

DARCY ENERGY HOLDINGS UK, LTD.

Registered in England and Wales as a private company limited by shares under company number 06034226 (the "Company")

Members' Written Resolutions

Passed on 26 July 2007

On 26 July 2007 the following were duly passed as written resolutions of the Company

- 1 IT WAS RESOLVED THAT the Company be re-registered as a public company limited by shares under the Companies Act 1985,
- 2 IT WAS RESOLVED THAT the Company name be changed to Leed Petroleum PLC,
- 3 IT WAS RESOLVED THAT the memorandum of association of the Company be altered by
 - (i) changing the references to Darcy Energy Holdings UK, Ltd to Leed Petroleum PLC,
 - (ii) the insertion of the following new Clause 2

"The Company is to be a public company", and
 - (iii) re-numbering paragraphs (2) to (5) as (3) to (6) respectively,
- 4 IT WAS RESOLVED THAT the regulations attached to this document be adopted as the articles of association of Leed Petroleum PLC in substitution for and to the exclusion of the existing articles of association of the Company, and
- 5 IT WAS RESOLVED THAT the holders of B ordinary shares of £0.01 each shall have the additional rights and restrictions set out below
- 5.1 For the purposes of this paragraph 5, the following terms shall have the meanings given to them



"Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person

"Conversion Value" shall mean an amount equal to (A) the product of the Management Conversion Percentage and the Determination Date Value less (B) the total amount of bonuses paid pursuant to employment agreements or arrangements by Darcy to its employees solely as a result of a Determination Event not having occurred on or before October 31, 2008

"Darcy" shall mean Darcy Energy, LLC, a Delaware limited liability company

"Darcy US" shall mean Darcy Energy US, Inc , a Delaware corporation

"Determination Date Value" shall mean

- (a) in the case of a Determination Event described in paragraph 5 4(i) or (ii), an amount equal to the product of (x) the pre-tax, per share consideration received by the Company, Holdings, Inc , Holdings LLC, Darcy US, Darcy and their respective shareholders, stockholders and members in the Determination Event and (y) the total number of A ordinary shares (in the case of a Determination Event involving the Company) or the total number of shares of common stock or units of membership interests of the relevant IBD Subsidiary (in the case of a Determination Event involving an IBD Subsidiary other than the Company) outstanding as of immediately prior to such Determination Event,
- (b) in the case of a Determination Event described in paragraph 5 4(iii), an amount equal to the product of (x) the gross price per share (before application of any underwriting discounts and selling expenses) at which shares are to be sold to the public in such Determination Event and (y) the total number of A ordinary shares (in the case of a Determination Event involving the Company) or the total number of shares of common stock or units of membership interest of the relevant IBD Subsidiary (in the case of a Determination Event involving an IBD Subsidiary other than the Company) outstanding as of immediately prior to such Determination Event, or
- (c) in the case of a Determination Event described in paragraph 5 4(iv), an amount equal to the aggregate pre-tax consideration received by the Company, Holdings, Inc , Holdings LLC and Darcy in the Determination Event,

provided, however, that the Determination Date Value shall be adjusted downward by the amount of any capital contributions made on or after the date of formation of the Company to the IBD Subsidiary to which the Determination Date Event relates,

including, without limitation, capital contributions made by IBD or capital contributions made in connection with the sale of newly issued equity interests of such IBD Subsidiary by the purchaser of such equity interests

“Holdings, Inc.” shall mean Darcy Energy Holdings, Inc , a Delaware corporation

“Holdings LLC” shall mean Darcy Energy Holdings, LLC, a Delaware limited liability company

“IBD” means IB Daiwa Corporation, a Japanese corporation

“IBD Subsidiary” shall mean any of the Company, Holdings, Inc , Holdings LLC and Darcy US and Darcy

“Management Conversion Percentage” shall mean (A) if the Determination Date Value is less than \$100 million, seven percent (7%), (B) if the Determination Date Value is greater than or equal to \$100 million but less than \$300 million, seven percent (7%) plus one-tenth of one percent (0.01%) for each increment of \$1 million by which the Determination Date Value exceeds \$100 million, and (C) if the Determination Date Value is more than \$300 million, nine percent (9%) plus one-tenth of one percent (0.01%) for each increment of \$2 million by which the Determination Date Value exceeds \$300 million, provided, however, that the Management Conversion Percentage shall not exceed ten percent (10%)

“Ordinary Shares” means the share capital of the Company divided into A ordinary shares of 1p each and B ordinary shares of 1p each

“Person” shall mean and includes any individual, corporation, partnership, limited liability company, trust, association, estate or any other entity

5.2 Dividends The holders of B ordinary shares shall not be entitled to receive any dividends or other distributions thereon

5.3 Voting Rights At all meetings of the members of the Company and in the case of any action of the members in lieu of a meeting, each holder of B ordinary shares shall have one vote per B ordinary share held by such holder with respect to all matters submitted for the vote of the members of the Company. Except as may be otherwise provided in these Articles or as otherwise required by applicable law, the holders of the A ordinary shares and the holders of B ordinary shares shall vote together as a single class on all actions to be taken by the members of the Company

5.4 Conversion Rights Effective as of immediately prior to the occurrence of any of the following events (each, a **“Determination Event”**), each B ordinary share shall

automatically be converted into the number of duly authorized, validly issued, fully paid up A ordinary shares determined as follows

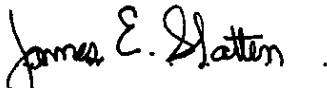
- (i) any Person other than IBD or a direct or indirect wholly-owned subsidiary of IBD acquires fifty percent (50%) or more of the outstanding Ordinary Shares, common stock or voting power of the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy,
- (ii) a merger, consolidation, reorganization or similar transaction involving the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy is consummated pursuant to which a Person other than IBD or a direct or indirect subsidiary of IBD becomes the owner of more than fifty percent (50%) of the outstanding Ordinary Shares, common stock or voting power of the post-transaction entity,
- (iii) the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy or any of their respective shareholders, stockholders or members engage in a public offering of Ordinary Shares, common stock or other equity interests of the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy, which shall include, without limitation, any offer and sale of Ordinary Shares, common stock or other equity interests of the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy concurrently or in connection with the listing of such securities on the Alternative Investment Market of the London Stock Exchange plc or any successor exchange or market, or
- (iv) the Company, Holdings, Inc , Holdings LLC, Darcy US or Darcy sells all or substantially all of its assets

5 5 Conversion Rate The aggregate number of A ordinary shares to be received by the holders of the B ordinary shares upon conversion thereof shall be a number equal to the Conversion Value divided by the quotient obtained by dividing (i) the amount by which the Determination Date Value exceeds the Conversion Value by (ii) the total number of A ordinary shares outstanding as of immediately prior to the conversion of the B ordinary shares Upon conversion of the B ordinary shares, the holders thereof shall be entitled to receive their *pro rata* portion of the A ordinary shares issuable upon conversion of the B ordinary shares based upon the number of B ordinary shares held by them as of immediately prior to such conversion

5 6 Fractional Shares The Company may not issue fractional A ordinary or B ordinary shares Where whole shares cannot be issued upon conversion of the B ordinary shares, any unpaid value shall be satisfied by payment by the Company in cash

- 5 7 Exchange of Certificates The conversion of the B ordinary shares into A ordinary shares shall be effective as of immediately prior to the occurrence of a Determination Event, and each certificate previously representing B ordinary shares shall then be deemed thereafter to represent the number of A ordinary shares into which such B ordinary shares have converted without any further action on the part of the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company, provided, however, that promptly after such conversion, the Company shall provide notice of such conversion to the holders of the B ordinary shares and from and after such notice, each holder will be entitled to surrender the certificate or certificates for the B ordinary shares at the office of the transfer agent (or at the registered office of the Company if the Company serves as its own transfer agent) together with a notice as to whether the certificate or certificates for A ordinary shares to be issued shall be in such holder's name or the names of such holder's nominee(s) If required by the Company, certificates surrendered after conversion will be endorsed or accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Company, duly executed by the holder or his, her or its attorney duly authorized in writing
- 5 8 Certain Covenants of the Company Until the conversion of the B ordinary shares in accordance herewith, the Company shall not, and shall not cause or permit any other IBD Subsidiary to, without the prior written consent of the holders of a majority of the B ordinary shares (i) declare, make or pay any distributions on or in respect of any of the outstanding A ordinary shares, shares of common stock, membership interests or any other equity interests of any IBD Subsidiary, (ii) incur or cause any other IBD Subsidiary to incur any indebtedness owed or in favour of IBD, any Affiliate of IBD or any other Person in which IBD has a direct or indirect equity interest, (iii) sell or transfer or cause any other IBD Subsidiary to sell or transfer any substantial portion of its assets or business in a transaction that is not a Determination Event, excluding the issuance and sale of newly issued equity securities of the Company or any other IBD Subsidiary, (iv) engage or cause any other IBD Subsidiary to engage in a merger, consolidation, reorganization or similar transaction that is not a Determination Event, (v) effect any split, subdivision or reclassification in or of the outstanding A ordinary shares without effecting a proportionate split, subdivision or reclassification in or of the B ordinary shares, provided that no such classification shall impair the economic rights and benefits to which the holders of the B ordinary shares are entitled hereunder, or (vi) increase the number of authorized A ordinary shares without effecting a proportionate increase in the number of authorized B ordinary shares
- 5 9 No Impairment The Company shall not, and shall cause each of the other IBD Subsidiaries not to, without the affirmative vote or written consent of the holders of at least a majority of the outstanding B ordinary shares, by amendment of these provisions, the organizational documents of the other IBD Subsidiaries, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of

shares or other securities or any other voluntary action, modify, amend, abrogate, avoid or seek to avoid the observance or performance of any of the terms set out in this paragraph 5, but will at all times in good faith assist in the carrying out of all the provisions of this paragraph 5 and in the taking of all such action as may be necessary or appropriate to protect the conversion rights and other rights of the holders of the B ordinary shares against impairment. Without limiting the generality of the foregoing, in the event of a transaction similar in nature to a Determination Event but not otherwise expressly included within the definition thereof that would be permitted hereunder without the consent of any of the holders of the outstanding B ordinary shares, the Company shall take such action as may be necessary or appropriate such that the holders of the B ordinary shares shall be afforded substantially the same economic rights and benefits had such transaction constituted a Determination Event hereunder.


Director