

4.2 Payment on the Closing Date.

Subject to satisfaction or waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the Purchase Price by wire transfer of immediately available funds to an account specified in writing by Seller at least three (3) Business Days prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

4.3 Buyer’s Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

- (a) the Purchase Price to Seller in accordance with Section 4.2;
- (b) a copy of TEPUSA’s certificate of incorporation, certified as of a recent date by the Secretary of State of the State of Delaware, and a copy of Statoil’s certificate of formation, certified as of a recent date by the Secretary of State of the State of Delaware;
- (c) the appropriate DOI forms (including without limitation, as applicable, Form BOEM-1017, Form BOEM-1019 and Form BOEM-1022) to reflect TEPUSA as the designated applicant for oil spill financial responsibility purposes for the Leases (or portions thereof) and shall deliver to Seller such other evidence that TEPUSA is qualified with the applicable Governmental Authorities to succeed Seller as the designated applicant of the Assets for oil spill financial responsibility purposes;
- (d) as to each Buyer Party, in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as



applicable) and as may be required by any Governmental Authority in order to transfer the Assets, in the applicable undivided interest set forth in Section 2.1(a) for such Buyer Party, from Seller to such Buyer Party pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public conveying the applicable undivided interest set forth in Section 2.1(a) in the Assets for such Buyer Party;

(e) as to each Buyer Party, all instruments necessary to become a party to and assume its applicable undivided interest set forth in Section 2.1(a) in and to obligations in the operating agreements applicable to such undivided interest in the Assets in forms reasonably acceptable to such Buyer Party (which forms have been initially prepared by Seller and delivered to Buyer at least ten (10) Business Days prior to Closing);

(f) certificates of the secretaries of (1) TEPUSA and (2) Statoil, each dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to: (i) there having been no amendments to such Buyer Party's certificate of incorporation or certificate of formation (as applicable) since the date of the certified certificate of incorporation or certified certificate of formation (as applicable) delivered pursuant to Section 4.3(b); (ii) such Buyer Party's authorization to execute and perform its obligations under the Transaction Documents to which it is a party; and (iii) incumbency and signatures of the officers or other authorized signatories of such Buyer Party executing the Transaction Documents to which such Buyer Party is a party;

(g) each other Transaction Document to which a Buyer Party is a party, duly executed (and acknowledged, where applicable) by such Buyer Party, including change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to TEPUSA's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(h) the certificates of each Buyer Party to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by each Buyer Party (without waiving such Buyer Party's rights pursuant to Section 8.11);

(j) as to each Buyer Party, evidence as Seller may reasonably request at least ten (10) Business Days prior to Closing demonstrating that such Buyer Party is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable (in the case of TEPUSA), the operator of the Assets; and

(k) such other assignments and other good and sufficient instruments of assumption and transfer, in forms reasonably satisfactory to the Parties, as Seller may reasonably request at least ten (10) Business Days prior to Closing to transfer and assign the Assumed Liabilities to Buyer.

4.4 Seller's Deliveries.

At the Closing, Seller shall deliver:

(a) As to each Buyer Party, in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as applicable) and as may be required by any Governmental Authority in order to transfer the Assets, in the applicable undivided interest set forth in Section 2.1(a) for such Buyer Party from Seller to such Buyer Party pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public conveying the applicable undivided interest set forth in Section 2.1(a) in the Assets for such Buyer Party;

(b) each other Transaction Document to which Seller is a party, duly executed (and acknowledged, where applicable) by Buyer, including change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to TEPUSA's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(c) a certified copy of the Sale Order;

(d) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(e) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a "foreign person" as defined therein;

(f) a counterpart of the Preliminary Settlement Statement executed by Seller (without waiving Seller's rights pursuant to Section 8.11);

(g) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in forms reasonably satisfactory to the Parties, as any Buyer Party may reasonably request to vest in such Buyer Party all the right, title and interest of Seller in, to or under any or all the Assets in the applicable undivided interest set forth in Section 2.1(a) for such Buyer Party; and

(h) a recordable release of any debt instruments, including liens, loans, notes, trusts, mortgages, financing statements, pledges, fixture filings, credit agreements or any other encumbrances affecting the Assets created by, through, or under Seller or any Affiliate or any of their respective predecessors in interest, in a form reasonably acceptable to Buyer.

4.5 Plan of Reorganization.

The Parties agree that the transactions contemplated by this Agreement and the other Transaction Documents shall be consummated by Seller through a plan of reorganization for Seller under chapter 11 of the Bankruptcy Code, which shall be in form and substance satisfactory to Buyer in its sole discretion, and shall, among other things, provide for customary releases to the Buyer (the "Chapter 11 Plan"). The Parties shall cooperate and negotiate in good faith to prepare the necessary documentation and execute such documents and take such actions as are reasonably necessary to obtain confirmation of the Chapter 11 Plan, and to satisfy the conditions to and effectiveness of the Chapter 11 Plan and cause the "Effective Date" thereunder to occur, as promptly as practicable.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants the following to Buyer:

5.1 Organization and Good Standing.

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite limited partnership or limited liability company power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary.

5.2 Authority; Validity; Governmental Authority Consents.

Seller has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein have been duly and validly authorized by all requisite limited partnership or limited liability company action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing and no other approvals (shareholders, members or otherwise) on the part of Seller is necessary to authorize such execution and delivery. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by general principles of equity. Subject to requisite Bankruptcy Court approval, except (a) for entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) for any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal

Requirements, and (d) for any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, Seller is not required to give any notice to, make any filing with or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby or thereby.

5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or violate or conflict with, or give rise to a right of termination, revocation, modification or cancellation under, or cause any acceleration of any obligation of Seller under (a) any agreement, indenture, or other instrument to which Seller is bound, (b) any of the governing documents of Seller, (c) any Order or (d) any Legal Requirement.

5.4 Permits.

Seller has not received written notice of default under any material Permit that has not been resolved in its entirety, and no violations exist in respect of such Permits.

5.5 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Effective Time.

5.6 Legal Proceedings.

Except for the Bankruptcy Case, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened (i) against Seller that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby as of the Execution Date, (ii) against any of the Assets, or (iii) against Seller or any Affiliate with respect to the ownership, operation, development, maintenance or use of any of the Assets.

5.7 Brokers or Finders.

Neither Seller nor any of its Affiliates or any Person acting on behalf of Seller has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer or any of its Affiliates is or will become liable.

5.8 Assigned Contracts; Operatorship.

(a) (i) all Assigned Contracts are in full force and effect, (ii) except for the Bankruptcy Case, no default or breach (or event that, with notice or lapse of time, or both,

would become a default or breach) of any such Assigned Contract has occurred or is continuing on the part of Seller or to Seller's Knowledge on the part of any other Person thereto, (iii) there are no oral Assigned Contracts that are still in force and effect or that were in effect at any time from the Effective Time to the Closing, (iv) Seller has not given or received any unresolved written notice of default, amendment, waiver, price redetermination, market out, curtailment or termination with respect to any Assigned Contract, and (v) prior to the execution of this Agreement, Seller has made available to Buyer true, complete and correct copies of each Assigned Contract and all amendments thereto.

(b) Neither Seller nor any Affiliate of Seller has been removed as operator, or has been treated as having resigned as operator, by any Person under any of the Contracts covering the Assets, and to Seller's knowledge, no such action has been threatened by any Person.

#### 5.9 AFEs.

Except as set forth on Schedule 5.9, as of the Execution Date, there are no authorities for capital expenditures or other commitments to make capital expenditures (collectively, "AFEs") with respect to the Assets that have been proposed, or approved, by any Person having authority to do so (including internal AFEs of Seller that has not been delivered to third parties) (in each case) with respect to which all of the activities anticipated in such AFEs have not been completed as of the Effective Time.

#### 5.10 Preferential Purchase Rights.

There are no preferential purchase rights, tag rights or drag rights (in each case) applicable to the transactions contemplated by this Agreement that have not been satisfied or waived.

#### 5.11 Credit Support.

There are no bonds, guarantees, letters of credit and other similar credit support instruments maintained by Seller or any of its Affiliates with respect to any Governmental Authority or other Person pertaining to Seller's ownership or operation of the Assets that Buyer will be required to obtain in order to own and operate the Assets after Closing.

#### 5.12 Non-Consent Operations.

No operations are being conducted or have been conducted on the Assets with respect to which Seller has elected to be (or has been deemed to be) a non-consenting party under the applicable operating agreement or has otherwise failed to participate in such operations and with respect to which all of Seller's rights have not yet reverted to it.

#### 5.13 Compliance with Laws.

Except as may result from the Bankruptcy Case, (i) Seller has not received written notice from any Governmental Authority alleging a violation of any Legal Requirements relating to the Assets that has not been resolved in its entirety, (ii) Seller's ownership and operation of the

Assets is in material compliance with all Legal Requirements, and (iii) no Hazardous Substances have been released at or from the Properties or related to the Assets, except for any immaterial release.

5.14 Delivery of Hydrocarbons.

Neither Seller nor any of its Affiliates is obligated by virtue of any take-or-pay payment, production payment, advance payment or other similar payment, to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Assets at some future time without receiving full payment therefor at or after the time of delivery.

5.15 Defensible Title.

Seller owns Defensible Title to all of the Assets; provided that this representation does not cover any Encumbrance or other matters that do not arise by, through or under Seller or any Affiliate of Seller.

5.16 Operation of Assets.

Since January 1, 2018 (i) there has been no action with respect to the Assets that would have required the consent of Buyer under Section 7.1 had such Section 7.1 then been in effect and (ii) there has been no Material Adverse Effect.

5.17 Rentals.

All bonuses, delay rentals, minimum royalties and royalties due and payable under the Assigned Leases and Interests have been timely paid in accordance with applicable Leases and Legal Requirements.

5.18 Plug and Abandon Notice.

To Seller's Knowledge, there are no Wells (i) in respect of which Seller has received an Order from any Governmental Authority requiring that such Wells be plugged and abandoned, or (ii) that are required to be plugged and abandoned in accordance with applicable Legal Requirements but have not been plugged and abandoned in accordance with applicable Legal Requirements.

5.19 Taxes.

(a) All Tax returns relating to or in connection with Seller's acquisition, ownership, or operation of the Assets required to be filed have been timely filed and all such Tax returns are correct and complete in all material respects.

(b) All Taxes relating or applicable to Seller's acquisition, ownership or operation of the Assets (including Asset Taxes) that are or have become due have been timely paid in full, and Seller is not delinquent in the payment of any such Taxes.

(c) There is not currently in effect any extension or waiver of any statute of limitations of any jurisdiction regarding the assessment or collection of any Tax of Seller relating to Seller's acquisition, ownership or operation of the Assets.

(d) There are no administrative or judicial proceedings pending against the Assets or against Seller relating to or in connection with the Assets by any Governmental Authority with respect to Taxes.

(e) All Tax withholding and deposit requirements imposed by applicable law with respect to any of the Assets or the business of Seller have been satisfied in full in all respects.

(f) Seller is not (i) a "foreign person" within the meaning of Section 1445 of the Code or (ii) an entity disregarded as separate from any other Person within the meaning of Section 301.7701-3(a) of the regulations promulgated by the United States Department of Treasury pursuant to and in respect of provisions of the Code.

(g) There are no liens on any of the Assets for Taxes (other than Permitted Encumbrances).

(h) No Asset is subject to any tax partnership agreement or provisions requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

#### 5.20 Knowledge Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with operational matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge".

#### 5.21 Bankruptcy Actions.

Seller has complied in all material respects with all noticing and other provisions of the Bidding Procedures Order, the Sale Order, and any Order approving the assignment and assumption of any Assigned Lease and Interest or Assigned Contract, and has otherwise provided all notices related to the Bankruptcy Case in accordance with Legal Requirements, including to all known holders of Encumbrances and all Tax authorities.

#### 5.22 Suspension of Production.

Seller has made available to Buyer accurate and complete copies of the Request for Suspension of Production and any other material filings or documents and all material correspondence between any Governmental Authority and Seller or any of its Affiliates, in each case with respect to any suspension of production related to the Properties.



## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES OF BUYER

Each Buyer Party represents and warrants to Seller as follows:

#### 6.1 Organization and Good Standing.

TEPUSA is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. Statoil is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Buyer Party has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Each Buyer Party is duly qualified or licensed to do business in the State(s) where the Assets are located.

#### 6.2 Authority; Validity; Consents.

Each Buyer Party has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by (i) with respect to TEPUSA, all requisite corporate actions in respect thereof, and (ii) with respect to Statoil, all requisite limited liability company actions in respect thereof. This Agreement has been duly and validly executed and delivered by each of TEPUSA and Statoil and each other Transaction Document to which such Buyer Party is a Party will be duly and validly executed and delivered by such Buyer Party, as applicable, at the Closing, and no other approvals (shareholders, members or otherwise) on the part of such Buyer Party are necessary to authorize such execution and delivery. This Agreement and the other Transaction Documents to which any Buyer Party is a party constitute the legal, valid and binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Subject to requisite Bankruptcy Court approval, except for (a) entry of the Sale Order, (b) any notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filings, consents or approvals under any applicable antitrust, competition, trade regulation, foreign investment or similar Legal Requirements and (d) any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, each Buyer Party is not or will not be required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which such Buyer Party is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby.

6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of a Buyer Party under (a) any agreement, indenture or other instrument to which such Buyer Party is bound, (b) any of the governing documents of such Buyer Party, (c) any Order or (d) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and assume the Assumed Liabilities. Buyer's ability to consummate the transaction contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

As of the Execution Date, there are no Proceedings pending or, to the Knowledge of Buyer, threatened against any Buyer Party or any of its Affiliates which, if adversely determined would reasonably be expected to have a material adverse effect on such Buyer Party's ability to perform its obligations under this Agreement and the other Transaction Documents.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against any Buyer Party or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer Party nor any Person acting on behalf of any Buyer Party has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Seller or any of its Affiliates is or will become liable.

6.8 Knowledge and Experience.

Each Buyer Party (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Each Buyer Party is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and

herewith, has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this Agreement and, except for its reliance on Seller's representations, warranties and covenants contained herein and in the Transaction Documents, it has relied solely upon the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, each Buyer Party is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Each Buyer Party acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

At Closing, each Buyer Party is qualified to own and, where applicable (in the case of TEPUSA), assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause such Buyer Party to be disqualified as such an owner or operator, as applicable. To the extent required by the applicable state, tribal and federal Governmental Authorities, TEPUSA currently has, and will continue to maintain, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (x) as expressly contemplated by this Agreement, (y) with the prior written consent of Buyer, and (z) as otherwise required by Legal Requirements, at all times from and after the date of this Agreement until the Closing:

(a) Seller shall:

(i) use commercially reasonable efforts to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause the Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(iii) pay or cause to be paid all bonuses and rentals, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred or due with respect to the Assets;

(iv) maintain, or cause the applicable third party operators to maintain, all Assigned Leases and Interests, Permits and Assigned Contracts in full force and effect;

(v) furnish Buyer with copies of all AFEs, in each case, within three (3) days of receipt from a third party or generation by Seller, as applicable, and report to Buyer on operational matters and the general status of ongoing operations; and

(vi) provide Buyer with copies of any and all material correspondence received from any Governmental Authority with respect to the Assets, including all correspondence with respect to the Request for Suspension of Production, in each case, as soon as reasonably practicable, but in no event later than two (2) Business Days after Seller's receipt thereof.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) make any capital expenditure or commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests, except for emergency operations taken in the face of risk to life, injury, property or the environment or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel, amend or modify any Assigned Contract, Permit or Assigned Lease and Interest, or fail to exercise any renewal right with respect to any Assigned Contract that by its terms would otherwise expire;

(iv) sell, lease, transfer or otherwise dispose of or encumber all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business;

(v) enter into a Contract that if entered into on or prior to the date of this Agreement would be an Assigned Contract;

(vi) commence, release or settle any Action or waive any claims or rights of value, in each case, attributable to the Assets;

(vii) fail to pay its accounts payable in accordance with customary business practices or take any action to materially accelerate the collection of accounts receivable outside the ordinary course of business (in each case) to the extent relating to the Assets;

(viii) voluntarily relinquish Seller's position as operator with respect to any Asset operated by Seller;

(ix) request or make application to any Governmental Authority for any variation to or cancellation of any material Permit or participate in or acquiesce to any variation or cancellation of the same;

(x) (A) make any filings of any kind with any Governmental Authority with respect to the Request for Suspension of Production or submit any material communication or information to the applicable Governmental Authority with respect thereto, or (B) make any regulatory or other filings of any kind with any Governmental Authority with respect to the Assets, except, in the case of clause (B), in the ordinary course of business consistent with past practices or as required in connection with the consummation of the transactions contemplated by this Agreement;

(xi) elect or be deemed to have elected to “non-consent”, or fail to participate in, the drilling or reworking of any well, any seismic program or any other operation which would cause Seller or Buyer to suffer a penalty or lose or forfeit any interests in the Assets under any applicable operating agreement or Legal Requirements; or

(xii) make, change or revoke any Tax election; change an annual accounting period; adopt or change any accounting method with respect to Taxes; file any amended Tax Return; enter into any closing agreement; settle or compromise any Tax claim or assessment; or consent to any extension or waiver of the limitation period applicable to any claim or assessment with respect to Taxes; or

(xiii) enter into any agreement or commitment to take any action prohibited by this Section 7.1(b).

## 7.2 Commercially Reasonable Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things reasonably necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using their respective commercially reasonable efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied; (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all other commercially reasonable steps as may be necessary to obtain all necessary Governmental Authorizations and avoid any Proceeding by any Governmental Authority; and (iii) the execution or delivery of any additional instruments reasonably necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Property operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Property a copy of the recorded Assignment(s) evidencing the conveyance of Seller’s interest in such Property to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance.

(b) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for

approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of the Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

### 7.3 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval.

(b) Seller shall cooperate with Buyer and its Representatives in connection with the Bid Procedures Order, the Sale Order and the bankruptcy proceedings in connection therewith. Such cooperation shall include, but not be limited to, consulting with Buyer at Buyer's reasonable request concerning the status of such proceedings and providing Buyer with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court. Seller shall not file, acquiesce to, or support any plan of reorganization other than the Chapter 11 Plan, or any confirmation order other than the Sale Order. Seller further covenants and agrees that the terms of any proposed Chapter 11 Plan or proposed Sale Order that it submits to the Bankruptcy Court shall not conflict with, supersede, abrogate, nullify or restrict the terms of this Agreement, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement.

(c) In the event an appeal is taken or a stay pending appeal is requested, from the Sale Order, Seller shall promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from such Order. Seller shall use its commercially reasonable efforts to defend any such appeal. Notwithstanding the foregoing, any resulting changes to this Agreement or any



Transaction Document or any resulting changes to the Orders shall be subject to Buyer's approval in its sole discretion.

(d) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.4 Updates and Amendments of Exhibits.

Until the third Business Day before Closing, Seller shall have the right to amend, modify and/or supplement Exhibit A, Exhibit C and Schedule 2.5(b), in each case, as applicable, in order to reflect any new Contracts or Leases entered into by Seller to the extent permitted by this Agreement, and Seller shall amend Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), from time to time, as required pursuant to Section 2.5(b).

7.5 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that, prior to and through and until the conclusion of the Auction, Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from third parties (the "Potential Bidders") for the Assets in connection with any alternative transaction pursuant to the terms of the Bidding Procedures Order.

7.6 Intentionally Omitted.

7.7 Intentionally Omitted.

7.8 BOEM Qualifications.

(a) As to each Buyer Party, prior to Closing, and only to the extent that any such qualification is required by applicable Legal Requirements to own or (in the case of TEPUSA) operate the Assets, such Buyer Party shall, (i) to the extent not currently qualified, become qualified with the BOEM to hold oil and gas leases, rights-of-way, and right-of-use easements on the U.S. Outer Continental Shelf under 30 CFR 550 and 30 CFR 556.35 and to meet any other requirements under applicable Legal Requirements to receive and hold such assets and properties (the "BOEM Qualifications"), (ii) to the extent not currently qualified, become qualified with each applicable Governmental Authority to hold all state oil and gas leases, state rights-of-way and state right-of-use easements included in the Assets, and (iii) if requested by Seller, provide Seller evidence of such qualification, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and



such other Governmental Authorities to obtain such registration and qualification, including all applicable BOEM approval letters and issuance of Company Number for such Buyer Party.

(b) Prior to Closing, Buyer shall (i) obtain all bonds, letters of credit and guarantees necessary to replace the Surety Bonds as required pursuant to Section 7.9, except for those Surety Bonds that cannot be obtained until BOEM approves assignment of the Assets (to the extent any such approval is necessary), as further provided in Section 7.9, (ii) to the extent not currently qualified, become qualified and approved (in each case, only to the extent that any such qualification or approval is required by Legal Requirements to own or (in the case of TEPUSA) operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of all Leases and all other Assets that Seller currently operates, and (iii) to the extent requested by Seller, provide Seller evidence of such qualifications and approvals, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and all other applicable Governmental Authorities.

(c) Promptly following the Closing, TEPUSA shall be qualified and approved (in each case, only to the extent that any such qualification or approval is required by applicable Legal Requirements to own or operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of any applicable Assets for which TEPUSA is obligated to operate under this Agreement.

#### 7.9 Surety Bonds.

Buyer acknowledges that none of the bonds, letters of credit and guarantees posted by Seller or its Affiliates with Governmental Authorities or other third parties and relating to the Assets (collectively, the “Surety Bonds”) will be transferred to Buyer. On or before the Closing Date, or, with respect to those Surety Bonds that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, the applicable Buyer Party shall obtain, or cause to be obtained in the name of the applicable Buyer Party and effective as of the Closing Date, replacements for such Surety Bonds set forth in Schedule 7.9 (if any), attached hereto as of the date of Buyer’s execution hereof (in each case, as may be required by applicable Legal Requirements) and take any other actions required by any Governmental Authority to the extent such replacements or actions are necessary (a) to own the undivided interest in the Assets being acquired by the applicable Buyer Parties pursuant to Section 2.1(a) and (b) to permit the cancellation of the Surety Bonds posted by Seller and/or its Affiliates solely with respect to the Assets. In addition, at or prior to Closing, or, with respect to those Surety Bonds set forth in such Schedule 7.9 that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, if requested by Seller, each Buyer Party shall deliver to Seller evidence of the posting of bonds or other security with all applicable Governmental Authorities meeting the requirements of such authorities to own the applicable undivided interests for the Buyer Parties set forth in Section 2.1(a) and, as to TEPUSA, operate, the Assets.

7.10 Employees.

Before the Closing Date, Seller shall advise all of Seller's employees (including those employees of Seller who are on the active payroll, as well as those employees who are on lay-off status or approved leaves of absence) of the sale of the Assets contemplated hereunder, and shall make available for hire by Buyer all of Seller's employees. Buyer may, at its sole discretion, elect to offer employment to some, all or none of Seller's employees, and Seller's employees may, at each such employee's sole discretion, elect to accept any such offer of employment by Buyer. Seller shall reasonably assist Buyer in communicating with Seller's employees for the purpose of Buyer determining whether or not to hire any such employee.

7.11 Access to Information Prior to Closing.

Prior to the Closing Date, Buyer and Buyer's Representatives shall be entitled to make such investigation of the Assets and such examination of the books, records, documents and information of Seller relating to the Assets as Buyer reasonably requests, and to make copies of such books, records, documents and information, all at Buyer's sole expense. Any such investigation or examination shall be conducted during regular business hours and under reasonable circumstances, and Seller shall reasonably cooperate therewith. Each Party shall cause its Representatives to cooperate fully with the Representatives of the other Party in connection with any such investigation or examination. No investigation by Buyer prior to or after the Execution Date shall diminish or obviate any of the representations, warranties, covenants or agreements of Seller contained in this Agreement.

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement ("Transfer Taxes") shall be borne by Seller. Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall be allocated and shall bear all ad valorem, property, excise, sale, use, severance, production or similar Taxes based upon acquisition, operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) assessed with respect to the Assets (collectively, the "Asset Taxes") for (i) any period ending on or prior to the Effective Time and (ii) the portion of any Straddle Period ending on or prior to the Effective Time. Buyer shall be allocated and shall bear all Asset Taxes (i) for the portion of any Straddle Period beginning after the Effective Time, and (ii) for any period beginning after the Effective Time. For purposes of allocation between the Parties of Asset Taxes assessed with

respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Time (“Straddle Periods”), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Time shall (1) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Effective Time or, in the case of an Asset Tax imposed on a transaction basis, whether the relevant transaction closed on or prior to the Effective Time (which shall be Seller’s responsibility) and from and after the Effective Time (which shall be Buyer’s responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Time (which shall be Seller’s responsibility) and the period after the Effective Time (which shall be Buyer’s responsibility). For purposes of clause (1) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Effective Time and the period beginning at the Effective Time. To the extent the actual amount of an Asset Tax is not known at the time an adjustment is to be made with respect to such Asset Tax pursuant to Section 8.9, 8.10 or 8.11, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Asset Tax for purposes of such adjustment. To the extent the actual amount of an Asset Tax (or the amount thereof paid or economically borne by a Party) is ultimately determined to be different than the amount (if any) that was taken into account in the Final Settlement Statement as finally determined pursuant to Section 8.11, timely payments will be made from one Party to the other to the extent necessary to cause each Party to bear the amount of such Asset Tax that is allocable to such Party under this Section 8.1(b). Within a reasonable time prior to the payment of any amounts pursuant to the preceding sentence, the requesting Party shall give notice to the other Party of the Tax payable and the other Party’s Liability therefor, although failure to do so will not relieve the other Party from its Liability hereunder. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.1(b) shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(c) Seller shall timely file any Tax Return with respect to Asset Taxes due on or before the Closing Date or that otherwise relates solely to periods before the Closing Date (a “Pre-Closing Tax Return”) and shall pay any Asset Taxes shown due and owing on such Pre-Closing Tax Return. From and after the Closing Date, Buyer shall timely file any Tax Returns with respect to Asset Taxes required to be filed after the Closing Date for any Straddle Period (a “Post-Closing Tax Return”), and shall pay any Asset Taxes shown due and owing on such Post-Closing Tax Return. Buyer shall file any Post-Closing Tax Return in a manner consistent with past practice except as otherwise required by Law. Within fifteen (15) days prior to filing, Seller shall deliver to Buyer a draft of any such Pre-Closing Tax Return for Buyer’s review and approval (which approval will not be unreasonably withheld or delayed). Within fifteen (15) days prior to filing, Buyer shall deliver to Seller a draft of any such Post-Closing Tax Return for Seller’s review and approval (which approval will not be unreasonably withheld or delayed). The Parties agree that (i) this Section 8.1(c) is intended to solely address the timing and manner in which certain Tax Returns relating to Asset Taxes are filed and the Asset Taxes shown thereon are paid to the applicable Taxing Authority, and (ii) nothing in this Section 8.1(c) shall

be interpreted as altering the manner in which Asset Taxes are allocated to and economically borne by the Parties.

(d) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(d) shall be borne by the Party requesting it.

## 8.2 Allocation of Purchase Price.

The Base Purchase Price shall be allocated among the Assets as set forth on Schedule 8.2 and to the extent necessary to allocate the Base Purchase Price among the asset classes listed on Internal Revenue Service Form 8594, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the “Allocated Value” of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the “Tax Allocation”. Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Code §1060) as promptly as possible following the Closing Date and in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position for US federal state and local income tax purposes inconsistent therewith upon examination of any Tax return, in any refund claim, in any tax litigation, or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party’s prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation; and *provided, further*, that the general allocation of value described in this Section 8.2 shall not be indicative or binding for any allocation of value in any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

8.3 Bulk Sales.

Seller has complied with any “bulk sales,” “bulk transfer” or similar Legal Requirement that is applicable with respect to the sale and transfer of any or all of the Assets to Buyer.

8.4 Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.

(a) With respect to each Assigned Contract and Assigned Lease and Interest, Buyer shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract or Assigned Lease and Interest. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts and the Assigned Leases and Interests, such as furnishing timely requested and factually accurate affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making Buyer’s and Seller’s employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.2 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) From and after the Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

8.5 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim), (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets without Seller’s consent (which consent shall not be unreasonably withheld, conditioned or delayed) and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller’s sole expense and upon reasonable advance notice, to such Records solely to the extent such access directly relates to the Bankruptcy Case, the wind-down of the operations of Seller, or the functions of any such trusts or successors, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such files, books, records and other materials; *provided, however*, that to the extent any such access involves entry upon the Assets or premises of Buyer, Seller shall not, and shall cause such Person to not, interfere with the ordinary conduct of business or operation of the Assets and at all times during such access, such Persons shall be accompanied by at least one Representative of Buyer. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller’s estate, Seller shall preserve and keep the Records and, at Buyer’s sole expense, shall make such Records, records and Seller’s personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or



Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during or after the time during which they must be maintained pursuant to this Section 8.5, such Party shall first give ninety (90) days' prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

8.6 No Other Representations or Warranties; Disclaimers; NORM.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING),**

AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

(b) **WAIVER OF CONSUMER AND OTHER RIGHTS:** BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 *ET SEQ.*, VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Each Buyer Party acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including each Buyer Party's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Each Buyer Party acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and Seller's representations, warranties and covenants made herein and in the Transaction Documents. Each Buyer Party hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY SELLER OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING



**PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.**

8.7 Casualty.

(a) If, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed One Million Dollars (\$1,000,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.7(b), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. In addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.7(b), in such repair, restoration or replacement, Seller shall transfer to Buyer (in the applicable undivided interests set forth in Section 2.1(a)), at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds arising out of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. Any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

(c) Notwithstanding anything to the contrary in this Agreement, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller in respect thereof or other sums paid to Seller by third parties (or an assignment of claims related thereto) in respect of such condemnation or Casualty Loss, which proceeds and other sums shall be payable to Buyer only upon or after the Closing of the transactions contemplated hereby. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, OR OTHER FAULT OF SELLER (EXCLUDING ANY CASUALTY LOSS TO THE EXTENT ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP).**

8.8 Successor Operator.

With respect to the Assigned Leases and Interests (or portions thereof) that are operated by Seller as of the Effective Time, (a) Buyer agrees that Seller will continue to operate such Assets until the DOI has approved TEPUSA as the operator thereof (except to the extent applicable Legal Requirements require otherwise), whereupon operations will be turned over to TEPUSA as the successor operator; and (b) Seller will cooperate with TEPUSA in TEPUSA's attempt to become successor operator with respect to all such Assets, including (a) by sending written notice seeking the written undertakings of the other Working Interest owners of such Assets to TEPUSA's succession as operator to Seller with respect to such Assets, (b) confirming that such Working Interest owners will consent to TEPUSA's succeeding Seller as operator of such Assets under the joint operating agreements and unit operating agreements applicable thereto, and (c) taking any other action reasonably requested by TEPUSA with respect to the transfer of operatorship with respect to such Assets.

8.9 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller above a custody transfer point on the Effective Time that is credited to the Assets, such value to be the current market price or the price paid, less Taxes and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Time (including any pre-paid charges); (iii) the aggregate amount of all Known Receivables; (iv) all cash call pre-payment amounts paid by Seller and associated with the Assets on and after the Effective Time; (v) an amount equal to \$0.00 per month (or prorated portion thereof) for the period from the Effective Time to the Closing Date, representing overhead charges of Seller with respect to Seller's operated Properties; and (vi) any other amount set forth herein or agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from the sale of Hydrocarbons, produced from and after the Effective Time, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons not otherwise accounted for hereunder) actually received by Seller; (ii) the amount of the Suspense Funds; (iii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Time; and (iv) any other amount set forth herein or agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Time multiplied by the market price at the location of the Wells per Mcf of gas and per barrel of oil for such Well as of the

Effective Time (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or the Assets for Seller's ownership prior to the Effective Time multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

#### 8.10 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a Preliminary Settlement Statement showing its computations, calculated in good faith, of the amount of each adjustment provided for in Section 8.9 above, together with reasonably supporting documentation, and Seller shall promptly provide such additional supporting documentation and information as Buyer may reasonably request. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, then with respect to any disputed adjustment Seller's computation thereof shall be used at Closing, subject to further adjustment under Section 8.11 below. If the amount of adjustments so determined that would result in a Base Purchase Price reduction exceeds the amount of adjustments so determined that would result in a Base Purchase Price increase, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

#### 8.11 Adjustment Post-Closing.

From and after the Closing Date until the date that is sixty (60) days following the Closing (the "Review Period"), upon at least two (2) Business Days' written notice from the Party requesting such access, each of Buyer and Seller shall (and shall cause their respective Affiliates to) afford the other Party and its Representatives reasonable access, during normal business hours, to its employees, properties, books, Contracts and Records, and outside accountants to the extent the requesting Party reasonably deems necessary, and shall furnish promptly to the other Party all information concerning the Assets as may reasonably be requested by the other Party, solely to the extent reasonably related to the requesting Party's calculation of the adjustments provided for in Section 8.9 and its review of the Preliminary Settlement Statement and the calculations set forth therein. During the Review Period, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 8.9, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing pursuant to Section 8.9, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. If the Parties fail to agree on final adjustments within such Review Period, either Party may elect by written notice to the other Party within thirty (30) days after the end of such Review Period to submit the disputed items to a nationally-recognized, independent accounting firm mutually agreed upon by the Parties in writing (the "Accounting Referee"); *provided, however*, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as substitute Accounting Referee, by a date that is sixty (60) days after the end of the Review Period, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court (if

the Bankruptcy Case has not closed or if the Bankruptcy Case has closed, the Houston office of the American Arbitration Association) to appoint a substitute Accounting Referee; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Once the Accounting Referee has been appointed pursuant to the foregoing and has agreed to serve, then the Parties shall promptly submit the disputed items to the Accounting Referee for resolution. Any disputed items described in this Section 8.11 with respect to which a Party does not elect to submit such disputed items to an Accounting Referee within such thirty (30) day period described above shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. The Accounting Referee, however, may not award any amounts greater than or less than the respective positions of Buyer and Seller. Seller and Buyer shall share equally the Accounting Referee's costs, fees and expenses (including attorneys' fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the "Final Settlement Statement"), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee's decision) by wire transfer of immediately available US funds to an account designated in writing by the Party entitled to receive such amounts. During the period between Closing and the point in time when the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.12, and (ii) deliver any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party pursuant to Section 8.12, and such payments and deliveries shall be considered in determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

#### 8.12 Allocation of Revenues and Expenses.

(a) Except as expressly provided herein, Seller shall remain entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds) and shall remain responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time prior to the Effective Time. Except as expressly provided otherwise in this

Agreement, and subject to the occurrence of the Closing, Buyer shall be entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds), and shall be responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time from and after the Effective Time. All Operating Expenses attributable to the Assets that are incurred with respect to operations conducted or production produced prior to the Effective Time shall be paid by Seller and all Liabilities with respect thereto shall be Excluded Liabilities. All capital expenditures, operating expenses or other expenses attributable to the Assets that are (i) approved after the date hereof in accordance with Section 7.1(b)(ii) or (ii) incurred with respect to operations conducted or production produced from and after the Effective Time in accordance with Section 7.1 shall be paid by or allocated to Buyer. Such amounts that are received prior to Closing shall be accounted for in the Preliminary Settlement Statement or Final Settlement Statement, as applicable. All amounts that are received after Closing but prior to the date of the Final Settlement Statement shall be accounted for in the Final Settlement Statement or pursuant to Section 8.12(b).

(b) Seller, on the one hand, and Buyer, on the other hand, each agree that, from and after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash), proceeds of production or other property that they may receive on or after the Closing which properly belongs to the other and will account to the other for all such receipts. In addition, if (i) any Party pays monies for costs or expenses which are the obligation of the other Party pursuant to the terms of this Agreement, then such other Party shall promptly reimburse the Party which paid such monies, (ii) a Party receives an invoice regarding an expense or obligation which is owed by the other Party pursuant to the terms of this Agreement, such Party receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same, and (iii) a Party received an invoice regarding an expense or an obligation, which is partially an obligation of both Seller and Buyer pursuant to the terms of this Agreement, then the Parties shall consult with each other, and each shall promptly pay its respective portion of such expense or obligation to the obligee.

## ARTICLE 9

### CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

#### 9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak



only as of such date); *provided, however*, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 9.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracies in such representations and warranties (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) taken together results in a Material Adverse Effect. Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

9.4 Seller's Deliveries.

Each of the deliveries required to be made by Seller to Buyer pursuant to Section 4.4 shall have been so delivered or Seller shall be ready, willing and able to make such deliveries.

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Buyer, which consent may be withheld by Buyer in its sole discretion.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or Seller's waiver, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of each Buyer Party to such effect signed by a duly authorized officer thereof.

10.2 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Seller, which consent may be withheld by Seller in its sole discretion.

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of each Buyer Party to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

10.5 Buyer's Deliveries.

Each of the deliveries required to be made by a Buyer Party to Seller pursuant to Section 4.3 shall have been so delivered or each Buyer Party shall be ready, willing and able to make such deliveries.



ARTICLE 11

TERMINATION

11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by either Seller or Buyer:

(i) if a Governmental Authority issues an Order which is in effect, or an Action or Proceeding is pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing; provided that such Order, Action or Proceeding was not requested, encouraged or supported by the terminating Party;

(ii) by mutual written consent of Seller and Buyer;

(iii) in the event Seller enters into a definitive agreement regarding a Superior Proposal; *provided* that the board of directors of Seller determines in good faith after consultation with its outside financial advisors and outside legal counsel, and based on the advice of such counsel, that proceeding with the Transactions would be inconsistent with applicable fiduciary duties;

(iv) if Seller, in accordance with the Bidding Procedures Order, enters into (or provides written notice to Buyer of their intent to enter into) one or more agreements to sell, transfer, or otherwise dispose of any material portion of the Assets in a transaction or series of transactions other than in the ordinary course of business with one or more Persons other than Buyer;

(v) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction;

(vi) if the Closing has not occurred by the close of business on the earlier of (A) April 20, 2018, and (B) the date that is fifteen (15) days after the date on which the Bankruptcy Court enters the Sale Order (the "Outside Date"); *provided, however*, that (1) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(vi) only if (w) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Buyer's conditions to Closing set forth in Article 9 have been fully satisfied or otherwise waived by Buyer and (z) Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(vi) only if (w) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Seller has provided written notice to

Buyer of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Seller's conditions to Closing set forth in Article 10 have been fully satisfied or otherwise waived by Seller and (z) Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller; or

(vii) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case;

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Seller to cure such breach within ten (10) days after receipt of written notice from Buyer of such breach; *provided, however*, that Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order;

(ii) if Seller announces or files any stand-alone plan of reorganization or liquidation or otherwise fails to perform under Section 7.3(b); or

(iii) if the Sale Order is modified in any material respect without the consent of Buyer; or

(c) by Seller in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the receipt of written notice from Seller of such breach; *provided, however*, that Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order.

## 11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party except as provided in this Section 11.2. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provision, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

(b) In the event that Buyer has the right to terminate this Agreement pursuant to Section 11.1(b)(i), Buyer shall be entitled to (1) terminate this Agreement pursuant to Section 11.1(b)(i) and each Buyer Party shall receive its portion of the Deposit, free and clear of any claims thereon by Seller (and the Parties shall give joint written instructions to the Escrow

Agent to release the Deposit to the Buyer Parties pursuant to Section 3.2), and/or (2) seek to recover damages from Seller, as well as seek all other remedies available to Buyer, at law or in equity, including seeking the specific performance of Seller hereunder.

(c) In the event that Seller has the right to terminate this Agreement pursuant to Section 11.1(c), notwithstanding Section 13.14, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement pursuant to Section 11.1(c) and retain the Deposit as liquidated damages, and not as a penalty, for such termination, free and clear of any claims thereon by Buyer (and the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Seller pursuant to Section 3.2). The Parties agree that, should Seller have the right to terminate this Agreement pursuant to Section 11.1(c), the foregoing described liquidated damages are reasonable considering all of the circumstances existing as of the Execution Date and constitute the Parties' good faith estimate of the actual damages reasonably expected to result from such termination of this Agreement by Seller.

(d) In the event that this Agreement is terminated for a reason other than as set forth in Section 11.2(b) or Section 11.2(c), then the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to the Buyer Parties pursuant to Section 3.2.

(e) Each Party acknowledges that the agreements contained in this Section 11.2 are an integral part of the transactions contemplated by this Agreement, that without these agreements such Party would not have entered into this Agreement, and that any amounts payable pursuant to this Section 11.2 do not constitute a penalty.

## ARTICLE 12

### SURVIVAL AND INDEMNIFICATION

#### 12.1 Survival of Seller's Representations and Warranties.

The representations and warranties (other than the representations and warranties contained in Section 5.19) of Seller contained herein and in any certificate or other Transaction Documents (other than the Assignments) delivered by Seller pursuant to this Agreement and the covenants of Seller contained in Section 7.1 (in each case) shall survive the Closing through and including the date that is six (6) months after the Closing Date; *provided* that if a written notice of any claim with respect to any such representations, warranties or covenants is given prior to the expiration thereof then such representation, warranty or covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement. Seller's representations and warranties contained in Section 5.19 and Seller's covenants and agreements contained in Sections 8.1 and 8.2 (to the extent relating to Seller Taxes) shall survive the Closing until the expiration of the applicable statute of limitations, plus sixty (60) days. Each of Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the covenants and agreements of Seller in any of Section 2.6, 2.7, 7.2(a) and (b), 8.11 or 8.12 (each a "Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b) (i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for

performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

12.2 Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained in Article 6 of this Agreement shall survive the Closing through and including the date that is twelve (12) months after the Closing Date (the "Expiration Date"); *provided, however*, that any obligations to indemnify and hold harmless shall not terminate with respect to any Liabilities as to which a Seller Indemnified Party shall have given notice to Buyer in accordance with Section 12.4(a) on or before the Expiration Date.

12.3 Indemnification by Buyer.

(a) From and after the Closing, subject to Section 12.2, Buyer hereby agrees to indemnify and hold Seller and each member of the Seller Group (collectively, the "Seller Indemnified Parties") harmless from and against:

(i) any and all Liabilities based upon, attributable to or resulting from the breach of any representation or warranty of Buyer set forth in Article 6 hereof, or any representation or warranty contained in any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(ii) any and all Liabilities based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Buyer under this Agreement; and

(iii) all Assumed Liabilities.

(b) Notwithstanding anything contained herein to the contrary, any Seller Indemnified Party making an Indemnification Claim under this Section 12.3 must give notice to the indemnifying Party of any such Indemnification Claim in writing on or prior to the Expiration Date.

12.4 Indemnification Procedures.

(a) In the event that any Actions shall be instituted or that any claim or demand shall be asserted by any Seller Indemnified Party in respect of which payment may be sought under Section 12.3 (an "Indemnification Claim"), the Seller Indemnified Party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has Knowledge which is covered by the indemnity to be forwarded to the indemnifying Party; *provided* that a Seller Indemnified Party need not wait until an Action has been instituted or demand has been asserted before delivering written notice of an Indemnification Claim to the indemnifying Party. The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Seller

Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder. If the indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the Seller Indemnified Party of its intent to do so. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, the Seller Indemnified Party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying Party shall assume the defense of any Indemnification Claim, the Seller Indemnified Party may participate, at his or its own expense, in the defense of such Indemnification Claim; *provided, however*, that such Seller Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying Party if (a) so requested by the indemnifying Party to participate or (b) in the reasonable opinion of counsel to the Seller Indemnified Party a conflict or potential conflict exists between the Seller Indemnified Party and the indemnifying Party that would make such separate representation advisable; and *provided, further*, that the indemnifying Party shall not be required to pay for more than one such counsel for all Seller Indemnified Parties in connection with any Indemnification Claim. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 12.4 to the contrary, neither the indemnifying Party nor any Seller Indemnified Party shall, without the written consent of the other, settle any Indemnification Claim or consent to entry of any judgment unless the claimant and such Party provide to such other Party an unqualified release from all liability in respect of the Indemnification Claim. If the indemnifying Party makes any payment on any Indemnification Claim, the indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Seller Indemnified Party to any insurance benefits or other claims of the Seller Indemnified Party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Seller Indemnified Party and the indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Seller Indemnified Party shall forward to the indemnifying Party notice of any sums due and owing by the indemnifying Party pursuant to this Agreement with respect to such matter.

#### 12.5 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Seller Indemnified Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.6 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based, unless a final determination with respect to the Seller Indemnified Party causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes.

12.7 Release.

Reference is made to that certain letter agreement dated October 27, 2017 among Michael S. Goldberg, Paul R. Elliott and Russell Lewis as counsel for Cobalt Parent and N. Scott Fletcher as counsel for TEPUSA relating to certain matters concerning the North Platte Prospect, as more particularly described in that certain Unit Operating Agreement, Garden Banks Area, Outer Continental Shelf, Gulf of Mexico, effective June 1, 2016 between TEPUSA and Cobalt Parent (such agreement, the “Operating Agreement” and such letter, the “Settlement Letter”). Cobalt Parent hereby releases and relinquishes any claim or right to assert (whether known or unknown and whether arising under contract, tort or any other basis) regarding TEPUSA’s non-participation in the AFE proposed by Cobalt Parent on or about August 10, 2017 for Feasibility and Concept Selection Studies, including any claim or right to asset (pursuant to the Settlement Letter, the Operating Agreement or otherwise and whether through arbitration or other legal process) that such non-participation in any way (a) results in any Buyer Party being subject to any underinvestment, non-consent or other penalty under the terms of Operating Agreement, (b) entitles Cobalt Parent to any of any Buyer Party’s interest in the lands and waters covered by the Operating Agreement or (c) affects any Buyer Party’s future participation in any operations conducted pursuant to the Operating Agreement. Cobalt Parent represents and warrants to Buyer that it has not assigned to any Person any claim or right described above that is being relinquished and released pursuant to this Section 12.7.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreements to the contrary, the Parties agree that the non-disclosure agreements entered into by them and/or their Affiliates in connection with the transactions contemplated by this Agreement (the “Non-Disclosure Agreements”) shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that (a) disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreements, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreements. Upon the Closing, the Non-Disclosure Agreements shall terminate and be of no further force or effect.



13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transaction contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to, on or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transaction contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party's (including such Party's respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party if such statement, declaration or public announcement is permitted by the applicable Legal Requirements.

13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if received from a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties); *provided that* in the event any such notice, consent, waiver or other communication under this Agreement is received by the receiving Party outside of normal business hours or on a day other than a Business Day, then such notice, consent, waiver or other communication will be deemed given on the next Business Day during normal business hours:

- (i) If to Seller, then to:

Cobalt International Energy, L.P.  
Cobalt Center  
920 Memorial City Way  
Suite 100  
Fax: 713-579-9104  
Attention: Rich Smith  
Email: Rich.Smith@cobaltintl.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
300 North LaSalle



Chicago, Illinois 60654  
Attn: Chad Husnick, P.C.; Brad Weiland  
Phone: (312) 862-7182  
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP  
609 Main Street, 45th Floor  
Houston, Texas 77002  
Attn: Anthony Speier, P.C.; Rahul Vashi  
Phone: (713) 836-3639  
E-mail: rahul.vashi@kirkland.com

(ii) If to Buyer:

TOTAL E&P USA, INC.  
1201 Louisiana Street, Suite 1800  
Houston, TX 77002  
Attention: Nikita Taldykin  
Telephone: 713-647-3326  
E-mail: nikita.taldykin@total.com

and to

Statoil Gulf of Mexico LLC  
2107 City West Boulevard, Suite 100  
Houston, TX 77042  
Attention: Bill Moore  
Telephone: 713-922-8023  
E-mail: bmoo@statoil.com

with copies (which shall not constitute notice) to:

Latham & Watkins LLP  
811 Main Street, Suite 3700  
Houston, TX 77002  
Attention: Chris Bennett  
Telephone: 713-546-7417  
E-mail: chris.bennett@lw.com

and to

Orrick, Herrington & Sutcliffe, LLP  
609 Main Street, 40th Floor  
Houston, Texas 77002  
Attention: Joe Roger  
Telephone: 713-658-6640  
Email: jroger@orrick.com

Orrick, Herrington & Sutcliffe, LLP  
51 West 52nd Street  
New York, New York 10019-6142  
Attention: Laura Metzger  
Telephone: 212-506-5149  
Email: lmetzger@orrick.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12) WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules and the Exhibits), and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other

Parties (which consent may be granted or withheld in the sole discretion of such other Party), and any purported assignment in violation of this Section 13.6 shall be void *ab initio*.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

The Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) **Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.**

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however,* that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a Texas state court or a federal court sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action

or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER, BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

13.11 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.12 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind. Notwithstanding the foregoing, a Party shall have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of the other members of the Seller Group or Buyer Group, as applicable (but shall not be obligated to do so).

13.13 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Documents, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any

documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.14 Specific Performance.

The Parties acknowledge that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Each Party further agrees that, in addition to any other remedy that such Party may have under law or equity, without posting bond or other undertaking, such Party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking any remedy provided for in this Section 13.14, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement and (ii) nothing contained in this Section 13.14 shall require any Party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 13.14 before exercising any other right under this Agreement.

13.15 Intentionally Omitted.

13.16 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, any and all obligations under this Agreement are subject to the entry of the Sale Order.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

Cobalt International Energy, L.P.

By: David Powell  
Name: David D. Powell  
Title: Chief Financial Officer

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.


TOTAL E&P USA, INC.

A handwritten signature in blue ink, appearing to be 'J. Sanz-Saiz', written over a horizontal line.

By: \_\_\_\_\_  
Name: Jose-Ignacio Sanz-Saiz  
Title: President & CEO



Statoil Gulf of Mexico LLC

By:   
Name: Carri A. Lockhart  
Title: President

**EXHIBIT A**

**Assigned Leases and Interests**

[See attached.]

<u>Area</u>	<u>Block</u>	<u>Original Lessor</u>	<u>Original Lessee</u>	<u>Lessor / Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Prospect Name</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Royalty Rate</u>	<u>Net Revenue Interest</u>	<u>Gross Acres</u>	<u>Depths</u>
Garden Banks	915	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 30869	GT-007-02	12/1/2006	11/30/2016	North Platte	North Platte Unit	60.00%	12.50%	52.500%	5,760	All Depths
Garden Banks	916	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 30870	GT-007-03	11/1/2006	10/31/2016	North Platte	North Platte Unit	60.00%	12.50%	52.500%	5,760	All Depths
Garden Banks	958	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 32460	GT-007-10	6/1/2008	5/31/2018	North Platte	North Platte Unit	60.00%	18.75%	48.750%	5,760	All Depths
Garden Banks	959	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 30876	GT-007-04	12/1/2006	3/22/2017	North Platte	North Platte Unit	60.00%	12.50%	52.500%	5,760	All Depths

**Exhibit B: Wells****North Platte**

API Well Number	Well Name	Well Name Suffix	Bottom Lease Number	Bottom Area	Bottom Block	Operator	Spud Date	Status Code
608074030500	001	ST00BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	7/3/2012	Sidetracked
608074030501	001	ST00BP01	G30876	Garden Banks	959	Cobalt International Energy, L.P.	9/20/2012	Sidetracked
608074030502	001	ST00BP02	G30876	Garden Banks	959	Cobalt International Energy, L.P.	12/21/2012	Permanently Abandoned
608074031500	003	ST00BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	4/22/2015	Sidetracked
608074031501	003	ST00BP01	G30876	Garden Banks	959	Cobalt International Energy, L.P.	11/13/2015	Sidetracked
API Well Number	Well Name	Well Name Suffix	Bottom Lease Number	Bottom Area	Bottom Block	Operator	Spud Date	Status Code
608074031502	003	ST01BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	12/25/2015	Permanently Abandoned
608074032000	004	ST00BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	9/5/2016	Sidetracked
608074032001	004	ST01BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	1/14/2017	Sidetracked
608074032002	004	ST02BP00	G30876	Garden Banks	959	Cobalt International Energy, L.P.	4/10/2017	Sidetracked
608074032003	004	ST02BP01	G30876	Garden Banks	959	Cobalt International Energy, L.P.	5/6/2017	Permanently Abandoned
608074031400	002	ST00BP00	G32460	Garden Banks	958	Cobalt International Energy, L.P.	2/3/2015	Permanently Abandoned

Exhibit C: Assigned Contracts

<u>#</u>	<u>Tracking No.</u>	<u>Contract ID</u>	<u>Contract No.</u>	<u>Contract Name</u>	<u>Agreement Type</u>	<u>Contract Party</u>	<u>Counterparty</u>	<u>Effective Date</u>	<u>Asset</u>	<u>Contract Availability</u>
56	1083160	1047	LAND-1083160-GT-007-A	OOA-North Platte	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	TOTAL E&P USA, INC.	4/6/2009	North Platte	VDR Index No. 5.3.152
57	1083160	1050	LAND-1083160-GT-007-A	NORTH PLATTE-JOA-1ST AMENDMENT-08172016132836	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	TOTAL E&P USA, INC.	4/6/2009	North Platte	VDR Index No. 5.3.152
58	1083160	1049	LAND-1083160-GT-007-A	OOA-NORTH PLATTE 1st JOA AMENDMENT	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	TOTAL E&P USA, INC.	4/6/2009	North Platte	VDR Index No. 5.3.152
59	1084915	1054	LAND-1084915-GT-007-C	VELOCITY AGREEMENT GT-007-C	Model License Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	11/19/2012	North Platte	VDR Index No. 5.3.117
60	1087815	1160	LAND-1087815-GL-007-B	N PLATTE DATA AGREEMENT-CHEVRON-11202012154011	Data Trade Agreement	Cobalt International Energy, L.P.	Chevron U.S.A. Inc.	11/19/2012	North Platte	VDR Index No. 5.3.125
62	1101600	1199	LAND-1101600-GT-007-E	Hess Well Trade and Confidentiality Agmt	Data Trade Agreement	Cobalt International Energy, L.P.	Hess Corporation	8/22/2013	North Platte	VDR Index No. 5.3.2
63	1103279	1200	LAND-1103279-GT-007-F	North Platte Reprocessed Seismic Data License	Reprocessed Seismic Data License	Cobalt International Energy, L.P.	Nexen Petroleum USA, Inc.	8/1/2013	North Platte	VDR Index No. 5.3.3
64	1104046	1202	LAND-1104046-GT-007-G	North Platte Data Purchase-CA.1113	Data Purchase & Confidentiality Agreement	Cobalt International Energy, L.P.	Nexen Petroleum USA, Inc.	10/25/2013	North Platte	VDR Index No. 5.3.4
65	1113334	1224	LAND-1113334-GT-007-H	North Platte-Logan Well Data Trade.1213	Data Trade Agreement	Cobalt International Energy, L.P.	Statoil USA E&P Inc.	12/15/2013	North Platte	VDR Index No. 5.3.7
66	1153542	1280	LAND-1153542-GT-007-I	North Platte Well Samples Study 4-15-2015	Well Samples Study	Cobalt International Energy, L.P.	Hess Corporation	4/15/2015	North Platte	VDR Index No. 5.3.10
67	1207364	535	EXP-1207364-Supplement No. 13 (North Platte IBALT Survey)	EXP-1207364-CGG Supplement	Amendment / Change Order / Supplement	Cobalt International Energy, L.P.	CGG Veritas Services (U.S.) Inc.	3/17/2016	North Platte	VDR Index No. 5.3.15

<u>#</u>	<u>Tracking No.</u>	<u>Contract ID</u>	<u>Contract No.</u>	<u>Contract Name</u>	<u>Agreement Type</u>	<u>Contract Party</u>	<u>Counterparty</u>	<u>Effective Date</u>	<u>Asset</u>	<u>Contract Availability</u>
104	1221042	1315	LAND-1221042-GT-007-J	NORTH PLATTE UNIT AGREEMENT-10312016134914	Unit Agreement	Cobalt International Energy, L.P.	TOTAL E&P USA, INC.	6/1/2016	North Platte	VDR Index No. 5.3.33

**EXHIBIT D-1**

**Attached to and made a part of that certain Asset Purchase Agreement  
by and among Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively as Buyer**

**Form of County Assignment**

**ASSIGNMENT AND BILL OF SALE**

STATE OF [●] §  
§ KNOW ALL PERSONS BY THESE PRESENTS:  
[COUNTY/PARISH] OF [●] §

This ASSIGNMENT AND BILL OF SALE (this “Assignment”), effective as of the Effective Time, is from COBALT INTERNATIONAL ENERGY L.P., a Delaware limited partnership (“Assignor”), to TOTAL E&P USA, INC., a Delaware corporation (“TEPUSA”), and Statoil Gulf of Mexico LLC, a Delaware limited liability company (“Statoil” and together with TEPUSA, “Assignee”). Assignor and Assignee are hereinafter referred to as a “Party” and collectively as the “Parties.” All capitalized terms not specifically defined herein shall have the meaning assigned such term in the Purchase Agreement.

WHEREAS, on December 14, 2017, Assignor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

WHEREAS, Assignor and Assignee entered into that certain Asset Purchase Agreement dated March 12, 2018 (the “Purchase Agreement”), pursuant to which Assignor has agreed to assign, transfer and convey and Assignee has agreed to purchase and acquire all of Assignor’s right, title, and interest in and to the Assets; and

WHEREAS, on [●], 2018, the Bankruptcy Court entered the Sale Order authorizing the Assignor to sell the Assets to Assignee pursuant to the terms and conditions of the Purchase Agreement.

**ARTICLE I  
Assignment**

**Section 1.1** Effective Time. The conveyance and assignment herein shall be deemed effective as of January 1, 2018 at 12:01 a.m., Central Time (the “Effective Time”).

**Section 1.2** Assignment. Assignor, for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms set forth herein, does by these presents GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto (y) Statoil an undivided two thirds (2/3) interest and (z) TEPUSA an undivided one third (1/3) interest, in each case in all of Assignor’s rights, title, and interest in, to, and under the following (less the Excluded Assets, collectively, the “Assets”):



(a) all existing oil and gas leases, oil, gas and mineral leases or subleases, and other leasehold interests, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment (collectively, the “Leases”) described in Exhibit A, together with any and all other rights, titles, and interests of Assignor in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Assignor’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(b) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(c) all oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing (collectively, the “Hydrocarbons”) produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(d) all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 1.2(k), collectively, the “Assigned Contracts”);

(e) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(f) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(g) all of the files, records, information, and data, whether written or electronically stored, in Assignor’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental,

production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Assignor without cost, or Assignee has agreed to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(h) all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;

(i) all Known Receivables, cash call pre-payments and other refunds due to Assignor for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(j) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(k) to the extent not covered in Section 1.2(d) above, all rights of Assignor under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

**Section 1.3** Excluded Assets. Assignor shall EXCEPT, RESERVE and RETAIN and the Assets shall not include the following assets (the “Excluded Assets”):

(a) the Purchase Price delivered to Assignor pursuant to the Purchase Agreement;

(b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 1.2(h) and (iii) cash relating to any Assumed Liability;

(c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;

(d) all shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries;

(e) all minute books, stock ledgers, corporate seals and stock certificates of Assignor;

(f) all Excluded Records;

(g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;

(h) except as provided in Section 8.7(b) of the Purchase Agreement, all insurance policies and rights to proceeds thereof;

(i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

(j) all Intellectual Property;

(k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(l) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;

(m) all rights, claims or causes of action by, or in the right of Assignor against, any current or former director or officer of Assignor or its Affiliates;

(n) the Avoidance Actions;

(o) any rights, claims or causes of action of Assignor under the Purchase Agreement or any other Transaction Document;

(p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 1.2(a) through Section 1.2(k), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of "royalty relief" or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Assignor's audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);

(q) the following documents prepared or received by Assignor with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Assignor of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee, (v) internal valuations or economic models and (vi) correspondence between Assignor or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in the Purchase Agreement;

(r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;

(s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;

(t) all rights to the use of deposits and retainers to the extent held and applied by Assignor's professionals on or before sixty (60) days after the earlier to occur of (i) the effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(u) the Excluded Contracts.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, and appurtenances thereto and forever belonging thereto unto Assignee, and its successors and assigns forever subject to the other terms and provisions set forth in this Assignment.

## ARTICLE II DISCLAIMERS; ASSUMPTION

**Section 2.1 Disclaimers. EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF ASSIGNOR OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, ASSIGNOR'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF ASSIGNOR). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, ASSIGNOR FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY ASSIGNOR IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING ASSIGNEE'S RIGHTS UNDER THIS ASSIGNMENT OR THE TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR**

EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD “AS IS,” “WHERE IS,” AND “WITH ALL FAULTS AS TO ALL MATTERS,” (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICIS (D) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR (INCLUDING, WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

AS TO ANY OF THE ASSETS WHICH MAY BE LOCATED WITHIN THE JURISDICTION OF LOUISIANA, THE ASSIGNEE EXPRESSLY WAIVES: (I) THE WARRANTY OF FITNESS FOR INTENDED PURPOSES OR GUARANTEE AGAINST HIDDEN OR LATENT REDHIBITORY VICIS UNDER LOUISIANA LAW, INCLUDING LOUISIANA CIVIL CODE ARTICLES 2520, ET SEQ, (II) ALL RIGHTS IN REDHIBITION PURSUANT TO LOUISIANA CIVIL CODE ARTICLE 2520, ET SEQ.; AND (III) ALL RIGHTS WHICH MAY EXIST UNDER THE LOUISIANA UNFAIR TRADE PRACTICE AND CONSUMER PROTECTION LAW, LA. R.S. 51:1402 ET SEQ. FURTHER, FOR ALL SUCH PURPOSES, ASSIGNOR ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THE WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE AND EXPLAINED IN DETAIL AND THAT ASSIGNEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER OF WARRANTY OF FITNESS AND/OR WARRANTY AGAINST REDHIBITORY VICIS AND DEFECTS FOR THE ASSETS.

**Section 2.2 ENVIRONMENTAL CONDITION.** ASSIGNEE ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY ASSIGNOR OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIALS (“NORM”). NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING ASSIGNEE’S RIGHTS UNDER THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, ASSIGNEE SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING,

**TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.**

**Section 2.3 Conspicuous.** Assignee and Assignor agree that, to the extent required by applicable law to be effective, the disclaimers of certain warranties contained in this Assignment are “conspicuous” disclaimers.

**Section 2.4 Independent Investigation.** Assignee acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Assignee’s own estimate and appraisal of the extent and value of Assignor’s Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Assignee acknowledges that in entering into this Assignment, it has relied on the aforementioned investigation and Assignor’s representations, warranties and covenants made herein and in the Transaction Documents. Assignee hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Assignor or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

**Section 2.5 Assumption.** Assignee hereby assumes and agrees to fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, or discharged) all of the Assumed Liabilities arising in respect of the Assets provided that Assignee does not assume any obligations or Liabilities attributable to the Excluded Liabilities.

### **ARTICLE III OTHER PROVISIONS**

**Section 3.1 Conveyance subject to the Purchase Agreement.** This Assignment is expressly subject to the Purchase Agreement. Nothing in this Assignment shall operate to modify or limit, release, or otherwise impair any Party’s respective rights, obligations, remedies, or indemnities in the Purchase Agreement. If any provision of this Assignment is construed to conflict with any provision of the Purchase Agreement, the provisions of the Purchase Agreement shall be deemed controlling to the extent of such conflict.

**Section 3.2 Further Assurance.** The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Assignment; *provided* that nothing in this Section 3.2 shall prohibit Assignor from ceasing operations or winding up its affairs following the Closing.

**Section 3.3 Assignment.** The provisions of this Assignment shall be construed as covenants running with the land and this Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and each of their respective successors and assigns.



**Section 3.4 Special Warranty of Defensible Title.** Assignor warrants Defensible Title to all of the Assets unto Assignee, its successors and assigns against every Person whomsoever lawfully claiming the same or any part thereof, by, through or under Assignor or its Affiliates (including, for the avoidance of doubt, any action or inaction on the part of Assignor or its Affiliates), but not otherwise.

**Section 3.5 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.**

(a) EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAWS OR ANY OTHER LAW THAT WOULD MAKE THE LAWS OF ANY OTHER JURISDICTION OTHER THAN THE STATE OF TEXAS APPLICABLE HERETO.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Assignment and to decide any claims or disputes which may arise or result from, or be connected with, this Assignment, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Assignment shall be heard and determined in a Texas state court or a federal court sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3 of the Purchase Agreement) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE ACTIONS OF ASSIGNOR, ASSIGNEE OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

**Section 3.6 Waiver of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS ASSIGNMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT



**RECOVERABLE UNDER ARTICLE 12 OF THE PURCHASE AGREEMENT) WITHOUT GIVING EFFECT TO THIS SECTION 3.6.**

**Section 3.7 Interpretive Matters.** Unless otherwise expressly provided, for purposes of this Assignment, the following rules of interpretation shall apply:

(a) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Assignment, the date that is the reference date in calculating such period shall be excluded;

(b) Any reference in this Assignment to gender includes all genders, and words imparting the singular number only include the plural and vice versa;

(c) Words such as “herein,” “hereof” and “hereunder” refer to this Assignment as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; and

(d) The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

**Section 3.8 Counterparts.** This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Assignment and all of which, when taken together, shall constitute one and the same instrument.

**Section 3.9 Additional Assignments.** Certain of the Assets may require approval to transfer by a Governmental Authority, and as such may require separate assignment instruments made on officially approved forms, or forms acceptable to such Governmental Authority, (including any assignments of record title, operating rights and/or rights of ways filed with the BOEM or BSEE) and in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. Assignor’s interest conveyed by such separate assignments are the same, and not in addition to, Assignor’s interest conveyed in this Assignment.

Where separate assignments of the Assets have been or will be executed for filing with, and approval by, applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Assets herein made and shall not constitute any additional Assignment or assignment of such properties, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment or the other Transaction Documents and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by Assignor to Assignee and (c) shall be deemed to contain all of the terms and provisions of this Assignment and the Transaction Documents, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Parties have executed this Assignment on the dates set forth in their respective acknowledgements hereto, but this Assignment shall be effective for all purposes as of the Effective Time.

WITNESSES TO ALL SIGNATURES:                      ASSIGNOR:

Cobalt International Energy, L.P.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_



WITNESSES TO ALL SIGNATURES:      ASSIGNEE:

TOTAL E&P USA, INC.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Statoil Gulf of Mexico LLC

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This Assignment and Bill of Sale was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ as \_\_\_\_\_ of TOTAL E&P USA, INC., a Delaware corporation, on behalf of such corporation.

\_\_\_\_\_  
(Sign)

\_\_\_\_\_  
(Print Name)

Notary Public in and for

My Commission Expires:

\_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This Assignment and Bill of Sale was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ as \_\_\_\_\_ of Statoil Gulf of Mexico LLC, a Delaware limited liability company, on behalf of such limited liability company.

\_\_\_\_\_  
(Sign)

\_\_\_\_\_  
(Print Name)

Notary Public in and for

My Commission Expires:

\_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT D-2**

**Form of DOI Assignment**

[See attached.]

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 06/30/2019

**ASSIGNMENT OF RECORD TITLE INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.

\_\_\_\_\_  
Lease Effective Date

\_\_\_\_\_  
New Lease No. (BOEM Use Only)

**Part A: Assignment**

**Legal description of the OCS oil and gas lease or the officially designated subdivision of the lease being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

<b>Assignor(s):</b>	<b>Percentage Interest Conveyed</b>
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]	

<b>Assignee(s):</b>	<b>Percentage Interest Received</b>
TOTAL E&P USA, INC. 01500/Statoil Gulf of Mexico LLC 02748	

**The approval of this assignment is restricted to record title interest only.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

**For BOEM use only**

This Assignment of Record Title Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By _____	_____	_____
Authorized Official for BOEM	Title	BOEM Approval Date

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.



Part B: Certification and Acceptance

- 1. Each Assignor certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. DEBARMENT COMPLIANCE: Each Assignor and Assignee certifies its compliance with the Department of the Interior's nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agree to communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including the terms of the regulations in its contracts and transactions.
3. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION: Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 - Obligations of Contractors and Subcontractors; and 41 CFR 60-2 - Affirmative Action Programs.
4. QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S): Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the "Act"), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Record Title Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Assignor Name: [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC] Assignor Name:

Assignor Qualification No. [02873]/[03070]

Assignor Qualification No.

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:
Signatory Title:

Signatory Name:
Signatory Title:

Execution Date

Execution Date

Assignee Name: TOTAL E&P USA, INC./Statoil Gulf of Mexico LLC

Assignee Name:

Assignee Qualification No. 01500/02748

Assignee Qualification No.

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:
Signatory Title:

Signatory Name:
Signatory Title:

Execution Date

Execution Date

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 6/30/2019

**ASSIGNMENT OF OPERATING RIGHTS INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

Lease No. \_\_\_\_\_

Lease Effective Date \_\_\_\_\_

**Part A: Assignment**

**Legal description of the Operating Rights being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

**Assignor(s):** **Percentage Interest Conveyed**  
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]

**Assignee(s):** **Percentage Interest Received**  
TOTAL E&P USA, INC. 01500/Statoil Gulf of Mexico LLC 02748

**The approval of this assignment is restricted to operating rights only. This assignment does not affect record title interest.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment

**For BOEM use only**

This Assignment of Operating Rights Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By \_\_\_\_\_ Title \_\_\_\_\_ BOEM Approval Date \_\_\_\_\_  
Authorized Official for BOEM

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. The BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under Section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

Part B – Certification and Acceptance

1. Each Assignor certifies it is the owner of the operating rights interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior’s nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agrees to communicate the requirement to comply with these regulations to persons with whom it does business related to this operating rights interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee’s execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the “Act”), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties’ liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Operating Rights Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together will constitute but one and the same instrument provided. However, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Assignor Name: [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]

Assignor Name:

Assignor Qualification No: [02873]/[03070]

Assignor Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date

Execution Date

Assignee Name: TOTAL E&P USA, INC./Statoil Gulf of Mexico llc

Assignee Name:

Assignee Qualification No: 01500/02748

Assignee Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date

Execution Date

**Schedule 1.1**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively as Buyer

**Seller's Knowledge Persons**

Richard A. Smith — Senior Vice President, Strategy and Business Development

Rod Skaufel — President, Operations

Timothy Cutt — Chief Executive Office

Ben Davis — Land Manager, Gulf of Mexico (with a duty of reasonable inquiry to Jeffrey A. Starzec solely with respect to Section 5.6)

**Schedule 2.1(b)(ix)**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

**Known Receivables**

None.

**Schedule 2.2(i)**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

**Excluded Contracts**

None.

**Schedule 2.5(b)**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

**Cure Costs**

None.



## Schedule 5.9

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

AFEs

Cobalt Projects AFE report							Feb 28, 2018
North Platte	Cobalt International Energy						
Net WI: 60%							
AFE No	AFE Name	Net Authorized Amount	Net Actuals Inception to Feb 2018	VOWD Actuals Inception to Feb 2018	Final Fcst'ed cost	Final FCST Cost % Auth	Status
15-002_100	NORTH PLATTE #3 SIDETRACK	85,617,000.00	45,449,765.57	45,449,765.57	45,449,765.57	53%	
15-006_100	NORTH PLATTE #3 APPRAISAL WELL	127,485,073.00	111,913,898.73	111,913,898.73	111,913,898.73	88%	
16-004_100	N. PLATTE 4 APPRAISAL WELL	125,088,600.60	100,417,964.95	100,737,351.60	101,388,867.00	81%	
16-005_100	N PLATTE 4 GEOLOGIC SIDETRACK	67,000,000.00	50,982,527.62	51,167,331.00	51,167,331.00	76%	
17-005-_100	NORTH PLATTE CORE BP (#4 ST2 )	18,289,200.00	14,554,523.32	14,570,401.80	14,570,401.80	80%	
17-009-_100	NORTH PLATTE #4 ST2	26,796,600.00	15,266,490.53	15,410,100.79	15,410,100.79	58%	
17-108A_100	N PLATTE #5 LONG LEADS INVENTORY	6,274,742.00	598,254.37	598,254.37	598,254.37	10%	
16-212A_100	N. PLATTE EARLY PROD.SYS STUDY	1,020,000.00	1,081,058.33	1,081,058.33	1,081,058.33	106%	
16-225_100	N.PLATTE FEASIBILITY & PRE-DEV STDY	9,960,000.00	10,044,900.43	9,940,676.90	10,050,000.00	101%	
17-117-_100	N PLATTE FEAS & CON. SELECT PH. 2A (1)	21,960,000.00	8,407,380.11	8,407,380.11	21,941,643.00	100%	
17-223_100	N PLATTE SEIS REPROC & NODAL FEAS	2,580,000.00	2,588,823.90	2,580,000.00	2,580,000.00	100%	
18-001_100	North Platte #5 (Unit/Lease Retention)	78,300,000.00	781,207.50	781,207.50	78,300,000.00	100%	
<b>Grand Total</b>		<b>570,371,215.60</b>	<b>362,086,795.36</b>	<b>362,637,426.70</b>	<b>454,451,320.59</b>		

**Schedule 7.9**

To that certain Asset Purchase Agreement by and among  
 Cobalt International Energy L.P., as Seller, and  
 TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

**Surety Bonds**

<b><u>Date</u></b>	<b><u>Bond No.</u></b>	<b><u>Issuer</u></b>	<b><u>Beneficiary</u></b>	<b><u>Amount</u></b>	<b><u>Contract Description</u></b>
11/20/2008	RLB0012287	RLI Insurance Company	U.S. Department of Interior	\$1,000,000.00	Outer Continental Shelf (OCS) Mineral Lessee's and Operator Bond

**Schedule 8.2**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC. and Statoil Gulf of Mexico LLC, collectively, as Buyer

**Allocated Values**

<u>#</u>	<u>Area</u>	<u>Block</u>	<u>Original Grantor</u>	<u>Original Grantee</u>	<u>Lessor/Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Prospect Name</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Gross Acres</u>	<u>Depths</u>	<u>Allocated Values</u>
10	Garden Banks	915	United States of America	Cobalt International Energy, L.P.	OCS-G 30869	GT-007-02	12/1/06	11/30/16	North Platte	North Platte Unit	60.00%	5,760	All Depths	Total Allocated Value \$339,000,000
11	Garden Banks	916	United States of America	Cobalt International Energy, L.P.	OCS-G 30870	GT-007-03	11/1/06	10/31/16	North Platte	North Platte Unit	60.00%	5,760	All Depths	
12	Garden Banks	958	United States of America	Cobalt International Energy, L.P.	OCS-G 32460	GT-007-10	6/1/08	5/31/18	North Platte	North Platte Unit	60.00%	5,760	All Depths	
13	Garden Banks	959	United States of America	Cobalt International Energy, L.P.	OCS-G 30876	GT-007-04	12/1/06	11/30/16	North Platte	North Platte Unit	60.00%	5,760	All Depths	

**Exhibit C**

---

---

**ASSET PURCHASE AGREEMENT**

**DATED AS OF MARCH 7, 2018**

**BY AND AMONG**

**COBALT INTERNATIONAL ENERGY L.P., AS SELLER,**

**AND**

**NAVITAS PETROLEUM US, LLC,**

**AS BUYER**

---

---

**TABLE OF CONTENTS**

**ARTICLE 1**

**DEFINITIONS**

1.1	Definitions.....	6
1.2	Other Definitions and Interpretive Matters.....	14

**ARTICLE 2**

**PURCHASE AND SALE**

2.1	Purchase and Sale .....	15
2.2	Excluded Assets .....	16
2.3	Assumed Liabilities .....	18
2.4	Excluded Liabilities .....	18
2.5	Cure Costs.....	19
2.6	Assignment of Assets Subject to Consent Requirements. ....	19
2.7	Further Assurances.....	20

**ARTICLE 3**

**PURCHASE PRICE**

3.1	Purchase Price.....	20
3.2	Deposit .....	20

**ARTICLE 4**

**CLOSING**

4.1	Closing Date.....	21
4.2	Payment on the Closing Date.....	21
4.3	Buyer’s Deliveries .....	21
4.4	Seller’s Deliveries.....	22

**ARTICLE 5**

**REPRESENTATIONS AND WARRANTIES OF SELLER**

5.1	Organization and Good Standing.....	23
5.2	Authority; Validity; Governmental Authority Consents.....	23
5.3	No Conflict.....	23
5.4	Permits .....	24
5.5	Hedging.....	24
5.6	Legal Proceedings.....	24
5.7	Brokers or Finders.....	24

5.8	Surety Bonds.....	24
5.9	Title.....	24
5.10	Assigned Contracts and Assigned Leases and Interests .....	24
5.11	Outstanding Capital Commitments.....	25
5.12	Imbalances .....	25
5.13	Preference Rights.....	25
5.14	Environmental Matters.....	25
5.15	Compliance with Laws .....	26
5.16	Incidents of Non-Compliance and Suspensions .....	26
5.17	Casualty.....	26
5.18	Insurance.....	26
5.19	Non-Consent Operations.....	26
5.20	P&A Obligations.....	26
5.21	Revenues and Expenses .....	26

**ARTICLE 6**

**REPRESENTATIONS AND WARRANTIES OF BUYER**

6.1	Organization; Good Standing; Evidence of BOEM Qualification .....	27
6.2	Authority; Validity; Consents.....	27
6.3	No Conflict.....	27
6.4	Availability of Funds .....	28
6.5	Litigation.....	28
6.6	Bankruptcy .....	28
6.7	Brokers or Finders.....	28
6.8	Knowledge and Experience .....	28

**ARTICLE 7**

**ACTIONS PRIOR TO THE CLOSING DATE**

7.1	Operations Prior to the Closing Date.....	28
7.2	Reasonable Best Efforts.....	29
7.3	Bankruptcy Court Approval.....	30
7.4	Updates and Amendments of Exhibits.....	31
7.5	Bidding Procedures.....	31
7.6	Commitment Letters .....	31
7.7	Access .....	32
7.8	Surety Bonds.....	32
7.9	Employees.....	32

**ARTICLE 8**

**ADDITIONAL AGREEMENTS**

8.1	Taxes.....	33
-----	------------	----



8.2	Allocation of Purchase Price.....	34
8.3	Bulk Sales .....	35
8.4	Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.....	35
8.5	Post-Closing Books and Records and Personnel .....	35
8.6	No Other Representations or Warranties; Disclaimers; NORM.....	36
8.7	Casualty.....	37
8.8	Successor Operator .....	38
8.9	Accounting Adjustments for Revenues and Expenses.....	39
8.10	Initial Adjustment at Closing.....	39
8.11	Adjustment Post Closing.....	40

**ARTICLE 9**

**CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE**

9.1	Accuracy of Representations .....	41
9.2	Seller’s Performance .....	41
9.3	No Order .....	41
9.4	Seller’s Deliveries.....	41
9.5	Sale Order .....	42
9.6	No Material Adverse Effect.....	42
9.7	Consents.....	42
9.8	Evidence of BOEM Assignment and DOO Approval .....	42
9.9	Update to Exhibit A and Defensible Title.....	42
9.10	Anadarko and ConocoPhillips Plugging and Abandonment Obligations.....	42
9.11	LLOG Operator.....	42
9.12	Partnership Approval .....	42
9.13	BSEE SOP Approval .....	42

**ARTICLE 10**

**CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE**

10.1	Accuracy of Representations .....	43
10.2	Sale Order in Effect .....	43
10.3	Buyer’s Performance .....	43
10.4	No Order .....	43
10.5	Buyer’s Deliveries .....	43

**ARTICLE 11**

**TERMINATION**

11.1	Termination Events.....	43
11.2	Effect of Termination.....	45

**ARTICLE 12**

**NO SURVIVAL**

**ARTICLE 13**

**GENERAL PROVISIONS**

13.1	Confidentiality .....	46
13.2	Public Announcements .....	46
13.3	Notices .....	46
13.4	Waiver; Waiver of Damages.....	47
13.5	Entire Agreement; Amendment .....	48
13.6	Assignment .....	48
13.7	Severability .....	48
13.8	Expenses .....	49
13.9	Time of the Essence .....	49
13.10	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.....	49
13.11	Counterparts.....	49
13.12	Parties in Interest; No Third Party Beneficiaries .....	50
13.13	No Recourse.....	50
13.14	Specific Performance .....	50
13.15	Liquidating Trustee.....	51
13.16	Approval of the Bankruptcy Court .....	51

**SCHEDULES:**

Schedule 1.1	Seller's Knowledge Persons
Schedule 2.5	Cure Costs
Schedule 5.4	Permits
Schedule 5.7	Brokers or Finders
Schedule 5.8	Surety Bonds
Schedule 5.11	Outstanding Capital Commitments
Schedule 5.12	Imbalances
Schedule 5.13	Preference Rights
Schedule 5.16	Incidents of Non-Compliance and Suspensions
Schedule 5.18	Insurance
Schedule 5.20	P&A Obligations
Schedule 6.1	BOEM Qualification
Schedule 8.2	Allocated Values
Schedule 9.7	Required Consents

**EXHIBITS:**

Exhibit A	Assigned Leases and Interests
Exhibit B	Wells
Exhibit C	Assigned Contracts
Exhibit D-1	Form of County Assignment
Exhibit D-2	Form of DOI Assignment

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”), dated as of March 7, 2018 (the “Execution Date”), but effective for all purposes as of the Effective Time, is by and among Cobalt International Energy L.P., a Delaware limited partnership whose address is 920 Memorial City Way, Suite 100, Houston, Texas 77024 (“Seller”), and Navitas Petroleum US, LLC, a Texas limited liability company, whose address is 9950 Westpark Drive, Suite 500, Houston, Texas 77063 (“Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually as a “Party”.

### RECITALS

**WHEREAS**, Seller is the owner of record of certain interests in oil and gas leases, oil and gas wells, and other properties located in the Gulf of Mexico;

**WHEREAS**, on December 14, 2017, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

**WHEREAS**, Seller desires to sell to Buyer the Assets, and Buyer desires to purchase from Seller the Assets and assume the Assumed Liabilities, upon the terms and subject to the conditions hereinafter set forth;

**WHEREAS**, the Parties intend to effectuate the transactions contemplated by this Agreement pursuant to Sections 105, 363 and 365 of the United States Code; and

**WHEREAS**, Seller’s ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order by the Bankruptcy Court;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## ARTICLE 1

### DEFINITIONS

#### 1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.11.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“AFEs” has the meaning set forth in Section 5.11.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(iv).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignments” means, collectively, (i) the Assignment of Record Title Interest in Federal OCS Oil and Gas Lease (County/Parish) from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as **Exhibit D-1**, and (ii) the Assignment of Record Title Interest in Federal OCS Oil and Gas Lease (DOI) from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as **Exhibit D-2**.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled *In re Cobalt International Energy, Inc.*, et al, jointly administered under Case No. 17-36709, and pending before the Bankruptcy Court.

“Bankruptcy Code” means Title 11 of the United States Code, Sections 101 *et seq.*

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Beacon” has the meaning set forth in Section 13.6.

“Bid Deadline” has the meaning set forth in the Bidding Procedures Order.

“Bidding Procedures” means the bidding procedures attached as Schedule 1 to the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief.*

“Bidding Procedures Order” means the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief.*

“BOEM” means the Bureau of Ocean Management.

“BSEE” means the Bureau of Safety and Environmental Enforcement.

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Houston, Texas.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Termination Notice” has the meaning set forth in Section 11.1(b)(i).

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues). “Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Closing Payment” has the meaning set forth in Section 3.1(a)

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment Letters” has the meaning set forth in Section 7.6.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5.

“Defensible Title” means, with respect to an Asset, ownership by Seller in such Asset that:

(a) entitles Seller to receive not less than a 16.38% Net Revenue Interest of all Hydrocarbons produced, saved or marketed from each Well, all without reduction, suspension or termination of such interest throughout the productive life of such Well;

(b) obligates Seller to bear not greater than 20% of the costs and expenses relating to the maintenance, development and operation of each Well, all without increase throughout the productive life of such Well; and

(c) is free and clear of all Encumbrances and material defects in title.

“Deposit” has the meaning set forth in Section 3.2.

“Dispute Notice” has the meaning set forth in Section 8.11.

“DOI” means the United States Department of the Interior and its various U.S. government agencies responsible for management of energy resources on the Outer Continental Shelf, including the Bureau of Ocean Energy Management; Bureau of Safety and Environmental Enforcement and Office of Natural Resources Revenue, as applicable, and any of their predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service, and any successors agencies.

“Effective Time” means 12:00 a.m. on January 1, 2018.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest or other restriction or limitation of any kind.

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release, or threatened release of pollutants, contaminants, NORM, hydrocarbons (including petroleum and derivatives thereof), chemicals, or industrial, toxic or hazardous substances or waste (collectively, “Pollutants”) on or into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Pollutants, (b) health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Environmental Permits” means Governmental Authorizations required by or under, or issued pursuant to, applicable Environmental Laws.

“Equipment” has the meaning set forth in Section 2.1(b)(vi).

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller, insofar as they do not relate to the ownership or operation of the Assets, (b) Seller’s federal or state income, franchise or margin tax files and records, (c) employee files of Seller, (d) records relating to the sale of the Assets pursuant to the Bidding Procedures Order, including any



competing bids, (e) information subject to attorney-client privilege and (f) any other files or records to the extent relating exclusively to any Excluded Assets.

“Execution Date” has the meaning set forth in the introductory paragraph.

“Final Settlement Statement” has the meaning set forth in Section 8.11.

“Financing” has the meaning set forth in Section 7.6.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hazardous Substance” means any Pollutant and any other material or substance defined as a “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” or words of similar import in, or that is otherwise regulated under, any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, produced from and attributable to the Properties.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant, or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements, and imbalances under operating agreements.

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data.

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge of any of the individuals listed on Schedule 1.1 with respect to such matter, following reasonable inquiry and investigation, and (b) in the case of Buyer, the actual knowledge of any of the officers of Buyer, following reasonable inquiry and investigation.

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“LLOG Operator” means LLOG Exploration Offshore, L.L.C., a Louisiana limited liability company.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) has had, or is reasonably likely to have, a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it can be demonstrated to result in any substantial part from (i) the pendency of the Bankruptcy Case or the financial condition of Seller; (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (iii) changes in Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iv) acts of God, including hurricanes, storms and other natural disasters; or (v) any action expressly permitted by this Agreement or taken at the written request of Buyer; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or interest rates, exchange rates, commodity prices or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; and (e) any Order of the Bankruptcy Court or any actions of Seller pursuant thereto, except, in the case of clauses (a)(iii), (a)(iv), (b) and (c), to the extent disproportionately affecting the Assets relative to other assets in the industry in which Seller operates.

“Net Revenue Interest” means, for any Well, Seller’s share of the Hydrocarbons produced, saved and marketed therefrom (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, production payments or other similar burdens on or measured by production of Hydrocarbons).

“Non-Disclosure Agreement” has the meaning set forth in Section 13.1.

“NORM” means naturally occurring radioactive material.

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Outside Date” has the meaning set forth in Section 11.1(a)(iii).

“P&A Obligations” has the meaning set forth in Section 2.3(b).

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Party Affiliate” has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Paying Party” has the meaning set forth in Section 8.1(c).

“Permits” has the meaning set forth in Section 2.1(b)(vi).

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Potential Bidders” has the meaning set forth in Section 7.5.

“Preliminary Settlement Statement” has the meaning set forth in Section 8.10.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(viii).

“Reimbursing Party” has the meaning set forth in Section 8.1(c).

“Representative” means, with respect to a particular Person, any director, officer, member, manager, partner, employee, agent, consultant, advisor, investor, shareholder, contractor, subcontractor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Required Consents” has the meaning set forth in Section 9.7.

“Requisite Partnership Approval” means the approval of this Agreement and the transactions contemplated hereby by the holders of at least 75% of the voting power present at a General Assembly meeting of Navitas Petroleum, Limited Partnership.

“Sale Order” means an Order of the Bankruptcy Court in form and substance approved by Buyer (such approval not to be unreasonably withheld or conditioned so long as the Order is not inconsistent with, and does not limit the rights of Buyer under, this Agreement or the Bidding Procedures) authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests to Buyer, and the release of all liens, claims and interests against the Assets to the fullest extent permitted by Section 363(f) of the Bankruptcy Code.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Group” means Seller, its Affiliates and the former, current or future partners, co-owners, equity holders and Representatives of each of the foregoing.

“Seller Termination Notice” has the meaning set forth in Section 11.1(c)(i).

“Straddle Period” has the meaning set forth in Section 8.1(b).

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide written proposal or offer from a Person other than Buyer or its Representatives with respect to an acquisition, directly or indirectly, of the Assets that the board of directors of Seller has determined in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction that is more favorable, from a financial point of view, to Seller’s stakeholders than the transactions contemplated hereunder, taking into account all terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surety Bonds” has the meaning set forth in Section 5.8.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“Wells” has the meaning set forth in Section 2.1(b)(ii).

1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to “\$” or “dollars” means United States dollars.

(iii) Exhibits/Schedules. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) Including. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

## ARTICLE 2

### PURCHASE AND SALE

#### 2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller, the Assets.

(b) The “Assets” shall include all right, title and interest of Seller in, to or under the following, subject to the increase in ownership percentage following the Effective Date pursuant to Section 9.9:

(i) the Leases listed and described in Exhibit A, together with any and all other rights, titles, and interests of Seller in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to the terms, conditions, covenants, and obligations set forth in the Leases and/or Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Seller’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(ii) the oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Leases that are listed and described in Exhibit B (the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(iv) the Contracts listed and described in Exhibit C attached hereto (collectively, the “Assigned Contracts”);

(v) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements to the extent used in connection with the ownership or operation of the Properties, excluding any permits and other appurtenances constituting Excluded Assets (collectively, the “Permits”);

(vi) all equipment, machinery, fixtures, and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on or used in connection with the Properties or the other Assets described above as of the Effective Time (collectively, the “Equipment”);

(vii) all of the files, records, information, and data, whether written or electronically stored, in Seller’s possession to the extent relating to the Assets, including (a) land and title records (including surveys, maps, title opinions, abstracts of title and title curative documents), (b) contract files, (c) correspondence, (d) operations, environmental, production, and accounting records, (e) proprietary seismic and specific seismic lines and data trade agreements if requested by Buyer, in each case to the extent assignable by Seller without cost,



unless Buyer has agreed to and pays the cost, (f) facility and well records, and (g) reserve evaluation information and economic projections (collectively, the “Records”);

(viii) all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller to the extent related to the Assets (including any rights against former owners of working interests acquired by Seller) and arising or relating to events occurring from and after the Effective Time or related to the Assumed Liabilities;

(ix) all cash call pre-payments and other refunds due to Seller for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(x) all trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time;

(xi) all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of “royalty relief” or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of either Seller’s audit of royalties paid to any Governmental Authority as well as any security or other deposits made) attributable to the other Assets for any period from and after the Effective Time; and

(xii) any Intellectual Property or other rights of Seller with respect to the ownership or use of, or access to, either or both of the “20a technology” and/or “20ksi technology” (completions, BOP and marine riser, subsea equipment and intervention equipment) that are under development as of the Execution Date.

## 2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transactions contemplated hereby, the following (collectively, the “Excluded Assets”):

(a) the Closing Payment delivered to Seller pursuant to this Agreement;

(b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date;

(c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;

(d) all shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries;



(e) all minute books, stock ledgers, corporate seals and stock certificates of Seller;

(f) all Excluded Records;

(g) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Seller, attributable to any Tax asset of Seller, or to which Seller is otherwise entitled hereunder;

(h) subject to Section 8.7(b), all insurance policies and rights to proceeds thereof;

(i) all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, and pending applications therefor, to the extent exclusively related to any other Excluded Asset or the Excluded Liabilities;

(j) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(k) all claims, refunds, loss carry forwards, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller, other than those constituting Assets;

(l) all rights, claims or causes of action by or in the right of Seller against any current or former director or officer of Seller;

(m) the Avoidance Actions;

(n) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document;

(o) all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of "royalty relief" or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of either Seller's audit of royalties paid to any Governmental Authority as well as any security or other deposits made) attributable to the Assets for any period prior to the Effective Time or any Excluded Assets (if any);

(p) documents prepared or received by Seller with respect to (i) lists of prospective purchasers of the Assets, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Seller of any bids submitted by any prospective purchaser of the Assets, (iv) correspondence between or among Seller, its representatives, and any prospective purchaser of the Assets other than Buyer, (v) internal valuations or economic models with respect to the Assets and (vi) correspondence between Seller or any of its representatives with respect to any of the bids for the Assets, other prospective purchasers of the Assets, or the transactions contemplated in this Agreement;

(q) any offices, office leases or personal property which are not substantially related to any one or more of the Assets;

(r) all rights to the use of deposits and retainers to the extent held and applied by Seller's professionals on or before sixty (60) days after the earlier to occur of (i) the

effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(s) all Intellectual Property other than the Intellectual Property described in Section 2.1(b)(xii).

### 2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities (collectively, the "Assumed Liabilities"):

(a) Assigned Contracts. The payment and performance obligations of Seller under the Assigned Contracts that arise following the Effective Time, except to the extent any such obligations relate to a breach, or an event which with notice or lapse of time or both would constitute a breach, occurring before the Effective Time.

(b) P&A Obligations. All of Seller's plugging and abandonment obligations relating to the Assets, other than the plugging and abandonment obligations relating to the working interests acquired by Seller from Anadarko US Offshore LLC and ConocoPhillips Company (the "P&A Obligations").

(c) Cure Costs. All Cure Costs.

(d) Buyer Taxes. All Asset Taxes with respect to the Assets, except Asset Taxes that are the responsibility of the Seller pursuant to Section 8.1(b).

(e) Transfer Taxes. All Transfer Taxes.

(f) Environmental Liabilities. All Liabilities under Environmental Law arising from the Assets at or after the Closing Date.

The assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

### 2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller, other than the Assumed Liabilities (such Liabilities other than the Assumed Liabilities, collectively, the "Excluded Liabilities"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities of Seller, other than the Assumed Liabilities:

(a) all indebtedness for borrowed money of Seller;

(b) Tax liabilities of Seller other than Transfer Taxes and Asset Taxes that are the responsibility of Buyer pursuant to Section 8.1(b);

(c) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(d) any fines or penalties imposed or assessed relating to or arising out of the ownership or operation of the Assets prior to the Effective Time;

(e) all Liabilities for costs and expenses incurred by Seller or owed in connection with (i) the administration of the Bankruptcy Case (including trustee fees and fees and expenses of attorneys, accountants, financial advisors, consultants and other professionals), and (ii) the negotiation, execution and consummation of the transactions contemplated under this Agreement;

(f) all Liabilities relating to Seller's employees;

(g) all Liabilities under Environmental Law arising from the Assets prior to the Closing Date;

(h) the plugging and abandonment obligations relating to the working interests acquired by Seller from Anadarko US Offshore LLC and ConocoPhillips Company;

(i) all Liabilities covered by, or otherwise subject to, an insurance policy of Seller; and

(j) any claims to the extent related to the Excluded Assets.

#### 2.5 Cure Costs.

(a) On or prior to the Closing, Buyer shall pay, pursuant to Section 365 of the Bankruptcy Code and the Sale Order, any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts and Assigned Leases and Interests (the "Cure Costs"). Attached as Schedule 2.5 is a written schedule containing Seller's best estimate of the Cure Costs for each of the Assigned Contracts and the Assigned Leases and Interests. From the Execution Date through (and including) the Closing, promptly following any changes to the information set forth on Schedule 2.5, Seller shall provide Buyer with appropriate updates to Schedule 2.5.

(b) Buyer may, at any time and from time to time but not later than (i) one (1) day prior to the Auction, if any, or (ii) if there is no Auction, three (3) Business Days prior to the Closing, exclude any Lease on Exhibit A or any Contract on Exhibit C (other than the Joint Operating Agreement governing the Assets) and require Seller to give notice to the third parties to any Lease or Contract of either (i) Buyer's assumption and assignment thereof (and the amount of Cure Costs associated with such Lease or Contract to be paid by Buyer) or (ii) the rejection thereof. If any Lease or Contract is added to (or excluded from) Exhibit A or Exhibit C in accordance with the terms of this Agreement, then Buyer and Seller shall make appropriate additions, deletions or other changes to Schedule 2.5 reflect such addition or exclusion.

#### 2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents, Required Consents or approvals customarily obtained post-Closing) (a) has not been obtained, waived or satisfied, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, the Properties affected by such third party consent shall be held back from the Assets conveyed at Closing without reduction to the Base Purchase Price. Any Property so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such consent

has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Property pursuant to the terms of this Agreement. In the case of any Assets that are not conveyed at Closing in accordance with this Section 2.6, Seller shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such consent and, if any such consent is not obtained, Seller shall, following the Closing, subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits of the Property subject to such consent in some other manner (including the exercise of the rights of Seller thereunder); *provided* that nothing in this Section 2.6 shall (1) require Seller to make any expenditure or incur any obligation on its own or on behalf of Buyer for which funds in the full amount of such expenditure or obligation are not provided to Seller by Buyer in advance in cash or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing. Notwithstanding anything else contained in this Section 2.6, it is expressly understood and agreed between the Parties that nothing in this Section 2.6 shall limit or otherwise modify Section 9.7.

2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs in accordance with the Bankruptcy Case and the Sale Order following the Closing.

**ARTICLE 3**

**PURCHASE PRICE**

3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Assets shall consist of the following (collectively, the "Base Purchase Price"):

(a) cash in an amount equal to \$1,800,000.00 (the "Closing Payment");  
and

(b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Section 8.9 hereof (as adjusted, the "Purchase Price"). The Closing Payment shall be delivered by Buyer as set forth in Section 4.2.

3.2 Deposit.

Prior to the execution of this Agreement, Buyer has paid to Citibank, N.A. ("Escrow Agent"), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the amount of ONE HUNDRED AND EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00) (together with any interest earned thereon, the "Deposit"), such amount representing ten percent (10%) of the Closing Payment. If the Closing occurs, the Parties shall cause the Escrow Agent to release the Deposit to Seller at the Closing, and the

Deposit shall be credited against the Closing Payment. If this Agreement is properly terminated by Seller prior to Closing pursuant to Section 11.1(c)(i), then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty). If this Agreement is terminated prior to Closing other than by Seller pursuant to Section 11.1(c)(i), then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination.

## ARTICLE 4

### CLOSING

#### 4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the "Closing") shall take place remotely via the electronic exchange of documents and signatures on April 6, 2018 (the "Closing Date"); *provided* that all conditions to Closing in Article 9 and Article 10 have been satisfied or (if permissible) waived.

#### 4.2 Payment on the Closing Date.

Subject to satisfaction or (if permissible) waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) an amount equal to the Closing Payment *minus* the Deposit by wire transfer of immediately available funds to an account specified in writing by Seller prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

#### 4.3 Buyer's Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

- (a) the Closing Payment in accordance with Section 4.2;
- (b) a copy of Buyer's certificate of formation, certified as of a recent date by the Secretary of State of the State of Texas;
- (c) the appropriate DOI forms (including without limitation, as applicable, Form BOEM-1017, Form BOEM-1019 and Form BOEM-1022) to reflect the operator of the Assets or other applicable party as the designated applicant for oil spill financial responsibility purposes for the Leases (or portions thereof) and shall deliver to Seller such other evidence that Buyer is qualified with the applicable Governmental Authorities to succeed Seller as the designated applicant of the Assets for oil spill financial responsibility purposes;
- (d) transfers and assignments, on appropriate forms (including Form BOEM-0150 and corresponding designation of operator form (Form BOEM-1123)) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement;
- (e) all instruments necessary to assume the Assigned Contracts;
- (f) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to (i) there having been no

amendments to the certificate of formation of Buyer since the date of the certified certificate of formation delivered pursuant to Section 4.3(b); (ii) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) incumbency and signatures of the officers of Buyer executing the Transaction Documents;

(g) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the Assignments, letters-in-lieu of transfer orders, change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of the Assets and the P&A Obligations;

(h) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by Buyer;

(j) subject to Section 7.8, evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Seller may reasonably request demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner of the Assets;

(k) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Seller, as Seller may reasonably request to transfer and assign the Assumed Liabilities to Buyer.

#### 4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) the Assignments and each other Transaction Document to which Seller is a party (including letters-in-lieu of transfer orders and change of operator forms), duly executed (and acknowledged, where applicable) by Seller;

(b) a certified copy of the Sale Order and, if requested by Buyer, releases of any Encumbrances, in form and substance reasonably acceptable to Buyer, by the secured creditors of Seller;

(c) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(d) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a "foreign person" as defined therein;

(e) a counterpart of the Preliminary Settlement Statement executed by Seller;

(f) transfers and assignments, on appropriate forms (including Form BOEM-0150, and corresponding designation of operator form (Form BOEM-1123)) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement; and



(g) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller in, to or under any or all the Assets.

## ARTICLE 5

### REPRESENTATIONS AND WARRANTIES OF SELLER

Except as disclosed in the Schedules delivered by Seller to Buyer on the date hereof, Seller represents and warrants the following to Buyer:

#### 5.1 Organization and Good Standing.

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite corporate power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, have a Material Adverse Effect.

#### 5.2 Authority; Validity; Governmental Authority Consents.

Seller has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein have been duly and validly authorized by all requisite corporate action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, or when executed will constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Except for (a) entry of the Sale Order, and (b) notices, filings and consents required by the Bankruptcy Court, Seller is not required to give any notice to, make any filing with or obtain any consent from any Governmental Authority in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby and thereby.

#### 5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions



provided for herein and therein will not result in the creation of any material Encumbrance upon any of the Assets or a material breach of any of the terms and provisions of, or constitute a material default under, or materially conflict with, cause any right of termination, cancellation or acceleration of any obligation of Seller under, (a) any of the Assigned Contracts or Assigned Leases and Interests, (b) the certificate of incorporation, bylaws or other governing documents of Seller, (c) any Order or (d) any Legal Requirement.

5.4 Permits.

Set forth on Schedule 5.4 is a true, correct and complete list of all material Permits. Each Permit is in full force and effect and no condition exists that with notice or lapse of time, or both, would constitute a material default under any of the Permits.

5.5 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Closing Date.

5.6 Legal Proceedings.

Except for the Bankruptcy Case and any adversary proceedings or contested motions commenced in connection therewith, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller that (a) seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or (b) otherwise relates to the Assets.

5.7 Brokers or Finders.

Except as set forth on Schedule 5.7 (for which fee Buyer will not become liable), Seller has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

5.8 Surety Bonds.

Set forth on Schedule 5.8 is a true and complete list of all of the bonds, letters of credit guarantees and other financial assurance posted or provided by Seller or its Affiliates with Governmental Authorities or other third parties and relating to the Assets (collectively, the "Surety Bonds").

5.9 Title.

There is no Encumbrance, encroachment, irregularity, defect in or objection to Seller's ownership of any Asset that causes Seller, or would cause Buyer following the Closing to, not to have Defensible Title to such Asset.

5.10 Assigned Contracts and Assigned Leases and Interests.

Each of the Assigned Contracts and Assigned Leases and Interests is valid, binding and in full force and effect, enforceable by Seller in accordance with its terms, and there has not been any cancellation or, to Seller's Knowledge, threatened cancellation thereof, nor any pending or, to Seller's Knowledge, threatened disputes thereunder. Seller is not (with or without the lapse of time or the giving of notice, or both) in material breach or default under any of the

Assigned Contracts or Assigned Leases and Interests, except for breaches or defaults (a) that will be remedied solely by the payment of Cure Costs, or (b) caused solely by the filing of the Bankruptcy Case, and to Seller's Knowledge, no other party to any of the Assigned Contracts and Assigned Leases and Interests is (with or without the lapse of time or the giving of notice, or both) in material breach or default thereunder. Seller has provided Buyer with true and complete copies of each of the Assigned Contracts and Assigned Leases and Interests (including all amendments thereto).

5.11 Outstanding Capital Commitments.

Except as set forth on Schedule 5.11, there are no outstanding Authorizations for Expenditure ("AFEs") or other commitments to make capital expenditures which are binding on the Assets.

5.12 Imbalances.

Schedule 5.12 accurately sets forth in all material respects all of Seller's Imbalances as of the respective dates set forth therein, arising with respect to the Assets and, except as disclosed in Schedule 5.12, (a) no Person is entitled to receive any material portion of the Hydrocarbons produced from the Assets or to receive material cash or other payments to "balance" any disproportionate allocation of Hydrocarbons produced from the Assets under any operating agreement, gas balancing or storage agreement, gas processing or dehydration agreement, gas transportation agreement, gas purchase agreement, or other agreement, whether similar or dissimilar, and (b) Seller is not obligated to deliver any material quantities of gas or to pay any material penalties or other material amounts, in connection with the violation of any of the terms of any gas contract or other agreement with shippers with respect to the Assets.

5.13 Preference Rights.

Except as set forth on Schedule 5.13, none of the Assets, or any portion thereof, is subject to any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with (a) the sale, assignment or other transfer of any Asset or any interest therein or portion thereof or (b) the execution or delivery of this Agreement or the consummation or performance of the terms and conditions contemplated by this Agreement.

5.14 Environmental Matters.

Seller holds all Environmental Permits that are required in connection with the ownership and operation of the Assets and all applications for renewal of such Environmental Permits have been filed on a timely basis with the appropriate Governmental Authorities. Seller is in compliance, in all material respects, with all Environmental Laws and Environmental Permits. There is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller by any Governmental Authority or other Person under any Environmental Laws or Environmental Permits. Seller has not received any notice of any discharge or disposal of Hazardous Substances in connection with the ownership or operation of the Assets that would reasonably be expected to result in a violation of, or Liabilities under, any Environmental Laws or Environmental Permits.

5.15 Compliance with Laws.

Seller has complied and is in compliance, in each case in all material respects, with all applicable Legal Requirements with respect to the ownership or operation of any Assets of which Seller is the operator.

5.16 Incidents of Non-Compliance and Suspensions.

Except as set forth on Schedule 5.16, there are no outstanding suspensions of operations or suspensions of production pertaining to the Assets that are awaiting approval to action to remove any such suspension by a Governmental Authority, and there are no outstanding unresolved Incidents of Noncompliance issued by any Governmental Authority with respect to any Asset.

5.17 Casualty.

There has been no condemnation, seizure, damage, destruction or other Casualty Loss (whether or not covered by insurance) affecting any of the Assets which has not subsequently been repaired, replaced or restored to such Assets' condition prior to such event.

5.18 Insurance.

Schedule 5.18 sets forth all insurance policies and insurance contracts of Seller relating to insurance coverage of the Assets. All premiums due under such insurance policies and contracts have been paid, all such insurance policies and contracts are in full force and effect, no notice of cancellation or nonrenewal of any such insurance policy or contract has been received by Seller and no notice of disallowance of any claim under any such insurance policy or contract, whether or not currently in effect, has been received by Seller or any of its Affiliates. There is no claim pending under any insurance policy or contract of Seller relating to the Assets and there are no insured losses relating to the Assets for which claims have not been made.

5.19 Non-Consent Operations.

There are no operations or proposed operations with respect to the Assets as to which Seller has become a non-consenting party under the terms of the applicable operating agreement.

5.20 P&A Obligations.

All P&A Obligations are set forth on Schedule 5.20.

5.21 Revenues and Expenses.

Between the Effective Time and the Execution Date, (a) the amount of proceeds realized by Seller from the sale of Hydrocarbons produced from the Properties, and (b) all expenditures (including any pre-paid charges) paid in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) by or on behalf of Seller, including whether any such expenditures are subject to reimbursement to Seller pursuant to a joint interest billing, in each case have been consistent with the six month period prior to the Effective Time.

## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES OF BUYER

Except as disclosed in the Schedules delivered by Buyer to Seller on the date hereof, Buyer represents and warrants to Seller as follows:

6.1 Organization; Good Standing; Evidence of BOEM Qualification.

Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Buyer is qualified with the BOEM to hold oil and gas leases, rights-of-way, and right-of-use easements on the U.S. Outer Continental Shelf under 30 CFR 550 and 30 CFR 556.35, and evidence of Buyer's BOEM qualification is set forth on Schedule 6.1.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite limited liability company or corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Except for (a) entry of the Sale Order, and (b) notices, filings and consents required by the Bankruptcy Court, Buyer is not required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby, except for such notices, filings, consents and approvals, the failure of which to provide, make or obtain, would not, individually or in the aggregate, affect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the transactions contemplated hereby or thereby.

6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in a material breach of any of the terms and provisions of, or constitute a material default under, or materially conflict with, or cause any acceleration of any obligation of Buyer under (a) the certificate of formation of Buyer, (b) any Order or (c) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds to pay the Closing Payment and all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents. Buyer's ability to consummate the transactions contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

There are no Proceedings or Orders pending or, to the Knowledge of Buyer, threatened against Buyer, that seek to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the transactions contemplated by this Agreement.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, and has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this Agreement. In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

**ARTICLE 7**

**ACTIONS PRIOR TO THE CLOSING DATE**

7.1 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (w) as expressly contemplated by this Agreement, (x) with the prior written consent of Buyer, (y) as otherwise required by Legal Requirements, and (z) as ordered by the Bankruptcy Court or limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors:

(a) Seller shall, between the Execution Date and the Closing Date:

(i) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause such Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice; and

(iii) comply in all material respects with all applicable Legal Requirements, including Environmental Laws.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) commence, propose, or agree to participate in any single operation or series of related operations with respect to the Wells or Assigned Leases and Interests with an anticipated cost in excess of One Hundred Thousand Dollars (\$100,000) net to the interest of Seller, except for emergency operations taken in the face of risk to life, injury, property or the environment, or operations required by any Governmental Authority (including with respect to the P&A Obligations);

(iii) terminate, cancel, or materially amend or modify any Assigned Contract, Assigned Lease and Interest or Permit;

(iv) sell, lease, encumber, or otherwise dispose of all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business consistent with past practice;

(v) incur, or vote to approve, any expenditures (including any pre-paid charges) in connection with the ownership, operation and maintenance of the Properties that are inconsistent with Section 7.1(b)(ii) above; or

(vi) enter into any agreement or commitment to take any action prohibited by this Section 7.1(b).

## 7.2 Reasonable Best Efforts.

(a) Each of Seller, on the one hand, and Buyer, on the other hand, shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby on the Closing Date, including using reasonable best efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied, (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority, (iii) the obtaining of all necessary consents to or waivers of, and the provision of all required notices under, the Assigned Contracts and the Assigned Leases and



Interests, in connection with the consummation of the transactions contemplated hereby, and (iv) the execution or delivery of any additional instruments necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Property operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Property a copy of the recorded Assignment(s) evidencing the conveyance of Seller's interest in such Property to Buyer, as well as any other documentation reasonably requested by such operator and reasonably available to Buyer to evidence such conveyance.

(b) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of the Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its respective Affiliates and Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with its preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

### 7.3 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval. Seller and Buyer acknowledge that to obtain such approval, Seller must demonstrate that it has taken reasonable steps to obtain the highest and otherwise best offer possible for the Assets, and that such demonstration shall include giving notice of the transactions contemplated by this Agreement to creditors and other interested parties as ordered by the Bankruptcy Court, and, if necessary, conducting the Auction.

(b) In the event an appeal is taken or a stay pending appeal is requested, from either the Bidding Procedures Order or the Sale Order, Seller shall promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such Orders.



(c) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.4 Updates and Amendments of Exhibits.

Subject to Section 2.5, until the Auction (if any), to the extent (a) specified by Buyer or (b) otherwise mutually agreed upon between the Parties, the Parties shall amend, modify and/or supplement Exhibit A and Exhibit C; *provided that* Exhibit C shall in all cases include the Joint Operating Agreement governing the Assets.

7.5 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from third parties (the "Potential Bidders") for the Assets in connection with any alternative transaction in accordance with the terms of the Bidding Procedures Order.

7.6 Commitment Letters.

Prior to the execution of this Agreement, Buyer has delivered to Seller true and complete, fully-executed copies of the or equity commitment letters by and among Buyer and Navitas Petroleum Holdings, LLC and including all exhibits, schedules, annexes and amendments (provided that any fees or fee letters may be redacted) to such agreements in effect as of such date of delivery (the "Commitment Letters"), pursuant to which and subject to the terms and conditions thereof each of the parties thereto (other than Buyer), has agreed and committed to provide to Buyer the equity set forth therein ("Financing"). As of the Closing Date, the Commitment Letters shall have not been amended, restated or otherwise modified or waived in any material respect subsequent to the date of delivery to Seller and the respective commitments contained in the Commitment Letters shall have not been withdrawn, modified or rescinded in any material respect. There shall be no conditions precedent to the funding of the full amount of the Financing, other than as expressly set forth in the Commitment Letters. There shall be no other agreements, side letters or arrangements that would permit the parties to the Commitment Letters to reduce the amount of the Financing or that would otherwise affect the availability of the Financing. The Commitment Letters provide Buyer with binding financial commitments that, when funded at Closing, will provide it with sufficient funds to pay the Purchase Price and to pay any other amounts required to be paid by it in connection with the consummation of the transactions contemplated by this Agreement. On or before the Closing Date, Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and obtain the Financing on the terms and conditions described in the Commitment Letter. Buyer acknowledges and agrees that the consummation of, and receipt of proceeds from, any Financing is not a condition to Buyer's obligations hereunder.

7.7 Access.

(a) On or before five (5) Business Days prior to the Auction (if any), Buyer shall have delivered to Seller true and complete, fully-executed copies of (i) Buyer's certificate of formation, and (ii) any agreements with a third Person relating to, directly or indirectly, the Auction and/or Buyer's (or Buyer's Representatives') participation therein. All such information obtained or reviewed by Seller shall be maintained confidential by Seller and shall be governed by the terms of the Non-Disclosure Agreement.

(b) Between the Execution Date and the Closing Date or the earlier termination of this Agreement in accordance with its terms, Buyer shall be entitled, through its officers, employees and other Representatives, to make such investigation of the Assets and such examination of the books and records of Seller relating to the Assets as it reasonably requests and to make copies of such books and records at Buyer's sole expense. Any such investigation and examination shall be conducted during regular business hours and Seller shall reasonably cooperate therein. No investigation by Buyer prior to or after the Execution Date shall diminish or obviate any of the representations, warranties, covenants or agreements of Seller contained in this Agreement.

7.8 Surety Bonds.

Buyer acknowledges that none of the Surety Bonds will be transferred to Buyer. On or before the Closing Date, or, with respect to those Surety Bonds that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, Buyer shall use its reasonable best efforts to obtain, or cause to be obtained in the name of Buyer, replacements for such Surety Bonds (in each case, as may be required by applicable laws) to the extent such replacements are necessary for Buyer's ownership of the Assets; *provided* that in no event shall Buyer be required to obtain any replacement for a Surety Bond (including by providing any financial assurance) in an amount that exceeds the applicable Surety Bond posted by Seller and/or its Affiliates. In addition, at or prior to Closing, or, with respect to those Surety Bonds that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, Buyer shall deliver to Seller evidence of the replacements of Surety Bonds described in this Section 7.8.

7.9 Employees.

Before the Closing Date, Seller shall advise all of Seller's employees (including those employees of Seller who are on the active payroll, as well as those employees who are on lay-off status or approved leaves of absence) of the sale of the Assets contemplated hereunder, and shall make available for hire by Buyer all of Seller's employees. Buyer may, at its sole discretion, elect to offer employment to some, all or none of Seller's employees, and Seller's employees may, at each such employee's sole discretion, elect to accept any such offer of employment by Buyer. Seller shall reasonably assist Buyer in communicating with Seller's employees for the purpose of determining whether or not to hire any such employee.

## ARTICLE 8

### ADDITIONAL AGREEMENTS

#### 8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement ("Transfer Taxes") shall be borne by Buyer. Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall retain responsibility for, and shall bear and pay, all ad valorem, property, excise, severance, production or similar Taxes based upon operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) (collectively, the "Asset Taxes") assessed with respect to the Assets for (i) any period ending on or prior to the Effective Time and (ii) the portion of any Straddle Period ending on or prior to the Effective Time; *provided, however*, Seller shall not be obligated to pay any such Tax that is disputed in good faith by Seller for which adequate reserves have been recorded in Seller's books and records; and *provided, further*, that Seller shall place any such disputed amount into escrow pending resolution of such dispute, and if such dispute is not resolved within one (1) year of the Closing Date, such funds shall be made available for the settlement of any such dispute. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Time ("Straddle Periods"), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Time shall (1) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Effective Time or, in the case of an Asset Tax imposed on a transaction basis, whether the relevant transaction closed on or prior to the Effective Time (which shall be Seller's responsibility) and from and after the Effective Time (which shall be Buyer's responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Time (which shall be Seller's responsibility) and the period after the Effective Time (which shall be Buyer's responsibility). For purposes of clause (1) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Effective Time and the period beginning at the Effective Time. At the Closing, Asset Taxes with respect to each Asset for the applicable Straddle Period shall be prorated in accordance with the foregoing provisions based on the Asset Tax assessment for such Asset for such Straddle Period, if available, or if otherwise, based on the Asset Taxes paid with respect to such Asset during the preceding Tax period. With respect to any not yet delinquent Asset Taxes relating to a Tax year ending after the Effective Time, Buyer will assume responsibility for the actual payment of all such Asset Taxes to the applicable Governmental Authority. With respect to any Asset Taxes relating to a Straddle Period or Pre-Effective Time Tax Period that are delinquent as of the Effective Time, the amount of which is known and not subject to dispute, Seller shall pay the

delinquent amount of such Asset Taxes directly to the applicable Governmental Authority at the Closing.

(c) Seller, on the one hand, or Buyer, on the other hand, as the case may be (the “Reimbursing Party”), shall provide reimbursement for any Tax paid by the other Party (the “Paying Party”), all or a portion of which is the responsibility of the Reimbursing Party, or which represents an overpayment for Taxes by the Paying Party, in accordance with the terms of this Section 8.1 (which such reimbursement may apply as a Purchase Price adjustment pursuant to Section 8.9(a)(ii) or Section 8.9(b)(ii), as applicable). Within a reasonable time prior to the payment of any such Tax, the Paying Party shall give notice to the Reimbursing Party of the Tax payable and the Paying Party’s and Reimbursing Party’s respective Liability therefor, although failure to do so will not relieve the Reimbursing Party from its Liability hereunder except to the extent the Reimbursing Party is prejudiced thereby. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.1(c) shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(d) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(d) shall be borne by the Party requesting it.

## 8.2 Allocation of Purchase Price.

The Purchase Price (and all other capitalized costs) shall be allocated among the Assets as set forth on Schedule 8.2 only to the extent necessary to allocate the Purchase Price among the asset classes listed on Internal Revenue Service Form 8594, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the “Allocated Value” of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the “Tax Allocation”. Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Code §1060) as promptly as possible following the Closing Date and in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position for US federal state and local income tax purposes inconsistent therewith upon

examination of any Tax return, in any refund claim, in any tax litigation, or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party's prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation; and *provided, further*, that the general allocation of value described in this Section 8.2 shall not be indicative or binding for any allocation of value in any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

### 8.3 Bulk Sales.

Buyer and Seller hereby waive compliance with all "bulk sales," "bulk transfer" and similar laws that may otherwise be applicable with respect to the sale and transfer of any or all of the Assets to Buyer.

### 8.4 Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.

With respect to each Assigned Contract and Assigned Lease and Interest, upon the request of Seller, Buyer will provide reasonable "adequate assurance" as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract or Assigned Lease and Interest; *provided* that no such assurance shall require any cash expenditure by Buyer or the posting of any security by Buyer other than as required by Section 7.8. Subject to the immediately preceding sentence, Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts and the Assigned Leases and Interests, such as furnishing timely requested and factually accurate affidavits and other documents or information for filing with the Bankruptcy Court and making Buyer's and Seller's employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.2 or this Section 8.40) to provide any assistance with respect to the preparation of any financial information relating to Buyer and its Affiliates.

### 8.5 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim), Buyer shall (a) not dispose of or destroy any of the Records and (b) allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller or trustees of Seller's estate) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller's sole expense and upon reasonable advance notice, to all such Records for purposes relating to the Bankruptcy Case, the wind-down of the operations of Seller, or the functions of any such trusts or successors, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives,



accountants and auditors shall have the right to make copies of any such files, books, records and other materials at Seller's (or such other requesting Person's) sole expense. Unless and until Seller's estate is liquidated and wound up, Seller shall preserve and keep the Excluded Records and, at Buyer's sole expense, shall make such Excluded Records and Seller's personnel available to Buyer as may be reasonably requested by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any records described in this Section 8.5 during or after the time during which they must be maintained pursuant to this Section 8.5, such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at its option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such records, to take possession of such records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

8.6 No Other Representations or Warranties; Disclaimers; NORM.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE TO BUYER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THE TRANSACTION DOCUMENTS, SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE TRANSACTION DOCUMENTS, THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (B) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (C) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, AND (D) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH**

RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING).

(b) **WAIVER OF CONSUMER AND OTHER RIGHTS: BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 ET SEQ., VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.**

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets).

(d) **BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY SELLER OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.**

#### 8.7 Casualty.

(a) Subject to Section 9.6, if, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes



are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed One Hundred Thousand Dollars (\$100,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.7(b), Seller shall at the Closing pay to Buyer all sums paid to Seller (or any trust established under a chapter 11 plan of Seller or any other successors of Seller or trustees of Seller's estate) by reason of such loss, damage, destruction or taking, less any reasonable out-of-pocket costs and expenses incurred by Seller in collecting such proceeds. In addition, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds arising out of any loss, damage, destruction or taking of any Assets, less any reasonable out-of-pocket costs and expenses incurred by Seller in collecting such proceeds. Any funds that have been committed by Seller for repair, restoration or replacement in accordance with this Section 8.7(b) shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer.

(c) Notwithstanding anything to the contrary in this Agreement, but subject to Section 9.6, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller (or any trust established under a chapter 11 plan of Seller or any other successors of Seller or trustees of Seller's estate) in respect thereof or other sums paid to Seller (or any such trust or other successor) by third parties (or an assignment of claims related thereto), which proceeds or other sums shall be payable to Buyer only upon or after the Closing of the transaction contemplated hereby. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE OF SELLER OR ANY MEMBER OF THE SELLER GROUP.**

#### 8.8 Successor Operator.

With respect to the Leases (or portions thereof) that are operated by Seller as of the Effective Time, (a) Buyer agrees that Seller will continue to operate such Assets until the DOI has approved LLOG Operator as the operator thereof (except to the extent applicable Legal Requirements require otherwise), whereupon operations will be turned over to LLOG Operator as the successor operator, (b) for all such periods after the Closing until operations are turned over to LLOG Operator, Seller shall be entitled to be paid by Buyer on the same basis as the Operator under the Joint Operating Agreement governing the Assets is entitled to be paid from the non-operators thereunder; and (c) Seller will cooperate with Buyer and LLOG Operator in Buyer's attempt to designate LLOG Operator as successor operator with respect to all such Assets.

8.9 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) the aggregate amount of all expenditures paid in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Time and prior to the Closing (including any pre-paid charges); and (ii) any other amount agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from the sale of Hydrocarbons, produced from and after the Effective Time, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons paid directly by Seller) actually received by Seller; (ii) the aggregate amount of all expenditures paid (if any) in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Time (including any Cure Costs which relate to such period); (iii) an amount per month (or prorated portion thereof) for the period from the Effective Time to the Closing Date, equal to the overhead charges and rates that Seller would be entitled to receive in its capacity as "Operator" under any operating agreement or accounting procedure with respect to Seller's operated Properties if Seller's interest in such Properties were owned by a Third Party rather than Seller; and (iv) any other amount agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Time multiplied by the market price at the location of the Wells per Mcf of gas and per barrel of oil for such Well as of the Effective Time (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or the Assets for Seller's ownership prior to the Effective Time multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

8.10 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a statement showing its computations, calculated in good faith, of the amount of the adjustments provided for in Section 8.9 above (as the same may be amended by mutual agreement of the Parties prior to Closing, the "Preliminary Settlement Statement"). Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, the Preliminary Settlement Statement delivered by Seller pursuant to this Section 8.10 shall be used at Closing, subject to further adjustment following the Closing under Section 8.11 below. If the amount of adjustments so determined which would result in a credit to Buyer exceed the amount of adjustments so determined which would result in a credit to Seller, the Base Purchase Price shall be reduced at Closing for the amount of such excess, and if the

converse is true, then the Base Purchase Price shall be increased at Closing by the amount of such excess.

#### 8.11 Adjustment Post Closing.

Within sixty (60) days after Closing, Buyer shall prepare and deliver to Seller a statement showing its computations, calculated in good faith, of the amount of the adjustments provided for in Section 8.9 above (as the same may be amended by mutual agreement of the Parties or otherwise pursuant to this Section 8.11, the “Final Settlement Statement”). Seller shall within ten (10) Business Days after receipt of the Final Accounting Statement deliver to Buyer a written report (together with reasonable supporting documentation) containing any changes that Seller proposes be made to the Final Settlement Statement (the “Dispute Notice”). If Buyer and Seller are unable to resolve the matters addressed in a Dispute Notice within ten (10) Business Days after delivery thereof, either Party may submit the disputed items to Pricewaterhouse Coopers LLP or if Pricewaterhouse Coopers LLP is unable or unwilling to perform, another nationally or regionally recognized, independent accounting firm mutually agreed upon by the Parties in writing (the “Accounting Referee”); *provided, however*, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years prior to the Execution Date. If the Parties are unable to agree upon the designation of a Person or entity as substitute Accounting Referee, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court to appoint a substitute Accounting Referee; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Any unresolved matters described in this Section 8.11 that are not submitted to the Accounting Referee within such thirty (30) day period shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. The Accounting Referee’s costs, fees and expenses (including attorneys’ fees) shall be borne by Buyer, on the one hand, and Seller, on the other hand, based upon the percentage which the portion of the contested amount not awarded to each Party bears to the amount actually contested by such Party. The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the “Final Settlement Statement”), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee’s decision). During the period between Closing and the point in time when the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.9 above, and (ii) deliver any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party, and such payments and deliveries shall be considered in

determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

## ARTICLE 9

### **CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE**

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

#### 9.1 Accuracy of Representations.

(a) The representations and warranties of Seller set forth in this Agreement (other than Section 5.9) shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects), and (b) the representations and warranties of Seller set forth in Section 5.9 shall be true and correct in all respects (except in the case of this clause (b) for any *de minimis* inaccuracies), in the case of each of clauses (a) and (b) as of the date of this Agreement and on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date). Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

#### 9.4 Seller's Deliveries.

Each of the deliveries required to be made to Buyer pursuant to Section 4.4 shall have been so delivered.

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not be subject to a stay pending appeal.

9.6 No Material Adverse Effect.

There shall not have occurred a Material Adverse Effect.

9.7 Consents.

The third-party consents set forth on Schedule 9.7 (the “Required Consents”) shall have been obtained.

9.8 Evidence of BOEM Assignment and DOO Approval.

The BOEM shall have approved (a) certain record title assignments to Seller, resulting in Seller’s total record title interest in the Assets to be no less than 54.05%, and (b) Seller as the designated operator of the Assets.

9.9 Update to Exhibit A and Defensible Title.

(a) Exhibit A shall have been amended in accordance with the terms hereof to reflect not less than a 54.05% working interest, and (b) this Agreement shall have been amended in accordance with the terms hereof as follows: (i) clause (a) of the definition of “Defensible Title” shall be updated to reflect not less than a 44.27% Net Revenue Interest (based on the Blended Government Royalty Rate previously furnished to Buyer) and (ii) clause (b) of the definition of “Defensible Title” shall be updated to reflect not less than 54.05% of the applicable costs and expenses.

9.10 Anadarko and ConocoPhillips Plugging and Abandonment Obligations.

Evidence satisfactory to Buyer and LLOG Operator that Anadarko US Offshore LLC and ConocoPhillips Company have contractually retained their respective plugging and abandonment obligations relating to the working interests acquired by Seller from such Persons (and adequate assurance that such obligations will be satisfied).

9.11 LLOG Operator.

Seller shall have resigned as operator of the Assigned Leases and Interests and LLOG Operator shall have been designated as the replacement operator of the Assigned Leases and Interests.

9.12 Partnership Approval.

The Requisite Partnership Approval shall have been obtained and shall remain in full force and effect without any modification or waiver thereto.

9.13 BSEE SOP Approval.

BSEE shall have approved a Request for Suspension of Production through July 1, 2024 filed by Seller for the Assigned Leases and Interests in form and substance acceptable to Buyer and LLOG Operator.

## ARTICLE 10

### CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

#### 10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

#### 10.2 Sale Order in Effect.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not be subject to a stay pending appeal.

#### 10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

#### 10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and which has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

#### 10.5 Buyer's Deliveries.

Each of the deliveries required to be made to Seller pursuant to Section 4.3 shall have been so delivered.

## ARTICLE 11

### TERMINATION

#### 11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

- (a) by either Seller or Buyer:



(i) if a Governmental Authority issues a final ruling or Order prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by the terminating Party;

(ii) by mutual written consent of Seller and Buyer;

(iii) if the Closing has not occurred by the close of business on April 6, 2018 (the “Outside Date”); *provided, however*, that (1) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 11.1(a)(iii) and Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 11.1(a)(iii) and Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller; if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case, where such Order was not requested, encouraged or supported by Seller; or

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller’s agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) and the failure of Seller to cure such breach within ten (10) days after receipt of the Buyer Termination Notice; *provided, however*, that Buyer (A) notifies Seller in writing (the “Buyer Termination Notice”) of its intention to exercise its rights under this Section 11.1(b)(i) as a result of the breach, and (B) Buyer specifies in the Buyer Termination Notice the representation, warranty, covenant or agreement contained herein of which Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation; or

(ii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction; *provided* that Buyer shall not be permitted to terminate this Agreement pursuant to this Section 11.1(b)(ii) until after the fifteenth (15th) day following entry by the Bankruptcy Court of an Order authorizing and approving a competing transaction with the Successful Bidder at the Auction (and, notwithstanding Buyer’s not having been the Successful Bidder or the Backup Bidder at the Auction, until such time (if any) as Buyer terminates this Agreement pursuant to this Section 11.1(b)(ii), the obligations of Buyer to consummate the transactions contemplated by this Agreement shall remain unaffected by Buyer’s right to terminate this Agreement pursuant to this Section 11.1(b)(ii)).

(c) by Seller:



(i) in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) and the failure of Buyer to cure such breach within ten (10) days after receipt of the Seller Termination Notice; *provided, however*, that Seller (A) notifies Buyer in writing (the "Seller Termination Notice") of its intention to exercise its rights under this Section 11.1(c)(i) as a result of the breach, and (B) specifies in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein of which Buyer is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) in the event Seller enters into a definitive agreement regarding a Superior Proposal; *provided* that the board of directors of Seller has first determined in good faith after consultation with its outside financial advisors and outside legal counsel, and based on the advice of such counsel, that proceeding with the transactions contemplated by this Agreement would be inconsistent with its applicable fiduciary duties; or

(iii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction.

#### 11.2 Effect of Termination.

In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party; *provided, however*, that nothing herein shall relieve any Party from liability for breach of this Agreement prior to such termination. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of either such provision, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

### ARTICLE 12

#### NO SURVIVAL

The representations and warranties of each Party contained herein and in any certificate or other Transaction Document delivered pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each Party's covenants and other agreements contained in this Agreement shall survive until the earlier of (a) performance of such covenant or agreement in accordance with this Agreement or, (b)(i) if time for performance of such covenant or agreement is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such covenant or agreement is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such covenant or agreement; *provided* that if a written notice of any claim with respect to any covenant or agreement is given prior to the expiration thereof then such covenant or agreement shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

## ARTICLE 13

### GENERAL PROVISIONS

#### 13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the confidentiality agreement entered into by them, dated April 9, 2017 (the “Non-Disclosure Agreement”), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreement.

#### 13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transactions contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transactions contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party’s (including such Party’s parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party, but only to the extent the name of the other Party is omitted from such statement, declaration or announcement if permitted by the applicable requirements.

#### 13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received or rejected by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties):

- (i) If to Seller, then to:

Cobalt International Energy, L.P.  
Cobalt Center  
920 Memorial City Way  
Suite 100  
Houston, Texas 77024  
Fax: 713-579-9104  
Attention: Rich Smith

Email: Rich.Smith@cobaltintl.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, Illinois 60654  
Attn: Chad Husnick, P.C.; Brad Weiland  
Phone: (312) 862-7182  
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP  
609 Main Street, 45th Floor  
Houston, Texas 77002  
Attn: Anthony Speier, P.C.; Rahul Vashi  
Phone: (713) 836-3639  
E-mail: rahul.vashi@kirkland.com

(ii) If to Buyer:

Navitas Petroleum US, LLC  
9950 Westpark Drive  
Suite 500  
Houston, Texas 77063  
Attn: Amit Kornhauser; Jonathan Sternberg  
Phone: +972-9-7883680  
E-mail: [amit@navitaspet.com](mailto:amit@navitaspet.com);  
[Jonathan@navitaspet.com](mailto:Jonathan@navitaspet.com)

with a copy (which shall not constitute notice) to:

Jones Walker LLP  
201 St. Charles Avenue, Suite 5100  
New Orleans, Louisiana 70170  
Attn: Rudolph R. Ramelli; Curtis R. Hearn  
Phone: (504) 582-8206  
E-mail: rramelli@joneswalker.com;  
chearn@joneswalker.com

#### 13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent

permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, BUT EXCEPT IN THE CASE OF FRAUD, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES MAY BE RECOVERABLE WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules and the Exhibits hereto) and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party); *provided, however*, that Buyer may assign this Agreement, and its rights, interests and obligations hereunder, in whole or in part, without the prior consent of Seller upon three (3) days' prior written notice to Seller, to (a) an Affiliate of Buyer qualified with BOEM; *provided* that no such assignment to an Affiliate of Buyer shall relieve Buyer of its obligations hereunder, or (b) Beacon Offshore Energy LLC ("Beacon"), and Beacon may further assign this Agreement and any rights, interests and obligations hereunder to a wholly owned subsidiary thereof; *provided* that no such assignment to an Affiliate of Beacon shall relieve Beacon of its obligations hereunder.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

Each Party shall bear its own expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

**(a) Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.**

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a Texas state court or a federal court sitting in the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER, BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

13.11 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.12 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

13.13 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Document, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.14 Specific Performance.

The Parties acknowledge that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Each Party further agrees that, in addition to any other remedy that the other Party may have under law or equity, without posting bond or other undertaking, such other Party shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking any remedy provided for in this Section 13.14, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement and (ii) nothing contained in this Section 13.14 shall require any Party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 13.14 before exercising any other right under this Agreement.

13.15 Liquidating Trustee.

If at any time Seller liquidates or otherwise has a trustee or other representative appointed by the Bankruptcy Court, then such trustee or other representative shall be entitled to exercise the rights of Seller under this Agreement.

13.16 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, any and all obligations to consummate the transactions contemplated by this Agreement are subject to the entry of the Sale Order.

*[Signature page follows.]*




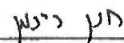
**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

Cobalt International Energy, L.P.

By: David Powell  
Name: David D. Powell  
Title: Chief Financial Officer

**NAVITAS PETROLEUM  
US, LLC**

By:  \_\_\_\_\_  
Name: Amit Kornhauser  
Title: Chief Financial Officer  
Date:

By:  \_\_\_\_\_  
Name: Chanan Reichman  
Title: Chief Executive Officer  
Date:

**Exhibit A: Assigned Leases and Interests**

<u>Area</u>	<u>Block</u>	<u>Original Grantor</u>	<u>Original Grantee</u>	<u>Lessor / Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Prospect Name</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Gross Acres</u>	<u>Depths</u>
Walker Ridge	51	United States of America	ConocoPhillips Company	OCS-G 31938	GL-059-02	12/1/07	11/30/17	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths
Walker Ridge	52	United States of America	Kerr-McGee Oil & Gas Corporation	OCS-G 25232	GL-059-03	6/1/03	5/31/14	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths
Walker Ridge	53	United States of America	Hunt Oil Company	OCS-G 28148	GL-059-04	5/1/06	4/30/16	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths

## Exhibit B: Wells

API Well Number	Well Name	Well Name Suffix	Bottom Lease Number	Bottom Area	Bottom Block	Operator	Spud Date	Status Code
608124003400	001	ST00BP00	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	6/4/2008	Sidetracked
608124003401	001	ST00BP01	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	7/3/2008	Sidetracked
608124003402	001	ST00BP02	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	11/11/2008	Permanently Abandoned
608124009300	002	ST00BP00	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	5/29/2014	Sidetracked
608124009301	002	ST00BP01	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	12/7/2014	Permanently Abandoned
608124011300	003	ST00BP00	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	12/16/2016	Sidetracked
608124011301	003	ST01BP00	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	2/19/2017	Sidetracked
608124011302	003	ST01BP01	G25232	Walker Ridge	52	Anadarko Petroleum Corporation	3/8/2017	Temporarily Abandoned
608124007500	001	ST00BP00	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	6/29/2012	Permanently Abandoned
608124007900	002	ST00BP00	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	9/17/2012	Temporarily Abandoned
API Well Number	Well Name	Well Name Suffix	Bottom Lease Number	Bottom Area	Bottom Block	Operator	Spud Date	Status Code
608124010100	003	ST00BP00	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	5/26/2015	Sidetracked
608124010101	003	ST01BP00	G31938	Walker Ridge	51	Anadarko Petroleum	9/8/2015	Sidetracked

						Corporation		
608124010102	003	ST01BP01	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	10/26/2015	Sidetracked
608124010103	003	ST02BP00	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	12/21/2015	Permanently Abandoned
608124010900	004	ST00BP00	G31938	Walker Ridge	51	Anadarko Petroleum Corporation	3/14/2016	Temporarily Abandoned

## Exhibit C: Assigned Contracts

<u>Tracking No.</u>	<u>Contract ID</u>	<u>Contract No.</u>	<u>Contract Name</u>	<u>Agreement Type</u>	<u>Contract Party</u>	<u>Counterparty</u>	<u>Effective Date</u>	<u>Asset</u>	<u>Contract Availability</u>
1087199	1135	LAND-1087199-GL-059-A	Shenandoah-JOA-1st Ratification	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	Anadarko E&P Company, LP	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1134	LAND-1087199-GL-059-A	PartAgmt and JOA-Shenandoah-ConocoPhillips	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	ConocoPhillips Company	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1136	LAND-1087199-GL-059-A	SHENANDOAH JOA 2nd AMENDMENT	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1139	LAND-1087199-GL-059-A	Shenandoah JOA - Ratification and 3rd Amendment	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1140	LAND-1087199-GL-059-A	Shenandoah 4th Amendment Unit Op Agmt	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1137	LAND-1087199-GL-059-A	Memo Op Agreement-MMS	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	ConocoPhillips Company	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087199	1138	LAND-1087199-GL-059-A	Memo Op Agreement-St Mary Parish	Joint Operating Agreement (JOA)	Cobalt International Energy, L.P.	ConocoPhillips Company	4/1/2008	Shenandoah	VDR Index No. 5.3.155
1087272	1141	LAND-1087272-GL-059-B	PartAgmt and JOA-Shenandoah-ConocoPhillips	Participation Agreement	Cobalt International Energy, L.P.	ConocoPhillips Company	5/7/2008	Shenandoah	VDR Index No. 5.3.156

1087272	1143	LAND-1087272-GL-059-B	Shenandoah-JOA-1st Ratification	Participation Agreement	Cobalt International Energy, L.P.	ConocoPhillips Company	5/7/2008	Shenandoah	VDR Index No. 5.3.156
1087272	1144	LAND-1087272-GL-059-B	SHENANDOAH JOA 2nd AMENDMENT	Participation Agreement	Cobalt International Energy, L.P.	ConocoPhillips Company	5/7/2008	Shenandoah	VDR Index No. 5.3.156
1087272	1142	LAND-1087272-GL-059-B	SHENANDOAH PA-1ST AMENDMENT-12212012132821	Participation Agreement	Cobalt International Energy, L.P.	ConocoPhillips Company	5/7/2008	Shenandoah	VDR Index No. 5.3.156
1087430	1148	LAND-1087430-GL-059-F	1087430 Depth Imaging Project - Reprocessing Agreement Redacted	Letter Agreement for Depth Imaging Project	Cobalt International Energy, Inc.	ConocoPhillips Company	9/2/2009	Shenandoah	VDR Index No. 5.3.124
1112878	1216	LAND-1112878-GL-059-G	Shenandoah Unit Agreement	Unit Agreement	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2014	Shenandoah	VDR Index No. 5.3.157
1112878	1217	LAND-1112878-GL-059-G	SHENANDOAH UNIT AGREEMENT - 04282014102439	Unit Agreement	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2014	Shenandoah	VDR Index No. 5.3.157
1112935	1218	LAND-1112935-GL-059-H	Shenandoah - WR 53 Offer	WR 53 Offer Letter	Cobalt International Energy, L.P.	ConocoPhillips Company	2/25/2014	Shenandoah	VDR Index No. 5.3.6
1114470	1225	LAND-1114470-GL-059-G	SHENANDOAH UNIT AGREEMENT - 04282014102439	Unit Agreement	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	4/1/2014	Shenandoah	VDR Index No. 5.3.8



1214831	1297	LAND-1214831-059-J	Shenandoah-Seismic Reprocessing Agreement 5-23-16	Confidentiality / Non-Disclosure Agreement (NDA)	Cobalt International Energy, L.P.	Anadarko Petroleum Corporation	5/23/2016h	Shenandoa	VDR Index No. 5.3.17
---------	------	--------------------	---	--	-----------------------------------	--------------------------------	------------	-----------	----------------------

**EXHIBIT D-1: Form of County Assignment**

**Attached to and made a part of that certain Asset Purchase Agreement  
by and among Cobalt International Energy L.P. and Cobalt GOM #1, LLC,  
collectively, as Seller, and Navitas Petroleum US, LLC, as Buyer**

**Form of County Assignment**

**ASSIGNMENT AND BILL OF SALE**

STATE OF [●]           §  
                                  §       KNOW ALL MEN BY THESE PRESENTS:  
[COUNTY/PARISH] OF [●]   §

This ASSIGNMENT AND BILL OF SALE (this “Assignment”), effective as of the Effective Time (defined below), is from COBALT INTERNATIONAL ENERGY L.P., a Delaware limited partnership, and COBALT GOM #1, LLC, a Delaware limited liability company (collectively “Assignor”), to [●], a [●] [●] (“Assignee”). Assignor and Assignee are hereinafter referred to as a “Party” and collectively as the “Parties.”

WHEREAS, on December 14, 2017, Assignor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

WHEREAS, Assignor and Assignee entered into that certain Asset Purchase Agreement dated [●], 2018 (the “Purchase Agreement”), pursuant to which Assignor has agreed to assign, transfer and convey and Assignee has agreed to purchase and acquire all of Assignor’s right, title, and interest in and to the Conveyed Assets (defined below); and

WHEREAS, on [●], 2018, the Bankruptcy Court entered the Sale Order authorizing the Assignor to sell the Conveyed Assets to Assignee pursuant to the terms and conditions of the Purchase Agreement.

1.  
Assignment<sup>1</sup>

1. **Effective Time.** The conveyance and assignment herein shall be deemed effective as of January 1, 2018 at 12:01 a.m., Central Time (the “Effective Time”).

2. **Assignment.** Assignor, for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms set forth herein, does by these presents GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto Assignee all of Assignor’s rights, title, and interest in, to, and under the following (collectively, the “Conveyed Assets”), except to the extent constituting Excluded Assets (as hereinafter defined):

1.all existing oil and gas leases, oil, gas and mineral leases or subleases, and other leasehold interests, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment (collectively, the “Leases”) described in **Exhibit A**, together with any and all other rights, titles, and interests of Assignor in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in **Exhibit A**, subject to any depth restrictions and retained interests described in **Exhibit A**, the terms, conditions, covenants, and obligations set forth in the Leases and/or **Exhibit A**, along with all pools and units that include all or any part of any Lease (the “Units”), including Assignor’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

2.all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Leases (collectively, and including the wells set forth in **Exhibit B**, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

3.all oil, gas, minerals, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, produced from and attributable to the Properties (collectively, “Hydrocarbons”) produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

4.all agreements, contracts, obligations, promises or undertakings (in each case, whether written or oral), other than Leases that are legally binding (collectively, “Contracts”), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, including the Contracts described on **Exhibit C** attached hereto, in each case, insofar as they relate to any other Conveyed Asset (collectively, the “Assigned Contracts”);

5.to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements to the extent used primarily in connection with the ownership

---

<sup>1</sup> NTD: The definition of “Conveyed Assets” will be revised as necessary to mirror the definition of “Assets” in the Asset Purchase Agreement.

or operation of the Properties, excluding any permits and other appurtenances constituting Excluded Assets (collectively, the “Permits”);

6.all equipment, machinery, fixtures, and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on the Properties or the other Conveyed Assets described above as of the Effective Time, but excluding any such items constituting Excluded Assets (collectively, the “Equipment”);

7.all of the files, records, information, and data, whether written or electronically stored, in Assignor’s possession and primarily relating to the Conveyed Assets, including (i) land and title records (including abstracts of title and title curative documents), (ii) contract files, (iii) correspondence, (iv) operations, environmental, production, and accounting records, (v) proprietary seismic and specific seismic lines if assignable by Assignor without cost, unless Assignee has agreed to and pays the cost, and (vi) facility and well records but excluding any of the foregoing items that are Excluded Assets (collectively, the “Records”);

8.except with respect to the Excluded Assets and the Excluded Liabilities, all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor to the extent related to the Conveyed Assets and arising or relating to events occurring from and after the Effective Time or related to the Assumed Liabilities;

9.all expenditures incurred by Assignor prior to the Effective Time in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, cash call pre-payments and other refunds due to Assignor for royalty overpayments and/or future deductions as royalty offsets associated with any Conveyed Asset as of the Effective Time, as more particularly described on Schedule 2.1(b)(ix) to the Purchase Agreement; and

10.all trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the other Conveyed Assets, with respect to any period of time on and after the Effective Time.

**3. Excluded Assets. Assignor shall EXCEPT, RESERVE and RETAIN and the Conveyed Assets shall not include the following assets (the “Excluded Assets”)<sup>2</sup>:**

(a) the Purchase Price delivered to Assignor pursuant to the Purchase Agreement;

(b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the date hereof, in each case, excluding any proceeds of production and associated penalties and interest in respect of any of the Conveyed Assets that are payable to third parties and are being held in suspense by Assignor as the operator of such Conveyed Assets;

---

<sup>2</sup> NTD: The definition of “Excluded Assets” will be revised as necessary to mirror the definition of “Excluded Assets” in the APA.

(c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;

(d) all shares of capital stock or other equity interest of Assignor or any of Assignor's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Assignor or any of Assignor's Subsidiaries;

(e) all minute books, stock ledgers, corporate seals and stock certificates of Assignor;

(f) (i) the general corporate files and records of Assignor, insofar as they relate to Assignor's business generally and are not required for the future ownership or operation of the Conveyed Assets, (ii) all legal files and records (other than title opinions), (iii) Assignor's federal or state income, franchise or margin tax files and records, (iv) employee files, (v) reserve evaluation information or economic projections, (vi) records relating to the sale of the Conveyed Assets, including competing bids, (vii) proprietary data, information and data under contractual restrictions on assignment or disclosure, (viii) privileged information and (ix) any other files or records to the extent relating to any Excluded Assets;

(g) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Assignor, attributable to any Tax asset of Assignor, or to which Assignor is otherwise entitled hereunder;

(h) subject to Section 8.8(b) of the Purchase Agreement, all insurance policies and rights to proceeds thereof;

(i) all Permits and pending applications therefor to the extent related to any other Excluded Asset or the Excluded Liabilities;

(j) all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Assignor and used or held for use exclusively in the ownership and operation of the Conveyed Assets, but specifically excluding, for the avoidance of doubt, all seismic, geological, geochemical or geophysical data licensed by Assignor and any of Assignor's interpretations of such data;

(k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(l) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor, other than those constituting Conveyed Assets;

(m) all rights, claims or causes of action by or in the right of Assignor against any current or former director or officer of Assignor;

(n) any and all claims for relief of Assignor under chapter 5 of the Bankruptcy Code;

(o) any rights, claims or causes of action of Assignor under the Purchase Agreement, this Assignment or any other Transaction Document;

(p) all proceeds, income, revenues, claims, refunds and other benefits (including any benefit attributable to any current or future laws or regulations in respect of "royalty relief" or other similar measures) not otherwise enumerated above (including any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of either Assignor's audit of

royalties paid to any Governmental Authority as well as any security or other deposits made) attributable to the Conveyed Assets for any period or any Excluded Assets (if any);

(q) documents prepared or received by Assignor with respect to (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Conveyed Assets, (iii) analyses by Assignor of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee, (v) internal valuations or economic models and (vi) correspondence between Assignor or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in the Purchase Agreement;

(r) any offices, office leases or personal property located on such sites which are not directly related to any one or more of the Conveyed Assets;

(s) all Permits and pending applications therefor to the extent related solely to any other Excluded Asset; and

(t) all rights to the use of deposits and retainers to the extent held and applied by Assignor's professionals on or before sixty (60) days after the earlier to occur of (i) the effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court.

TO HAVE AND TO HOLD the Conveyed Assets, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, and appurtenances thereto and forever belonging thereto unto Assignee, and its successors and assigns forever subject to the other terms and provisions set forth in this Assignment.

## 2.

### DISCLAIMERS; ASSUMPTION<sup>3</sup>

1. **Disclaimers.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT OR THE PURCHASE AGREEMENT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE PURCHASE AGREEMENT, ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF ASSIGNOR OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, ASSIGNOR'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF ASSIGNOR). ASSIGNOR FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE CONVEYED ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE CONVEYED ASSETS, OR THE ABILITY OF THE CONVEYED ASSETS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY ASSIGNOR IS PROVIDED AS A CONVENIENCE, AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE PURCHASE AGREEMENT, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE CONVEYED ASSETS, (B) THE CONDITION OF THE CONVEYED ASSETS (INCLUDING ANY IMPLIED OR

---

<sup>3</sup> NTD: Disclaimers will be revised as necessary to mirror the Asset Purchase Agreement.

EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE CONVEYED ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICIES (D) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR (INCLUDING, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE CONVEYED ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE CONVEYED ASSETS.

**AS TO ANY OF THE CONVEYED ASSETS WHICH MAY BE LOCATED WITHIN THE JURISDICTION OF LOUISIANA, THE ASSIGNEE EXPRESSLY WAIVES: (I) THE WARRANTY OF FITNESS FOR INTENDED PURPOSES OR GUARANTEE AGAINST HIDDEN OR LATENT REDHIBITORY VICIES UNDER LOUISIANA LAW, INCLUDING LOUISIANA CIVIL CODE ARTICLES 2520, ET SEQ, (II) ALL RIGHTS IN REDHIBITION PURSUANT TO LOUISIANA CIVIL CODE ARTICLE 2520, ET SEQ.; AND (III) ALL RIGHTS WHICH MAY EXIST UNDER THE LOUISIANA UNFAIR TRADE PRACTICE AND CONSUMER PROTECTION LAW, LA. R.S. 51:1402 ET SEQ. FURTHER, FOR ALL SUCH PURPOSES, ASSIGNOR ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THE WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE AND EXPLAINED IN DETAIL AND THAT ASSIGNEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER OF WARRANTY OF FITNESS AND/OR WARRANTY AGAINST REDHIBITORY VICIES AND DEFECTS FOR THE ASSETS**

2. ENVIRONMENTAL CONDITION. ASSIGNEE ACKNOWLEDGES THAT THE CONVEYED ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE CONVEYED ASSETS AND THE CONVEYED ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY ASSIGNOR OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE CONVEYED ASSETS. EQUIPMENT AND SITES INCLUDED IN THE CONVEYED ASSETS MAY CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIALS ("NORM"). NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE CONVEYED ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE CONVEYED ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE CONVEYED ASSETS. FROM AND AFTER THE CLOSING, ASSIGNEE SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE CONVEYED ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE EFFECTIVE TIME, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.



3. **Conspicuous.** Assignee and Assignor agree that, to the extent required by applicable law to be effective, the disclaimers of certain warranties contained in this Assignment are “conspicuous” disclaimers.

4. **Independent Investigation.** Assignee acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Conveyed Assets (including Assignee’s own estimate and appraisal of the extent and value of Assignor’s Hydrocarbon reserves attributable to the Conveyed Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Conveyed Assets). Assignee acknowledges that in entering into this Assignment, it has relied on the aforementioned investigation. Assignee hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Assignor or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

5. **Assumption.** Assignee hereby assumes, effective as of the Effective Time, and agrees to fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, or discharged) all of the Assumed Liabilities (as such term is defined in the Purchase Agreement) arising in respect of the Conveyed Assets provided that Assignee does not assume any obligations or Liabilities attributable to the Excluded Liabilities (as such term is defined in the Purchase Agreement).

### 3. OTHER PROVISIONS

1. **Conveyance subject to the Purchase Agreement.** This Assignment is expressly subject to the Purchase Agreement. Nothing in this Assignment shall operate to limit, release, or otherwise impair any Party’s respective rights, obligations, remedies, or indemnities in the Purchase Agreement. Except as otherwise defined in this Assignment, all capitalized terms in this Assignment shall have the meanings given to them in the Purchase Agreement. If any provision of this Assignment is construed to conflict with any provision of the Purchase Agreement, the provisions of the Purchase Agreement shall be deemed controlling to the extent of such conflict.

2. **Further Assurance.** The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Assignment; *provided* that nothing in this Section 3.2 shall prohibit Assignor from ceasing operations or winding up its affairs following the Closing.

3. **Assignment.** The provisions of this Assignment shall be construed as covenants running with the land and this Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and each of their respective successors and assigns. This Assignment is made subject to any and all licenses, leases, easements, rights of way, restrictions, covenants, restrictions and other matters of record affecting the Conveyed Assets, and land use or similar laws, rules or regulations.

4. **Severability.** The provisions of this Assignment shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Assignment, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Assignment and

**the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.**

**5. Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.**

**1.EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAWS OR ANY OTHER LAW THAT WOULD MAKE THE LAWS OF ANY OTHER JURISDICTION OTHER THAN THE STATE OF TEXAS APPLICABLE HERETO.**

2. Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Assignment and to decide any claims or disputes which may arise or result from, or be connected with, this Assignment, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however,* that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Assignment shall be heard and determined in a Texas state court or a federal court sitting in the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3 of the Purchase Agreement) or any other manner permitted by law.

**3. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE ACTIONS OF ASSIGNOR, ASSIGNEE OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.**

6. Waiver of Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS ASSIGNMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12 OF THE PURCHASE AGREEMENT) WITHOUT GIVING EFFECT TO THIS SECTION 3.6.

**7. Interpretive Matters. Unless otherwise expressly provided, for purposes of this Assignment, the following rules of interpretation shall apply:**

1. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded;

2. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa;

3. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; and

4. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

8. Amendment. **This Assignment may not be amended except by a written agreement executed by all of the Parties.**

9. Counterparts. **This Assignment and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Assignment or such amendment and all of which, when taken together, shall constitute one and the same instrument.**

10. Additional Assignments. **Certain of the Conveyed Assets may require approval to transfer by a Governmental Authority, and as such may require separate assignment instruments made on officially approved forms, or forms acceptable to such Governmental Authority, (including any assignments of record title, operating rights and/or rights of ways filed with the BOEM or BSEE) and in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. Assignor’s interest conveyed by such separate assignments are the same, and not in addition to, Assignor’s interest conveyed in this Assignment.**

Where separate assignments of the Conveyed Assets have been or will be executed for filing with, and approval by, applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Conveyed Assets herein made and shall not constitute any additional Assignment or assignment of such properties, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment or the other Transaction Documents and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by Assignor to Assignee and (c) shall be deemed to contain all of the terms and provisions of this Assignment and the Transaction Documents, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Parties have executed this Assignment on the dates set forth in their respective acknowledgements hereto, but this Assignment shall be effective for all purposes as of the Effective Time.

WITNESSES TO ALL SIGNATURES:      ASSIGNORS:

Cobalt International Energy, L.P.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Cobalt GOM #1, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_





**CORPORATE ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This Assignment was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_.

\_\_\_\_\_  
(Sign)

\_\_\_\_\_  
(Print Name)

Notary Public in and for  
\_\_\_\_\_, \_\_\_\_\_

My Commission Expires:  
\_\_\_\_\_



**Exhibit D-2 Form of DOI Assignment**

(See attached)

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 06/30/2019

**ASSIGNMENT OF RECORD TITLE INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.

\_\_\_\_\_  
Lease Effective Date

\_\_\_\_\_  
New Lease No. (BOEM Use Only)

---

**Part A: Assignment**

---

**Legal description of the OCS oil and gas lease or the officially designated subdivision of the lease being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

<b>Assignor(s):</b>	<b>Percentage Interest Conveyed</b>
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]	

<b>Assignee(s):</b>	<b>Percentage Interest Received</b>

**The approval of this assignment is restricted to record title interest only.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

---

**For BOEM use only**

This Assignment of Record Title Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By _____	_____	_____
Authorized Official for BOEM	Title	BOEM Approval Date

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

Part B: Certification and Acceptance

1. Each Assignor certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior’s nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agree to communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee’s execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the “Act”), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties’ liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Record Title Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Assignor Name:** [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]      **Assignor Name:**

**Assignor Qualification No.** [02873]/[03070]      **Assignor Qualification No.**

By: \_\_\_\_\_ By: \_\_\_\_\_

Signatory Name: \_\_\_\_\_ Signatory Name:  
Signatory Title: \_\_\_\_\_ Signatory Title:

\_\_\_\_\_  
Execution Date      Execution Date

**Assignee Name:** \_\_\_\_\_ **Assignee Name:**  
**Assignee Qualification No.** \_\_\_\_\_ **Assignee Qualification No.**

By: \_\_\_\_\_ By: \_\_\_\_\_

Signatory Name: \_\_\_\_\_ Signatory Name:  
Signatory Title: \_\_\_\_\_ Signatory Title:

\_\_\_\_\_  
Execution Date      Execution Date

**Schedule 1.1**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Seller's Knowledge Persons**

Richard A. Smith — Senior Vice President, Strategy and Business Development

Rod Skaufel — President, Operations

**Schedule 2.5**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Cure Costs**

None.

**Schedule 5.4**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Permits**

None.

**Schedule 5.7**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Brokers or Finders**

None.



**Schedule 5.8**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Surety Bonds**

<b><u>Date</u></b>	<b><u>Bond No.</u></b>	<b><u>Issuer</u></b>	<b><u>Beneficiary</u></b>	<b><u>Amount</u></b>	<b><u>Contract Description</u></b>
11/20/2008	RLB0012287	RLI Insurance Company	U.S. Department of Interior	\$1,000,000.00	Outer Continental Shelf (OCS) Mineral Lessee's and Operator Bond

## Schedule 5.11

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Outstanding Capital Commitments**

Cobalt Projects AFE report								Feb 28, 2018	
Shenandoah		Cobalt International Energy							
Net WI: 20%									
AFE No	AFE Name	Net Authorized Amount	Net Actuals		VOWD Actuals		Final Fcst'ed cost	Final FCST Cost % Auth	Status
			Inception to Feb 2018	Inception to Feb 2018					
16-107_100	SHENANDOAH 6 APPRAISAL WELL	44,000,000.00	21,519,299.00	21,519,299.00	21,519,299.00	21,519,299.00	49%	Activity complete	
16-206A_100	SHENANDOAH CORE & FLUIDS STUDY	2,100,000.00	1,395,788.09	1,465,785.38	1,465,785.38	1,465,785.38	70%	Awaiting Closure	
17-125_100	SHEN 20A TECH DEV&TEST PH II,SSEA	2,381,800.00	2,285,771.06	2,285,771.06	2,285,771.06	2,285,771.06	96%	Activity Complete	
17-126_100	SHEN 20A COMPL TECH DEV & TESTING	4,069,200.00	3,355,711.37	3,355,711.37	3,355,711.37	3,355,711.37	82%	Activity Complete	
17-127_100	SHEN 20A RISER & BOP DEV TESTING	915,000.00	871,989.35	899,523.51	899,523.51	899,523.51	98%	Activity Complete	
17-128_100	SHEN 20A MODU TECHNOLOGY D&T	538,200.00	551,975.17	567,666.17	567,666.17	567,666.17	105%	Activity Complete	
17-234_100	SHENANDOAH 2017 IPT	1,760,000.00	663,030.72	663,030.99	663,030.99	663,030.99	38%	Activity Ongoing	
17-129_100	SHEN 20A INTERV EQUIP TECH DEV&TEST	3,807,800.00	3,688,233.48	3,688,233.48	3,688,233.48	3,688,233.48	97%	Activity Complete	
17-240_100	SHENANDOAH ENGINEERING DESIGN WORK	10,000,000.00	3,046,974.43	3,046,974.43	3,046,974.43	3,046,974.43	30%	Activity Ongoing	
17-006_100	SHENANDOAH 6 ST1 (WR 52#3ST1)	11,462,692.80	11,268,563.40	11,268,563.40	11,268,563.40	11,268,563.40	98%	Activity complete	
15-001_100	SHENANDOAH #4 APPRAISAL WELL	42,748,282.60	31,012,897.61	31,012,897.61	31,012,897.61	31,012,897.61	73%	Activity Complete	
15-008_100	SHENANDOAH #4 SIDETRACK	8,802,241.40	9,164,968.27	9,164,968.27	9,164,968.27	9,164,968.27	104%	Activity Complete	
15-009_100	SHENANDOAH #4 SIDETRACK BYPASS TO C	12,167,328.80	11,958,740.15	11,958,740.15	11,958,740.15	11,958,740.15	98%	Activity Complete	
16-102_100	SHENANDOAH #5 (WALKER RIDGE 51 #4)	47,500,000.00	42,150,982.56	42,150,982.56	42,150,982.56	42,150,982.56	89%	Activity Complete	
16-103_100	SHEN. #4 ST #2 (WALKER RIDGE 51 #3)	10,504,890.00	4,033,927.34	4,033,927.34	4,033,927.34	4,033,927.34	38%	Activity Complete	
14-109A_100	SHENANDOAH 20K SUBSEA TECH STDY	4,800,000.00	4,347,268.42	4,347,268.42	4,347,268.42	4,347,268.42	91%	Activity Complete	
14-110A_100	SHENANDOAH 20A PH 1 DEV&TEST STUDY	800,000.00	316,174.06	316,174.06	316,174.06	316,174.06	40%	Activity Complete	
14-111A_100	SHENANDOAH 20K RISER/BOP STUDY	1,600,000.00	1,236,425.57	1,236,425.57	1,236,425.57	1,236,425.57	77%	Activity Complete	
14-112A_100	SHENANDOAH DEV STUDIES 20K COMP.	2,800,000.00	1,701,880.78	1,701,880.78	1,701,880.78	1,701,880.78	61%	Activity Complete	
15-104A_100	SHENANDOAH IPT (2015)	7,500,000.00	6,641,070.62	6,641,070.62	6,641,070.62	6,641,070.62	89%	Activity Complete	
15-117A_100	SHENANDOAH 2016 IPT	1,800,000.00	999,180.50	999,180.50	999,180.50	999,180.50	56%	Activity Complete	
15-118A_100	SHENANDOAH 20A TECHDEV & TSTG PH II	10,400,000.00	4,850,962.49	4,850,962.49	4,850,962.49	4,850,962.49	47%	Activity Complete	
16-104A_100	W. RIDGE 51 PRE-FEED(SHENANDOAH)	6,400,000.00	6,167,520.52	6,167,520.52	6,167,520.52	6,167,520.52	96%	Activity Complete	
16-219_100	SHENANDOAH-TASK FRONTERRA GEOSCIENC	31,288.00	33,404.30	33,404.30	33,404.30	33,404.30	107%	Activity Complete	
18-002_100	SHENANDOAH 7 (Unit/Lease Retantion)	31,908,400.00	-	-	-	-		AFE Withdrawn	
18-003_100	2018 20A Subsea Technology	789,200.00	-	-	-	-		AFE Withdrawn	
18-004_100	2018 20A Completion Technology	546,600.00	-	-	-	-		AFE Withdrawn	
18-005_100	2018 20A Riser & BOP Technology	683,000.00	-	-	-	-		AFE Withdrawn	
18-006_100	2018 20A Intervetion Technology	418,400.00	-	-	-	-		AFE Withdrawn	
18-007_100	2018 20A MODU Technology	311,200.00	-	-	-	-		AFE Withdrawn	
<b>Grand Total</b>		<b>81,034,692.80</b>	<b>48,647,336.06</b>	<b>48,760,558.77</b>	<b>48,760,558.77</b>	<b>48,760,558.77</b>			

**Schedule 5.12**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Imbalances**

None.

**Schedule 5.13**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Preference Rights**

None.

**Schedule 5.16**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Incidents of Non-Compliance and Suspensions**

None.

**Schedule 5.18**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Insurance**

None.

**Schedule 5.20**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**P&A Obligations**

Buyer's prorata interest in the below P&A assessments provided by BOEM:

<b>Lease</b>	<b><u>G31938</u></b>	<b><u>G25232</u></b>	<b><u>G28148</u></b>
<b>Cobalt Ownership</b>	20%	20%	20%
<b>Decom Liability</b>	\$26,499,000.00	\$13,249,500.00	\$0.00
<b>Date Last Reviewed</b>	8/19/2016	5/16/2017	6/13/2016



**Schedule 6.1**

To that certain Asset Purchase Agreement  
 by and between Cobalt International Energy L.P.,  
 as Seller, and Navitas Petroleum US, LLC as Buyer

**BOEM Qualifications**

**Navitas Petroleum US, LLC**  
 9950 Westpark Drive  
 Suite 500  
  
 Houston, Texas 77063

GOM COMPANY#: 3378

Texas Limited Liability Company  
 Modified: 24-Aug-16  
 Approved: 24-Feb-15

**AUTHORIZED TO CONDUCT  
 THE FOLLOWING BUSINESS:**

OIL & GAS: Yes  
 RIGHTS-OF-WAY: Yes  
 ALTERNATIVE ENERGY: No

**AREAWIDE BONDS:**

3M DEVEL: No  
 1M EXPL: No  
 300K AREAWIDE: No  
 PIPELINE: No  
  
 Supplement Exempt: No

EEO Plan: No  
 Debarment: No

Qualification documents received, 2/12/2015.

Must be bound as

Navitas Petroleum US, LLC  
 by: Navitas Petroleum Holdings, LLC its Sole Member

Authorized Consultant: Gieger, Laborde & Laperouse, L.L.C.

NAME	TITLE	EXPIR. DATE
Amit Kornhauser	Chief Financial Officer	
Chanan Reichman	Chief Executive Officer	

RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of Navitas Petroleum Holdings, LLC are hereby jointly empowered on behalf of Navitas Petroleum US, LLC, in any matter relating to Federal lands or minerals or other rights under the supervision of Federal authority to jointly agree upon the terms of and to jointly execute and deliver any instrument or agreement pertaining to oil and gas leases and pipeline rights-of-way, including any application, bid, lease, bond, assignment, relinquishment, or other paper, including the issuing or revoking of Powers of Attorney.

THIS LIMITED LIABILITY COMPANY IS COMPRISED OF THE FOLLOWING MEMBER(s):

Navitas Petroleum Holdings, LLC - Sole Member

TERM: On compliance with the distribution plan described in Section 7.2(a), the Liquidating Agent shall execute, acknowledge and cause to be filed certificate of termination, at which time the Company shall cease to exist as a limited liability company.

**Schedule 8.2**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Allocated Values**

Walker Ridge	51	United States of America	ConocoPhillips Company	OCS-G 31938	GL-059-02	12/1/07	11/30/17	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths	
Walker Ridge	52	United States of America	Kerr-McGee Oil & Gas Corporation	OCS-G 25232	GL-059-03	6/1/03	5/31/14	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths	\$ _____
Walker Ridge	53	United States of America	Hunt Oil Company	OCS-G 28148	GL-059-04	5/1/06	4/30/16	Shenandoah	Shenandoah Unit	20.00%	5,760	All Depths	

**Total = \$1,800,000**

**Schedule 9.7**

To that certain Asset Purchase Agreement  
by and between Cobalt International Energy L.P.,  
as Seller, and Navitas Petroleum US, LLC as Buyer

**Required Consents**

Transfers and assignments, on appropriate forms (including Form BOEM-0150 and corresponding designation of operator form (Form BOEM-1123)) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer.

Consents from third parties to Assigned Contracts.

**Exhibit D**

---

---

**ASSET PURCHASE AGREEMENT**

**DATED AS OF MARCH 12, 2018**

**BY AND AMONG**

**COBALT INTERNATIONAL ENERGY L.P., AS SELLER,**

**AND**

**TOTAL E&P USA, INC.,**

**AS BUYER**

---

---

**TABLE OF CONTENTS**

	<b>Page</b>
ARTICLE 1 Definitions.....	6
1.1    Definitions.....	6
1.2    Other Definitions and Interpretive Matters.....	17
ARTICLE 2 Purchase and Sale.....	18
2.1    Purchase and Sale.....	18
2.2    Excluded Assets.....	20
2.3    Assumed Liabilities.....	22
2.4    Excluded Liabilities.....	22
2.5    Assigned Contracts and Cure Costs.....	23
2.6    Assignment of Assets Subject to Consent Requirements.....	25
2.7    Further Assurances.....	25
ARTICLE 3 Purchase Price.....	26
3.1    Purchase Price.....	26
3.2    Deposit.....	26
ARTICLE 4 Closing.....	26
4.1    Closing Date.....	26
4.2    Payment on the Closing Date.....	27
4.3    Buyer’s Deliveries.....	27
4.4    Seller’s Deliveries.....	28
4.5    Plan of Reorganization.....	29
ARTICLE 5 Representations and Warranties of Seller.....	29
5.1    Organization and Good Standing.....	29
5.2    Authority; Validity; Governmental Authority Consents.....	29
5.3    No Conflict.....	30
5.4    Permits.....	30
5.5    Hedging.....	30
5.6    Legal Proceedings.....	30
5.7    Brokers or Finders.....	31
5.8    Assigned Contracts; Operatorship.....	31
5.9    AFEs.....	31
5.10    Preferential Purchase Rights.....	31
5.11    Credit Support.....	31
5.12    Non-Consent Operations.....	32
5.13    Compliance with Laws.....	32
5.14    Delivery of Hydrocarbons.....	32

5.15	Defensible Title.....	32
5.16	Operation of Assets.....	32
5.17	Rentals.....	32
5.18	Plug and Abandon Notice.....	33
5.19	Taxes.....	33
5.20	Knowledge Qualifier for Non-Operated Assets.....	33
5.21	Bankruptcy Actions .....	34
ARTICLE 6 Representations and Warranties of Buyer.....		34
6.1	Organization and Good Standing.....	34
6.2	Authority; Validity; Consents.....	34
6.3	No Conflict.....	35
6.4	Availability of Funds .....	35
6.5	Litigation.....	35
6.6	Bankruptcy.....	35
6.7	Brokers or Finders.....	35
6.8	Knowledge and Experience .....	35
6.9	Qualification to Assume Operatorship.....	36
ARTICLE 7 Actions Prior to the Closing Date .....		36
7.1	Operations Prior to the Closing Date .....	36
7.2	Commercially Reasonable Efforts .....	38
7.3	Bankruptcy Court Approval.....	39
7.4	Updates and Amendments of Exhibits.....	40
7.5	Bidding Procedures.....	40
7.6	Intentionally Omitted.....	40
7.7	Intentionally Omitted.....	40
7.8	BOEM Qualifications .....	40
7.9	Surety Bonds.....	41
7.10	Access to Information Prior to Closing .....	41
ARTICLE 8 Additional Agreements .....		42
8.1	Taxes.....	42
8.2	Allocation of Purchase Price.....	43
8.3	Bulk Sales .....	44
8.4	Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.....	44
8.5	Post-Closing Books and Records and Personnel .....	44
8.6	No Other Representations or Warranties; Disclaimers; NORM.....	45
8.7	Casualty.....	47
8.8	Successor Operator .....	48
8.9	Accounting Adjustments for Revenues and Expenses.....	48
8.10	Initial Adjustment at Closing.....	49
8.11	Adjustment Post-Closing .....	49

8.12	Allocation of Revenues and Expenses .....	51
ARTICLE 9 Conditions Precedent to Obligations of Buyer to Close .....		52
9.1	Accuracy of Representations .....	52
9.2	Seller’s Performance .....	52
9.3	No Order .....	52
9.4	Seller’s Deliveries .....	52
9.5	Sale Order .....	53
ARTICLE 10 Conditions Precedent to the Obligation of Seller to Close .....		53
10.1	Accuracy of Representations .....	53
10.2	Sale Order .....	53
10.3	Buyer’s Performance. ....	53
10.4	No Order .....	53
10.5	Buyer’s Deliveries .....	54
ARTICLE 11 Termination.....		54
11.1	Termination Events.....	54
11.2	Effect of Termination.....	55
ARTICLE 12 SURVIVAL AND INDEMNIFICATION.....		56
12.1	Survival of Seller’s Representations and Warranties.....	56
12.2	Survival of Buyer’s Representations and Warranties .....	57
12.3	Indemnification by Buyer .....	57
12.4	Indemnification Procedures .....	58
12.5	Calculation of Liabilities.....	59
12.6	Tax Treatments of Indemnity Payments .....	59
ARTICLE 13 General Provisions .....		59
13.1	Confidentiality. ....	59
13.2	Public Announcements. ....	59
13.3	Notices. ....	60
13.4	Waiver; Waiver of Damages.....	61
13.5	Entire Agreement; Amendment .....	61
13.6	Assignment .....	62
13.7	Severability .....	62
13.8	Expenses .....	62
13.9	Time of the Essence .....	62
13.10	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.....	62
13.11	Counterparts.....	63
13.12	Parties in Interest; No Third Party Beneficiaries .....	63
13.13	No Recourse.....	63
13.14	Specific Performance .....	64



13.15 Intentionally Omitted .....64  
13.16 Approval of the Bankruptcy Court .....64

**SCHEDULES:**

<u>Schedule 1.1</u>	Seller's Knowledge Persons
<u>Schedule 2.1(b)(ix)</u>	Known Receivables
<u>Schedule 2.2(i)</u>	Excluded Contracts
<u>Schedule 2.5(b)</u>	Cure Costs
<u>Schedule 5.9</u>	AFEs
<u>Schedule 7.9</u>	Surety Bonds

**EXHIBITS:**

<u>Exhibit A</u>	Assigned Leases and Interests
<u>Exhibit B</u>	Wells
<u>Exhibit C</u>	Assigned Contracts
<u>Exhibit D-1</u>	Form of County Assignment
<u>Exhibit D-2</u>	Form of DOI Assignment

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”), dated as of March 12, 2018 (the “Execution Date”), is by and among Cobalt International Energy L.P., a Delaware limited partnership (“Seller”), and TOTAL E&P USA, INC., a Delaware corporation, whose address is 1201 Louisiana Street, Suite 1800, Houston, TX 77002 (“Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually (as either Seller or Buyer) as a “Party”.

### RECITALS

**WHEREAS**, Seller is the owner of record of certain interests in oil and gas leases, oil and gas wells, and other properties located in the Gulf of Mexico;

**WHEREAS**, on December 14, 2017, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

**WHEREAS**, Seller desires to sell to Buyer all of the Assets, and Buyer desires to purchase from Seller all of the Assets and assume all of the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

**WHEREAS**, the Parties intend to effectuate the transactions contemplated by this Agreement through a chapter 11 plan; and

**WHEREAS**, Seller’s ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order by the Bankruptcy Court;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE 1

#### DEFINITIONS

##### 1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.11.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(iv).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignments” means, collectively, (i) the Assignment and Bill of Sale from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as Exhibit D-1, and (ii) the Assignment of Record Title Interest in Federal OCS Oil and Gas Lease (DOI) and/or the Assignment of Operating Rights in Federal OCS Oil and Gas Lease (DOI) (in each case) from Seller to Buyer, pertaining to the Assets, substantially in the forms attached to this Agreement as Exhibit D-2.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled *In re Cobalt International Energy, Inc., et al*, jointly administered under Case No. 17-36709, and pending before the Bankruptcy Court.

“Bankruptcy Code” means Title 11 of the United States Code, Sections 101 *et seq.*

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Bidding Procedures” means the bidding procedures attached as Schedule 1 to the Bidding Procedures Order.

“Bidding Procedures Order” means the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (V) Granting Related Relief.*

“BOEM” means the Bureau of Ocean Energy Management.

“BOEM Qualifications” has the meaning set forth in Section 7.8.

“BSEE” means the Bureau of Safety and Environmental Enforcement.

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Houston, Texas.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Group” means Buyer and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).

“Chapter 11 Plan” has the meaning set forth in Section 4.5.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Contract Notice” has the meaning set forth in Section 2.5(b).

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5(a).

“Defensible Title” means that record and beneficial title of Seller which, as of the Effective Time and the Closing: (i) entitles Seller to receive and retain a Net Revenue Interest for

each Lease and Unit (if any) throughout the productive life of such Lease or Unit (as applicable) which is not less than the Net Revenue Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any decrease caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; (ii) obligates Seller, for each Lease or Unit (if any), to bear a Working Interest for such Lease or Unit (as applicable) throughout the productive life of such Lease or Unit which is not more than the Working Interest set forth for such Lease or Unit on Exhibit A, as applicable, except for any increase (A) that also results in the Net Revenue Interest associated with the Lease or Unit being proportionately increased, or (B) caused by Orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Time that concern pooling or unitization matters; and (iii) is free and clear of all Encumbrances, subject to any Permitted Encumbrances.

“Deposit” has the meaning set forth in Section 3.2.

“Designation Deadline” means 5:00 p.m., Central Time, on the date that is five (5) Business Days prior to the Closing Date, or such later date as Buyer and Seller shall mutually agree and as the Bankruptcy Court may authorize.

“DOI” means the United States Department of the Interior and its various U.S. government agencies responsible for management of energy resources on the Outer Continental Shelf, including the Bureau of Ocean Energy Management; Bureau of Safety and Environmental Enforcement and Office of Natural Resources Revenue, as applicable, and any of their predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service, and any successors agencies.

“Effective Time” means 12:00 a.m. Central Time on January 1, 2018.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest or other restriction or limitation of any kind (whether known or unknown, secured or unsecured or in the nature of setoff or recoupment, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of the Bankruptcy Case, and whether imposed by agreement, understanding, law, equity, or otherwise, including claims otherwise arising under doctrines of successor liability).

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release or threatened release of pollutants, contaminants, NORM, chemicals or industrial, toxic or

hazardous substances (collectively, “Pollutants”) on or into the environment, (b) protection of health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (“Air Pollution Control Act”), the Clean Water Act (“CWA”), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (“NEPA”), the Endangered Species Act (“ESA”), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (“FWCA”), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Resources Conservation and Recovery Act (“RCRA”), the Toxic Substance Control Act, the Occupational, Safety and Health Act (“OSHA”), the Emergency Planning and Community Right-To-Know Act (“EPCRA”), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (“HSWA”) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Equipment” has the meaning set forth in Section 2.1(b)(vi).

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means the Contracts set forth in Schedule 2.2(i), as such Schedule may be revised (or deemed revised) in accordance with this Agreement to (a) add each Contract that is designated as or deemed to be an Excluded Contract pursuant to Section 2.5 or any other provision of this Agreement and (b) remove each Contract that is designated as or deemed to be an Assigned Contract pursuant to Section 2.5 or any other provision of this Agreement.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller, insofar as they relate to Seller’s business generally and are not reasonably necessary for the future ownership or operation of the Assets, (b) all legal files and records (other than title opinions and curative materials), except to the extent relating to any Assumed Liability, (c) Seller’s federal or state income, franchise or margin tax files and records, (d) employee files, (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, except for confidentiality agreements and non-disclosure agreements, (g) seismic and specific seismic lines unless assignable by Seller without cost or Buyer has agreed to and pays the cost, (h) information subject to a valid legal privilege and (i) any other files or records to the extent relating to any Excluded Assets.

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expiration Date” has the meaning set forth in Section 12.2.

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest has passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Settlement Statement” has the meaning set forth in Section 8.11.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality (in each case) having jurisdiction.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hard Consent” has the meaning set forth in Section 2.6.

“Hazardous Substance” means any Pollutant and any “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements and imbalances under operating agreements.

“Indemnification Claim” has the meaning set forth in Section 12.4(a).

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data.



“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge (without any duty of inquiry) of any of the individuals listed on Schedule 1.1 with respect to such matter, and (b) in the case of Buyer, the actual knowledge (without any duty of inquiry) of any of the officers of Buyer.

“Known Receivables” means all expenditures incurred by Seller, as operator, prior to the Effective Time in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, which, as of two (2) Business Days prior to the Closing Date, remain outstanding and owed to Seller, such amounts and third parties being more particularly described on Schedule 2.1(b)(ix).

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) (1) has had, or would reasonably be expected to have, a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it directly results from or directly arises out of (i) the pendency of the Bankruptcy Case or the financial condition of Seller; (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (iii) changes in Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iv) acts of God, including hurricanes, storms and other natural disasters; (v) any action allowed or contemplated by this Agreement or taken at the express written request of Buyer (except with respect to any unintended consequences occurring in connection therewith); or (vi) actions of Governmental Authorities; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or interest rates, exchange rates, commodity prices or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; (e) any objections in

the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, or (iii) the Bidding Procedures; (f) any Order of the Bankruptcy Court or any actions or omissions of Seller as required thereby; and (g) any action taken by Seller at the express written request of, or with the express written consent of, Buyer; *provided*, in the cases of clauses (a)(iv), (b)(i), (b)(ii) and (c), that such change, event or occurrence does not materially disproportionately affect the Assets, or (2) has had, or would reasonably be expected to have, a material adverse effect on Seller's ability to perform its obligations under this Agreement or any Transaction Documents or to consummate the transactions contemplated hereby or thereby.

"Net Revenue Interest" means, for any Well, Lease or Unit, Seller's share of the Hydrocarbons produced, saved and marketed therefrom or attributable thereto (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

"Non-Disclosure Agreement" has the meaning set forth in Section 13.1.

"NORM" means naturally occurring radioactive materials.

"Operating Agreement" has the meaning set forth in Section 12.7.

"Operating Expenses" means all capital expenditures, operating expenses and other costs and expenses paid in the ordinary course and, where applicable, under and pursuant to the relevant operating or unit agreement, if any, in connection with the ownership, development, operation, and maintenance of the Assets (including rentals, overhead, royalties and other charges), including overhead charges and other indirect expenses billed under applicable operating agreements, but excluding (in all cases) Liabilities attributable to (a) personal injury or death, property damage, torts, breach of contract or violation of any Legal Requirement, (b) obligations relating to the abandonment or plugging of Wells, dismantling or decommissioning facilities, closing pits and/or restoring the surface around such Wells, facilities and pits, (c) Liabilities arising out of or related to Environmental Law, (d) obligations with respect to Imbalances, (e) obligations attributable to Suspense Funds, (f) obligations with respect to hedge or other derivative contracts, (g) obligations relating to Taxes and (h) claims for indemnification or reimbursement from any third party with respect to costs of the types described in the preceding clauses (a) through (g), whether such claims are made pursuant to contract or otherwise.

"Order" means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

"Outside Date" has the meaning set forth in Section 11.1(a)(vi).

"Party" or "Parties" means, individually or collectively, Buyer and Seller.

"Party Affiliate" has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Permits” has the meaning set forth in Section 2.1(b)(v).

“Permitted Encumbrances” means any of the following: (a) any rights, obligations, or duties reserved to or vested in any Governmental Authority and all applicable Legal Requirements, except (in each case) to the extent the same (i) operates to reduce the applicable Net Revenue Interest in any Lease or Unit below that shown in Exhibit A (as applicable) or increase the applicable Working Interest in a Lease or Unit above that shown in Exhibit A for such Lease or Unit, (as applicable), or (ii) adversely affects the ownership and/or operation of the affected Assets (as currently used or owned) in any material respect (any matter that would cause an effect contemplated by clause (i) or clause (ii) above, a “Negative Title Effect”); (b) the terms and conditions of all Assigned Contracts set forth in Exhibit C or that Buyer designates as Assigned Contracts pursuant to Section 2.5, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; (c) easements, rights-of-way, servitudes, permits, surface leases and other similar rights on, over, or in respect of any of the Assets, as long as any such encumbrances, individually or in the aggregate, do not have a Negative Title Effect; (d) all royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests and other burdens with respect to a Well if the net cumulative effect of such burdens does not have a Negative Title Effect; (e) liens or other Encumbrances for Taxes not yet due and payable; (f) materialman’s, mechanic’s, repairman’s, employee’s, contractor’s, operator’s and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet due that are inchoate and have not been perfected pursuant to law; (g) any consents and approvals from Governmental Authorities that are customarily obtained post-Closing; (h) the terms and conditions of the Assigned Leases and Interests, but only to the extent that they do not, either individually or in the aggregate, have a Negative Title Effect; and (i) any Encumbrances that will be released by the Sale Order.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Post-Closing Covenant” has the meaning set forth in Section 12.1.

“Post-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Potential Bidders” has the meaning set forth in Section 7.5.

“Pre-Closing Tax Return” has the meaning set forth in Section 8.1(c).

“Preliminary Settlement Statement” means that certain statement provided by Seller to Buyer pursuant to Section 8.10, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(vii).

“Representative” means, with respect to a particular Person, any director, officer, member, manager or employee of such Person.

“Review Period” has the meaning set forth in Section 8.11.

“Sale Order” means an Order of the Bankruptcy Court in form and substance approved by Buyer authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests to Buyer, and confirming the chapter 11 plan pursuant to section 1129 of the Bankruptcy Code.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Group” means Seller and its respective Affiliates and the equity holders and Representatives of each of the foregoing; excluding, however, any equity holders of publically traded equity or debt of any such Person.

“Seller Indemnified Parties” has the meaning set forth in Section 12.3(a).

“Seller Taxes” means any Tax liabilities of Seller, or otherwise imposed on the Assets in respect of any Tax, including without limitation any Liability of Seller for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise, but excluding any Asset Taxes that are the specifically allocated to Buyer pursuant to Section 8.1(b).

“Settlement Letter” has the meaning set forth in Section 12.7.

“Straddle Period” has the meaning set forth in Section 8.1(b).

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide proposal or offer to or from a Person other than Buyer or its Representatives with respect to (i) any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation,

business combination, joint venture, partnership, sale of assets or equity interests or restructuring involving Seller or any of its material assets, properties or businesses, or (ii) any other direct or indirect acquisition involving Seller and/or one or more of its Subsidiaries or any of their material assets, properties or businesses, that, in each case, the board of directors of Seller has determined in accordance with the Bidding Procedures Order (including the “Minimum Bidding Overbid Increment” described therein) in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction superior to Seller than the transactions contemplated hereunder, taking into account all terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surety Bonds” has the meaning set forth in Section 7.9.

“Suspense Funds” means proceeds of production and associated penalties and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not, and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into or delivered pursuant to this Agreement, including change of operator

forms and change of operator notices required under applicable operating agreements and applicable Legal Requirements.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, any similar Legal Requirement and the rules and regulations thereunder.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, Lease or Unit, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well, Lease or Unit (as applicable) that Seller is required to bear and pay.

## 1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to “\$” or “dollars” means United States dollars.

(iii) Exhibits/Schedules. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.



(vii) Including. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

## ARTICLE 2

### PURCHASE AND SALE

#### 2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller, the Assets, free and clear of all Liabilities and Encumbrances other than the Assumed Liabilities.

(b) The “Assets” shall mean all right, title and interest of Seller in, to or under the following, less the Excluded Assets:

(i) the Leases described in Exhibit A, together with any and all other rights, titles, and interests of Seller in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Seller’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(ii) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the

Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(iv) subject in each case to Section 2.5, all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 2.1(b)(xi), collectively, the “Assigned Contracts”);

(v) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(vi) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(vii) all of the files, records, information, and data, whether written or electronically stored, in Seller’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Seller without cost, or Buyer has agreed to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(viii) all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;



(ix) all Known Receivables, cash call pre-payments and other refunds due to Seller for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(x) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(xi) to the extent not covered in Section 2.1(b)(iv) above, all rights of Seller under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

## 2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the “Excluded Assets”):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 2.1(b)(viii) and (iii) cash relating to any Assumed Liability;
- (c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;
- (d) all shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries;
- (e) all minute books, stock ledgers, corporate seals and stock certificates of Seller;
- (f) all Excluded Records;
- (g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;
- (h) except as provided in Section 8.7(b), all insurance policies and rights to proceeds thereof;
- (i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

- (j) all Intellectual Property;
- (k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;
- (l) all claims, refunds, loss carry forwards, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;
- (m) all rights, claims or causes of action by, or in the right of Seller against, any current or former director or officer of Seller or its Affiliates;
- (n) the Avoidance Actions;
- (o) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document;
- (p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 2.1(b)(i) through Section 2.1(b)(xi), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of “royalty relief” or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Seller’s audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);
- (q) the following documents prepared or received by Seller with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Seller, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Seller of any bids submitted by any prospective purchaser, (iv) correspondence between or among Seller, its respective representatives, and any prospective purchaser other than Buyer, (v) internal valuations or economic models and (vi) correspondence between Seller or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in this Agreement;
- (r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;
- (s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;
- (t) all rights to the use of deposits and retainers to the extent held and applied by Seller’s professionals on or before sixty (60) days after the earlier to occur of (i) the effective

date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

- (u) the Excluded Contracts.

### 2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, without limiting any of Buyer's rights under this Agreement, and except for Liabilities associated with any Excluded Asset, Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), the following Liabilities to the extent not otherwise discharged by the Sale Order (collectively, the "Assumed Liabilities"):

- (a) Assigned Contracts. All of Seller's Liabilities under the Assigned Contracts arising at or after the Closing Date.

- (b) Plugging and Abandoning Obligations. All of Seller's plugging and abandonment obligations under any Legal Requirements or Lease with respect to the Assets, whether such Liabilities arise prior to, at or after the Closing Date.

- (c) Cure Costs. All Cure Costs.

- (d) Suspense Funds. All Suspense Funds, together with any escheatment obligations related thereto.

- (e) Environmental Liabilities. All Liabilities under Environmental Law arising from, related to or associated with Seller's interest in the Assets (including the performance of all related salvage, site clearance, and surface restoration operations relating thereto), to the extent such Liabilities arise on or after the Closing Date.

Notwithstanding anything in this Agreement to the contrary, the assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

### 2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller (regardless of when arising), other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the "Excluded Liabilities"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities also shall include, without limitation, all Liabilities arising from or relating to the following:

- (a) all indebtedness for borrowed money of Seller;
- (b) Seller Taxes and all Transfer Taxes;

(c) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(d) any Liabilities relating to any Excluded Asset;

(e) all guaranties of third party obligations by Seller or reimbursement obligations to guarantors of any of Seller's obligations;

(f) all Liabilities relating to (i) the employment or performance of services, or termination of employment or services, by Seller or its Affiliates of any individual on or before the Closing Date, (ii) workers' compensation claims against Seller or its Affiliates that relate to any period on or before the Closing Date, irrespective of whether such claims are made prior to or after the Closing, (iii) any employee benefit plan, and (iv) the WARN Act with respect to any of Seller's or its Affiliates' employees;

(g) all Liabilities to any of Seller's Affiliates and all amounts payable to any of Seller's Affiliates or Representatives, in each case to the extent relating to the Assets and any period of time prior to Closing; and

(h) all Operating Expenses to the extent attributable to the ownership or operation of the Assets prior to the Effective Time.

## 2.5 Assigned Contracts and Cure Costs.

(a) Cure Costs. At the Closing, Buyer shall pay, pursuant to the Sale Order, any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts and Assigned Leases and Interests (the "Cure Costs") to which Seller is a party and which are included in the Assets. Buyer shall not be required to make any payment of Cure Costs for, or otherwise have any Liabilities with respect to, any Contract that is not an Assigned Contract.

### (b) Contract and Cure Schedule.

(i) Within five (5) Business Days following the date hereof, Seller shall deliver to Buyer a revised Exhibit C and Schedule 2.5(b), which shall contain a list of each of the Assigned Contracts along with Seller's good faith estimate of the amount of Cure Costs applicable to each such Assigned Contract, respectively; *provided*, that if no Cure Cost is estimated to be applicable with respect to any particular Assigned Contract, the amount of such Cure Cost for such Assigned Contract shall be reflected in Schedule 2.5(b) as "\$0.00." At any time prior to the Designation Deadline, Buyer shall have the right, which right may be exercised at any time and from time to time in Buyer's sole and absolute discretion, to provide written notice to Seller (each such notice, a "Contract Notice") of Buyer's election to (i) designate any Contract (including any Contract that is an Excluded Contract immediately prior to such designation) identified in the subject Contract Notice as an Assigned Contract, and upon such designation such Contract shall constitute an Assigned Contract (and, if applicable, shall cease to constitute an Excluded Contract), and Seller shall use commercially reasonable efforts, subject to entry of the Sale Order by the Bankruptcy Court, to assign such Contract to Buyer; and (ii) designate any Contract (including any Contract that is an Assigned Contract immediately prior to

such designation) as an Excluded Contract, and upon such designation such Contract shall constitute an Excluded Contract (and, if applicable, shall cease to constitute an Assigned Contract).

(ii) Within ten (10) Business Days following Buyer's delivery of a Contract Notice to Seller designating any Contract as an Assigned Contract, Seller shall, at no cost or expense to Buyer, take all requisite actions (including providing notice, proper service, resolving objections, and all other actions required for such assumption and assignment to comply with Section 363 and/or 365 of the Bankruptcy Code, as applicable) to assume and assign such Contract to Buyer. Without limiting the generality of the foregoing, upon receipt of a Contract Notice electing to designate a Contract as an Assigned Contract, Seller shall use commercially reasonable efforts to obtain Bankruptcy Court approval, as part of the Sale Order, of the assumption and assignment of such Assigned Contract to Buyer and fixing the Cure Costs relating to such Assigned Contract, *provided, however*, that if the Cure Costs fixed by the Bankruptcy Court for any Contract either are greater than the amount set forth on Schedule 2.5(b) or are not consented to by Buyer at or prior to the hearing before the Bankruptcy Court to consider the assumption and assignment of such Contract, then Buyer shall be permitted at such hearing to forthwith revoke its designation of any such Contract as an Assigned Contract and thereupon such Contract shall be deemed to be an Excluded Contract for all purposes of this Agreement. Following the entry of the Sale Order by the Bankruptcy Court, Buyer shall assume from Seller the Assigned Contracts pursuant to Section 365 of the Bankruptcy Code and the terms of such Sale Order.

(iii) From the date that a revised Exhibit C and Schedule 2.5(b) is provided through (and including) the Designation Deadline, promptly following any changes to the information set forth on such Exhibit C and Schedule 2.5(b) (including any new Contracts included in the Assets to which Seller becomes a party and any change in the Cure Cost of any such Contract), Seller shall provide Buyer with a schedule that updates and corrects Exhibit C and Schedule 2.5(b). Upon Buyer's designation of any Contract as an Assigned Contract or an Excluded Contract pursuant to this Section 2.5(b), the relevant Exhibits and Schedules hereto (including Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), as applicable) shall automatically be deemed to have been amended to reflect such designation, and promptly thereafter Seller shall update such Exhibits and Schedules to reflect such designation (including, with respect to any Contract designated as an Assigned Contract, to add to Exhibit C and Schedule 2.5(b) Seller's good faith estimate of the amount of Cure Costs applicable thereto) and deliver copies thereof to Buyer.

(c) Bankruptcy Court Matters. Seller shall give written notice to Buyer prior to the submission of any motion in its Bankruptcy Case to assume or reject any Contracts relating to the Assets or the operations with respect thereto, together with a copy of the proposed Sale Order, and, without the prior written consent of Buyer, Seller shall not assume or reject any such Contracts. Seller shall promptly reject, following the Designation Deadline, any Contract that (i) Buyer has designated as an Excluded Contract pursuant to Section 2.5(b) or (ii) any Contract that Buyer has not designated as an Assigned Contract by the Designation Deadline (all such Contracts being deemed to be Excluded Contracts for purposes of this Agreement). Any Contracts that are rejected subject to Bankruptcy Court approval or are the subject of a rejection motion at the Designation Deadline, after complying with the provisions

of Section 2.5(b), shall constitute Excluded Contracts. Buyer shall not have any obligation or liability whatsoever with respect to any Excluded Contract.

## 2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing) (a) has not been obtained, waived or satisfied, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, and further, (i) failure to obtain such third party consent or waiver would cause (A) the assignment of any Asset affected thereby to be void or voidable or (B) the termination of (or the right to terminate) a Lease or other Asset under the express terms thereof, (ii) such consent or waiver requested by Seller is denied in writing, or (iii) such consent or waiver is required from a Governmental Authority (each such consent or waiver, to the extent the underlying agreement cannot be assumed or assigned, without the counterparty's consent, pursuant to Section 365 of the Bankruptcy Code, a "Hard Consent"), then the Assets affected by such Hard Consent shall be held back from the Assets conveyed at Closing without reduction to the Base Purchase Price. Any Asset so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such Hard Consent has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Asset pursuant to the terms of this Agreement. Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the consent had been obtained. In the case of licenses, certificates, approvals, authorizations, Leases, Contracts and other commitments included in the Assets (i) that cannot be transferred or assigned without obtaining the applicable Hard Consent (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such Hard Consent and, if any such Hard Consent is not obtained, Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, following the Closing, at Seller's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Seller thereunder); *provided* that nothing in this Section 2.6 shall (1) require Seller to make any payment to any third party for which funds in the full amount of such payment obligation are not provided to Seller by Buyer in advance in cash or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing.

## 2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the



intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

### ARTICLE 3

#### PURCHASE PRICE

##### 3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Assets shall consist of cash in an amount equal to Twenty-Five Million AND NO/100 DOLLARS (\$25,000,000) (collectively, the "Base Purchase Price") and the assumption by Buyer of the Assumed Liabilities. Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Section 8.9 hereof (as adjusted, the "Purchase Price"). The Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

##### 3.2 Deposit.

Prior to the execution of this Agreement, Buyer has paid to Citibank, N.A. (the "Escrow Agent"), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the aggregate amount of One Million, Five Hundred Thousand AND NO/100 DOLLARS (\$1,500,000) (together with all interest earned thereon, the "Deposit"). At Closing, the Parties shall cause the Escrow Agent to release the Deposit to Seller, and the Deposit shall be credited against the Purchase Price to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c), then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty). If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination.

### ARTICLE 4

#### CLOSING

##### 4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the "Closing") shall take place at the office of Seller at 920 Memorial City Way, Houston, Texas 77024 (or at such other location as the Parties may mutually agree), on April 6, 2018, or if all conditions to Closing in Article 9 and Article 10 have not been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions) by such date, no later than three (3) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date."

4.2 Payment on the Closing Date.

Subject to satisfaction or waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the Purchase Price by wire transfer of immediately available funds to an account specified in writing by Seller at least three (3) Business Days prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

4.3 Buyer's Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

- (a) the Purchase Price to Seller in accordance with Section 4.2;
- (b) a copy of Buyer's certificate of incorporation, certified as of a recent date by the Secretary of State of the State of Delaware;
- (c) the appropriate DOI forms (including without limitation, as applicable, Form BOEM-1017, Form BOEM-1019 and Form BOEM-1022) to reflect Buyer as the designated applicant for oil spill financial responsibility purposes for the Leases (or portions thereof) and shall deliver to Seller such other evidence that Buyer is qualified with the applicable Governmental Authorities to succeed Seller as the designated applicant of the Assets for oil spill financial responsibility purposes;
- (d) in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as applicable) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public;
- (e) all instruments necessary to become a party to and assume obligations in the operating agreements applicable to the Assets in forms reasonably acceptable to Buyer (which forms have been initially prepared by Seller and delivered to Buyer at least ten (10) Business Days prior to Closing);
- (f) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to: (i) there having been no amendments to the certificate of incorporation of Buyer since the date of the certified certificate of incorporation delivered pursuant to Section 4.3(b); (ii) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) incumbency and signatures of the officers or other authorized signatories of Buyer executing the Transaction Documents to which Buyer is a party;
- (g) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including change of operator forms to be



prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(h) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by Buyer (without waiving Buyer's rights pursuant to Section 8.11);

(j) evidence as Seller may reasonably request at least ten (10) Business Days prior to Closing demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets; and

(k) such other assignments and other good and sufficient instruments of assumption and transfer, in forms reasonably satisfactory to the Parties, as Seller may reasonably request at least ten (10) Business Days prior to Closing to transfer and assign the Assumed Liabilities to Buyer.

#### 4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) in sufficient counterparts to facilitate filing with applicable Governmental Authorities and in adjacent counties/parishes to the Assets, (i) transfers and assignments, on appropriate forms of the DOI (including Form BOEM-0150, Form BOEM-0151 and corresponding designation of operator form (Form BOEM-1123), as applicable) and as may be required by any Governmental Authority in order to transfer the Assets from Seller to Buyer pursuant to the terms of this Agreement and (ii) the other Assignments acknowledged by a notary public;

(b) each other Transaction Document to which Seller is a party, duly executed (and acknowledged, where applicable) by Buyer, including change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements prepared by Seller, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets (all of which forms shall be delivered by Seller to Buyer at least ten (10) Business Days prior to Closing and shall be reasonably acceptable to Buyer);

(c) a certified copy of the Sale Order;

(d) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(e) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a “foreign person” as defined therein;

(f) a counterpart of the Preliminary Settlement Statement executed by Seller (without waiving Seller’s rights pursuant to Section 8.11);

(g) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in forms reasonably satisfactory to the Parties, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller in, to or under any or all the Assets; and

(h) a recordable release of any debt instruments, including liens, loans, notes, trusts, mortgages, financing statements, pledges, fixture filings, credit agreements or any other encumbrances affecting the Assets created by, through, or under Seller or any Affiliate or any of their respective predecessors in interest, in a form reasonably acceptable to Buyer.

#### 4.5 Plan of Reorganization.

The Parties agree that the transactions contemplated by this Agreement and the other Transaction Documents shall be consummated by Seller through a plan of reorganization for Seller under chapter 11 of the Bankruptcy Code, which shall be in form and substance satisfactory to Buyer in its sole discretion, and shall, among other things, provide for customary releases to the Buyer (the “Chapter 11 Plan”). The Parties shall cooperate and negotiate in good faith to prepare the necessary documentation and execute such documents and take such actions as are reasonably necessary to obtain confirmation of the Chapter 11 Plan, and to satisfy the conditions to and effectiveness of the Chapter 11 Plan and cause the “Effective Date” thereunder to occur, as promptly as practicable.

### ARTICLE 5

#### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants the following to Buyer:

##### 5.1 Organization and Good Standing.

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite limited partnership or limited liability company power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary.

##### 5.2 Authority; Validity; Governmental Authority Consents.

Seller has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other

Transaction Documents to which Seller is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein have been duly and validly authorized by all requisite limited partnership or limited liability company action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing and no other approvals (shareholders, members or otherwise) on the part of Seller is necessary to authorize such execution and delivery. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by general principles of equity. Subject to requisite Bankruptcy Court approval, except (a) for entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) for any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal Requirements, and (d) for any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, Seller is not required to give any notice to, make any filing with or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby or thereby.

### 5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or violate or conflict with, or give rise to a right of termination, revocation, modification or cancellation under, or cause any acceleration of any obligation of Seller under (a) any agreement, indenture, or other instrument to which Seller is bound, (b) any of the governing documents of Seller, (c) any Order or (d) any Legal Requirement.

### 5.4 Permits.

Seller has not received written notice of default under any material Permit that has not been resolved in its entirety, and no violations exist in respect of such Permits.

### 5.5 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Effective Time.

### 5.6 Legal Proceedings.

Except for the Bankruptcy Case, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened (i) against Seller that seeks to restrain or prohibit or otherwise

challenge the consummation, legality or validity of the transactions contemplated hereby as of the Execution Date, (ii) against any of the Assets, or (iii) against Seller or any Affiliate with respect to the ownership, operation, development, maintenance or use of any of the Assets.

5.7 Brokers or Finders.

Neither Seller nor any of its Affiliates or any Person acting on behalf of Seller has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer or any of its Affiliates is or will become liable.

5.8 Assigned Contracts; Operatorship.

(a) (i) all Assigned Contracts are in full force and effect, (ii) except for the Bankruptcy Case, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any such Assigned Contract has occurred or is continuing on the part of Seller or to Seller's Knowledge on the part of any other Person thereto, (iii) there are no oral Assigned Contracts that are still in force and effect or that were in effect at any time from the Effective Time to the Closing, (iv) Seller has not given or received any unresolved written notice of default, amendment, waiver, price redetermination, market out, curtailment or termination with respect to any Assigned Contract, and (v) prior to the execution of this Agreement, Seller has made available to Buyer true, complete and correct copies of each Assigned Contract and all amendments thereto.

(b) Neither Seller nor any Affiliate of Seller has been removed as operator, or has been treated as having resigned as operator, by any Person under any of the Contracts covering the Assets, and to Seller's knowledge, no such action has been threatened by any Person.

5.9 AFEs.

Except as set forth on Schedule 5.9, as of the Execution Date, there are no authorities for capital expenditures or other commitments to make capital expenditures (collectively, "AFEs") with respect to the Assets that have been proposed, or approved, by any Person having authority to do so (including internal AFEs of Seller that has not been delivered to third parties) (in each case) with respect to which all of the activities anticipated in such AFEs have not been completed as of the Effective Time.

5.10 Preferential Purchase Rights.

There are no preferential purchase rights, tag rights or drag rights (in each case) applicable to the transactions contemplated by this Agreement that have not been satisfied or waived.

5.11 Credit Support.

There are no bonds, guarantees, letters of credit and other similar credit support instruments maintained by Seller or any of its Affiliates with respect to any Governmental Authority or other Person pertaining to Seller's ownership or operation of the Assets that Buyer will be required to obtain in order to own and operate the Assets after Closing.

5.12 Non-Consent Operations.

No operations are being conducted or have been conducted on the Assets with respect to which Seller has elected to be (or has been deemed to be) a non-consenting party under the applicable operating agreement or has otherwise failed to participate in such operations and with respect to which all of Seller's rights have not yet reverted to it.

5.13 Compliance with Laws.

Except as may result from the Bankruptcy Case, (i) Seller has not received written notice from any Governmental Authority alleging a violation of any Legal Requirements relating to the Assets that has not been resolved in its entirety, (ii) Seller's ownership and operation of the Assets is in material compliance with all Legal Requirements, and (iii) no Hazardous Substances have been released at or from the Properties or related to the Assets, except for any immaterial release.

5.14 Delivery of Hydrocarbons.

Neither Seller nor any of its Affiliates is obligated by virtue of any take-or-pay payment, production payment, advance payment or other similar payment, to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Assets at some future time without receiving full payment therefor at or after the time of delivery.

5.15 Defensible Title.

Seller owns Defensible Title to all of the Assets; provided that this representation does not cover any Encumbrance or other matters that do not arise by, through or under Seller or any Affiliate of Seller.

5.16 Operation of Assets.

Since January 1, 2018 (i) there has been no action with respect to the Assets that would have required the consent of Buyer under Section 7.1 had such Section 7.1 then been in effect and (ii) there has been no Material Adverse Effect. Seller has not conducted, and to Seller's Knowledge no Third Party has conducted, any drilling, completion, exploration or other operations of any kind on or at any of the Leases.

5.17 Rentals.

All bonuses, delay rentals, minimum royalties and royalties due and payable under the Assigned Leases and Interests have been timely paid in accordance with applicable Leases and Legal Requirements.

5.18 Plug and Abandon Notice.

To Seller's Knowledge, there are no Wells (i) in respect of which Seller has received an Order from any Governmental Authority requiring that such Wells be plugged and abandoned, or (ii) that are required to be plugged and abandoned in accordance with applicable Legal Requirements but have not been plugged and abandoned in accordance with applicable Legal Requirements.

5.19 Taxes.

(a) All Tax returns relating to or in connection with Seller's acquisition, ownership, or operation of the Assets required to be filed have been timely filed and all such Tax returns are correct and complete in all material respects.

(b) All Taxes relating or applicable to Seller's acquisition, ownership or operation of the Assets (including Asset Taxes) that are or have become due have been timely paid in full, and Seller is not delinquent in the payment of any such Taxes.

(c) There is not currently in effect any extension or waiver of any statute of limitations of any jurisdiction regarding the assessment or collection of any Tax of Seller relating to Seller's acquisition, ownership or operation of the Assets.

(d) There are no administrative or judicial proceedings pending against the Assets or against Seller relating to or in connection with the Assets by any Governmental Authority with respect to Taxes.

(e) All Tax withholding and deposit requirements imposed by applicable law with respect to any of the Assets or the business of Seller have been satisfied in full in all respects.

(f) Seller is not (i) a "foreign person" within the meaning of Section 1445 of the Code or (ii) an entity disregarded as separate from any other Person within the meaning of Section 301.7701-3(a) of the regulations promulgated by the United States Department of Treasury pursuant to and in respect of provisions of the Code.

(g) There are no liens on any of the Assets for Taxes (other than Permitted Encumbrances).

(h) No Asset is subject to any tax partnership agreement or provisions requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

5.20 Knowledge Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with operational matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge".

5.21 Bankruptcy Actions.

Seller has complied in all material respects with all noticing and other provisions of the Bidding Procedures Order, the Sale Order, and any Order approving the assignment and assumption of any Assigned Lease and Interest or Assigned Contract, and has otherwise provided all notices related to the Bankruptcy Case in accordance with Legal Requirements, including to all known holders of Encumbrances and all Tax authorities.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Buyer is duly qualified or licensed to do business in the State(s) where the Assets are located.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing, and no other approvals (shareholders, members or otherwise) on the part of Buyer is necessary to authorize such execution and delivery. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Subject to requisite Bankruptcy Court approval, except for (a) entry of the Sale Order, (b) any notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filings, consents or approvals under any applicable antitrust, competition, trade regulation, foreign investment or similar Legal Requirements and (d) any notices to, filings with or consents of, Governmental Authorities that are customarily obtained post-Closing, Buyer is not or will not be required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby.



6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture or other instrument to which it is bound, (b) any of the governing documents of Buyer, (c) any Order or (d) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and assume the Assumed Liabilities. Buyer's ability to consummate the transaction contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

As of the Execution Date, there are no Proceedings pending or, to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates which, if adversely determined would reasonably be expected to have a material adverse effect on Buyer's ability to perform its obligations under this Agreement and the other Transaction Documents.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Seller or any of its Affiliates is or will become liable.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this



Agreement and, except for its reliance on Seller's representations, warranties and covenants contained herein and in the Transaction Documents, it has relied solely upon the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

At Closing, Buyer is qualified to own and, where applicable, assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner or operator. To the extent required by the applicable state, tribal and federal Governmental Authorities, Buyer currently has, and will continue to maintain, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (x) as expressly contemplated by this Agreement, (y) with the prior written consent of Buyer, and (z) as otherwise required by Legal Requirements, at all times from and after the date of this Agreement until the Closing:

(a) Seller shall:

(i) use commercially reasonable efforts to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause the Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(iii) pay or cause to be paid all bonuses and rentals, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred or due with respect to the Assets;

(iv) maintain, or cause the applicable third party operators to maintain, all Assigned Leases and Interests, Permits and Assigned Contracts in full force and effect;

(v) furnish Buyer with copies of all AFEs, in each case, within three (3) days of receipt from a third party or generation by Seller, as applicable, and report to Buyer on operational matters and the general status of ongoing operations; and

(vi) provide Buyer with copies of any and all material correspondence received from any Governmental Authority with respect to the Assets, as soon as reasonably practicable, but in no event later than two (2) Business Days after Seller's receipt thereof.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) make any capital expenditure or commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests, except for emergency operations taken in the face of risk to life, injury, property or the environment or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel, amend or modify any Assigned Contract, Permit or Assigned Lease and Interest, or fail to exercise any renewal right with respect to any Assigned Contract that by its terms would otherwise expire;

(iv) sell, lease, transfer or otherwise dispose of or encumber all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business;

(v) enter into a Contract that if entered into on or prior to the date of this Agreement would be an Assigned Contract;

(vi) commence, release or settle any Action or waive any claims or rights of value, in each case, attributable to the Assets;

(vii) fail to pay its accounts payable in accordance with customary business practices or take any action to materially accelerate the collection of accounts receivable outside the ordinary course of business (in each case) to the extent relating to the Assets;

(viii) voluntarily relinquish Seller's position as operator with respect to any Asset operated by Seller;

(ix) request or make application to any Governmental Authority for any variation to or cancellation of any material Permit or participate in or acquiesce to any variation or cancellation of the same;

(x) make any regulatory or other filings of any kind with any Governmental Authority with respect to the Assets, except in the ordinary course of business consistent with past practices or as required in connection with the consummation of the transactions contemplated by this Agreement;

(xi) elect or be deemed to have elected to “non-consent”, or fail to participate in, the drilling or reworking of any well, any seismic program or any other operation which would cause Seller or Buyer to suffer a penalty or lose or forfeit any interests in the Assets under any applicable operating agreement or Legal Requirements; or

(xii) make, change or revoke any Tax election; change an annual accounting period; adopt or change any accounting method with respect to Taxes; file any amended Tax Return; enter into any closing agreement; settle or compromise any Tax claim or assessment; or consent to any extension or waiver of the limitation period applicable to any claim or assessment with respect to Taxes; or

(xiii) enter into any agreement or commitment to take any action prohibited by this Section 7.1(b).

## 7.2 Commercially Reasonable Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things reasonably necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using their respective commercially reasonable efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied; (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all other commercially reasonable steps as may be necessary to obtain all necessary Governmental Authorizations and avoid any Proceeding by any Governmental Authority; and (iii) the execution or delivery of any additional instruments reasonably necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Property operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Property a copy of the recorded Assignment(s) evidencing the conveyance of Seller’s interest in such Property to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance.

(b) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of the Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of

Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

7.3 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval.

(b) Seller shall cooperate with Buyer and its Representatives in connection with the Bid Procedures Order, the Sale Order and the bankruptcy proceedings in connection therewith. Such cooperation shall include, but not be limited to, consulting with Buyer at Buyer's reasonable request concerning the status of such proceedings and providing Buyer with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court. Seller shall not file, acquiesce to, or support any plan of reorganization other than the Chapter 11 Plan, or any confirmation order other than the Sale Order. Seller further covenants and agrees that the terms of any proposed Chapter 11 Plan or proposed Sale Order that it submits to the Bankruptcy Court shall not conflict with, supersede, abrogate, nullify or restrict the terms of this Agreement, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement.

(c) In the event an appeal is taken or a stay pending appeal is requested, from the Sale Order, Seller shall promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from such Order. Seller shall use its commercially reasonable efforts to defend any such appeal. Notwithstanding the foregoing, any resulting changes to this Agreement or any Transaction Document or any resulting changes to the Orders shall be subject to Buyer's approval in its sole discretion.

(d) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably

likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.4 Updates and Amendments of Exhibits.

Until the third Business Day before Closing, Seller shall have the right to amend, modify and/or supplement Exhibit A, Exhibit C and Schedule 2.5(b), in each case, as applicable, in order to reflect any new Contracts or Leases entered into by Seller to the extent permitted by this Agreement, and Seller shall amend Exhibit C, Schedule 2.2(i), and Schedule 2.5(b), from time to time, as required pursuant to Section 2.5(b).

7.5 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that, prior to and through and until the conclusion of the Auction, Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from third parties (the "Potential Bidders") for the Assets in connection with any alternative transaction pursuant to the terms of the Bidding Procedures Order.

7.6 Intentionally Omitted.

7.7 Intentionally Omitted.

7.8 BOEM Qualifications.

(a) Prior to Closing, and only to the extent that any such qualification is required by applicable Legal Requirements to own or operate the Assets, Buyer shall, (i) to the extent not currently qualified, become qualified with the BOEM to hold oil and gas leases, rights-of-way, and right-of-use easements on the U.S. Outer Continental Shelf under 30 CFR 550 and 30 CFR 556.35 and to meet any other requirements under applicable Legal Requirements to receive and hold such assets and properties (the "BOEM Qualifications"), (ii) to the extent not currently qualified, become qualified with each applicable Governmental Authority to hold all state oil and gas leases, state rights-of-way and state right-of-use easements included in the Assets, and (iii) if requested by Seller, provide Seller evidence of such qualification, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and such other Governmental Authorities to obtain such registration and qualification, including all applicable BOEM approval letters and issuance of Company Number for Buyer.

(b) Prior to Closing, Buyer shall (i) obtain all bonds, letters of credit and guarantees necessary to replace the Surety Bonds as required pursuant to Section 7.9, except for those Surety Bonds that cannot be obtained until BOEM approves assignment of the Assets (to the extent any such approval is necessary), as further provided in Section 7.9, (ii) to the extent not currently qualified, become qualified and approved (in each case, only to the extent that any such qualification or approval is required by Legal Requirements to own or operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of all Leases

and all other Assets that Seller currently operates, and (iii) to the extent requested by Seller, provide Seller evidence of such qualifications and approvals, including copies of all filings and correspondence submitted to or received from the BOEM, BSEE (in either case, if any) and all other applicable Governmental Authorities.

(c) Promptly following the Closing, Buyer shall be qualified and approved (in each case, only to the extent that any such qualification or approval is required by applicable Legal Requirements to own or operate the Assets) by BOEM, BSEE and all other applicable Governmental Authorities as an operator of any applicable Assets for which Buyer is obligated to operate under this Agreement.

#### 7.9 Surety Bonds.

Buyer acknowledges that none of the bonds, letters of credit and guarantees posted by Seller or its Affiliates with Governmental Authorities or other third parties and relating to the Assets (collectively, the "Surety Bonds") will be transferred to Buyer. On or before the Closing Date, or, with respect to those Surety Bonds that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, Buyer shall obtain, or cause to be obtained in the name of Buyer and effective as of the Closing Date, replacements for such Surety Bonds set forth in Schedule 7.9 (if any), attached hereto as of the date of Buyer's execution hereof (in each case, as may be required by applicable Legal Requirements) and take any other actions required by any Governmental Authority to the extent such replacements or actions are necessary (a) for Buyer's ownership of the Assets and (b) to permit the cancellation of the Surety Bonds posted by Seller and/or its Affiliates solely with respect to the Assets. In addition, at or prior to Closing, or, with respect to those Surety Bonds set forth in such Schedule 7.9 that cannot be obtained until the assignment of the Assets has been approved by the BOEM (to the extent any such approval is necessary), as soon after the Closing Date as possible, if requested by Seller, Buyer shall deliver to Seller evidence of the posting of bonds or other security with all applicable Governmental Authorities meeting the requirements of such authorities to own and, where appropriate, operate, the Assets.

#### 7.10 Access to Information Prior to Closing.

Prior to the Closing Date, Buyer and Buyer's Representatives shall be entitled to make such investigation of the Assets and such examination of the books, records, documents and information of Seller relating to the Assets as Buyer reasonably requests, and to make copies of such books, records, documents and information, all at Buyer's sole expense. Any such investigation or examination shall be conducted during regular business hours and under reasonable circumstances, and Seller shall reasonably cooperate therewith. Each Party shall cause its Representatives to cooperate fully with the Representatives of the other Party in connection with any such investigation or examination. No investigation by Buyer prior to or after the Execution Date shall diminish or obviate any of the representations, warranties, covenants or agreements of Seller contained in this Agreement.



ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement (“Transfer Taxes”) shall be borne by Seller. Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall be allocated and shall bear all ad valorem, property, excise, sale, use, severance, production or similar Taxes based upon acquisition, operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) assessed with respect to the Assets (collectively, the “Asset Taxes”) for (i) any period ending on or prior to the Effective Time and (ii) the portion of any Straddle Period ending on or prior to the Effective Time. Buyer shall be allocated and shall bear all Asset Taxes (i) for the portion of any Straddle Period beginning after the Effective Time, and (ii) for any period beginning after the Effective Time. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Time (“Straddle Periods”), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Time shall (1) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Effective Time or, in the case of an Asset Tax imposed on a transaction basis, whether the relevant transaction closed on or prior to the Effective Time (which shall be Seller’s responsibility) and from and after the Effective Time (which shall be Buyer’s responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Time (which shall be Seller’s responsibility) and the period after the Effective Time (which shall be Buyer’s responsibility). For purposes of clause (1) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Effective Time and the period beginning at the Effective Time. To the extent the actual amount of an Asset Tax is not known at the time an adjustment is to be made with respect to such Asset Tax pursuant to Section 8.9, 8.10 or 8.11, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Asset Tax for purposes of such adjustment. To the extent the actual amount of an Asset Tax (or the amount thereof paid or economically borne by a Party) is ultimately determined to be different than the amount (if any) that was taken into account in the Final Settlement Statement as finally determined pursuant to Section 8.11, timely payments will be made from one Party to the other to the extent necessary to cause each Party to bear the amount of such Asset Tax that is allocable to such Party under this Section 8.1(b). Within a reasonable time prior to the payment of any amounts pursuant to the preceding sentence, the requesting Party shall give notice to the

other Party of the Tax payable and the other Party's Liability therefor, although failure to do so will not relieve the other Party from its Liability hereunder. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.1(b) shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(c) Seller shall timely file any Tax Return with respect to Asset Taxes due on or before the Closing Date or that otherwise relates solely to periods before the Closing Date (a "Pre-Closing Tax Return") and shall pay any Asset Taxes shown due and owing on such Pre-Closing Tax Return. From and after the Closing Date, Buyer shall timely file any Tax Returns with respect to Asset Taxes required to be filed after the Closing Date for any Straddle Period (a "Post-Closing Tax Return"), and shall pay any Asset Taxes shown due and owing on such Post-Closing Tax Return. Buyer shall file any Post-Closing Tax Return in a manner consistent with past practice except as otherwise required by Law. Within fifteen (15) days prior to filing, Seller shall deliver to Buyer a draft of any such Pre-Closing Tax Return for Buyer's review and approval (which approval will not be unreasonably withheld or delayed). Within fifteen (15) days prior to filing, Buyer shall deliver to Seller a draft of any such Post-Closing Tax Return for Seller's review and approval (which approval will not be unreasonably withheld or delayed). The Parties agree that (i) this Section 8.1(c) is intended to solely address the timing and manner in which certain Tax Returns relating to Asset Taxes are filed and the Asset Taxes shown thereon are paid to the applicable Taxing Authority, and (ii) nothing in this Section 8.1(c) shall be interpreted as altering the manner in which Asset Taxes are allocated to and economically borne by the Parties.

(d) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(d) shall be borne by the Party requesting it.

## 8.2 Allocation of Purchase Price.

Buyer and Seller shall use commercially reasonable efforts to allocate the Base Purchase Price (plus any other amount properly treated as consideration under the Code) among the Assets and to the extent necessary to allocate the Base Purchase Price (plus any other amount properly treated as consideration under the Code) among the asset classes listed on Internal Revenue Service Form 8594, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate), in each case within thirty (30) days after delivery of the Final Settlement Statement. The allocation to each Asset is referred to herein as the "Allocated Value" of such Asset, and the general



allocation of value described in this Section 8.2 is referred to herein as the “Tax Allocation”. If the Parties reach agreement with respect to the Tax Allocation: (i) Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein in a manner consistent with the Tax Allocation; (ii) the Tax Allocation shall be revised to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price; and (iii) Seller and Buyer shall not take any position for US federal state and local income tax purposes inconsistent therewith upon examination of any Tax return, in any refund claim, in any tax litigation, or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party’s prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation; and *provided, further*, that the general allocation of value described in this Section 8.2 shall not be indicative or binding for any allocation of value in any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

### 8.3 Bulk Sales.

Seller has complied with any “bulk sales,” “bulk transfer” or similar Legal Requirement that is applicable with respect to the sale and transfer of any or all of the Assets to Buyer.

### 8.4 Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.

(a) With respect to each Assigned Contract and Assigned Lease and Interest, Buyer shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract or Assigned Lease and Interest. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts and the Assigned Leases and Interests, such as furnishing timely requested and factually accurate affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making Buyer’s and Seller’s employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.2 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) From and after the Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

### 8.5 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim), (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets without Seller's consent (which consent shall not be unreasonably withheld, conditioned or delayed) and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller's sole expense and upon reasonable advance notice, to such Records solely to the extent such access directly relates to the Bankruptcy Case, the wind-down of the operations of Seller, or the functions of any such trusts or successors, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such files, books, records and other materials; *provided, however*, that to the extent any such access involves entry upon the Assets or premises of Buyer, Seller shall not, and shall cause such Person to not, interfere with the ordinary conduct of business or operation of the Assets and at all times during such access, such Persons shall be accompanied by at least one Representative of Buyer. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller's estate, Seller shall preserve and keep the Records and, at Buyer's sole expense, shall make such Records, records and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during or after the time during which they must be maintained pursuant to this Section 8.5, such Party shall first give ninety (90) days' prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

#### 8.6 No Other Representations or Warranties; Disclaimers; NORM.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL**

SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY SELLER IN THE ASSIGNMENTS), SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

(b) **WAIVER OF CONSUMER AND OTHER RIGHTS:** BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 *ET SEQ.*, VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Buyer acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and Seller's representations, warranties and covenants made herein and in the Transaction Documents. Buyer hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) **BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY SELLER OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING BUYER'S RIGHTS UNDER THIS AGREEMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.**

#### 8.7 Casualty.

(a) If, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed One Million Dollars (\$1,000,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.7(b), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. In addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.7(b), in such repair, restoration or replacement, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds arising out of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by

Seller in collecting such proceeds. Any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

(c) Notwithstanding anything to the contrary in this Agreement, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller in respect thereof or other sums paid to Seller by third parties (or an assignment of claims related thereto) in respect of such condemnation or Casualty Loss, which proceeds and other sums shall be payable to Buyer only upon or after the Closing of the transactions contemplated hereby. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, OR OTHER FAULT OF SELLER (EXCLUDING ANY CASUALTY LOSS TO THE EXTENT ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP).**

#### 8.8 Successor Operator.

With respect to the Assigned Leases and Interests (or portions thereof) that are operated by Seller as of the Effective Time, (a) Buyer agrees that Seller will continue to operate such Assets until the DOI has approved Buyer as the operator thereof (except to the extent applicable Legal Requirements require otherwise), whereupon operations will be turned over to Buyer as the successor operator; and (b) Seller will cooperate with Buyer in Buyer's attempt to become successor operator with respect to all such Assets, including (a) by sending written notice seeking the written undertakings of the other Working Interest owners of such Assets to Buyer's succession as operator to Seller with respect to such Assets, (b) confirming that such Working Interest owners will consent to Buyer's succeeding Seller as operator of such Assets under the joint operating agreements and unit operating agreements applicable thereto, and (c) taking any other action reasonably requested by Buyer with respect to the transfer of operatorship with respect to such Assets.

#### 8.9 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller above a custody transfer point on the Effective Time that is credited to the Assets, such value to be the current market price or the price paid, less Taxes and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Time (including any pre-paid charges); (iii) the aggregate amount of all Known Receivables; (iv) all cash call pre-payment amounts paid by Seller and



associated with the Assets on and after the Effective Time; (v) an amount equal to \$0.00 per month (or prorated portion thereof) for the period from the Effective Time to the Closing Date, representing overhead charges of Seller with respect to Seller's operated Properties; and (vi) any other amount set forth herein or agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from the sale of Hydrocarbons, produced from and after the Effective Time, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons not otherwise accounted for hereunder) actually received by Seller; (ii) the amount of the Suspense Funds; (iii) the aggregate amount of all Operating Expenses in connection with the ownership, operation and maintenance of the Assets which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Time; and (iv) any other amount set forth herein or agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Time multiplied by the market price at the location of the Wells per Mcf of gas and per barrel of oil for such Well as of the Effective Time (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or the Assets for Seller's ownership prior to the Effective Time multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

#### 8.10 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a Preliminary Settlement Statement showing its computations, calculated in good faith, of the amount of each adjustment provided for in Section 8.9 above, together with reasonably supporting documentation, and Seller shall promptly provide such additional supporting documentation and information as Buyer may reasonably request. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, then with respect to any disputed adjustment Seller's computation thereof shall be used at Closing, subject to further adjustment under Section 8.11 below. If the amount of adjustments so determined that would result in a Base Purchase Price reduction exceeds the amount of adjustments so determined that would result in a Base Purchase Price increase, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

#### 8.11 Adjustment Post-Closing.

From and after the Closing Date until the date that is sixty (60) days following the Closing (the "Review Period"), upon at least two (2) Business Days' written notice from the Party requesting such access, each of Buyer and Seller shall (and shall cause their respective Affiliates to) afford the other Party and its Representatives reasonable access, during normal

business hours, to its employees, properties, books, Contracts and Records, and outside accountants to the extent the requesting Party reasonably deems necessary, and shall furnish promptly to the other Party all information concerning the Assets as may reasonably be requested by the other Party, solely to the extent reasonably related to the requesting Party's calculation of the adjustments provided for in Section 8.9 and its review of the Preliminary Settlement Statement and the calculations set forth therein. During the Review Period, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 8.9, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing pursuant to Section 8.9, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. If the Parties fail to agree on final adjustments within such Review Period, either Party may elect by written notice to the other Party within thirty (30) days after the end of such Review Period to submit the disputed items to a nationally-recognized, independent accounting firm mutually agreed upon by the Parties in writing (the "Accounting Referee"); *provided, however*, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as substitute Accounting Referee, by a date that is sixty (60) days after the end of the Review Period, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court (if the Bankruptcy Case has not closed or if the Bankruptcy Case has closed, the Houston office of the American Arbitration Association) to appoint a substitute Accounting Referee; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Once the Accounting Referee has been appointed pursuant to the foregoing and has agreed to serve, then the Parties shall promptly submit the disputed items to the Accounting Referee for resolution. Any disputed items described in this Section 8.11 with respect to which a Party does not elect to submit such disputed items to an Accounting Referee within such thirty (30) day period described above shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. The Accounting Referee, however, may not award any amounts greater than or less than the respective positions of Buyer and Seller. Seller and Buyer shall share equally the Accounting Referee's costs, fees and expenses (including attorneys' fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the "Final Settlement Statement"), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee's decision) by wire transfer of immediately available US funds to an account designated in writing by the Party entitled to receive such amounts. During the period between Closing and the point in time when



the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.12, and (ii) deliver any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party pursuant to Section 8.12, and such payments and deliveries shall be considered in determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

8.12 Allocation of Revenues and Expenses.

(a) Except as expressly provided herein, Seller shall remain entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds) and shall remain responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time prior to the Effective Time. Except as expressly provided otherwise in this Agreement, and subject to the occurrence of the Closing, Buyer shall be entitled to receive all of the rights of ownership (including the right to all production, revenues, proceeds of production and other proceeds), and shall be responsible (by payment, through the adjustments to the Base Purchase Price hereunder or otherwise) for all Operating Expenses for the period of time from and after the Effective Time. All Operating Expenses attributable to the Assets that are incurred with respect to operations conducted or production produced prior to the Effective Time shall be paid by Seller and all Liabilities with respect thereto shall be Excluded Liabilities. All capital expenditures, operating expenses or other expenses attributable to the Assets that are (i) approved after the date hereof in accordance with Section 7.1(b)(ii) or (ii) incurred with respect to operations conducted or production produced from and after the Effective Time in accordance with Section 7.1 shall be paid by or allocated to Buyer. Such amounts that are received prior to Closing shall be accounted for in the Preliminary Settlement Statement or Final Settlement Statement, as applicable. All amounts that are received after Closing but prior to the date of the Final Settlement Statement shall be accounted for in the Final Settlement Statement or pursuant to Section 8.12(b).

(b) Seller, on the one hand, and Buyer, on the other hand, each agree that, from and after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash), proceeds of production or other property that they may receive on or after the Closing which properly belongs to the other and will account to the other for all such receipts. In addition, if (i) any Party pays monies for costs or expenses which are the obligation of the other Party pursuant to the terms of this Agreement, then such other Party shall promptly reimburse the Party which paid such monies, (ii) a Party receives an invoice regarding an expense or obligation which is owed by the other Party pursuant to the terms of this Agreement, such Party

receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same, and (iii) a Party received an invoice regarding and expense or an obligation, which is partially an obligation of both Seller and Buyer pursuant to the terms of this Agreement, then the Parties shall consult with each other, and each shall promptly pay its respective portion of such expense or obligation to the obligee.

## ARTICLE 9

### CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

#### 9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date); *provided, however*, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 9.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracies in such representations and warranties (without regard to any materiality qualifier contained therein, including any Material Adverse Effect) taken together results in a Material Adverse Effect. Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

#### 9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

#### 9.4 Seller's Deliveries.

Each of the deliveries required to be made by Seller to Buyer pursuant to Section 4.4 shall have been so delivered or Seller shall be ready, willing and able to make such deliveries.

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Buyer, which consent may be withheld by Buyer in its sole discretion.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or Seller's waiver, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.2 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and shall be in full force and effect and shall not have been amended or modified in any respect except with the prior written consent of Seller, which consent may be withheld by Seller in its sole discretion.

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect, and no Action or Proceeding shall be

pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

10.5 Buyer's Deliveries.

Each of the deliveries required to be made by Buyer to Seller pursuant to Section 4.3 shall have been so delivered or Buyer shall be ready, willing and able to make such deliveries.

ARTICLE 11

TERMINATION

11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by either Seller or Buyer:

(i) if a Governmental Authority issues an Order which is in effect, or an Action or Proceeding is pending, which (in either case) has (or is reasonably likely to have, in the case of a pending Action or Proceeding) the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing; provided that such Order, Action or Proceeding was not requested, encouraged or supported by the terminating Party;

(ii) by mutual written consent of Seller and Buyer;

(iii) in the event Seller enters into a definitive agreement regarding a Superior Proposal; *provided* that the board of directors of Seller determines in good faith after consultation with its outside financial advisors and outside legal counsel, and based on the advice of such counsel, that proceeding with the Transactions would be inconsistent with applicable fiduciary duties;

(iv) if Seller, in accordance with the Bidding Procedures Order, enters into (or provides written notice to Buyer of their intent to enter into) one or more agreements to sell, transfer, or otherwise dispose of any material portion of the Assets in a transaction or series of transactions other than in the ordinary course of business with one or more Persons other than Buyer;

(v) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction;

(vi) if the Closing has not occurred by the close of business on the date that is fifteen (15) days after the date on which the Bankruptcy Court enters the Sale Order (the "Outside Date"); *provided, however*, that (1) Buyer shall be permitted to terminate this

Agreement pursuant to this Section 11.1(a)(vi) only if (w) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Buyer's conditions to Closing set forth in Article 9 have been fully satisfied or otherwise waived by Buyer and (z) Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(vi) only if (w) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, (x) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 11.1(a)(vi), (y) Seller's conditions to Closing set forth in Article 10 have been fully satisfied or otherwise waived by Seller and (z) Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller; or

(vii) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case;

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Seller to cure such breach within ten (10) days after receipt of written notice from Buyer of such breach; *provided, however*, that Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order;

(ii) if Seller announces or files any stand-alone plan of reorganization or liquidation or otherwise fails to perform under Section 7.3(b); or

(iii) if the Sale Order is modified in any material respect without the consent of Buyer; or

(c) by Seller in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the receipt of written notice from Seller of such breach; *provided, however*, that Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order.

## 11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party except as provided in this Section 11.2. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provision, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

(b) In the event that Buyer has the right to terminate this Agreement pursuant to Section 11.1(b)(i), Buyer shall be entitled to (1) terminate this Agreement pursuant to Section 11.1(b)(i) and receive the Deposit, free and clear of any claims thereon by Seller (and the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Buyer pursuant to Section 3.2), and/or (2) seek to recover damages from Seller, as well as seek all other remedies available to Buyer, at law or in equity, including seeking the specific performance of Seller hereunder.

(c) In the event that Seller has the right to terminate this Agreement pursuant to Section 11.1(c), notwithstanding Section 13.14, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement pursuant to Section 11.1(c) and retain the Deposit as liquidated damages, and not as a penalty, for such termination, free and clear of any claims thereon by Buyer (and the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Seller pursuant to Section 3.2). The Parties agree that, should Seller have the right to terminate this Agreement pursuant to Section 11.1(c), the foregoing described liquidated damages are reasonable considering all of the circumstances existing as of the Execution Date and constitute the Parties' good faith estimate of the actual damages reasonably expected to result from such termination of this Agreement by Seller.

(d) In the event that this Agreement is terminated for a reason other than as set forth in Section 11.2(b) or Section 11.2(c), then the Parties shall give joint written instructions to the Escrow Agent to release the Deposit to Buyer pursuant to Section 3.2.

(e) Each Party acknowledges that the agreements contained in this Section 11.2 are an integral part of the transactions contemplated by this Agreement, that without these agreements such Party would not have entered into this Agreement, and that any amounts payable pursuant to this Section 11.2 do not constitute a penalty.

## ARTICLE 12

### SURVIVAL AND INDEMNIFICATION

#### 12.1 Survival of Seller's Representations and Warranties.

The representations and warranties (other than the representations and warranties contained in Section 5.19) of Seller contained herein and in any certificate or other Transaction Documents (other than the Assignments) delivered by Seller pursuant to this Agreement and the covenants of Seller contained in Section 7.1 (in each case) shall survive the Closing through and including the date that is six (6) months after the Closing Date; *provided* that if a written notice of any claim with respect to any such representations, warranties or covenants is given prior to



the expiration thereof then such representation, warranty or covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement. Seller's representations and warranties contained in Section 5.19 and Seller's covenants and agreements contained in Sections 8.1 and 8.2 (to the extent relating to Seller Taxes) shall survive the Closing until the expiration of the applicable statute of limitations, plus sixty (60) days. Each of Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the covenants and agreements of Seller in any of Section 2.6, 2.7, 7.2(a) and (b), 8.11 or 8.12 (each a "Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b) (i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

#### 12.2 Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained in Article 6 of this Agreement shall survive the Closing through and including the date that is twelve (12) months after the Closing Date (the "Expiration Date"); *provided, however*, that any obligations to indemnify and hold harmless shall not terminate with respect to any Liabilities as to which a Seller Indemnified Party shall have given notice to Buyer in accordance with Section 12.4(a) on or before the Expiration Date.

#### 12.3 Indemnification by Buyer.

(a) From and after the Closing, subject to Section 12.2, Buyer hereby agrees to indemnify and hold Seller and each member of the Seller Group (collectively, the "Seller Indemnified Parties") harmless from and against:

(i) any and all Liabilities based upon, attributable to or resulting from the breach of any representation or warranty of Buyer set forth in Article 6 hereof, or any representation or warranty contained in any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(ii) any and all Liabilities based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Buyer under this Agreement; and

(iii) all Assumed Liabilities.

(b) Notwithstanding anything contained herein to the contrary, any Seller Indemnified Party making an Indemnification Claim under this Section 12.3 must give notice to the indemnifying Party of any such Indemnification Claim in writing on or prior to the Expiration Date.



#### 12.4 Indemnification Procedures.

(a) In the event that any Actions shall be instituted or that any claim or demand shall be asserted by any Seller Indemnified Party in respect of which payment may be sought under Section 12.3 (an “Indemnification Claim”), the Seller Indemnified Party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has Knowledge which is covered by the indemnity to be forwarded to the indemnifying Party; *provided* that a Seller Indemnified Party need not wait until an Action has been instituted or demand has been asserted before delivering written notice of an Indemnification Claim to the indemnifying Party. The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Seller Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder. If the indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the Seller Indemnified Party of its intent to do so. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, the Seller Indemnified Party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying Party shall assume the defense of any Indemnification Claim, the Seller Indemnified Party may participate, at his or its own expense, in the defense of such Indemnification Claim; *provided, however*, that such Seller Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying Party if (a) so requested by the indemnifying Party to participate or (b) in the reasonable opinion of counsel to the Seller Indemnified Party a conflict or potential conflict exists between the Seller Indemnified Party and the indemnifying Party that would make such separate representation advisable; and *provided, further*, that the indemnifying Party shall not be required to pay for more than one such counsel for all Seller Indemnified Parties in connection with any Indemnification Claim. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 12.4 to the contrary, neither the indemnifying Party nor any Seller Indemnified Party shall, without the written consent of the other, settle any Indemnification Claim or consent to entry of any judgment unless the claimant and such Party provide to such other Party an unqualified release from all liability in respect of the Indemnification Claim. If the indemnifying Party makes any payment on any Indemnification Claim, the indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Seller Indemnified Party to any insurance benefits or other claims of the Seller Indemnified Party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Seller Indemnified Party and the indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Seller Indemnified Party shall forward to the indemnifying Party notice of any sums due and owing by the indemnifying Party pursuant to this Agreement with respect to such matter.

12.5 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Seller Indemnified Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.6 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based, unless a final determination with respect to the Seller Indemnified Party causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the non-disclosure agreement entered into by them and/or their Affiliates in connection with the transactions contemplated by this Agreement (the “Non-Disclosure Agreement”), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that (a) disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreement, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreement. Upon the Closing, the Non-Disclosure Agreement shall terminate and be of no further force or effect.

13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transaction contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to, on or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transaction contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party’s (including such Party’s respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party if such statement, declaration or public announcement is permitted by the applicable Legal Requirements.

13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if received from a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties); *provided that* in the event any such notice, consent, waiver or other communication under this Agreement is received by the receiving Party outside of normal business hours or on a day other than a Business Day, then such notice, consent, waiver or other communication will be deemed given on the next Business Day during normal business hours:

(i) If to Seller, then to:

Cobalt International Energy, L.P.  
Cobalt Center  
920 Memorial City Way  
Suite 100  
Fax: 713-579-9104  
Attention: Rich Smith  
Email: Rich.Smith@cobaltintl.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, Illinois 60654  
Attn: Chad Husnick, P.C.; Brad Weiland  
Phone: (312) 862-7182  
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP  
609 Main Street, 45th Floor  
Houston, Texas 77002  
Attn: Anthony Speier, P.C.; Rahul Vashi  
Phone: (713) 836-3639  
E-mail: rahul.vashi@kirkland.com

(ii) If to Buyer:

TOTAL E&P USA, INC.  
1201 Louisiana Street, Suite 1800  
Houston, TX 77002

Attention: Nikita Taldykin  
Telephone: 713-647-3326  
E-mail: nikita.taldykin@total.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
811 Main Street, Suite 3700  
Houston, TX 77002  
Attention: Chris Bennett  
Telephone: 713-546-7417  
E-mail: chris.bennett@lw.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12) WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules and the Exhibits), and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party), and any purported assignment in violation of this Section 13.6 shall be void *ab initio*.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

The Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) **Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.**

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a Texas state court or a federal court

sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER, BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

13.11 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.12 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind. Notwithstanding the foregoing, a Party shall have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of the other members of the Seller Group or Buyer Group, as applicable (but shall not be obligated to do so).

13.13 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Documents, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being

expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.14 Specific Performance.

The Parties acknowledge that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Each Party further agrees that, in addition to any other remedy that such Party may have under law or equity, without posting bond or other undertaking, such Party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking any remedy provided for in this Section 13.14, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement and (ii) nothing contained in this Section 13.14 shall require any Party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 13.14 before exercising any other right under this Agreement.

13.15 Intentionally Omitted.

13.16 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, any and all obligations under this Agreement are subject to the entry of the Sale Order.

*[Signature page follows.]*



**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

Cobalt International Energy, L.P.

By: David Powell  
Name: David D. Powell  
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

TOTAL E&P USA, INC.

A handwritten signature in blue ink, appearing to be 'Jose-Ignacio Sanz-Saiz', written over a horizontal line.

By: \_\_\_\_\_

Name: Jose-Ignacio Sanz-Saiz

Title: President & CEO

**EXHIBIT A**

**Assigned Leases and Interests**

[See attached.]

<u>Area</u>	<u>Block</u>	<u>Original Lessor</u>	<u>Original Lessee</u>	<u>Lessor / Lease No.</u>	<u>Cobalt Lease No.</u>	<u>Lease Date</u>	<u>Lease Expiration</u>	<u>Asset</u>	<u>Working Interest</u>	<u>Royalty Rate</u>	<u>Net Revenue Interest</u>	<u>Gross Acres</u>	<u>Depths</u>
Keathley Canyon	39	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35705	GL-134-01	6/1/2015	5/31/2025	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	963	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 34530	GT-009-05	11/1/2012	10/31/2019	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Keathley Canyon	61	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35886	GL-135-01	8/1/2016	7/31/2023	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Keathley Canyon	106	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35889	GL-135-03	8/1/2016	7/31/2023	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	603	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35850	GL-033-03	6/1/2016	5/31/2023	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Mississippi Canyon	605	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 34901	GL-136-01	7/1/2013	6/30/2023	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	822	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35854	GT-005-09	7/1/2016	6/30/2023	Exploratory Asset	51.00%	18.75%	41.4375%	5,760	All Depths
Garden Banks	827	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 36009	GL-137-01	6/1/2017	5/31/2024	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	828	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 36010	GL-137-02	6/1/2017	5/31/2024	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	873	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 36011	GL-137-03	6/1/2017	5/31/2024	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	917	United States of America Department of Interior	Cobalt International Energy, L.P.	OCS-G 36013	GL-137-04	6/1/2017	5/31/2027	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Garden Banks	1000	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35380	GL-048-03	7/1/2014	6/30/2024	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths
Mississippi Canyon	694	United States of America Department of Interior	Cobalt International Energy, L.P., TOTAL E&P USA, INC	OCS-G 35343	GL-133-01	6/1/2014	5/31/2024	Exploratory Asset	60.00%	18.75%	48.75%	5,760	All Depths

**Exhibit B: Wells**

None.

**Exhibit C: Assigned Contracts**

None.

**EXHIBIT D-1**

**Attached to and made a part of that certain Asset Purchase Agreement  
by and among Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer**

**Form of County Assignment**

**ASSIGNMENT AND BILL OF SALE**

STATE OF [●] §  
§ KNOW ALL PERSONS BY THESE PRESENTS:  
[COUNTY/PARISH] OF [●] §

This ASSIGNMENT AND BILL OF SALE (this “Assignment”), effective as of the Effective Time, is from COBALT INTERNATIONAL ENERGY L.P., a Delaware limited partnership (“Assignor”), to TOTAL E&P USA, INC., a Delaware corporation (“Assignee”). Assignor and Assignee are hereinafter referred to as a “Party” and collectively as the “Parties.” All capitalized terms not specifically defined herein shall have the meaning assigned such term in the Purchase Agreement.

WHEREAS, on December 14, 2017, Assignor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

WHEREAS, Assignor and Assignee entered into that certain Asset Purchase Agreement dated March 12, 2018 (the “Purchase Agreement”), pursuant to which Assignor has agreed to assign, transfer and convey and Assignee has agreed to purchase and acquire all of Assignor’s right, title, and interest in and to the Assets; and

WHEREAS, on [●], 2018, the Bankruptcy Court entered the Sale Order authorizing the Assignor to sell the Assets to Assignee pursuant to the terms and conditions of the Purchase Agreement.

**ARTICLE I  
Assignment**

**Section 1.1** Effective Time. The conveyance and assignment herein shall be deemed effective as of January 1, 2018 at 12:01 a.m., Central Time (the “Effective Time”).

**Section 1.2** Assignment. Assignor, for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms set forth herein, does by these presents GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto Assignee all of Assignor’s rights, title, and interest in, to, and under the following (less the Excluded Assets, collectively, the “Assets”):

(a) all existing oil and gas leases, oil, gas and mineral leases or subleases, and other leasehold interests, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to



reassignment (collectively, the “Leases”) described in Exhibit A, together with any and all other rights, titles, and interests of Assignor in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Assignor’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);

(b) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(c) all oil, gas, minerals and other gaseous and liquid hydrocarbons, or any combination of the foregoing (collectively, the “Hydrocarbons”) produced from or allocated to any or all of the Properties from and after the Effective Time, and all proceeds therefrom;

(d) all Contracts (other than Excluded Contracts), including sales and purchase contracts, unit operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, all of which Contracts are described on Exhibit C attached hereto, in each case, to the extent (and then only to the extent) that they relate to any other Asset (such Contracts, together with the agreements described in Section 1.2(k), collectively, the “Assigned Contracts”);

(e) (A) to the extent that they may be assigned, all permits, licenses, servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case) with any Governmental Authority to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets and (B) all servitudes, easements, rights-of-way and other surface agreements, rights or interests (in each case, other than those with any Governmental Authority) to the extent the same are used or held for use in connection with the ownership or operation of any of the Assets (except for any Excluded Asset, collectively, the “Permits”);

(f) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or held for use in connection with, the Properties or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

(g) all of the files, records, information, and data, whether written or electronically stored, in Assignor’s or any of its Affiliates’ possession and relating to the Assets or the Assumed Liabilities, including (a) land and title records (including abstracts of title and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e) seismic and specific seismic lines and geological, geochemical and geophysical data if assignable by Assignor without cost, or Assignee has agreed

to and pays the cost; and (f) facility and well records (except for any Excluded Record, collectively, the “Records”);

(h) all claims, refunds, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor to the extent related to the Assets and arising or relating to acts, omissions or events or damage to property (in each case) (A) occurring on or after the Effective Time or (B) related to any of the Assumed Liabilities;

(i) all Known Receivables, cash call pre-payments and other refunds due to Assignor for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Time;

(j) all trade credits, accounts receivable, note receivables, take or pay amounts receivable and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Time; and

(k) to the extent not covered in Section 1.2(d) above, all rights of Assignor under confidentiality, non-disclosure and non-compete agreements relating to any of the Assets or the sale thereof.

**Section 1.3** Excluded Assets. Assignor shall EXCEPT, RESERVE and RETAIN and the Assets shall not include the following assets (the “Excluded Assets”):

(a) the Purchase Price delivered to Assignor pursuant to the Purchase Agreement;

(b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, letters of credit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding (i) the Suspense Funds, (ii) any cash relating to the Assets described in Section 1.2(h) and (iii) cash relating to any Assumed Liability;

(c) all Hydrocarbons produced from or attributable to the Properties prior to the Effective Time, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Time, and Hydrocarbons above a custody transfer point on the Effective Time, and all proceeds attributable thereto;

(d) all shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Assignor or any of Assignor’s Subsidiaries;

(e) all minute books, stock ledgers, corporate seals and stock certificates of Assignor;

(f) all Excluded Records;

(g) all rights to any refunds of (i) Asset Taxes attributable to any Tax period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise, capital gain or similar Taxes, or (iii) any Taxes attributable to the Excluded Assets;

(h) except as provided in Section 8.7(b) of the Purchase Agreement, all insurance policies and rights to proceeds thereof;

(i) all Permits and pending applications therefor to the extent (and then only to the extent) related to any other Excluded Asset or the Excluded Liabilities;

(j) all Intellectual Property;

(k) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(l) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor (i) arising from or relating to acts, omissions, or events, or damage to property occurring prior to the Effective Time (except to the extent that any corresponding Liabilities are Assumed Liabilities), or (ii) to the extent arising from or related to any of the other Excluded Assets;

(m) all rights, claims or causes of action by, or in the right of Assignor against, any current or former director or officer of Assignor or its Affiliates;

(n) the Avoidance Actions;

(o) any rights, claims or causes of action of Assignor under the Purchase Agreement or any other Transaction Document;

(p) except to the extent relating to any Assumed Liability or constituting an Asset under any of Section 1.2(a) through Section 1.2(k), all proceeds, income, revenues, claims, refunds and other benefits (including without limitation any benefit attributable to any current or future laws or regulations in respect of "royalty relief" or other similar measures) not otherwise enumerated above (including without limitation any royalty overpayment receivables and/or future deductions as royalty offsets generated as a result of Assignor's audit of royalties paid to any Governmental Authority as well as any security or other deposits made), in each case, attributable to (A) the Assets for any period prior to the Effective Time or (B) any Excluded Assets (if any);

(q) the following documents prepared or received by Assignor with respect to the sale of the Assets contemplated by the Bidding Procedures: (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Assignor of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee, (v) internal valuations or economic models and (vi) correspondence between Assignor or any of its respective representatives with respect to any of the bids, the prospective purchasers, or the transactions contemplated in the Purchase Agreement;

(r) any offices, office leases or personal property located on such sites whether or not directly related to any one or more of the Assets;

(s) all Permits and pending applications therefor, (in each case) to the extent related solely to any other Excluded Asset;

(t) all rights to the use of deposits and retainers to the extent held and applied by Assignor's professionals on or before sixty (60) days after the earlier to occur of (i) the effective date of a plan of reorganization or liquidation, (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, or (iii) the dismissal of the Bankruptcy Case by the Bankruptcy Court; and

(u) the Excluded Contracts.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, and appurtenances thereto and forever belonging thereto unto Assignee, and its successors and assigns forever subject to the other terms and provisions set forth in this Assignment.

## ARTICLE II DISCLAIMERS; ASSUMPTION

**Section 2.1 Disclaimers. EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF ASSIGNOR OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, ASSIGNOR'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF ASSIGNOR). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, ASSIGNOR FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS AND ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY ASSIGNOR IS PROVIDED AS A CONVENIENCE, AND (WITHOUT LIMITING ASSIGNEE'S RIGHTS UNDER THIS ASSIGNMENT OR THE TRANSACTION DOCUMENTS) ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS (INCLUDING THE SPECIAL WARRANTY OF DEFENSIBLE TITLE GIVEN BY ASSIGNOR IN SECTION 3.4 OF THIS ASSIGNMENT), ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR (INCLUDING, WITHOUT LIMITATION, IN RESPECT OF**

ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

AS TO ANY OF THE ASSETS WHICH MAY BE LOCATED WITHIN THE JURISDICTION OF LOUISIANA, THE ASSIGNEE EXPRESSLY WAIVES: (I) THE WARRANTY OF FITNESS FOR INTENDED PURPOSES OR GUARANTEE AGAINST HIDDEN OR LATENT REDHIBITORY VICES UNDER LOUISIANA LAW, INCLUDING LOUISIANA CIVIL CODE ARTICLES 2520, ET SEQ, (II) ALL RIGHTS IN REDHIBITION PURSUANT TO LOUISIANA CIVIL CODE ARTICLE 2520, ET SEQ.; AND (III) ALL RIGHTS WHICH MAY EXIST UNDER THE LOUISIANA UNFAIR TRADE PRACTICE AND CONSUMER PROTECTION LAW, LA. R.S. 51:1402 ET SEQ. FURTHER, FOR ALL SUCH PURPOSES, ASSIGNOR ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THE WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE AND EXPLAINED IN DETAIL AND THAT ASSIGNEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER OF WARRANTY OF FITNESS AND/OR WARRANTY AGAINST REDHIBITORY VICES AND DEFECTS FOR THE ASSETS.

**Section 2.2 ENVIRONMENTAL CONDITION.** ASSIGNEE ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS AND THE ASSETS MAY ALSO CONTAIN PREVIOUSLY PLUGGED AND ABANDONED WELLS, BURIED PIPELINES, STORAGE TANKS, AND OTHER EQUIPMENT, WHETHER OR NOT OF A SIMILAR NATURE, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY ASSIGNOR OR BE READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIALS (“NORM”). NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. WITHOUT LIMITING ASSIGNEE’S RIGHTS UNDER THIS ASSIGNMENT AND THE TRANSACTION DOCUMENTS, FROM AND AFTER THE CLOSING, ASSIGNEE SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.

**Section 2.3 Conspicuous.** Assignee and Assignor agree that, to the extent required by applicable law to be effective, the disclaimers of certain warranties contained in this Assignment are “conspicuous” disclaimers.

**Section 2.4 Independent Investigation.** Assignee acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Assignee’s own estimate and appraisal of the extent and value of Assignor’s Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Assignee acknowledges that in entering into this Assignment, it has relied on the aforementioned investigation and Assignor’s representations, warranties and covenants made herein and in the Transaction Documents. Assignee hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Assignor or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

**Section 2.5 Assumption.** Assignee hereby assumes and agrees to fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, or discharged) all of the Assumed Liabilities arising in respect of the Assets provided that Assignee does not assume any obligations or Liabilities attributable to the Excluded Liabilities.

### **ARTICLE III OTHER PROVISIONS**

**Section 3.1 Conveyance subject to the Purchase Agreement.** This Assignment is expressly subject to the Purchase Agreement. Nothing in this Assignment shall operate to modify or limit, release, or otherwise impair any Party’s respective rights, obligations, remedies, or indemnities in the Purchase Agreement. If any provision of this Assignment is construed to conflict with any provision of the Purchase Agreement, the provisions of the Purchase Agreement shall be deemed controlling to the extent of such conflict.

**Section 3.2 Further Assurance.** The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Assignment; *provided* that nothing in this Section 3.2 shall prohibit Assignor from ceasing operations or winding up its affairs following the Closing.

**Section 3.3 Assignment.** The provisions of this Assignment shall be construed as covenants running with the land and this Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and each of their respective successors and assigns.

**Section 3.4 Special Warranty of Defensible Title.** Assignor warrants Defensible Title to all of the Assets unto Assignee, its successors and assigns against every Person whomsoever lawfully claiming the same or any part thereof, by, through or under Assignor or its Affiliates (including, for the avoidance of doubt, any action or inaction on the part of Assignor or its Affiliates), but not otherwise.



**Section 3.5 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.**

(a) EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAWS OR ANY OTHER LAW THAT WOULD MAKE THE LAWS OF ANY OTHER JURISDICTION OTHER THAN THE STATE OF TEXAS APPLICABLE HERETO.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Assignment and to decide any claims or disputes which may arise or result from, or be connected with, this Assignment, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Assignment shall be heard and determined in a Texas state court or a federal court sitting in the county of Harris, the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3 of the Purchase Agreement) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE ACTIONS OF ASSIGNOR, ASSIGNEE OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

**Section 3.6 Waiver of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS ASSIGNMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED BUT EXCLUDING LOSS OF PROFIT DAMAGES THAT ARE DIRECT DAMAGES) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12 OF THE PURCHASE AGREEMENT) WITHOUT GIVING EFFECT TO THIS SECTION 3.6.

**Section 3.7 Interpretive Matters.** Unless otherwise expressly provided, for purposes of this Assignment, the following rules of interpretation shall apply:



(a) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Assignment, the date that is the reference date in calculating such period shall be excluded;

(b) Any reference in this Assignment to gender includes all genders, and words imparting the singular number only include the plural and vice versa;

(c) Words such as “herein,” “hereof” and “hereunder” refer to this Assignment as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; and

(d) The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

**Section 3.8 Counterparts.** This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Assignment and all of which, when taken together, shall constitute one and the same instrument.

**Section 3.9 Additional Assignments.** Certain of the Assets may require approval to transfer by a Governmental Authority, and as such may require separate assignment instruments made on officially approved forms, or forms acceptable to such Governmental Authority, (including any assignments of record title, operating rights and/or rights of ways filed with the BOEM or BSEE) and in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. Assignor’s interest conveyed by such separate assignments are the same, and not in addition to, Assignor’s interest conveyed in this Assignment.

Where separate assignments of the Assets have been or will be executed for filing with, and approval by, applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Assets herein made and shall not constitute any additional Assignment or assignment of such properties, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment or the other Transaction Documents and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by Assignor to Assignee and (c) shall be deemed to contain all of the terms and provisions of this Assignment and the Transaction Documents, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Parties have executed this Assignment on the dates set forth in their respective acknowledgements hereto, but this Assignment shall be effective for all purposes as of the Effective Time.

WITNESSES TO ALL SIGNATURES:                      ASSIGNOR:

Cobalt International Energy, L.P.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_





**EXHIBIT D-2**

**Form of DOI Assignment**

[See attached.]

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 06/30/2019

**ASSIGNMENT OF RECORD TITLE INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.  
\_\_\_\_\_  
Lease Effective Date  
\_\_\_\_\_  
New Lease No. (BOEM Use Only)

**Part A: Assignment**

**Legal description of the OCS oil and gas lease or the officially designated subdivision of the lease being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

**Assignor(s):** **Percentage Interest Conveyed**  
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]

**Assignee(s):** **Percentage Interest Received**  
TOTAL E&P USA, INC. 01500

**The approval of this assignment is restricted to record title interest only.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

**For BOEM use only**

This Assignment of Record Title Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By \_\_\_\_\_  
Authorized Official for BOEM                      Title                      BOEM Approval Date

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

**Part B: Certification and Acceptance**

1. Each Assignor certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior's nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agree to communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the "Act"), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Record Title Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Assignor Name:** [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]      **Assignor Name:**

**Assignor Qualification No.** [02873]/[03070]

**Assignor Qualification No.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:  
Signatory Title:

Signatory Name:  
Signatory Title:

\_\_\_\_\_  
Execution Date

\_\_\_\_\_  
Execution Date

**Assignee Name:** TOTAL E&P USA, INC.

**Assignee Name:**

**Assignee Qualification No.** 01500

**Assignee Qualification No.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Signatory Name:  
Signatory Title:

Signatory Name:  
Signatory Title:

\_\_\_\_\_  
Execution Date

\_\_\_\_\_  
Execution Date



U.S. Department of the Interior  
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006  
Expiration Date: 6/30/2019

**ASSIGNMENT OF OPERATING RIGHTS INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE**

\_\_\_\_\_  
Lease No.  
\_\_\_\_\_  
Lease Effective Date

**Part A: Assignment**

**Legal description of the Operating Rights being assigned:**

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

**Assignor(s):** **Percentage Interest Conveyed**  
[Cobalt International Energy L.P. 02873]/[Cobalt GOM #1, LLC 03070]

**Assignee(s):** **Percentage Interest Received**  
TOTAL E&P USA, INC. 01500

**The approval of this assignment is restricted to operating rights only. This assignment does not affect record title interest.**

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment

**For BOEM use only**

This Assignment of Operating Rights Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By \_\_\_\_\_ Title \_\_\_\_\_ BOEM Approval Date \_\_\_\_\_  
Authorized Official for BOEM

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. The BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under Section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

Part B – Certification and Acceptance

1. Each Assignor certifies it is the owner of the operating rights interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior’s nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agrees to communicate the requirement to comply with these regulations to persons with whom it does business related to this operating rights interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee’s execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the “Act”), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties’ liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Operating Rights Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together will constitute but one and the same instrument provided. However, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Assignor Name: [Cobalt International Energy, L.P.]/[Cobalt GOM #1, LLC]

Assignor Name:

Assignor Qualification No: [02873]/[03070]

Assignor Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date  
Assignee Name: TOTAL E&P USA, INC.  
Assignee Qualification No: 01500

Execution Date  
Assignee Name:  
Assignee Qualification No:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

By: \_\_\_\_\_  
Signatory Name:  
Signatory Title:

Execution Date

Execution Date

**Schedule 1.1**

To that certain Asset Purchase Agreement by and among  
Cobalt International Energy L.P., as Seller, and  
TOTAL E&P USA, INC., as Buyer

**Seller's Knowledge Persons**

Richard A. Smith - Senior Vice President, Strategy and Business Development

Rod Skaufel - President, Operations

Timothy Cutt - Chief Executive Officer

Ben Davis - Land Manager, Gulf of Mexico

**Schedule 2.1(b)(ix)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Known Receivables**

None.

**Schedule 2.2(i)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Excluded Contracts**

None.

**Schedule 2.5(b)**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Cure Costs**

None.

**Schedule 5.9**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**AFEs**

None.



**Schedule 7.9**

To that certain Asset Purchase Agreement by and between  
Cobalt International Energy L.P., as Seller,  
and TOTAL E&P USA, INC. as Buyer

**Surety Bonds**

<b><u>Date</u></b>	<b><u>Bond No.</u></b>	<b><u>Issuer</u></b>	<b><u>Beneficiary</u></b>	<b><u>Amount</u></b>	<b><u>Contract Description</u></b>
11/20/2008	RLB0012287	RLI Insurance Company	U.S. Department of Interior	\$1,000,000.00	Outer Continental Shelf (OCS) Mineral Lessee's and Operator Bond