

SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is made the 23rd day of May 1998 **BETWEEN:**

- (1) **ANGLO SIBERIAN OIL COMPANY PLC**, a company incorporated in England and Wales under number 3561414, whose registered office is at 33 Cork Street, London W1X 1HB (the **"Issuer"**); and
- (2) the persons whose respective names are set out in column 1 of the Schedule (the **"Shareholders"**).

WHEREAS:

- (A) The Issuer was incorporated on 5 May 1998 with an authorised share capital of £50,000,000 divided into 200,000,000 ordinary shares of 25 pence each of which two shares have been issued (one to each of the subscriber shareholders).
- (B) Anglo Siberian Oil Company Holdings Limited (the **"Guernsey Company"**) was incorporated in Guernsey under number 33295 on 21 November 1997 with an authorised share capital of £50,000,000 divided into 200,000,000 ordinary shares of 25 pence each of which 20,889,820 shares (the **"Guernsey Shares"**) have been issued and are held by the Shareholders in the proportions set out in column 2 of the Schedule.
- (C) The Shareholders and the Issuer have agreed that the Shareholders will transfer to the Issuer the Guernsey Shares in consideration of the issue and allotment by the Issuer of shares credited as fully paid (the **"Consideration Shares"**) in the Issuer on the terms set out in this Agreement.

IT IS AGREED as follows:

1. Exchange of Guernsey Shares for Consideration Shares

The Shareholders and the Issuer agree that the Shareholders will transfer to the Issuer the number of Guernsey Shares shown against the respective names of the Shareholders in column 2 of the Schedule in consideration of the issue and allotment (credited as fully paid) to the Shareholders by the Issuer of the number of Consideration Shares shown in column 3 of the Schedule.

2. Completion

2.1 The exchange shall be completed as soon as practical after the execution of this Agreement at a time and place nominated by the Issuer.

2.2 On completion:



2.2.1 the Shareholders or their Attorney will deliver to the Issuer duly executed transfers of the Guernsey Shares together with the share certificates for the Guernsey Shares; and

2.2.2 the Issuer will issue and allot credited as fully paid the Consideration Shares to the Shareholders.

3. **Representations and Warranties**

Each Shareholder severally represents and warrants to the Issuer that:

3.1 the Shareholder has full power and authority to enter into and perform this Agreement, may execute and deliver this Agreement and perform its obligations under this Agreement without requiring or obtaining the consent of any person, authority or body and this Agreement constitutes valid and binding obligations on the Shareholder in accordance with its terms;

3.2 column 2 of the Schedule accurately records the number of Guernsey Shares registered in the Shareholder's name and the Shareholder is the sole registered holder of such shares free from any lien, charge, option, right of pre-emption or other such encumbrance;

3.3 the Shareholder has no option or other right whatsoever to subscribe for or be allotted or have transferred to the Shareholder any further shares in the Guernsey Company; and

3.4 the Shareholder has no claims whatsoever against the Guernsey Company or any of its officers, agents or advisers.

4. **General**

4.1 Each of the parties hereby undertakes at its own expense to do or procure to be done all such further acts and things and to execute or procure to be executed all such further documents as may be necessary or appropriate to give full effect to this Agreement.

4.2 The validity, construction and performance of this Agreement shall be governed by English law.

4.3 Any dispute arising in connection with this Agreement shall be referred to arbitration at the written request of any party under the Rules of the London Court of International Arbitration (the "**Rules**"), which Rules are deemed to be incorporated by reference into this clause.

4.4 The parties to this Agreement agree that:

4.4.1 the number of arbitrators shall be three;

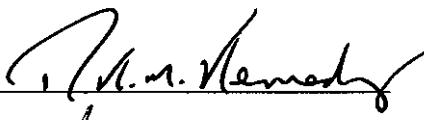
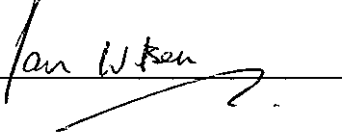
- 4.4.2 the place of the arbitration shall be London;
- 4.4.3 the language to be used in the arbitration proceedings shall be English;
and
- 4.4.4 any award given by the arbitrator shall be final and binding on the parties and shall be in lieu of any other remedy.
- 4.5 Each of the parties shall be responsible for its own legal and other costs incurred in relation to the preparation and implementation of this Agreement.
- 4.6 This Agreement may be executed in several counterparts (whether original or facsimile counterparts) and upon the execution of all such counterparts by or on behalf of one or more of the parties, each counterpart shall be deemed to be an original hereof.

IN WITNESS whereof this Agreement has been duly executed as a deed by the Issuer and the Shareholders the day and year above written.


THE SCHEDULE

<u>Column 1</u> Names of Shareholders	<u>Column 2</u> Number of Guernsey Shares (ordinary shares of 25 pence each, fully paid)	Number of Consideration Shares (ordinary shares of 25 pence each, fully paid)
Sheikh Ahmed Abdul Rahman Banafa	7,520,314	7,520,313
Sheikh Mohamed Farid Al Aulaqi	3,910,570	3,910,569
The Falcon Trust Company Limited	2,624,453	2,624,453
Anglo Siberian Oil Trust Company Limited	1,050,000	1,050,000
Robert Keith Milroy Kennedy	955,407	955,407
Valmet Executive Nominees Limited	955,407	955,407
Inter Jura Cy (Trust) Limited	918,558	918,558
Confucius Nominees Limited	835,593	835,593
Buddon Trading Limited	636,827	636,827
Streatham Trading Limited	636,827	636,827
Valmet Nominees Limited	636,827	636,827
Bashar A. Nouri Alkadhi	209,037	209,037
	20,889,820	20,889,818

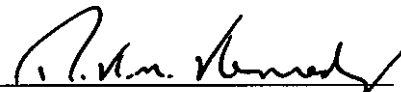
EXECUTED as a DEED by
ROBERT K. M. KENNEDY
(Director)
and
IAN WILSON
(Secretary)
duly authorised for and on behalf of
ANGLO SIBERIAN OIL COMPANY PLC
in the presence of:

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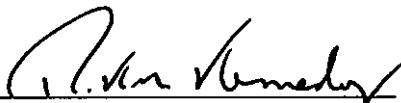
EXECUTED as a DEED
on behalf of
SHEIKH AHMED ABDUL RAHMAN BANAFI
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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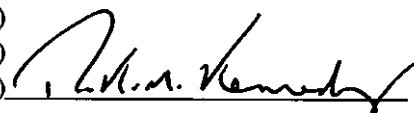
EXECUTED as a DEED
on behalf of
SHEIKH MOHAMED FARID AL AULAQI
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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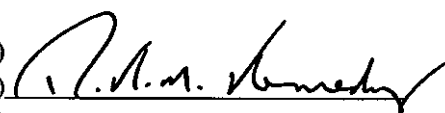
EXECUTED as a DEED
on behalf of
THE FALCON TRUST COMPANY LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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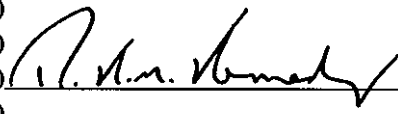
EXECUTED as a DEED
on behalf of
ANGLO SIBERIAN OIL TRUST COMPANY LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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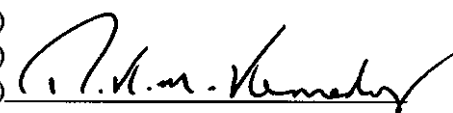
EXECUTED as a DEED
by ROBERT KEITH MILROY KENNEDY
in the presence of:

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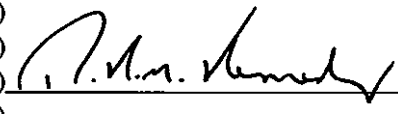
EXECUTED as a DEED
on behalf of
VALMET EXECUTIVE NOMINEES LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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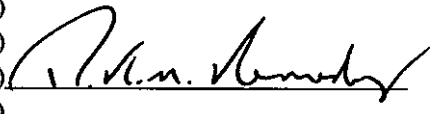
EXECUTED as a DEED
on behalf of
INTER JURA CY (TRUST) LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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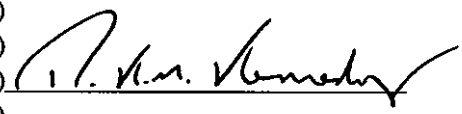
EXECUTED as a DEED
on behalf of
CONFUCIUS NOMINEES LIMITED
by power of attorney dated 19 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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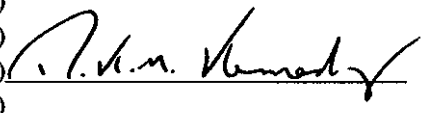
EXECUTED as a DEED
on behalf of
BUDDON TRADING LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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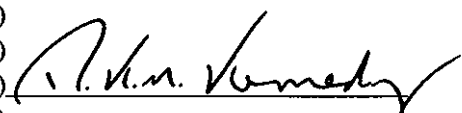
EXECUTED as a DEED
on behalf of
STREATHAM TRADING LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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EXECUTED as a DEED
on behalf of
VALMET NOMINEES LIMITED
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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EXECUTED as a DEED
on behalf of
BASHAR A. NOURI ALKADHI
by power of attorney dated 5 May 1998
by ROBERT K. M. KENNEDY
in the presence of:

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