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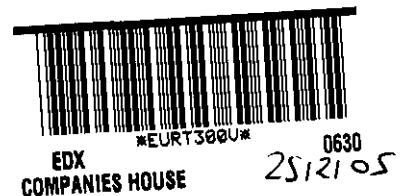
Call Option Agreement
Relating to the shares in and
shareholder claims against
Energem Petroleum
Corporation Chad Limited

Dated

14th January

2005

Energem Petroleum Corporation Limited (1)
Financial Development Corporation Plc. (2)
Energem Petroleum Corporation Chad Limited (3)



Ref: 1438/E18296.1/CP1:185918.8/taab

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DATE

14th January

2005

PARTIES

- (1) ENERGEM PETROLEUM CORPORATION LIMITED (NO. 41599), a company registered in Guernsey, whose registered office is at Owen House, Court Row, St. Peter Port, Guernsey, GY1 2PD ("Grantor")
- (2) FINANCIAL DEVELOPMENT CORPORATION PLC. (NO. 4006418), a company registered in England, whose registered office is at 14 Kinnerton Place, London, SW1X 8EH ("Grantee")
- (3) ENERGEM PETROLEUM CORPORATION CHAD LIMITED (NO. 42447), a company registered in Guernsey, whose registered office is at Owen House, Court Row, St. Peter Port, Guernsey, GY1 2PD ("Company")

OPERATIVE PROVISIONS

1 Definitions

- 1.1 In this Agreement unless the context otherwise requires the following expressions shall bear the meanings shown:

Admission	the admission to trading of the relevant shares on AIM becoming effective
AIM	the AIM Market of the Stock Exchange
AIM Admission Document	as defined in the Sale Agreement
Business Day	a day on which banks in the City of London generally are open for business
Chad Authority	the Republic of Chad, represented by the Minister of Petroleum
Chad Rights	the rights granted to the Grantor by the Chad Authority to exploit and develop certain oil and gas sites in Chad pursuant to the Production Sharing Agreement and related agreements
CHAD Intellectual Property Rights	any current intellectual property rights, which are owned by the Company including: <ol style="list-style-type: none">(a) copyrights, trade marks, trade names, domain names, rights in logos and get-up, inventions, confidential information, data analyses whether digitally stored or otherwise, trade secrets and

know-how including commercial know-how, design rights, patents, utility models, semi-conductor topographies, all rights of whatsoever nature in computer software and data, rights in databases, privacy rights or other industrial intellectual or commercial rights (including rights in any invention, discovery or process); and

- (b) all intangible rights and privileges of a nature similar, analogous or allied to any of the above;

in every case subsisting in any part of the world in respect of the Chad Rights and whether or not registered, including in relation to the above:

- (c) all granted registrations and all applications for registration;
- (d) all renewals, reversions or extensions;
- (e) the right to sue for damages for past infringement; and
- (f) all forms of protection of a similar nature which may subsist anywhere in the world;

Code	the City Code on Take-overs and Mergers
Completion	the performance by the parties hereto of their respective obligations under Clause 7
Completion Conditions	provided all the legal documentation has been duly executed by all parties thereto and all necessary circulars, underwriting agreements, prospectuses or other documents required have been prepared, agreed, executed, published and completed as far as possible in order to complete the said purchase, the Completion Conditions shall be such conditions to completion as may be agreed in writing by the Grantor and the Grantee at such time
Congo Option Agreement	the option agreement to be dated the date hereof between Gulf of Guinea Petroleum Corporation Inc, the Grantee and GGPC Congo (Marine XI) Limited
Conditions Precedent	the conditions precedent to this Agreement contained in Clause 2.1

Conditions to Sale	the conditions to sale contained in Clause 5.1
Completion Consideration Share Price	a price per Completion Consideration Share to be agreed between the Grantor and the Grantee at the relevant time
Completion Consideration Shares	such number of ordinary shares in the authorised but unissued share capital of the Grantee which may be issued at the Completion Consideration Share Price to the Grantor in accordance with Clause 6(d) as part discharge of the Grantee's obligation to pay the Option Price
Deposit	the non-refundable deposit in the amount of US\$ 5,000,000 to be paid by the Grantee to the Grantor in the form of Deposit Consideration Shares in accordance with Clause 3.2 in consideration for the grant of the Option
Deposit Consideration Shares	75,187,942 ordinary shares in the authorised but unissued share capital of the Grantee to be issued to the Grantor in terms of Clause 3.2 as full discharge of the Grantee's obligation to pay the Deposit
Disclosure Documents	the documents listed in Schedule 5 of the Sale Agreement
Enlarged Group	the Grantee and its Subsidiaries from time to time
Energem Group	Energem Resources Inc and its affiliates
Grantor's Solicitors	S J Berwin, 222 Gray's Inn Road, London, WC1X 8XF
Minimum Completion Cash Consideration	an amount equal to the aggregate amount paid by the Grantor in connection with the Chad Rights up to the date of Completion
Option	the right granted by the Grantor to the Grantee pursuant to Clause 3.1 to purchase the Option Shares and the Option Claims at the Option Price
Option Claims	all costs and expenses properly incurred by or on behalf of the Company or the Grantor in relation to the Chad Rights

	whether on intra-group loan account or those which have not been allocated to such loan account, of the Grantor against the Company (constituting 100% of all shareholder claims against the Company) but provided that such claims shall exclude intra group management charges
Option Period	the period commencing on the date upon which the Conditions Precedent are fulfilled and terminating 3 months after the Valuations are delivered to the Grantor and the Grantee in terms of Clause 4.3 (or (i) earlier if the Option terminates or lapses in accordance with the terms of this Agreement; or (ii) later if agreed in writing by the Grantor and the Grantee)
Option Price	in respect of the Option Claims, the face value thereof and in respect of the Option Shares, the price calculated in accordance with Clause 6(b)
Option Shares	the ordinary shares in the issued share capital of the Company (constituting 100% of the entire issued share capital of the Company) owned by the Grantor and any other shares, stock or securities referred to in Clause 8
Production Sharing Agreement	the production sharing agreement dated 16 October 2004 between the Grantor and the Chad Authority (a copy of which has been provided to the Grantee), which has been assigned by the Grantor to the Company pursuant to a Deed of Assignment entered into on 10 December 2004
Reorganisation	in relation to the Company includes every issue by way of capitalisation of profits or reserves and every issue by way of rights and every consolidation or sub-division or reduction of capital or capital dividend or other reconstruction or adjustment relating to the equity share capital (or any shares or securities derived therefrom) and

	any amalgamation or reconstruction affecting the equity share capital (or any shares, stocks, securities derived therefrom)
Required Funds	all funds required by the Grantee to discharge its obligation to pay the purchase price for the Option Shares and Option Claims or the production sharing agreement in respect of the Chad Rights, as the case may be
Resolutions	as defined in the Sale Agreement
Sale Agreement	the sale agreement to be dated the date hereof between Gulf of Guinea Petroleum Corporation Inc, the Grantee and GGPC Gabon (EOV) Limited
Services Agreement	the services agreement to be dated the date hereof between Energem Resources Inc. and the Grantee
Shareholder Approval	all authorisations and approvals of the shareholders of the Grantee to the entering into of this Agreement, the granting and exercise of the Option, the issuing of the Deposit Consideration Shares and the Completion Consideration Shares and the passing of the Resolutions
Stock Exchange	London Stock Exchange Plc.
Transaction Documents	this Agreement, the Sale Agreement, the Services Agreement and the Congo Option Agreement
UKLA	the Financial Services Authority acting in its capacity as the United Kingdom's competent authority for listing securities
Valuations	the valuations to be prepared by the Valuers in terms of Clause 4.3
Valuers	the valuers to be appointed in accordance with Clause 4.2

Valuators Panel

a panel of three independent valuers consisting of Scott Pickford, PGS and Knight Rider (or, to the extent that any of the aforementioned valuers are unable or unwilling to act, such replacement valuator(s) as may be nominated by the parties by agreement in writing or, failing agreement within a reasonable time, by the auditors of the Grantor)

- 1.2 Reference to clauses and the parties are respectively to clauses of and the parties to this Agreement.

2 Conditions Precedent

- 2.1 This Agreement, except for the provisions of this Clause 2 and Clauses 1, 9 and 12, which shall be effective forthwith, is conditional upon:
- (a) by not later than close of business on the date of this Agreement, the execution and delivery of the Transaction Documents by all parties thereto;
 - (b) none of the Transaction Documents having been terminated in accordance with their terms prior to Admission of the entire issued and to be issued share capital of the Grantee (including the Deposit Consideration Shares), and thus the Enlarged Group, as set out in the AIM Admission Document;
 - (c) all necessary Shareholder Approvals having been obtained by not later than 14 February 2005;
 - (d) full compliance by the Grantee with all rules and regulations relating to its listing on AIM and the Admission of its shares and of the Code at all times up to and including Admission of the entire issued and to be issued share capital of the Grantee (including the Deposit Consideration Shares), as set out in the AIM Admission Document;
 - (e) the delivery of a notification to the Toronto Stock Exchange in relation to the grant of the Option by not later than 14 February 2005 (if necessary);
 - (f) the Sale Agreement becoming unconditional;
 - (g) Admission of the entire issued and to be issued share capital of the Grantee (including the Deposit Consideration Shares), as set out in the AIM Admission Document, occurring by not later than 28 February 2005; and;

- (h) the assignment to the Grantee by the Grantor of all CHAD Intellectual Property Rights associated with the Chad Rights which are owned by the Grantor so as to enable the Grantee to enjoy the full benefit of the Chad Rights.

2.2 The parties shall, at their own cost, use their respective reasonable endeavours to procure that the Conditions within their province are fulfilled as soon as reasonably practicable after the date of this Agreement, but in any event by not later than the dates set forth in Clause 2.1. None of the Conditions shall be capable of being waived. If all of the Conditions are not fulfilled by not later than the dates set forth in Clause 2.1, then this Agreement, except for the provisions of this Clause 2 and Clauses 1 and 12, which shall remain effective, shall lapse and be null and void and no party shall be liable to the other under this Agreement, except in respect of a breach of this Clause 2.2.

3 Option

3.1 Subject to the fulfilment of the Conditions Precedent, the Grantor hereby grants to the Grantee the right exercisable during the Option Period to purchase both the Option Shares and the Option Claims at the Option Price in accordance with the terms of this Agreement.

3.2 Neither the Grantor nor the Grantee shall be obliged to complete the sale and purchase of any of the Option Shares and any part of the Option Claims unless the sale and purchase of all of the Option Shares and all of the Option Claims is completed simultaneously in accordance with this Agreement.

3.3 In consideration of the grant of the Option in terms of Clause 3.1, the Grantee shall satisfy the Deposit to the Grantor forthwith on or after the date upon which the Conditions Precedent are fulfilled by issuing to the Grantor the Deposit Consideration Shares. For the avoidance of doubt, the Deposit shall be non-refundable notwithstanding the failure or cancellation or termination of this Agreement or the non-exercise of the Option by the Grantee.

3.4 Forthwith after the date upon which the Conditions Precedent are fulfilled, the Grantor shall issue to the Grantee an option certificate (substantially in the form of Schedule 1), which shall reflect the grant of the Option pursuant to this Agreement.

- 3.5 The grant of the Option in terms of this Agreement will be in escrow where the escrow condition is Admission. For the purposes of this Clause 3.5, Admission will only occur upon the announcement of the decision of AIM to admit the entire issued and to be issued share capital of the Purchaser (including the Deposit Consideration Shares) to AIM and the decision of the Stock Exchange to admit those shares to trading.

4 Exercise of the Option

- 4.1 During the Option Period, the Grantor shall:
- 4.1.1 provide the Grantee with material details of Chad Intellectual Property Rights and any material matters, which do or will affect the Chad Rights or the value of the Chad Rights within a reasonable time after it becomes aware of the same;
 - 4.1.2 provide the Grantee with all details and information in its possession relating to the Chad Rights, sufficient to enable the Chad Rights to be independently valued in terms of Clause 4.3; and
 - 4.1.3 keep the Grantee generally informed on the progress as to the development and exploitation of the Chad Rights,

subject to strict confidentiality and the rules and regulations of any relevant regulatory authority.
- 4.2 Within 10 Business Days after the delivery of such information under clause 4.1.2, the Grantor and the Grantee shall each appoint one member of the Valutors Panel to value the Chad Rights in accordance with Clause 4.3.
- 4.3 The Valutors shall value the Chad Rights on the following basis:
- (a) the Valutors shall apply the valuation principles set forth in the Schedule and such other common valuation principles as may be agreed by the Grantor and the Grantee;
 - (b) the Valutors shall be instructed to conduct their work on the basis of a common scope of instructions and to report their valuation in a common format and the Valutors shall be instructed to assist the Grantor and the Grantee in determining what the appropriate common form of instructions should be based on, given the information available to each;
 - (c) each of the Valutors shall be provided with equal information in relation to the Chad Rights as shall be provided to or requested by the other and the Valutors shall have freedom to seek all

such information as they deem to be reasonably required for the purposes of preparing their valuation;

- (d) the Valuers shall be instructed to complete and deliver copies of their valuations to the parties, and each Valuator shall be instructed to address their reports to each of the parties, and, if requested, to the nominated adviser to the Grantee, as soon as reasonably practicable after their appointment but within a specific time limit; and
- (e) the costs of the Valuers shall be borne by the Grantor.

4.4 The Grantor shall, within 5 Business Days after receipt by it of the Valuations, deliver a written notice to the Grantee specifying which portion of the Option Price it requires to be paid by way of cash and which portion it requires to be paid by the issue by the Grantee to the Grantor (or as it may direct) of Completion Consideration Shares, together with notification of the amount of the Minimum Completion Cash Consideration, together with supporting evidence of the known Shareholder Claims to be repaid (as reasonably requested by the Grantee).

4.5 The Grantee shall use all reasonable endeavours to raise sufficient funds to satisfy the condition set out in clause 5.1(g) and the cash amount specified as required by the Grantor under clause 4.4. If however, the nominated adviser to the Grantee indicates that it will not be possible to raise such amount at a subscription price per share of the Grantee acceptable to both the Grantor and the Grantee, then the Grantee shall seek to raise as much as possible. In the event that the Grantee is unable to raise sufficient funds to pay the Minimum Completion Cash Consideration, the Grantor shall have the right to terminate the Option within 14 days of the Grantee reporting to the Grantor that it is unable to satisfy the Minimum Completion Cash Consideration (which the Grantee will so report acting reasonably on the advice of its nominated adviser).

4.6 The Grantee shall be entitled, at any time after receipt of the written notice referred to in Clause 4.4 but prior to the expiry of the Option Period, to exercise the Option by delivering a written notice of exercise to the Grantor, in which case, subject to Clause 5, the Option Shares and Option Claims shall be sold free from all liens, charges and encumbrances and with all rights attached thereto at the date of such exercise pursuant to Clause 7. Such written notice of exercise shall be irrevocable.

4.7 The Grantee shall not be in breach of this Agreement if it is unable to raise the Minimum Completion Cash Consideration, or if it shall be able to raise the Minimum Completion Cash Consideration but not the preferred mix of cash and shares as specified by the Grantor pursuant to clause 4.4, but in either such case the Grantor shall be entitled to terminate the Option.

5 Conditions to Sale

5.1 The sale of the Option Shares and the Option Claims resulting from the exercise of the Option shall be subject to the fulfilment of the following conditions prior to the expiry of the Option Period:

- (a) the execution and completion (subject only to any Completion Conditions if required) of a binding agreement of sale in respect of the Option Shares and the Option Claims on the terms set out in Clause 6;
- (b) the independent members of the board of directors of the Grantee approving the exercise of the Option, the purchase of the Option Shares and the Option Claims and all other documents and actions necessary for the completion of the exercise of the Option and the purchase of the Option Shares and the Option Claims and certified copies of the minutes of the meeting approving the same being delivered to the Grantor;
- (c) the shareholders of the Grantee approving all necessary resolutions (if any) for the purchase of the Option Shares and the Option Claims (including in relation to the issue of any Completion Consideration Shares);
- (d) if such a dispensation is required, the Grantor receiving a dispensation (in a form acceptable to the Grantor) from the Panel on Takeovers and Mergers waiving the obligation that would otherwise arise to make a general offer for shares in the Grantee pursuant to Rule 9 of the Code to which the Grantor would become subject as a result (whether direct or indirect) of the transactions contemplated by this Agreement and a resolution being passed at a duly convened extraordinary general meeting of the Grantor approving such waiver;
- (e) there having been no public take-over of the Grantee pursuant to the Code as at the date of exercise of the Option;
- (f) any necessary approval of the Toronto Stock Exchange;

- (g) the Grantee having or raising the funds necessary to purchase the Option Shares and the Option Claims (being at least the Minimum Completion Cash Consideration) and to comply fully with the terms of the Production Sharing Agreement;
- (h) the Grantee applying for the admission on AIM of any Completion Consideration Shares and otherwise complying with the rules and regulations relating to its listing and the listing of such Completion Consideration Shares; and
- (i) the Grantor procuring so far as it is able the satisfaction of any conditions attached to any licences, authorisations, approvals or permissions required to be obtained for the full and uninterrupted enjoyment and benefit of the Chad Rights by the Grantor.

5.2 The parties shall in good faith, at their own cost, attempt to procure that the condition referred to in Clause 5.1(a) is fulfilled prior to the expiry of the Option Period.

5.3 The Grantee shall use its reasonable endeavours to procure, at its own cost, that the conditions referred to in Clauses 5.1(b), 5.1(c), 5.1(e), 5.1(g) and 5.1(h) are fulfilled prior to the expiry of the Option Period. The Grantor shall use its reasonable endeavours to procure, at its own cost, that the conditions referred to in Clauses 5.1(d) and 5.1(f) are fulfilled prior to the expiry of the Option Period. None of the conditions referred to in Clause 5.1 shall be capable of being waived. Notwithstanding the foregoing, if any of the conditions referred to in Clause 5.1 is not fulfilled timeously, the sale of the Option Shares and the Option Claims shall never be effective and the Option shall lapse.

5.4 If all of the Completion Conditions are not satisfied within the period of three months following the execution of the sale agreement pursuant to Clause 6 below, then the Option shall lapse forthwith.

6 Formal Agreement

The binding agreement of sale in respect of the Option Shares and the Option Claims shall be on the following terms:

- (a) the agreement shall be subject to the conditions set forth in Clauses 5.1(b) to 5.1(h) being satisfied prior to the expiry of the Option Period, or failing satisfaction of such

conditions within such period, such conditions being deemed by agreement between the Grantor and the Grantee to be Completion Conditions;

- (b) the purchase price for the Option Shares shall be calculated as follows: (i) the sum of the averages of the respective Valuations; (ii) thereafter divided by two; (iii) thereafter less the Deposit; and (iv) thereafter less a discount of 20%;
- (c) the purchase price for the Option Claims shall be the face value thereof;
- (d) the Option Price shall be paid by the Grantee by way of the payment of cash to the Grantor (or as it may direct) and the issue by the Grantee to the Grantor (or as it may direct) of Completion Consideration Shares (and the Company shall do all things and sign all documents necessary to issue the appropriate number of Completion Consideration Shares to the Grantor) in such proportions as specified by the Grantor in the written notice referred to in Clause 4.5;
- (e) all voting and other rights attaching to the Option Shares shall accrue to the Grantee on Completion, together with all Chad Intellectual Property Rights associated with the Chad Rights owned by the Company at the date of Completion and following Completion, the Grantor shall exercise all voting and other rights attaching to the Option Shares at the direction of the Grantee until the Completion Consideration Shares are admitted to AIM, at which time the voting and other rights attaching to the Option Shares shall vest in the Grantee;
- (f) all of the Completion Conditions (if any) agreed between the Grantor and the Grantee being satisfied within the period of three months following signing of such agreement, failing which such agreement shall lapse forthwith and be null and void; and
- (g) the agreement shall otherwise be mutatis mutandis on substantially the same terms as those contained in the Sale Agreement.

7 Completion

Subject to Clause 5, completion of the sale of the Option Shares and the Option Claims shall take place in escrow (pending only the admission to AIM of the Completion Consideration Shares) at

the registered office of the Grantee (or at such other place as the parties shall mutually agree) on the Business Day after the fulfilment of the Conditions to Sale and otherwise in terms of the binding agreement of sale contemplated in Clause 5.1(a).

8 Effects of a Reorganisation

8.1 If any Reorganisation shall take place after the date hereof but prior to Completion all the shares, stock and other securities (if any) which shall have become owned by the Grantor or successors in title as a result of each such Reorganisation and which shall derive (whether directly or indirectly) from the Option Shares shall be deemed to be subject to such exercise and shall be transferred to the Grantee (or as the Grantee may direct) in accordance with Clause 7.

8.2 References in this Agreement to the Option Shares shall be so construed as to give full effect to this Clause 8.

9 Prohibition on Disposal

Until the expiry of the Option Period, the Grantor shall not, without the prior written consent of the Grantee:

9.1 sell, transfer or otherwise dispose of or mortgage, charge, pledge or otherwise encumber any of the Option Shares or any interest therein; or

9.2 exploit the Chad Rights otherwise than through the Company.

10 Undertakings

10.1 The Grantor and the Grantee shall do or procure the doing of all such acts and things and/or execute or procure the execution of all such documents as are reasonably required to give effect to the provisions of this Agreement.

10.2 The Grantee undertakes to the Grantor that it shall, at the time of exercise of the Option and at all material times thereafter, have sufficient authorised but unissued share capital to satisfy the Option Price.

10.3 The Company undertakes not to issue any further shares in its issued share capital (other than to the Grantor) for the duration of the Option Period.

- 10.4 The Company undertakes, during the Option Period, to (and the Grantor undertakes to procure that the Company shall):
- 10.4.1 comply with the terms of the Production Sharing Agreement;
- 10.4.2 use its reasonable endeavours to obtain information and data relevant to the Chad Rights for the purposes of Clause 4.1; and
- 10.4.3 the Grantor undertakes to the Grantee that during the Option Period, it will not dispose of any interest in the Option Shares or any right attaching thereto (save as may be required in pursuance of its obligations under this Agreement or the Production Sharing Agreement) or create or allow to be created any charges, lien, equity, third party right, option, right of pre-emption or any other encumbrance priority or security interest over the Option Shares and the Option Claims; and
- 10.5 The Grantor confirms to the Grantee that the face value of the Option Claims as at the date of this Agreement is approximately US\$ 7,000,000.
- 10.6 The Grantor shall procure that all Intellectual Property Rights in relation to the Chad Rights not owned by the Company but owned by the Grantor are transferred and are fully vested in the Company prior to the exercise of the Option.

11 Grantor's Warranties

- 11.1 The Grantor acknowledges that the Grantee has been induced to enter into this Agreement on the basis of and in reliance upon (among other things) the Grantor's Warranties.
- 11.2 The Grantor warrants to the Grantee that each and every Grantor's Warranty is at the date of this Agreement and will, if repeated on the Business Day immediately preceding Completion, be true, correct, accurate and not misleading, subject only to:
- (a) the matters fairly disclosed in the Disclosure Documents;
 - (b) any exceptions for which express provision is made pursuant to this Agreement; and
 - (c) the provisions of Part 2 of Schedule 3.

- 11.3 Each Grantor's Warranty is a separate and independent warranty and, save as otherwise expressly provided, no Grantor's Warranty shall be limited by reference to any other Grantor's Warranty or by the other terms of this Agreement or the Disclosure Documents.
- 11.4 The rights and remedies of the Grantee in respect of any breach of the Grantor's Warranties shall not be affected by Completion, by any investigation made by or on behalf of the Grantee into the affairs of the Company, or by any other event or matter whatsoever which otherwise might have affected such rights and remedies except a specific and duly authorised written waiver or release. No information relating to the Company of which the Grantee has knowledge (actual or constructive) other than by reason of its being disclosed in accordance with Clause 11.2(a) shall prejudice any claim which the Grantee shall be entitled to bring or shall operate to reduce any amount recoverable by the Grantee under this Agreement.
- 11.5 Any information supplied by the Company, its officers, employees or agents to the Grantor, their agents, representatives or advisers in connection with, or to form the basis of, the Grantor's Warranties or any matter covered in the Disclosure Documents, or for any other reason, shall be deemed not to include or have included a representation, warranty or guarantee of its accuracy to the Grantor and shall not constitute a defence to the Grantor to any claim made by the Grantee. The Grantor hereby waives any and all claims against the Company, its officers or employees in respect of any information so supplied (and undertakes that no other person claiming under or through them will make any such claim).
- 11.6 References to the awareness or knowledge of the Grantor in a Grantor's Warranty shall only limit that Grantor's Warranty by the Grantor's awareness or knowledge if the Grantor has made all due and careful enquiries to ascertain if the relevant information is true, accurate, correct, and not misleading.
- 11.7 Each of the paragraphs in Schedule 3 shall be interpreted as being deemed to include all references to the foreign equivalent of terms used, statutes and regulations referred to and concepts applied where the Company is incorporated in, does business in or is affected by the laws or regulations of a country outside England and Wales.

11.8 The Grantee warrants to the Grantor that it is not aware of any information, matter or event which the Grantee knows would constitute an entitlement for the Grantee to bring a claim for breach of any of the Grantor's Warranties.

12 General

12.1 No amendment, change or addition hereto shall be effective or binding on either party unless reduced to writing and executed by both parties.

12.2 This Agreement and the rights hereunder may be assigned in whole or in part by the Grantee to any company or person.

12.3 The headings to clauses of this Agreement are for ease of reference only and do not form part of this Agreement and are not in any way to affect its construction.

12.4 Any notice to be given under this Agreement:

- (a) must be in writing;
- (b) may be given to the Grantor at its registered office (or such other address as it may notify to the Grantee for such purpose);
- (c) may be given to the Grantee at its registered office (or such other address as it or its assignee may notify to the Grantor for such purpose); and
- (d) will be effectively served:
 - (i) on the day of receipt, where any hand delivered letter, telex or telefax message is received on any Business Day (being any day between Monday and Friday other than United Kingdom public or bank holidays) before or during normal working hours;
 - (ii) on the following Business Day, where any hand delivered letter, telex or telefax message is received either on any Business Day after normal working hours or on any day which is not a Business Day; or

- (iii) on the second Business Day following the day of posting, upon despatch from within the United Kingdom of any posted letter by post office inland first class mail postage prepaid and in proving such service it shall only be necessary to prove that the same was stamped, addressed and posted as aforesaid.

12.5 Except as otherwise expressly stated herein, nothing in this Agreement confers any rights on any person (other than the parties hereto) pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.6 This Agreement is governed by and is to be construed in accordance with English Law.

SCHEDULE 1

Option Certificate

ENERGEM PETROLEUM CORPORATION LIMITED

(Incorporated in Guernsey: No. 41599)

OPTION CERTIFICATE

THIS IS TO CERTIFY that _____ of

is the holder of the option created pursuant to a Call Option Agreement made between Energem Petroleum Corporation Limited (1), Financial Development Corporation plc (2) and Energem Petroleum Corporation Chad Limited (3) and dated [] 2005 (the "Option Agreement"), and is entitled to exercise the rights of the Grantee in accordance with the terms of the Option Agreement.

This Certificate is issued with the benefit of and subject to the provisions contained in the Option Agreement.

Dated • • 2005

Executed and delivered as a Deed

by Energem Petroleum Corporation Chad Limited:

Notes:

- (1) Where the context so admits, words and expressions defined in the Option Agreement shall bear the same respective meanings in this Certificate.
- (2) The Option is governed by English law.

SCHEDULE 2
Valuation Principles

- 1 Only information relating to the Chad Rights at the date of delivery of the written notice of interest referred to in Clause 4.1 shall be taken into account.
- 2 The Valuations shall be prepared on the basis of the information supplied by the Grantor and shall value reserves in accordance with either SPE or WPC 2001 definitions, as may be advised by Grantor.
- 3 The Valuations shall be expressed as a range in United States Dollars and the average of each such range shall be specified. An appropriate exchange rate will be agreed between the Grantor and the Grantee where shares are to be issued as part of the consideration for the exercise of the Option.

SCHEDULE 3

Part 1

Grantors Warranties

1 Admission Document

- 1.1 All statements of fact relating to the Chad Option and the Company which are set out in the Admission Document are true and accurate in all material respects and no fact has been omitted therefrom the omission of which would make any statement of fact or expression of opinion therein misleading in any material respect. All written information which has been requested in writing by the Grantee to the Grantor and which has been provided is true and accurate in all material respects and so far as the Grantor is aware, no such written information relating to the Chad Option and the Company which has been requested in writing by the Grantee from the Grantor has been omitted, the omission of which would make any such written information provided to the Grantee by the Grantor misleading in any material respect. For the avoidance of doubt, this warranty does not extend to the ECL Report or any information contained in it.
- 1.2 All statements and expressions of opinion or intention contained in the Admission Document in relation to the Chad Option are fairly and honestly given.

2 Legal Due Diligence Report

All statements of fact set out in the due diligence responses provided by the Grantor (as referred to in the Disclosure Documents at items 6-9) are true and accurate in all material respects and no fact has been omitted therefrom (or information withheld) the omission of which would make any statement of fact or expression of opinion therein misleading in any material respect. All written information which has been provided by the Grantor to the law firms preparing the reports referred to in the Disclosure Documents at items 10-13 is true and accurate in all material respects and so far as the Grantor is aware, no written information so provided relating to the Chad Option and the Company has been omitted therefrom, the omission of which would make any written information so provided misleading in any material respect.

3 Verification Notes

The statements of fact contained in the replies to the Verification Notes in relation to the Chad Option are true and accurate in all material respects. For the avoidance of doubt, this warranty does not extend to any replies referring to documents forming part of the Verification Notes or to statements or information contained in any documents referred to in the Verification Notes.

4 Powers

- 4.1 The Company is duly incorporated in accordance with the applicable laws, rules and regulations of Guernsey.
- 4.2 The Company has power and authority to enter into and perform this Agreement and any other documents referred therein, in particular, to grant the Option in respect of the Option Shares and the Option Claims and in the event that the option is exercised, to allot and issue the Option Shares in the manner proposed without any sanction or consent by members of the Company or any class of them and there are no other consents, authorisations or approvals required by the Company in connection with the entering into and the performance of the Agreement and the allotment and issue of the Shares which have not been irrevocably and unconditionally obtained.

- 4.3 This Agreement and the other documents referred to therein constitute (or will constitute when executed) valid, legal and binding obligations on the Company in the terms of this Agreement and the other documents.
- 4.4 Compliance with the terms of this Agreement and the documents referred therein will not breach or constitute a default under any of the following:
- (a) any provision of the memorandum or articles of association or equivalent constitutional documents of the Company;
 - (b) any agreement or instrument to which the Company is a party or by which it is bound;
 - (c) any order, judgment, decree or other restriction applicable to the Company; or
 - (d) any limits, powers or restrictions binding upon the Company.

5 Shares

- 5.1 Save for this Agreement, the Option Shares and the Option Claims will be acquired free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever, fully paid, with full title guarantee and other interests, together with all rights now or subsequently attaching to them, including, without limitation, the rights to receive all dividends and other distributions declared, made or paid hereafter.
- 5.2 The Company does not:
- (a) hold or beneficially own, or has agreed to acquire, any securities of any corporation; or
 - (b) have membership in any partnership or other unincorporated association, joint venture or consortium (other than recognised trade associations).

- 5.3 The Grantor is and will remain until the exercise of the Option or the expiry of the Option Period (whichever is earlier) the beneficial owner of the Option Shares and the Option Claims, subject only to the Option.

6 Share capital structure

The Option Shares represent the whole of the issued and allotted share capital of the Company and are owned by the Grantor.

7 Constitutional and corporate documents

- 7.1 The copies of the constitutional and corporate documents of the Company disclosed to the Grantee and or its advisers are true and accurate and complete in all material respects.
- 7.2 All statutory books and registers of the Company have been properly kept and no notice or allegation that any of them is incorrect or should be rectified has been received.
- 7.3 All returns, particulars, resolutions and other documents which the Company is required by law to file with or deliver to any authority in any jurisdiction (including, in particular, one responsible for maintaining a register of companies) have been filed or, as the case may be, delivered.

8 Licences

- 8.1 The Company does not conduct any business other than in relation to the Chad Rights.
- 8.2 The Company has obtained all licences, permissions, authorisations and consents required for the carrying on of its business as presently conducted and such licences, permissions, authorisations and consents are in full force and effect and so far as the Grantor is aware there are no circumstances which indicate that any of such licences, permissions, authorisations or consents may be revoked or not renewed or withdrawn or (except to an immaterial or beneficial extent)

amended, in whole or in part, in the ordinary course of events and the Company has complied in all material respects with all legal and other requirements applicable to its business.

9 Intellectual Property

- 9.1 Save as disclosed in the Disclosure Letter, the Company has taken all steps reasonably necessary to protect all Intellectual Property Rights (including for the avoidance of doubt, Intellectual Property Rights in relation to the Chad Option) currently held or used by the Company. So far as the Company is aware (having made enquiry only of persons inside the Company and the legal, accounting and other professional advisers to the Company), and save as disclosed in the Disclosure Letter there are no circumstances which would prevent any future application for registration of any existing registerable Intellectual Property Rights material to the business from proceeding to grant and registration.
- 9.2 Save as disclosed in the Disclosure Letter all Intellectual Property Rights vested in relation to the Chad Rights are legally and beneficially owned by the Company free from and clear of all charges, mortgages and encumbrances.
- 9.3 The Company has not received any notice of proceedings, actions or claims impugning the title, validity or enforceability of the Intellectual Property Rights or claiming any right or interest in such Intellectual Property Rights.
- 9.4 Save as disclosed in the Disclosure Letter the Company has not disclosed, nor is obliged to disclose (save in the ordinary course of business, or to its or their officers or employees), any confidential, proprietary know how to any third party, other than under an obligation of confidence.

10 Insurance

There are no material outstanding claims under, or in respect of the validity of, any of the policies of insurance maintained by or on behalf of the Company.

11 Litigation

The Company nor any person for whom the Company is or may be vicariously liable is or has been involved in any civil, criminal, arbitration or other proceedings (including, for this purpose, any governmental, regulatory or similar investigation or enquiry) and so far as the Company is aware no such proceedings are pending or threatened and so far as the Company is aware there are no circumstances which are likely to give rise to any such proceedings.

11 Liabilities

Save for the Option Claims and save in connection with the Chad Rights, the Company has no liabilities.

13 Default

- 13.1 No event or circumstance has occurred or arisen by reason of which any person is, or would be, or could with the giving of notice and/or lapse of time and/or a relevant determination become entitled to require repayment prior to its stated maturity, or to take any step to enforce security for, any borrowings or indebtedness in the nature of borrowing of the Company and the Company has not received notice from any person to whom any indebtedness which is repayable on demand is owed demanding repayment of the same and the Company is not otherwise aware that any such person proposes to demand repayment of, or to take any step to enforce any security for, the same.

- 13.2 No event or circumstance has occurred or arisen which constitutes or results in, or would with the giving of notice and/or lapse of time and/or the making of a relevant determination, constitute, or result in, a default or the acceleration or breach of any obligation under any agreement, instrument or arrangement to which the Company or any subsidiary of the Company is a party or by which any such company or any of its properties, revenues or assets are bound, and which would in any such case have a material adverse effect on the businesses, assets or prospects of the Company taken as a whole.

14 Environmental

The Company has not received prior written notification of any material breach of Environmental Law. For the purposes of this paragraph "**Environmental Law**" shall mean all laws, regulations, directives, statutes, subordinate legislation, common law and other national and local laws, all judgements, orders, instructions or awards of any court or competent authority and all codes of practice and guidance notes to the extent in force and legally binding on the Company which have as a purpose or effect the protection of the Environment but excluding for the avoidance of doubt any of the above which regulate land use under the town and planning regime. For the purposes of this paragraph "**Environment**" shall mean any and all living organisms (including man) and the ecosystems of which they form part and the media of air, water and land.

15 Related party transactions

- 15.1 There have been disclosed to the Purchaser details of all relevant transactions between the Company and any of its subsidiaries on the one hand and any of its directors, or its holding companies or any companies in which a director has a material interest on the other hand.
- 15.2 None of the Directors, officers, employees, agents or other persons acting on behalf of the Company has been party to:
- (a) the use of any assets of the Company for unlawful contributions, gifts, entertainment or other unlawful expenses relating to the making of any direct or indirect unlawful payment to employees or Directors from such asset;
 - (b) the establishment or maintenance of any unlawful or unrecorded fund of monies or other assets;
 - (c) the making of any false or fictitious entries in the books or records of the Company; or
 - (d) the making of any unlawful payment.

16 Finance and guarantees

The total amount borrowed by the Company does not exceed any limitations on the borrowing powers contained:

- (a) in the memorandum and articles of association (or equivalent documents) of the Company; or
- (b) in any debenture or other deed or document binding on the Company.

17 Tax

- 17.1 The Company has no liabilities to pay taxation of any kind whatsoever

18 Financial records

- 18.1 All financial records of the Company:
- (a) have been properly prepared and maintained;
 - (b) constitute an accurate record of all matters that ought to appear in them;

- (c) do not contain any material inaccuracies or discrepancies; and
- (d) are under the ownership or control of the Company.

18.2 No notice has been received or allegation made that any of those records are incorrect or should be rectified.

19 Insolvency

19.1 The Company is not insolvent or unable to pay its debts within the meaning of the insolvency legislation applicable and has not stopped paying its debts as they fall due.

19.2 The Company has not taken any action, nor so far as the Grantor is aware have any other steps been taken or legal proceedings started or threatened against any member of the Company, for its winding-up or dissolution or for it to enter into any arrangement or composition for the benefit of creditors or for the appointment of a receiver, trustee, administrator or similar officer of it or any of its properties, revenues or assets.

Part 2

Limitations on Grantor's Warranties

1 Fraud

Nothing in this Part 2 of this Schedule shall have the effect of excluding, limiting or restricting any liability of the Seller in respect of a claim for breach of a Grantor's Warranty (in this Schedule, a "Warranty Claim") arising as a result of fraud by the Grantor.

2 Cap on liability

The aggregate liability of the Grantor in respect of all and any Warranty Claims shall not exceed \$5,000,000, together with the proper and reasonable costs of recovery in respect of any such Warranty Claim incurred by or on behalf of the Grantor.

3 Time limits for making Warranty Claims

No Warranty Claim may be made against the Grantor unless written notice of such Warranty Claim is served on the Grantor giving reasonable details of such Warranty Claim no later than 30 June 2006.

4 Threshold and de minimis

4.1 The Grantor shall not be liable in respect of any Warranty Claim unless the aggregate liability for all such Warranty Claims exceeds £10,000, in which case the Grantor shall be liable for the entire amount and not merely the excess.

4.2 In calculating liability for Warranty Claims for the purposes of paragraph 4.1 above, any Warranty Claim which is less than £5,000 (excluding interest, costs and expenses) shall be disregarded. For these purposes, a number of Warranty Claims arising out of the same subject matter, facts, events or circumstances shall be aggregated and form a single Warranty Claim.

5 Contingent Warranty Claims

If any Warranty Claim is based upon a liability which is contingent only, the Grantor shall not be liable to make payment unless and until such contingent liability gives rise to an obligation to make a payment. This is without prejudice to the right of the Grantee to give notice of such Warranty Claim in accordance with paragraph 3 and to issue and serve proceedings in respect of it whilst it remains contingent. For the avoidance of doubt, the fact that the liability may not have become an actual liability by the relevant date provided in paragraph 3 shall not exonerate the Grantor in respect of any such Warranty Claim properly notified before that date.

6 Right to remedy

The Grantor shall not be liable for any Warranty Claim if the alleged breach which is the subject of the Warranty Claim is capable of remedy and is remedied to the reasonable satisfaction of the Grantee by the Grantor within 15 Business Days after the date on which the notice in paragraph 3 above is received by the Grantor.

7 Recovery from another person

7.1 If the Grantee or the Company recovers (whether by payment, discount, credit, relief or otherwise) from a third party an amount which relates to a Warranty Claim, any actual recovery (less any reasonable costs incurred in obtaining such recovery and less any Tax attributable to the recovery after taking account of any tax relief available in respect of any matter giving rise to the Warranty Claim) shall to that extent reduce or satisfy, as the case may be, such Warranty Claim.

7.2 If the Grantor pays an amount in respect of a Warranty Claim and the Grantee or the Company subsequently recovers (whether by payment, discount, credit, relief or otherwise) from a third party an amount which relates to such Warranty Claim, the Grantee shall (or it shall procure that the Company shall) pay to the Grantor an amount equal to the lesser of the amount recovered from the third party less any reasonable costs and expenses incurred in obtaining such recovery and the amount previously paid by the Grantor to the Grantee.

8 No double recovery

The Grantee shall not be entitled to recover from the Seller more than once for the same damage suffered.

ATTESTATIONS

Signed for and on behalf of)
ENERGEM PETROLEUM LIMITED)

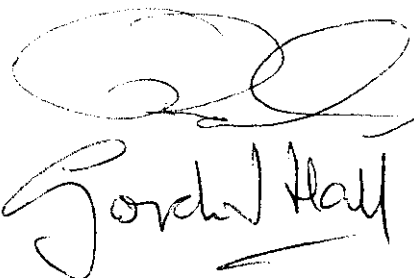
Director

Director/Secretary

Signed for and on behalf of)
FINANCIAL DEVELOPMENT)
CORPORATION PLC.)

Director

Director/Secretary

A handwritten signature in black ink, appearing to read "Gordon Hall", is written over the "Director/Secretary" line for the Financial Development Corporation PLC. The signature is fluid and cursive.

Signed for and on behalf of)
ENERGEM PETROLEUM)
CORPORATION CHAD LIMITED)

Director

Director/Secretary

ATTESTATIONS

Signed for and on behalf of)
ENERGEM PETROLEUM LIMITED)
CORPORATION

Director

Director/Secretary


Stephen Hunt
Director


Richard Lewis
Director

Signed for and on behalf of)
FINANCIAL DEVELOPMENT)
CORPORATION PLC.)

Director

Director/Secretary

Signed for and on behalf of)
ENERGEM PETROLEUM)
CORPORATION CHAD LIMITED)

Director

Director/Secretary


Stephen Hunt
Director


Richard Lewis
Director