

PARTICIPATION AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

PARTY1
[address]

OF THE FIRST PART

- and -

PARTY2
[address]

OF THE SECOND PART

WHEREAS:

- A. PARTY1 and PARTY2 are entitled to earn certain interests as more particularly set out in _____ (hereinafter referred to as the "Governing Agreements").
- B. PARTY2 has agreed to participate with PARTY1 in the work commitments pursuant to the terms and conditions set forth in the Governing Agreements. In addition to participation in the foregoing, PARTY2 shall also have the right to participate with PARTY1 in any additional exploration and development programs with _____.
- C. The Parties hereto desire to provide for the manner in which participation and operations will be conducted pursuant to the Governing Agreements from the Effective Date.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and subject to the conditions hereinafter set forth, the parties hereto agree as follows.

1. DEFINITIONS

In this Agreement, including the recitals and the Schedules, unless the context otherwise requires, or unless otherwise defined and contained in the Operating Agreement, the following terms and expressions shall have the following meanings:

- (a) "Operating Agreement" means the _____ International Operating Agreement under which PARTY1 shall be named as initial operator;