

**OPEN DOOR PROCEDURE
FOR AN OFFSHORE AREA
IN DISKO WEST 2020**

GUARANTEE

issued by

[name of guarantee company]
(Guarantor)



Government of Greenland
Oil and Gas Department
Exclusive Licence No. [yyyy]/[xx]

WHEREAS:

- Pursuant to Greenland Parliament Act No. 7 of 7 December 2009 on mineral resources and mineral resource activities, as amended by subsequent Acts, (hereinafter called the "Mineral Resources Act"), the Government of Greenland has granted Exclusive Licence No. [yyyy]/[xx] of [year] for Exploration for and Exploitation of Hydrocarbons in an Offshore Area [in Disko West], West Greenland, (hereinafter called the "Licence") to [name of licensee company], a company incorporated and existing under the laws of and registered in [state (country)], having a registered number of [...] and having its registered office at [full address], (hereinafter called the "Company"), jointly and with other parties;
- The Licence and performance of activities under it are subject to the issuance of a guarantee for the due performance of the obligations and liabilities of the Company under the Licence and under the Mineral Resources Act in relation to the Licence;

NOW THEREFORE:

- The undersigned [name of parent company and/or other company which is the ultimate owner of a major shareholding in the Company or another affiliated company which has been approved by the Government of Greenland as guarantee company], a company incorporated and existing under the laws of and registered in [state (country)], having a registered number of [...] and having its registered office at [full address], (hereinafter called the "Guarantor") hereby provides the following Guarantee:

1.

The Guarantor has acquainted itself with the Licence, including all appendices, etc. thereto, to the extent they exist at the time of this present Guarantee being signed.

2.

As surety with primary liability, the Guarantor hereby guarantees irrevocably, without any time limit, the due performance of any and all existing and future obligations and liabilities of the nature referred to under (a), (b) and (c) below that are incurred by or become incumbent on the Company in its capacity of co-holder of the Licence or as a consequence of any activities undertaken or executed in pursuance of or in connection with the Licence, and regardless of whether such obligations and liabilities are incumbent on the Company exclusively or jointly and severally with any other parties:

- (a) any and all obligations and liabilities, whether they pertain to private or public law, towards the Greenland Self-Government and/or the Danish State;
- (b) liability for damages pursuant to sections 28.01-28.05 of the Licence, or to any other provision on liability for damages of the Licence, or any other existing or future rules or provisions on liability for damages, including liability for remedying any pollution or other environmental damage, regardless of the identity of the injured party and of whether the claim is set forth by any party or parties other than the injured party, where this is allowed under Greenland law and/or Danish Law;

- (c) the liability to pay interest on and costs associated with the claims referred to in (a) and (b) above.

3.

The Guarantor shall be generally liable for all claims covered by this Guarantee as well as for the Guarantor's own debts, and the Guarantor shall thus either fulfil or arrange for the fulfilment of any and all obligations incurred and payable by the Company, including any claim for interest and costs, falling within the scope of this Guarantee, with payment to be made immediately upon demand or, where the correctness of the claim is contested, when it has been established by a final court decision. Legal proceedings in respect of claims under this Guarantee raised by parties other than the Greenland Self-Government and/or the Danish State shall not be instituted against the Guarantor until the claim has been established by a final judgment against the Company or by an arbitration award against the Company.

4.

Where the Guarantee becomes payable due to obligations for which the Company is jointly and severally liable with the other co-holders of the Licence, the guarantee amount payable in respect of an individual obligation cannot exceed two hundred per cent (200%) of the Company's share of the relevant obligation. Regardless of the percentage distribution among the co-holders of the Licence, the Company's share of the obligation shall be determined as the Company's percentage share of the Licence at the time when the claim arose (upon the issuance of the Licence: [...] %). Where the Government of Greenland has accepted that the shares in the Licence are not identical throughout the licence area, then the basis used shall be the shares in the activity from which the claim arises.

5.

The maximum amount of the Guarantor's liability set out in clause 4 of this Guarantee shall not be reduced in the event that part of the claim is covered or coverable by others, or in the event that the Guarantor has contributed or undertaken to contribute towards such coverage, whether directly or indirectly. However, amounts that the beneficiary has received as partial coverage of the relevant obligation from the Company, or under insurance taken out by the Company, shall be deducted from the maximum calculated. Where insurance has been taken out by several co-holders of the Licence, the share of insurance coverage corresponding to the Company's share, as defined in the second and third sentences of clause 4 of this Guarantee, shall be deducted from the Guarantor's maximum liability. The Guarantor shall have no right of recourse against the Company where such recourse claim competes with any claim raised by any beneficiary under this Guarantee.

6.

The Guarantee shall also cover any obligations and liabilities referred to in clause 2 above which become incumbent on the Company after the issuance of this Guarantee as a consequence of any future amendment of the Licence with appendices, etc., new or changed agreements, including the Joint Operating Agreement referred to in article 24 or other provisions of the Licence, or new or amended or other rules of law.

7.

The Guarantor hereby expressly and irrevocably waives the right to obtain a release from or reduction of any liability under this Guarantee by relying on any objection based on the Company's transgression or non-performance of obligations towards the Guarantor, including objections to the effect that the Company has given the Guarantor incomplete or misleading information or has entered into more extensive commitments than authorised by the Guarantor. This shall also apply to any objection based on the following: (1) that a beneficiary pursuant to clause 2 of this Guarantee fails to inform the Guarantor of matters of significance to the Guarantee, or (2) that a beneficiary, by its acts or omissions towards the Company, fails to comply with obligations towards the Guarantor, including objections to the effect that the beneficiary has granted the Company a respite or has waived security furnished, or to the effect that claims against the Guarantor have lapsed or been reduced due to the beneficiary's failure to prove claims against the Company's estate. Where the liability of the Company has been established by a final judgment or by an arbitration award pronounced by a competent court or arbitration tribunal in a case instituted against the Company, the Guarantor shall moreover waive the right to lodge any objection against the existence and enforceability of the liability claim against the Guarantor, regardless of whether the Guarantor has been involved in the legal proceedings or not.

8.

This Guarantee, and any non-contractual obligation arising out of or in connection with it, shall be governed by and construed in accordance with Greenland law and Danish law, as applicable in Greenland.

Any dispute arising out of or in connection with this Guarantee shall be settled under and in conformity with the said rules of Greenland law and Danish law and by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. These courts shall have exclusive jurisdiction in relation to any such dispute.

The provisions above in this clause 8 shall not prevent the parties from agreeing in individual cases to refer a dispute to final settlement by arbitration. Any such arbitration shall be arranged by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when the arbitration proceedings are commenced. The arbitration tribunal shall consist of three members and shall sit in Copenhagen, Denmark. Danish law shall be applicable to the arbitration proceedings, subject to the provision on applicable law above in this clause 8. The arbitration proceedings shall be conducted in the English language.

9.

The Guarantor hereby agrees that any judgment or arbitration award pronounced against the Guarantor pursuant to clause 8 of this Guarantee shall be enforceable against the Guarantor's assets, regardless of the country in which such assets might be located.

10.

Subject to the terms and conditions stated herein, this Guarantee may be immediately and directly enforced against the Guarantor by any party whose claim or claims against the Company falls or fall

under this Guarantee, and the beneficiary or beneficiaries may invoke any and all terms and conditions contained herein, including the provision on jurisdiction and arbitration set out in clause 8 of this Guarantee.

11.

Any expenses in connection with the issuance of this Guarantee shall ultimately be paid by the Guarantor, or by the Company where an agreement to such effect has been made between the Guarantor and the Company.

12.

If the Guarantor now or later has a right to claim sovereign immunity for itself or any of its assets, the Guarantor hereby waives any such immunity to the fullest extent permitted by the laws of any applicable jurisdiction. This waiver includes immunity from: (1) any court proceedings, arbitration proceeding or administrative proceedings commenced under or in relation to this Guarantee, (2) any court, judicial, administrative or other proceedings to aid any court proceedings or arbitration proceedings commenced under or in relation to this Guarantee, and (3) any act or effort to confirm, enforce or execute any decision, settlement, judgment, arbitration award, service of process, execution order or attachment (including pre-judgment attachment) which results from any court proceedings, arbitration proceedings or administrative proceedings commenced under or in relation to this Guarantee.

The Guarantor acknowledges that its obligations and rights under this Guarantee are of a commercial nature and not a governmental nature.

Signed for and on behalf of [full name of guarantee company]

Name: [full name of signatory]
[title or function] of [full name of guarantee company]
Address: [street/ town/ country]
Nationality: [...]
Civil reg. no.: [...]
Passport number: [...]
Place of signing: [city/place and state (country)]
Date of signing: [date]

Name: [full name of second signatory (if any)]
[title or function] of [full name of guarantee company]

Address: [street/ town/ country]
Nationality: [...]
Civil reg. no.: [...]
Passport number: [...]
Place of signing: [city/place and state (country)]
Date of signing: [date]

Enclosures:

1. Certified colour copy of passport of [full name of signatory]
2. Certified colour copy of driving licence of [full name of signatory]
3. Certified colour copy of passport of [full name of second signatory (if any)]
4. Certified colour copy of driving licence of [full name of second signatory (if any)]

In witness of the authenticity of the signatures, the correctness of the date and the authority of the signatories to impose upon the Guarantor such liabilities and obligations as are contained in or follow from the Guarantee set out above.

Name: [full name of first witness]
Nationality: [...]
[title or function] of [full name of guarantee company or other company or firm (if any)]
Address: [street/ town/ country]
Nationality: [...]
Civil reg. no.: [...]
Passport number: [...]
Place of signing: [city/place and state (country)]
Date of signing: [date]

Name: [full name of second witness]
[title or function] of [full name of guarantee company or other company or firm (if any)]
Address: [street/ town/ country]
Nationality: [...]
Civil reg. no.: [...]
Passport number: [...]
Place of signing: [city/place and state (country)]
Date of signing: [date]

Enclosures:

1. Certified colour copy of passport of [full name of signatory]
2. Certified colour copy of driving licence of [full name of signatory]
3. Certified colour copy of passport of [full name of second signatory (if any)]
4. Certified colour copy of driving licence of [full name of second signatory (if any)]

5. Certified colour copy of passport of [full name of first witness]
6. Certified colour copy of driving licence of [full name of first witness]
7. Certified colour copy of passport of [full name of second witness]
8. Certified colour copy of driving licence of [full name of second witness]