

**Кредитный договор, связанный с задолженностью по
нефтегазовому проекту**

Facility Agreement relating to oil and gas project debt

(на английском языке)

Приведенные условия являются примерами положений, обычно встречающихся в соглашениях о финансировании нефтегазовой отрасли.

INTERPRETATION

Definitions

"Borrowings" means any liability (whether as principal or surety or otherwise) in respect of:

- (a) moneys borrowed or raised (but excluding non-redeemable share capital) and interest (or any other amount equivalent thereto) thereon;
- (b) any acceptances by any bank or accepting house under any acceptance credit;
- (c) any debenture (whether secured or unsecured);
- (d) any bonds, letter of credit or similar instruments;
- (e) any lease (whether with or without an option to purchase) for the purpose of raising finance;
- (f) the purchase consideration for assets or services to the extent payable more than < > months after the date of acquisition or possession thereof; and
- (g) moneys received more than < > months prior to but in consideration for the supply of goods and/or services or the performance of any other obligations.

"Company's Forecast" means a cash flow projection setting out the Final Maturity Cover Ratio and Project Cover Ratio prepared in accordance with Clause < > (Company's Forecasts).

"Company Interest" means all of the Company's present and future interest in the Project and all Project Agreements, Relevant Consents and Project Facilities.

"Company Petroleum" means the Company's share of Project Petroleum (and includes its interest in, and entitlement to, such petroleum).

"Completion Date" means [practical completion of Project - describe criteria].

"Dangerous Substance" means any radioactive emissions and any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) which, by virtue of its use in connection with, or discovery, presence or emission at the site of, the Project or any of the Project Facilities, gives rise to a material risk of causing harm to man or any other living organism or damaging the environment or public health or welfare, including any controlled, special, hazardous, toxic, radioactive or dangerous waste.

"Development Costs" means:

- (a) the Company's proportionate share of all expenditure (whether of a capital nature or otherwise) incurred or to be incurred on or after < > under the Project Agreements and in accordance with the Development Plan;
- (b) all finance charges due and payable prior to the Completion Date; and
- (c) the Company's legal and professional advisory expenses incurred in connection with the negotiation of the Facility.

"Development Plan" means Field Development and Production Programme - Annex B approved by the Secretary of State on < > 199< >.

"Encumbrance" means any mortgage, lien, pledge, charge, assignment by way of security, hypothecation, security interest, trust or any other security agreement or arrangement.

"Environmental Law" means any law, regulation, code of practice or the like affecting the Project and concerning the protection of human health or the environment or the conditions of the work place or the generation, transportation, storage, treatment, processing or disposal of Dangerous Substances.

"Environmental Licence" means any permit, licence, authorisation, consent or other approval required by any Environmental Law.

"Finance Document" means this Agreement, the Debenture, < >.

"Final Maturity Cover Ratio" means, at any time, A;B, where:

A is the Final Maturity NPV shown in then-applicable Company's Forecast; and

B is the aggregate of the applicable Peak Debt Amount shown in that Company's Forecast.

"Final Maturity NPV" [provisions for calculating present value of project cash flows during loan life].

"Group" means the Company and its subsidiaries and any other person whose accounts are required by law or in accordance with generally accepted accounting principles to be consolidated with those of the Company in the consolidated profit and loss account of the Company for the period which includes that date.

"Group Member" means any member of the Group.

"Information Memorandum" means the Information Memorandum prepared in connection with this Agreement and distributed to certain banks.

"Joint Operating Agreement" means the joint operating agreement (relating to Licence P.< > referred to in Schedule < >.

"Majority Banks" means, at any time, Banks whose outstandings are more than 66 per cent in aggregate of the total outstanding at that time or, in the event that there are no outstandings at that time, Banks whose commitments then aggregate more than 66 per cent. of the total commitments at such time.

"Operator" means the person for the time being acting as operator for the purpose of the Joint Operating Agreement.

"Peak Debt Amount" means < >;

"Permitted Payment" means any payment falling due after the date of this Agreement in respect of any of the following (but only to the extent attributable to the Company Interest or Company Petroleum) :

(a) any cash call or other demand for payment made by the Operator for the purpose of the implementation of the Development Plan and/or the operation of the Project;

(b) any sales taxes falling due in respect of, or attributable to, Company Petroleum and any corporation taxes payable by the Company;

(c) to the extent not covered by paragraph (a) above:

(i) any costs falling within paragraph (a) of Development Costs and any other costs of designing, engineering, constructing, equipping, installing and maintaining the Project Facilities;

(ii) any costs of lifting, metering, transporting, storing, processing, marketing and selling Company Petroleum;

(iii) any costs of reinstating any of the Project Facilities which have been damaged or destroyed (except to the extent that insurance proceeds have been received in connection with such reinstatement);

(iv) any insurance premiums to the extent they relate to the Project or Company Petroleum; and

(v) any amounts payable by way of provision for, or to meet, abandonment costs in respect of all or any part of the Project Facilities;

(d) any amount payable by the Company to any member of the Sponsor's Group in respect of management costs.

"Project" means [description of development].

"Project Agreement" means the Project Licence (to the extent it relates to the Project Field), the Development Plan, a Joint Operating Agreement, and any other material agreement to which the Company is a party and which relates to the Project or Project Petroleum.

"Project Cover Ratio" means, at any time, $C:D$, where:

C is the Project NPV shown in the then applicable Company's Forecasts; and

D is the Peak Debt Amount shown in that Company's Forecast.

"Project Facilities" means [description of project facilities].

"Project Field" means [the development area referred to in the Development Plan (as originally approved by the Secretary of State)].

"Project Licence" means petroleum production licence No. P< >.

"Project NPV" [provisions for calculating present value of project cash flows throughout anticipated life of project].

"Project Petroleum" means petroleum won and saved from the Project Field.

"Quarter Day" means < > in each year.

"Relevant Consent" means the Development Plan (and the Secretary of State's approval of it) and any other authorisation, grant, right of easement necessary for the development, completion and/or operation of the Project and the Project facilities as contemplated by the Development Plan and the Finance Documents.

"Sponsor" means < >.

"Start Date" means [first gas].

1. REPRESENTATIONS AND WARRANTIES

The Company makes the representations and warranties set out in this Clause 1 (Representations and warranties) to each Finance Party:

1.1 Status

It is a company duly incorporated and validly existing under the laws of < >.

1.2 Ownership

The Company is a wholly-owned subsidiary of the Sponsor.

1.3 Legal Validity

Each Finance Document and each Project Agreement to which it is a party

(i) constitutes its legal, valid and binding and enforceable obligation,

(ii) is within its powers and has been duly authorised by it and

(iii) does not conflict with any applicable law or regulation or any applicable official or judicial order, or its constitutional documents, or any agreement or document to which it or any of its subsidiaries is a party or any agreement or document which is binding upon any of them or any of their respective assets.

1.4 Consents

All consents and other matters, official or otherwise, required for the execution, performance, validity or enforceability of each Finance Document and each Project Agreement to which it is a party have been obtained and have been complied with in all material respects.

1.5 Non-Violation

Neither the signing and delivery of the Finance Documents to which it is a party nor the performance of any of the transactions contemplated in any of them does or will contravene or constitute a default under, or cause to be exceeded, any limitation on it or the powers of its directors imposed by or contained in any law by which it or any of its assets is bound or affected, any document which contains or establishes its constitution, or any agreement to which it is a party or by which any of its or their assets is bound.

1.6 Accounts

Its audited accounts for the year ended < > 199< > have been prepared in accordance with accounting principles and practices generally accepted in < > and give a true and fair view of the results of its operations for that year and the state of its affairs at that date.

1.7 Material Adverse Change

There has been no material adverse change in the consolidated financial condition of the Company since the date referred to in clause 1.6.

1.8 No Litigation

No litigation, arbitration or administrative proceedings are current or pending or, to its knowledge, threatened which would be likely to have a material adverse effect on its ability to perform its obligations under the Finance Documents or the Project Agreements.

1.9 Information Memorandum

The statements of fact contained in the Information Memorandum were true in all material respects as at its date and did not at that date omit to state any material fact, the omission of which makes the statements therein misleading in any material respect; all opinions expressed therein were honestly and reasonably held, all projections contained therein were made on reasonable assumptions and no adverse change has occurred since such date which renders any of the information contained therein materially misleading.

1.10 Status of security

The Debenture confers a first-ranking security interest of the type it purports to create over all of the Company's assets and undertaking.

1.11 Environmental matters

(a) The Company and/or the Operator (as appropriate) has/have obtained all Environmental Licences required in connection with the Project, the Project Facilities and the Project Field and has/have at all times complied in all material respects with the terms of those Environmental Licences and all other applicable Environmental Laws; and

(b) no Dangerous Substance has been discovered, used, disposed of, generated, stored, processed, transported, dumped, deposited, buried or emitted at, on, from or under any Project Facilities in circumstances where this has, or would be likely to have, a material adverse effect.

1.12 Ownership of the Company Interest

(a) The Company owns an undivided < >% working interest in the Project Field under and by virtue of the Project Agreements (and subject to their terms) and is accordingly entitled to receive < >% of Project Petroleum;

(b) the Company is the absolute legal and beneficial owner of that working interest free of all Encumbrances; and

(c) the Company is not under any obligation to create any Encumbrance over that working interest.

1.13 Project Agreements, etc.

(a) Each copy of a Project Agreement or Relevant Consent delivered to the Facility Agent is, at the time it is delivered, a correct and complete copy of the relevant document as in force at that time;

(b) no other documents, contracts or arrangements are in existence for the time being which constitute Project Agreements or Relevant Consents; and

(c) each Project Agreement and each Relevant Consent is in full force and effect.

1.14. The representations and warranties set out in this Clause 1 shall survive the execution of this Agreement, with reference to the facts and circumstances then subsisting, and the representations and warranties set out in this Clause 1 (other than 1.9) shall be deemed to be repeated on each Quarter Day so long as any amount is or is capable of becoming outstanding under this Agreement.

2 UNDERTAKINGS

2.1 Accounts and Information

The Company shall supply to the Facility Agent and in sufficient copies for all the Banks:

(a) as soon as they are available (and in any event within < > days after the end of the relevant financial year):

(i) its audited accounts for each of its financial years; and

(ii) the audited consolidated accounts of the Sponsor's Group for each of the Sponsor's financial years;

(b) as soon as they are available (and in any event within < > days after the end of the relevant half-years):

(i) its unaudited accounts for the first half of each of its financial years; and

(ii) the unaudited consolidated accounts of the Sponsor's Group for the first half of each of the Sponsor's financial years;

(c) together with each proposed Company's Forecast and in any event within 30 days after each Calculation Date:

(i) [specify information required by the Facility Agent to calculate Cover Ratios]

(ii) a report setting out details of (i) quantities of Company Petroleum (a) produced and (b) disposed of during the Calculation Period ending on that Calculation Date, and (ii) the consideration payable and (if different) paid for such disposals; and

(iii) if that Calculation Date falls on or before the Completion Date, a construction progress report (in scope and form acceptable to the Technical Bank);

(d) together with each proposed Company's Forecast, an operation and production report (in scope and form acceptable to the Technical Bank) in relation to the Project for the immediately preceding calendar year;

(e) promptly after request by the Facility Agent, such details as the Facility Agent may reasonably request of the Development Costs or other expenditure against which the proceeds of any Credit have been applied;

(f) promptly after receiving them, copies of each monthly report prepared by or for the Operator in relation to the Project;

(g) promptly after receiving them each evaluation report containing details of remaining reserves of the Project Field(s) and/or of anticipated production profiles for such reserves prepared by or for the Operator or the Company;

(h) all documents despatched by the Company or the Sponsor to its shareholders (or any class of them) in their capacity as such or to its creditors (or any class of them) at the same time as they are despatched;

(i) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Company;

(j) promptly upon receipt of the same, copies of any budgets and/or cash-call forecasts delivered to the Company by the Operator;

(k) promptly upon becoming aware of it, reasonable details of any:

(i) proposed or anticipated abandonment of any of the Project Facilities;

(ii) actual or anticipated revocation, suspension, termination or material breach by any person of any Project Agreement or Relevant Consent; or

(iii) shut-down of the Project Field which has lasted, or is likely to last, more than 7 days (other than any shut-down for normal scheduled maintenance);

(l) promptly, such further information in its possession or control as the Facility Agent, the Technical Bank or the Majority Banks may reasonably request.

2.2 Authorisations

(a) The Company shall comply with the terms of each Relevant Consent and any other authorisation required under any law or regulation to enable it to perform its obligations under or carry out the transactions (including, without limitation, the Project) contemplated by, or for the validity or enforceability of, any Finance Document, Project Agreement or Relevant Consent.

(b) [set out requirement to obtain Milestone Consents during construction phase].

2.3 Performance of obligations

The Company will take all reasonable action within its power to maintain in full force and effect the Project Agreements and all the rights and benefits conferred on it under or in connection therewith and exercise all of its respective rights under the Project Agreements (including, without limitation, its voting rights (if any)) in a manner consistent with its obligations under the Financing Documents.

2.4 Compliance with laws

The Company will comply with all material laws and regulations applicable to it.

2.5 Notification of Default

The Company shall notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

2.6 Litigation

Promptly after becoming aware of the same inform the Agent of any litigation, arbitration or administrative proceeding or claim of the kind described in Clause 1.8.

2.7 Insurances

The Company shall:

(i) take out and maintain in force (or ensure that there is taken out and maintained in force) such insurance in respect of its interest in the Project Field as would normally be insured against in accordance with good oil, gas or condensate field practice (as the case may be) in the United Kingdom sector of the North Sea through such brokers and insurers and on such terms as the Agent may approve, PROVIDED THAT, if any relevant insurance is effected by the Operator of the Project Field and the Agent does not approve the brokers or insurers through or with whom such insurance is in place or the terms thereof, it shall not be a breach of this sub-paragraph (i) if the Company uses reasonable endeavours to procure that the same are changed to meet with the Agent's approval;

(ii) procure, save where the relevant insurances are the Operator's insurances and to do so would be impossible or impracticable, that the Banks' interests are noted on the policies relating to all such insurances and that all recoveries thereunder in excess of < > are to be paid to the Agent; and

(iii) either procure that each such policy has a breach of warranty endorsement (or similar protection for the Banks) or take out and maintain (at its cost) a mortgagee's interest policy in the Banks' favour with such insurers and in such terms as the Agent may request.

2.8 Pari Passu Ranking

The Company shall procure that its unsecured obligations under this Agreement do and will rank at least pari passu with all its other present and future unsecured obligations other than obligations mandatorily preferred by law.

2.9 Negative Pledge

The Company will not (and will procure that no Group Member will) create or permit to subsist any Encumbrance on the whole or any part of its present or future property, assets or revenues except for:

- (i) any Encumbrance constituted by a Finance Document;
- (ii) Encumbrances created or subsisting with the prior written consent of all of the Banks; and
- (iii) liens and rights of set-off arising in the ordinary course of business and securing obligations not more than 30 days overdue.

2.10 Disposals

The Company shall not, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, assign, transfer, lease or otherwise dispose of all or any part of the Company Interest or Company Petroleum.

2.11 Borrowings

It will not and will procure that no Group Member will incur or have outstanding any Borrowings other than:

- (i) under the Facility; and
- (ii) as agreed by the Majority Banks.

2.12 Environmental matters

The Company shall:

- (a) use all reasonable endeavours to procure that all other applicable Environmental Laws are complied with in all material respects in relation to the Project; and
- (b) promptly upon receipt or notification of the same, notify the Facility Agent of any claim, notice or other communication served on any person in respect of any alleged breach of any Environmental Law which would be likely, if substantiated, to have a material adverse effect.

2.13 Mergers, acquisitions, etc.

- (a) The Company shall not enter into any amalgamation, demerger, merger or reconstruction.
- (b) The Company shall not acquire (whether by subscription, acquisition or otherwise) any shares or similar right or ownership in any company or other person.

2.14 Project Field interests

The Company will comply with the provisions of all of the Project Agreements, take all action necessary to maintain its interest in the Project Field (subject to any unitisation or redetermination of unit equities) and take all reasonable action, including but not limited to the exercise of voting powers, to procure that, to the extent commercially prudent:

(i) all consents necessary or advisable for the operation and development of the Project Field are effected, obtained or maintained (as the case may be), promptly renewed from time to time and complied with in all material respects;

(ii) the Project Field is exploited in accordance with good gas field practice; and

(iii) everything is done to maintain and protect the productive capacity of the Project Field reservoirs.

2.15 Related-party transactions

The Company shall not enter into any arrangement or transaction with any other member of the Sponsor's Group except with the prior written consent of the Facility Agent.

2.16 Change of Operator

The Company shall not exercise its voting powers to change the Operator.

2.17 Change of business

The Company shall not carry on any business other than in relation to its interest in the Project as at the date hereof.

2.18 The Project generally

The Company shall:

(a) not reduce its working interest in the Project;

(b) not agree to any waiver, amendment, termination or cancellation of any Project Agreement or Relevant Consent in a manner or to an extent that would be likely to have a material adverse effect;

(c) use all reasonable efforts to ensure that the Project Facilities are at all times constructed, operated and maintained in a reasonable and prudent manner in accordance with good industry practices and all applicable laws and regulations;

(d) duly and properly perform its obligations under the Project Agreements and the Relevant Consents and exercise its rights under the Project Agreements and Relevant Consents in a manner consistent with its obligations under the Finance Documents;

(e) vote against any proposal or decision to abandon all or any material part of the Project or the Project Facilities;

(f) use all reasonable endeavours to ensure that any person designated by the Facility Agent or the Technical Bank is afforded reasonable access to the Project and the Project Facilities, and all financial or other records relating to any of them, during normal business hours upon reasonable notice;

(g) use all reasonable efforts to ensure that all of the Project Facilities are duly constructed and completed in accordance with the relevant Development Plan as soon as reasonably practicable;

(h) ensure that all cash receipts relating to the Project are paid directly to the Revenue Account and all Compensation is paid directly to the Compensation Account (having been promptly converted into cash if not received in cash);

(i) use all reasonable endeavours to obtain the consent of any other party to a Project Agreement or Relevant Consent to the creation of a security interest (under the Security Documents) over the Company's interest in that Project Agreement or Relevant Consent if the Facility Agent states that it is not satisfied (on the basis of advice from appropriate legal advisers) that the security interest would be valid and enforceable in the absence of such consent;

(j) not exercise its rights on any operating (or similar) committee in relation to the Project (or any part of it) in a manner which would be unreasonably prejudicial to the Finance Parties' interest under the Finance Documents;

(k) not enter into any arrangement for unitisation or redetermination in relation to any Project Field;

(l) procure (so far as it is able) that all Company Petroleum is promptly sold for cash on the best terms (whether as to price or otherwise) reasonably attainable;

(m) not make any payments other than Permitted Payments;

(n) not consent to any transfer by [Offtaker] of any of its rights and/or obligations under the Offtake Contract except to the extent required by the terms of the Offtake Contract not to withhold any such consent; and

(o) not amend, waive, cancel, terminate or suspend (or act in such a way as to entitle [Offtaker] to cancel, terminate or suspend) the Offtake Contract or any of the Company's rights under it.

2.19 Loans and Distributions, etc.

The Company shall not make any loan or extend any other form of credit or financial accommodation, or give any guarantee of any person's obligations.

2.20 Compliance certificates

The Company shall supply to the Facility Agent on request a certificate signed by two of its senior officers on its behalf (but without personal liability on the part of the officers concerned) certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.

2.21 Duration

The covenants in this Clause 2 shall remain in force from and after the date hereof and so long as any amount is or is capable of becoming outstanding under the Agreement.

3 EVENTS OF DEFAULT

Each of the events set out below is an Event of Default (whether or not caused by any reason whatsoever outside the control of the Company or any other person):

3.1 Accounts

At any time, the audited accounts of the Company or the Sponsor then most recently delivered to the Facility Agent have not been prepared in accordance with accounting principles and practices generally accepted in < > consistently applied; or do not fairly represent the Company's or (as appropriate) the Sponsor's Group's financial condition as at the date to which they were drawn up.

3.2 Cover Ratio

The Final Maturity Cover Ratio for the time being is or falls below < > or the Project Cover Ratio for the time being is or falls below < >.

3.3 Non-payment

The Company or the Sponsor fails to pay any amount due under any of the Finance Documents to which it is a party within 2 Business Days after the due date thereof.

3.4 Breach of other obligations

Either the Company or the Sponsor does not comply with any other provision of the Finance Documents to which it is a party and such non-compliance, if capable of remedy, is not remedied within 30 days of written notice from the Agent requiring such remedy.

3.5 Misrepresentation

Any representation, warranty or statement made (or deemed to be repeated) by either the Company or the Sponsor in any Finance Document to which it is a party is untrue in any material respect.

3.6 Invalidity

Any provision of any of the Finance Documents is or becomes, for any reason, invalid or unenforceable.

3.7 Unlawfulness

It is or becomes unlawful for the Company or the Sponsor to perform any of its obligations under the Finance Documents or any Project Agreement or Relevant Consent.

3.8 Cessation of business

Any Group Member changes or threatens to change the nature or scope of its business, suspends or threatens to suspend a substantial part of the present business operations which it now conducts directly or indirectly, or any governmental authority expropriates or threatens to expropriate all or part of its assets.

3.9 Litigation

Any litigation, arbitration or administrative proceedings are at any time current, pending or threatened against the Company, the Sponsor or an Operator, which would be likely to have a material adverse effect.

3.10 Cross Default

- (a) Any Borrowings of any Group Member becomes due or capable of being declared due before its stated maturity or is not paid on maturity or on demand (if so payable); or
- (b) any guarantee of any Group Member is not discharged at maturity or when called; or
- (c) any Group Member goes into default under, or commits a breach of, any instrument relating to any Borrowings or guarantee; or
- (d) any Encumbrance over any substantial part of the assets of any Group Member securing any Borrowings becomes enforceable.

3.11 Status of security

The Debenture does not, or ceases to, confer a first-ranking security interest of the type it purports to create over all of the Company's assets and undertaking.

3.12 Creditors' processes and insolvency

Any of the following events (or any event analogous thereto in any applicable jurisdiction) occurs:

- (i) a distress or other execution is levied or sued out upon or against all or any part of the property of the Company or the Sponsor and the Company or the Sponsor (as the case may be) has, within 30 days of such distress or other execution being levied or sued out, neither secured the release of such part of its property from such distress or other execution nor (in the case of prejudgment proceedings) commenced proceedings in a court of tribunal of competent jurisdiction contesting such distress or execution in good faith; or
- (ii) a moratorium in respect of all or any part of the debts of the Company or the Sponsor is ordered or declared; or
- (iii) either the Company or the Sponsor is deemed unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986, or otherwise becomes insolvent, or suspends making payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so; or
- (iv) an application for an administration order in relation to either the Company or the Sponsor is presented to the court or such an order is made by the court or any meeting of either the Company or the Sponsor is convened for the purpose of considering any resolution to present an application for such an order; or
- (v) any steps are taken with a view to proposing (under any enactment or otherwise) any kind of composition, scheme of arrangement, compromise or arrangement involving either the Company or the Sponsor and its creditors generally (or any class of them); or
- (vi) any administrative or other receiver or any manager of either the Company or the Sponsor or any of its property is appointed or the directors of either the Company or the Sponsor request any person to appoint such a receiver or manager; or
- (vii) any meeting of the members of either the Company or the Sponsor is convened for the purpose of considering any resolution for (or to petition for) its winding up, the members of either

the Company or the Sponsor pass such a resolution, or any person presents any petition for the winding up of either the Company or the Sponsor, or an order for the winding up of either the Company or the Sponsor is made on the petition of any of its creditors; or

(viii) either the Company or the Sponsor is liquidated, wound-up or otherwise dissolved.

3.13 Material adverse change

Any event or series of events whether related or not occurs which would be likely, materially and adversely to affect the financial condition of the Group or the ability of the Company or the Sponsor to perform its obligations under the Finance Documents.

3.14 Change of Operator

The Operator changes in respect of all or any part of the Project and the Majority Banks consider that the new Operator is not a person having equivalent technical ability, status and experience to the former Operator.

3.15 Change of control

(a) The Company, or any other member of the Sponsor's Group that is party to a Project Agreement or Relevant Consent, ceases to be a wholly-owned Subsidiary of the Sponsor; or

(b) any person, or group of persons acting in concert (as defined in the City Code on Take-overs and Mergers), acquires control (as defined in section 416 of the Income and Corporation Taxes Act 1988) of the Sponsor, but only if the acquisition or exercise of such control by that person would, in the reasonable opinion of the Majority Banks, be reasonably likely to have a material adverse effect on the management of the Project (or any part of it) or on the Finance Parties' rights or interests under the Finance Documents or in respect of the Project.

3.16 Ownership of the Company Interest

(a) The Company is not, or ceases to be, the absolute legal and beneficial owner of the Company Interest, free of all security interests; or

(b) the Company is under, or incurs, any obligation to create any security interest over the Company Interest.

3.17 Expropriation

All or a material part of the Company's interest in the Project or the Project Field is nationalised or otherwise expropriated.

3.18 Environmental matters

Any Dangerous Substance is discovered, used, disposed of, generated, stored, processed, transported, dumped, deposited, buried or emitted at, on, from or under any Project Facilities in circumstances where this has, or would be likely to have, a material adverse effect.

3.19 Abandonment and physical damage

(a) The development or operation of the Project or the Project Field is abandoned; or

(b) all or a substantial part of the Project Facilities are damaged or destroyed.

3.20 Project Agreements, etc.

(a) Any Project Agreement or Relevant Consent relating to the Project Facilities, the Company Interest or Company Petroleum is/are not, or cease(s) to be, binding on any person expressed to be party to it/them and otherwise in full force and effect prior to its/their originally-stated expiry date for any reason whatsoever (including, without limitation, suspension, termination and revocation); or

(b) any Project Agreement or Relevant Consent is/are modified in a manner which the Majority Banks consider is reasonably likely to have a material adverse effect; or

(c) any breach or default occurs under any Project Agreement or Relevant Consent and the Majority Banks consider that it is reasonably likely to have a material adverse effect; or

(d) any Relevant Consent, or any other consent or authorisation, that is for the time being necessary for the lawful and proper:

(i) performance by the Company, or validity or enforceability against the Company, of any Project Agreement or Finance Document; or

(ii) implementation of the Project as envisaged by the Information Memorandum and the Development Plan,

either is not (or has not been) obtained or is not in full force and effect so as to permit such lawful and proper performance and implementation;

3.21 Project Commencement

(a) The Technical Bank reasonably determines that the Start Date is unlikely to occur by < >; or

(b) the Start Date does not occur by < >.

3.22 Project Completion

The applicable Company's Forecast at any time indicates that:-

(i) the Completion Date will not occur on or before < > 200< >; or

(ii) the Company will not be able to pay all Development Costs, and meet all of its financial obligations in respect of the Company Interest, as they fall due throughout the period until the projected Completion Date; or

(b) the Completion Date does not occur on or before < > 200< >.