

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 13, 2016

Commission File Number: 000-49760

Petro River Oil Corp.

(Exact name of registrant as specified in its charter.)

Delaware

(State or other jurisdiction of incorporation or organization)

98-0611188

(IRS Employer Identification No.)

205 East 42nd Street, Fourteenth Floor, New York, New York 10017

(Address of principal executive offices)

469-828-3900

(Registrant's Telephone number)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On January 19, 2016, Petro River UK Limited, ("Petro UK"), a wholly owned subsidiary of Petro River Oil Corp. (the "Company"), entered into a Farmout Agreement to acquire a 9% interest in Petroleum License PL 1/10 and P2123 located in the Lame Basin in Northern Ireland (the "Lame Transaction"). A copy of the Farmout Agreement is attached to this Current Report on Form 8-K as Exhibit 10.1.

The other parties to the Farmout Agreement are Southwestern Resources Ltd, a wholly owned subsidiary of Horizon Energy Partners, LLC ("Horizon Energy"), which will acquire a 16% interest, and Brigantes Energy Limited, which will retain a 10% interest. The remaining 65% interest will be owned by third parties. Horizon Energy is 20% owned by Horizon I Investments, LLC ("Horizon Investments"). The Company is a party to a conditional purchase agreement with Horizon Investments ("Purchase Agreement"), a copy of which is attached to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on December 7, 2015.

Under the terms of the Farmout Agreement, Petro UK deposited approximately \$735,000 into an escrow agreement ("Escrow Agreement"), which amount represents Petro UK's obligation to fund the total projected cost to drill the first well under the terms of the Farmout Agreement. The total deposited amount to fund the cost to drill the first well is approximately \$6,159,452, based on an exchange rate of one British Pound for 1.44 U.S. Dollars. Petro UK will be responsible for its pro-rata costs of additional wells drilled under the Farmout Agreement. A copy of the Escrow Agreement is attached to this Current Report on Form 8-K as Exhibit 10.2.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

On January 13, 2016, the Company issued to Horizon Investments, a non-recourse promissory note in the principal amount of \$750,000 ("Note"). Substantially all of the proceeds from the Note were used to fund Petro UK's obligations under the terms of the Farmout Agreement, and were deposited into the Escrow Agreement. The principal and all accrued and unpaid interest on the Note is due upon the earlier to occur of closing of the transactions contemplated under the terms of the Purchase Agreement. Amounts due under the terms of the Note accrue interest at an annual rate equal to one half of one percent. A copy of the Note is attached to this Current Report on Form 8-K as Exhibit 10.3.

Item 8.01 Other Events.

On January 19, 2016, the Company issued a press release announcing the Lame Transaction. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

See Exhibit Index.

Disclaimer.

The foregoing descriptions of the Farmout Agreement, Escrow Agreement and Note do not purport to be complete, and are qualified in their entirety by reference to the full text of the Farmout Agreement, Escrow Agreement and Note attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, each of which are incorporated by reference herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Petro River Oil Corp.

Date: *January 20, 2016*

By: */s/ Scot Cohen*

Name: Scot Cohen

Title: Executive Chairman

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-10.1	Farmout Agreement
EX-10.2	Escrow Agreement
EX-10.3	Non-Recourse Promissory Note
EX-99.1	Press Release

JANUARY 2016

BRIGANTES ENERGY LIMITED
SOUTHWESTERN RESOURCES LTD

And

PETRO RIVER UK LIMITED

FARMOUT AGREEMENT

UNITED KINGDOM SEAWARD PETROLEUM LICENCE – P2123

AND

NORTHERN IRELAND ONSHORE LICENCE PL1/10

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THIS AGREEMENT is made the day of January 2016.

BETWEEN

- 1) Brigantes Energy Limited (“**Brigantes**” or “**Farmor**”) a company incorporated in England and Wales (N° 6759861) and whose principal place of business is at Burnside House, Church Road, Paddock Wood, Tonbridge, Kent, TN12 6HG; and
- 2) Southwestern Resources Ltd (“**SWR**”) a company incorporated in England and Wales (N° 9245321) and whose registered office is at 1-7 Park Road, Caterham Surrey CR3 5TB; and
- 3) Petro River UK Limited (“**Petro**”) a company incorporated in England and Wales (N° 9939973) and whose registered office is at 1-7 Park Road, Caterham, Surrey CR3 5TB.
(SWR and Petro sometimes hereinafter individually referred to as a “**Farminee**” or together as the “**Farminees**”).
(each party to this Agreement a “**Party**” and together the “**Parties**”).

WHEREAS

- (A) The Farmor is a current Licensee of United Kingdom Seaward Petroleum Licence P2123 (“**P2123**”) dated 18th February 2014 granted under the Petroleum Act 1998 and the party to a joint operating agreement (the “**P2123 JOA**”) dated 20th May 2014 relating to the conduct of operations on and the rights and obligations of the Licensees in respect of the Licence.
- (B) The Farmor is a current Licensee of United Kingdom – Northern Ireland onshore licence number PL1/10 (Central Lame – Lough Neagh Basin) (“**PL1/10**”) dated 4th March 2011 granted under The Petroleum (Production) Act (Northern Ireland) 1964 and a party to a joint operating agreement (the “**PL1/10 JOA**”) dated 28th January 2011 (as novated) relating to the conduct of operations on and the rights and obligations of the Licensees in respect of the Licence.
- (C) The Farminees desire to acquire a portion of the Farmor’s interests in P2123 and PL1/10.
- (D) The Farmor desires to convey such interests to the Farminees through a farm out to each of the Farminees pursuant to the terms and conditions set forth herein.

It is AGREED as follows:

1 Definitions

In this Agreement, except where the context requires otherwise:

- “Accrual Basis” means the basis of accounting under which costs and benefits are regarded as applicable to the period in which the liability to the cost is incurred or the right to the benefit arises regardless of when invoiced, paid or received, and “Accrue” and other derivatives shall be construed accordingly;
- “Affiliate” means in relation to any Party:
(i) a company or corporation that is, directly or indirectly, controlled by such Party; or
(ii) a company or corporation that, directly or indirectly controls such party; or
(iii) a company or corporation that is, directly or indirectly controlled by a company or corporation that also, directly or indirectly, controls such Party;
For the purpose of this definition, “control” means the right to exercise fifty percent (50%) or more of all the voting shares exercisable in respect of the share capital of the relevant company or corporation;
- “AFE” means that certain provisional AFE Rev 4 for the Well, dated 18 May 2015 in the amount of Four Million Two Hundred Seventy Seven Thousand Three Hundred Ninety Seven Pounds Sterling (£4,277,397) which includes a ten percent (“10%”) contingency, attached hereto as Appendix A.
- “Agreement” means this agreement and its attached Schedules;
- “Assignment Documents” means in respect of each Licence, a Deed of Licence Assignment and a consolidated Interest Assignment or separate Interest Assignments and a novation of the JOA each of which documents shall be substantially in the standard forms in use in the United Kingdom;
- “Back Costs” means the Percentage Interest share attributable to each of the P2123 Farmed Interests of all costs Accrued in respect of P2123 prior to Completion of the assignment of the P2123 Farmed Interests (such amounts being agreed prior to the Effective Date to be £31,135 in respect to the SWR P2123 Farmin Interest and £17,513 in respect of the Petro P2123 Farmin Interest);
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“Base Rate”	shall mean the Base Rate of HBOS plc applicable at 11.00 am on the date hereof;
“Beneficial Farmed Interest(s)”	shall mean the beneficial interest in all Farmed Interests which shall be created by and held on trust in perpetuity by Farmor on behalf of the Farminees pending assignment of the legal interest in all Farmed Interests and irrespective of whether Completion takes place or not;
“Brigantes P2123 Farmed Interest”	means a twenty-five percent (25%) legal and beneficial interest in the undivided rights and benefits of P2123 Licence, together with all rights and obligations attaching thereto;
“Brigantes PL1/10 Farmed Interest”	means a twenty-five percent (25%) legal and beneficial interest in the undivided rights and benefits of the PL1/10 Licence, together with all rights and obligations attaching thereto;
“Business Day”	shall mean a day (other than a Saturday or Sunday or a legal or public bank holiday in England) on which banks are or, as the context may require, were generally open for business in England;
“Completion Date”	means the date of Completion as determined in accordance with Clause 6 ;
“Completion”	means the completion of the assignment of the Farmed Interests as provided for in Clause 6 ;
“Conditions Precedent”	means the conditions set out in Clause 3.3 ;
“Consideration”	means the sums payable by each of the Farminees pursuant to Clause 4 ;
“Data”	means all data and information held by a Farmor (or its Affiliates) and relating to a Farmed Interest (or any of it) including, without prejudice to the generality of the foregoing, accounts, books, contracts, correspondence, information and other data and reports (including petroleum engineering, reservoir engineering, drilling, geological, geophysical and all other kinds of technical data and reports, maps, samples, well-logs and analyses, seismic field tapes, reports, films, prints and digital data for original processing and any subsequent reprocessing) but excluding Traded Data and analyses prepared by the Farmor for its own internal purposes;

“Dollar” or “\$”	means the dollar of the United States of America;
“Effective Date”	means 1 st September 2015;
“Escrow Account”	means the bank escrow account pursuant to the Escrow Agreement, to be funded in the amount of AFE. ;
“Escrow Agreement”	means an Escrow Agreement to be executed on or before 15 th January 2016 by and between the Farmor, Farminees, Operator and Other Farminees, which sets forth the rights and obligations of the paying parties to the Well in regard to funding the costs of the Well.
“Farmed Interest Information”	shall have the meaning ascribed to it in Clause 5.7 ;
“Farmed Interest”	means the Brigantes P2123 Farmed Interest and the Brigantes PL1/10 Farmed Interest and “Farmed Interests” means all of them as summarised in Schedule 3;
“Farmed Work Programme”	means the programme of work set out in Schedule 2;
“Farmin Interest”	means the SWR P2123 Farmin Interest and the Petro PL1/10 Farmin Interest and “Farmin Interests” means all of them as summarised in Schedule 3;
“Interim Period”	the period from (and including) the date hereof until Completion;
“Joint Account”	has the meaning ascribed thereto in the JOA;
“Joint Operating Agreement” or “JOA”	means the P2123 JOA or the PL1/10 JOA as the context requires and “Joint Operating Agreements” or “JOAs” means both of them;
“Licence Interest Documents”	means the documents specified in Schedule 4 and, where the context so admits, any one or more of such documents;
“Licence”	means either P2123 or PL1/10 as the context requires and “Licences” means both of them;

“Licensee”	a licensee of a Licence;
“Obligations”	shall have the meaning ascribed to it in Clause 7.3 ;
“Operator”	InfraStrata plc (“ INFA ”) acting in its capacity as the operator appointed under the JOA in respect of the Licence, or such other Licensee as may be subsequently appointed as operator for the time being;
“Other Farminees”	mean Ermine Resources Limited, Baron Oil Plc, Tudor Hall Energy Limited and Terrain Energy Limited, all parties farming into the Licences;
“P2123 JOA”	shall have the meaning ascribed to it in Recital (A)
“P2123”	shall have the meaning ascribed to it in Recital (A)
“Party”	means a party to this Agreement;
“Percentage Interest”	has the meaning ascribed thereto in the JOAs, which in respect of both Licences following Completion will be: (i) SWR 16.00%; (ii) Petro 9.00%; (iii) INFA 10%; (iv) Brigantes 10%; (v) Other Farminees – in total 55%;
“Petro P2123 Farmin Interest”	means a nine percent (9.00%) legal and beneficial interest in the undivided rights and benefits of P2123, together with all rights and obligations attaching thereto;
“Petro PL1/10 Farmin Interest”	means a nine percent (9.00%) legal and beneficial interest in the undivided rights and benefits of PL1/10, together with all rights and obligations attaching thereto;
“Predrill Requirements”	constitute the following: (i) the full amount referred to in Clause 2.1 of the Escrow Agreement being deposited in the Escrow Account by the Farminees and Other Farminees (ii) confirmation by INFA that, as far as it is aware, it is in receipt of all the necessary permits, consents or authorisations which are necessary for the commencement of drilling operations for the Well; (iii) INFA obtaining permission from the requisite governmental authority(ies) to commence and complete drilling the Well after 4 th March 2016; (iv) an order having been placed by INFA for the long-lead items for drilling the Well; and (v) a contract having been executed by INFA for the construction of the Well site, such site to begin construction no later than 24 th February 2016;
“PL1/10”	shall have the meaning ascribed to it in Recital (B)

“Pounds” or “£”	means the lawful currency of the United Kingdom;
“Relevant Confidentiality Obligations”	means any confidentiality obligations existing at the date of this Agreement, by which the Farmor is bound;
“Secretary’s Consent”	means the consent and approval of the Secretary referred to in Clause 3.3.1 ;
“Secretary”	means in the case of P2123 the Secretary of State responsible for the Oil and Gas Authority of the Department of Energy and Climate Change; and in the case of PL1/10 means the Senior Officer of the Northern Ireland Department of Enterprise, Trade and Development responsible for Petroleum Licensing or any other person being at the time in question responsible for carrying out the functions at present carried out by such senior officer; and “Secretaries” means both such;
“SWR P2123 Farmin Interest”	means a sixteen percent (16.00%) legal and beneficial interest in the undivided rights and benefits of P2123, together with all rights and obligations attaching thereto;
“SWR PL1/10 Farmin Interest”	means a sixteen percent (16.00%) legal and beneficial interest in the undivided rights and benefits of PL1/10, together with all rights and obligations attaching thereto;
“Traded Data”	means data which relates to the Farmed Interest and which has been acquired by trade, purchase or otherwise by or on behalf of the Farmor (either alone or in conjunction with other parties) from a third party, or parties, where such data cannot be provided to the Farminees because such disclosure or transfer is prohibited by the agreement under which it was acquired or any other contract in existence;
“Well”	means the Woodburn Forest-1 well on PL1/10.

All references to Clauses, recitals and schedules are, unless otherwise expressly stated, references to Clauses of and recitals and schedules to this Agreement.

The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

Any reference to any statute or statutory instrument in this Agreement shall be a reference to the same as amended, consolidated or extended, supplemented or re-enacted from time to time on or before the date of this Agreement and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute on or before the date of this Agreement.

Except where the context otherwise requires, words denoting the singular include the plural and vice versa; words denoting any gender include all genders; words denoting persons include firms and corporations and vice versa.

2 Coming into Force of this Agreement and Payments into Escrow

- 2.1 This Agreement shall come into effect upon the date of execution hereof.
 - 2.2 The Farminees will in good faith endeavour to agree the Escrow Agreement with the Other Farminees and to execute it.
 - 2.3 As soon as the aggregate commitments by the Farminees and Other Farminees (pursuant to executed farmout agreements) to fund the Escrow Account in the amount of the AFE are received by INFA, INFA shall give the Farminees and Other Farminees notice to that effect and the Farminees shall make payment into the Escrow Account in accordance with the terms hereof and the Escrow Agreement.
 - 2.3.1. Prior to the close of banking in London on 19th January 2016 SWR shall pay the sum of £912,369 into the Escrow Account in accordance with the Escrow Agreement.
 - 2.3.2. Prior to the close of banking in London on 19th January 2016 Petro shall pay the sum of £513,288 into the Escrow Account in accordance with the Escrow Agreement.
 - 2.4 It shall be the responsibility of the Farminees respectively to ensure that the sums required to be paid into the Escrow Account are received net of all exchange differences and bank charges.
 - 2.5 If all invoices have been paid in respect of the Well, drilled in accordance with the Farmed Work Programme, and funds remain in Escrow Account, such remaining funds shall be distributed immediately to the Farminees and Other Farminees in proportion to the amounts paid by each into the Escrow Account.
 - 2.6 Clauses [5.7](#) to [5.9](#) (Confidentiality), [10](#) (Announcements), [11](#) (Notices) and [18](#) (Law), shall come into effect upon execution hereof and shall survive any termination of this Agreement.
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2.7 In the event that this Agreement comes into effect and the Escrow Account is fully funded, then upon the Farmor receiving reimbursement of its share of Back Costs from the Farminees under Clause 4.3 and its share of Well costs expended prior to the Effective Date from Escrow Funds, the Farmor shall reimburse SWR the sum of £106,622.10 being the proceeds received on behalf of Lame Oil and Gas Limited by the Farmor and INFA pursuant to that certain Farmout Option Agreement dated 17th July 2014, which is no longer in force.

3 Scope of Agreement and Conditions Precedent and Subsequent to Completion

3.1 Subject to the terms of this Agreement and to the Secretaries' Consents,

3.1.1 Brigantes hereby agrees to transfer the Brigantes P2123 Farmed Interest to the Farminees,

3.1.2 Brigantes hereby agrees to transfer the Brigantes PL1/10 Farmed Interest to the Farminees,

and

3.1.3 SWR hereby agrees to accept the transfer of the SWR P2123 Farmin Interest from Brigantes,

3.1.4 SWR hereby agrees to accept the transfer of the SWR PL1/10 Farmin Interest from Brigantes,

3.1.5 Petro hereby agrees to accept the transfer of the Petro P2123 Farmin Interest from Brigantes,

3.1.6 Petro hereby agrees to accept the transfer of the Petro PL1/10 Farmin Interest from Brigantes,

all as set out in Schedule 3, on the Completion Date, with full title guarantee and for the consideration herein set out.

3.2 The transfer of each Farmed Interest and the acceptance of each Farmin Interest pursuant to Clause [3.1](#) shall for all purposes be with effect from the Completion Date.

3.3 The respective obligations of the Farmor to sell and each Farminee to purchase each respective Farmed Interest or Farmin Interest (as applicable) shall be subject to the following conditions precedent (together the "**Conditions Precedent**"):

3.3.1 this Agreement having come into force

3.3.2 all the Predrill Requirements having been fully satisfied on or before 1 February 2016; and

3.3.3 the consent of the applicable Secretary thereto; and

3.3.4. the form and words of each of the Assignment Documents being agreed between the Parties and each of the other parties thereto respectively; and

3.3.5. Completion in respect of all the Farmed Interests being done simultaneously;

except that if the conditions of Clause 3.3.2 have not been satisfied this Agreement shall terminate immediately, subject to Clause 5.5 and the confidentiality provisions of Clauses 5.6, 5.7 and 5.8, and all amounts deposited by the Farminees in the Escrow Account shall be timely returned in full in accordance with Clause 5.5.

Each Party shall use all reasonable endeavours to procure the satisfaction of these conditions as soon as possible, provided that (subject to Clause [Error! Reference source not found.](#)) a Farminee shall not be deemed to be in breach of its obligations hereunder for any failure to obtain the consent or approval or agreement of the Secretary, or any other party to any of those matters referred to above.

3.4 Each Farmed Interest shall as at the Completion Date be free from any mortgage, charge (whether fixed or floating), lien, pledge, encumbrance or security interest of any kind or any obligation (other than under the Licence) for the payment of any royalty, commission or profit of any kind to any person.

3.5 The Farmor shall make every reasonable effort to insure that the formal assignment to Farminees of the PL1/10 and/or the P2123 Farmed Interests become effective prior to the commencement of drilling of the Well. In the event that Completion of the formal assignment to Farminee of the PL1/10 and/or the P2123 Farmed Interests is delayed beyond this date by circumstances outside the Parties control then the Farmor shall hold the Beneficial Farmed Interests in trust for the Farminees. In the event that such delay appears to be prolonged then the Parties shall agree to a full trust deed or other mechanism to keep the Parties in the same economic position as they would have been in had such assignment been Completed. The provisions of Clause 5 (Interim Period) shall continue to apply until Completion occurs or they are superseded.

3.6 The provisions of this Agreement in Clauses 5 (Interim Period), [6](#) (Completion), [7](#) (Indemnities), [8](#) (Representations and Warranties) and [9](#) (Taxation) shall apply to and be construed separately in respect of each of the SWR PL1/10 Farmed Interest and the Petro PL1/10 Farmed Interest and if applicable each of the SWR P2123 Farmed Interest and the Petro P2123 Farmed Interest as if repeated in respect of each of them.

3.7 The Farmor shall employ all reasonable efforts to insure that the Operator, as soon as practical after the execution of this Agreement, undertakes actions to solicit and receive revised bids for drilling and support services with the primary objective of reducing the cost of drilling the Well below the AFE, and that a new authority for expenditure (“**NEW AFE**”) is drafted in a timely manner and presented in writing by the Operator to the Farminees and Other Farminees. The New AFE shall include provision for a ten percent (10%) contingency and shall include approved costs that have been expended (or committed to be expended) for the preparation work prior to the commencement of drilling of the Well.

4 Consideration

4.1 In consideration for the Farmor granting the Beneficial Farned Interests in PL1/10 to each Farminee and/or the transfers of the Farned Interests to each Farminee as provided for in Clause [3.1](#), each Farminee shall:

4.1.1. pay its Percentage Interest share of all costs pursuant to the JOA attributable to each Farned Interest assigned to it with effect from the Completion Date;

4.1.2. to the extent not included in Clause [4.1.1](#), pay its Percentage Interest share of all costs pursuant to the JOA attributable to each Farned Interest in respect of the Farned Work Programme; and

4.1.3. subject to Clause [4.2](#) below, for each of the Farned Interests pay an additional Percentage Interest share of the costs charged to the Joint Account under the JOA, for the Farned Work Programme for the Well only, equal to thirty three and one-third percent (33 1/3%) of each such Farned Interest.

4.2 In the event that the total cost of the Well exceeds the AFE (including said contingency) (the “**Cap**”) then such excess shall be borne by the Farmor and the Farminees in accordance with their respective Percentage Interests

4.3 In consideration for the Farmor granting the Beneficial Farned Interests in P2123 to each Farminee and/or the transfers of the Farned Interests to each Farminee as provided for in Clause [3.1](#), each Farminee shall:

4.3.1. pay its Percentage Interest share of all costs pursuant to the JOA attributable to each Farned Interest with effect from the Completion Date;

4.3.2. pay to the Farmor the Back Costs attributable to the each of the P2123 Farned Interests.

5 Interim Period (from execution hereof until Completion)

- 5.1 Immediately following execution of this Agreement Farmor shall procure that INFA, on behalf of the Farmor, shall prepare and deliver to the Farminees a statement of the costs payable by each of them pursuant to Clause [4.1](#) split by Licence.
- 5.2 When and if cash calls or invoices are issued by INFA during the Interim Period, Farmor, will immediately forward them to the Farminees with an apportionment as between all Parties reflecting the provisions of Clause [4.1](#).
- 5.3 Subject to Clause 3.7 being satisfied, the Farminees will settle the statement issued under Clause [5.1](#) and all cash calls or invoices apportioned under Clause [5.2](#) as follows:
- 5.3.1. In respect of Well costs only, funds shall be drawn from the Escrow Account in accordance with the Escrow Agreement. The Escrow Agreement shall require INFA to provide accounting of such payments to all the parties of the Escrow Account, including the Farminees.
- 5.3.2. In respect of all costs on PL1/10 and P2123, other than the costs for the Well, the Farminees will pay INFA as Operator the balance on such statement in accordance with the JOA following receipt of accounts prepared for all the parties to the JOA, including the Farminees, in accordance with the requirements of the JOA.
- 5.4 At such time the Escrow Account is exhausted, the Farminees will pay the apportionment of the cash calls or invoices forwarded to them in accordance with Clause [5.2](#) in accordance with the JOA.
- 5.5 In the event that the Predrill Requirements are not met by 1 February, 2016, all sums paid by each Farminee pursuant to Clauses [5.3](#) and/or [5.4](#) will immediately become repayable, in full, by the Farmor together with interest at LIBOR from the date of the payment thereof to the date of repayment (both dates inclusive).
- 5.6 During the Interim Period:
- 5.6.1. The Farmor will diligently pursue the Farned Work Programme, to which operations the provisions of the JOA shall apply save as modified by this Agreement;
- 5.6.2. The Parties shall each use all reasonable endeavours to obtain all such consents and approvals of the Secretary as may be necessary to the transfer of the Farned Interests from the Farmor to the Farminees and to the execution of the Assignment Documents and any other documents or agreements to be executed and/or delivered in connection therewith (the “**Completion Documentation**”);
- 5.6.3. The Parties shall each use all reasonable endeavours to procure that all parties to the Completion Documentation agree the form and content of such documentation;
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- 5.6.4. Farmor shall (subject to any Relevant Confidentiality Obligations) provide to the Farminees access to all technical, financial and contractual information in its possession relating to the Farmed Interest as the Farminees may from time to time reasonably require;
 - 5.6.5. The Farminees shall, de facto, have full rights (including voting rights) under each JOA commensurate with their Beneficial Farmed Interests;
 - 5.6.6. The Farmor shall not without the prior written consent of the Farminees (not to be unreasonably withheld) agree to amend the Licence Interest Documents or to execute any new agreement affecting any Farmed Interest;
 - 5.6.7. The Farmor shall continue to carry on its activities in relation to the Farmed Interests in the ordinary and usual course so as to protect and maintain the same, including, but without limitation, continuing to perform all obligations relating to the Farmed Interests at law;
 - 5.6.8. The Farmor shall provide to the Farminees copies of all notices and other information provided by or to them as the same become available;
 - 5.6.9. The Farmor shall not pledge, sell, charge, transfer, assign, withdraw from, or encumber in any manner whatsoever the Farmed Interests;
 - 5.6.10. The Farmor shall conduct all business in relation to the Farmed Interests in a proper manner and in accordance with good and prudent oil field practice;
 - 5.6.11. The Farmor shall not do or omit to do anything which would amount to a waiver or relinquishment of any of its or their rights which are material in nature under the Licence or any other instrument relating to the Farmed Interests, without the prior written consent of the Farminees (such consent not to be unreasonably withheld or delayed).
- 5.7 Pending Completion, the Farminees shall, subject to the JOA, hold in confidence all information furnished or disclosed to it by the Farmor in connection with the transactions contemplated by this Agreement as well as all information concerning the Farmed Interests contained in any analyses, compilations, studies or other documents prepared during such period by or on behalf of the Farminees and any business and/or commercial information in respect of the Farmor (collectively, the “**Farmed Interest Information**”). However, Farmed Interest Information shall not include any information which is:
- 5.7.1. generally available to the public other than as a result of a wrongful disclosure by a Farminee; or
 - 5.7.2. available to a Farminee on a non-confidential basis from a source other than a Farmor if such source is entitled to disclose such information.
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- 5.8 Notwithstanding anything to the contrary contained in Clause [5.7](#), pending Completion, the Farminees shall comply with the confidentiality provisions of the JOA and will not, without the prior written consent of the Farmors, release or disclose any Farmed Interest Information to any other person, except to a Farminee's or its Affiliate's officers, directors, employees, accountants, solicitors, representatives, agents, consultants, bankers, financial advisers and prospective investors who need to know the Farmed Interest Information in connection with the Completion or financing of the transactions contemplated by this Agreement, who are informed by a Farminee of the confidential nature of the Farmed Interest Information and who agree to be bound by the terms and conditions of this Clause [5.8](#) and Clause [5.7](#) and except further to the extent required by any applicable statute, the Licence or the requirements of any recognised stock exchange or other regulatory authority in compliance with its rules and regulations or any Government agency (including without limitation a securities exchange or equivalent) lawfully requesting such information or any court of competent jurisdiction acting in pursuance of its powers.
- 5.9 If Completion does not take place 30 September 2016 for any reason provided for in this Agreement (other than as a direct consequence of a material breach by a Farminee of this Agreement):
- 5.9.1. At the option of each Farminee all sums paid by such Farminee to the Farmor (or to the Escrow Account) or on the Farmor's behalf pursuant to or in connection with this Agreement shall immediately become repayable by the Farmor together with interest on such sums at Base Rate from the date of payment thereof by that Farminee to the date of repayment (both dates inclusive), whereupon the applicable Beneficial Farmed Interest shall revert to the Farmor and cease to exist. If SWR exercises this option it will immediately repay to the Farmor the sums paid by the Farmor set forth in Clause 2.7 herein.
- 5.9.2. If the option in Clause [5.9.1 above](#) is exercised the Farmed Interest Information, except for that portion thereof which consists of analyses, compilations, studies or other documents prepared by or on behalf of a Farminee, will be returned to the Farmor within a reasonable time of any request therefor and no Farminee shall retain copies thereof. This requirement and the requirement of sub-Clause [5.9.3 below](#) shall not apply to corporate documents which contain information derived from the Farmed Interest Information and which a Farminee is required to retain by law or which is contained or reflected in material presented to its or any of its Affiliates' executive board (or the equivalent thereof), or which is part of a regular computer backup, in all of which cases such Farminee will take appropriate measures to preserve its confidentiality; and
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- 5.9.3. If the option in Clause [5.9.1 above](#) is exercised that portion of the Farmed Interest Information which consists of analyses, compilations, studies or other documents prepared by or on behalf of a Farminee shall be destroyed forthwith.
- 5.9.4. Provided that if the option in Clause [5.9.1 above](#) is not exercised, each Farminee shall retain its respective Beneficial Farmed Interest that shall continue to be held in trust and unencumbered by Farmor pending further written notification by the beneficiary of further dealings concerning the legal interest in the Farmed Interest.
- 5.10 Without prejudice to any other rights of a Farminee, if prior to Completion, a Farminee receives notice or becomes aware of a material breach of any of the undertakings contained in this Clause [4.2](#) or the Farmor's Warranties (as defined in Clause [8.3](#)) or the warranties given in Clause [8.1](#) which is material in the context of this Agreement (which is incapable of remedy or capable of remedy but not remedied prior to Completion) that Farminee shall be entitled to rescind this Agreement without liability, except that SWR shall immediately repay to the Farmor the sums paid by the Farmor set forth in Clause 2.7 herein, and the Farmor shall comply with its payment obligations under Clause [5.9.1](#) hereof.
- 5.11 Where any obligations of the Farmor under this Agreement is subject to any Relevant Confidentiality Obligation the Farmor shall use its reasonable endeavours to procure that it is released from such Relevant Confidentiality Obligation to the extent necessary for the Farmor to comply with their obligations under this Agreement; provided that nothing in this Agreement shall require the Farmor to pay any money to any third party to procure its release from such Relevant Confidentiality Obligation.

6 Completion

- 6.1 Completion in respect of both Licences shall take place at the offices of the Farmor or SWR as soon as feasible after the execution of this Agreement, provided that all of the Conditions Precedent have been satisfied and further provided, separately in respect of each Farminee, that Completion with that Farminee shall not take place if that Farminee is in default of any payments due under this Agreement; or on such other date as the Parties may agree.
- 6.2 On the Completion Date:
- 6.2.1. The Farmor shall:
- a) deliver to the Farminee (to the extent not already delivered prior to Completion) the Assignment Documents duly executed by all the parties thereto other than that Farminee (and, in the case of the Deed of Licence Assignment, the Secretary);
 - b) deliver to the Farminees copies of the Secretaries' Consents;
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- c) deliver to the Farminees copies of the consents or approvals, if any, referred to in Clause [3.3](#) and obtained by or on behalf of the Farmor;
 - d) deliver to each Farminee a copy, certified as a true copy and in full force and effect by a director or the secretary of the Farmor, of a resolution of the Board of Directors of that Farmor authorising its entry into the transactions contemplated by this Agreement and authorising a person or persons to sign the relevant Assignment Documents on its behalf; and
 - e) deliver to each Farminee a certified copy of any Power of Attorney pursuant to which any of this Agreement or the Assignment Documents were executed.
- 6.2.2. Each Farminee shall:
- a) deliver to the Farmor copies of the consents or approvals, if any, referred to in Clause [3.3](#) and obtained by or on behalf of Farminee;
 - b) deliver to the Farmor a copy, certified as a true copy in full force and effect by a director or the secretary of Farminee, of a resolution of the Board of Directors of Farminee authorising its entry into the transactions contemplated by this Agreement and authorising a person or persons to sign the relevant Assignment Documents on its behalf;
 - c) subject to Clause [6.2.1](#), execute the relevant Assignment Documents; and
 - d) deliver to the Farmor a certified copy of any Power of Attorney pursuant to which any of this Agreement, or the Assignment Documents were executed.
- 6.2.3. Each Party shall, and shall procure that its Affiliates shall, execute all such other documents and do all such other acts and things as may reasonably be required in order to effect the transfer of the Farmed Interests to the Farminees and otherwise carry out the true intent of this Agreement.
- 6.2.4. The Farmor shall make available to the Farminees on the Completion Date a certified true copy of the Licence.
- 6.2.5. Subject to Clause [6.2.4](#), the Farmor shall make available for collection by the Farminees at such place as the Parties may agree on or within 21 days after the Completion Date duly signed originals or certified true copies of the Data. In the case of the Licence, the Farmor shall use its reasonable endeavours to obtain a certified copy thereof by the Completion Date.
- 6.2.6. Pending delivery of the Data, the Farminees shall have access to the Data at such times as may be reasonably requested and shall be allowed to take photocopies of the same.
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7 Indemnities

- 7.1 The indemnities in this Clause 7 are subject to Completion taking place but are without prejudice to the provisions of Clause 8.
- 7.2 Each indemnity in this Clause 7 shall be construed as being a separate set of indemnities in respect of each Farmed Interest between the Farmor and Farminee.
- 7.3 To the extent that any costs, charges, expenses, liabilities and obligations relating to a Farmed Interest (together “**Obligations**”) are properly incurred by the Farmor and Accrue in respect of any period after the Effective Date each respective Farminee shall reimburse and indemnify the Farmor against any of such Obligations which are borne by the Farmor; provided that:
- 7.3.1. the Farminee shall not be liable to indemnify the Farmor where the relevant Obligation relates to the same subject matter in respect of which the Farmor has reasonably been demonstrated by the Farminee to be in breach of any warranty, representation or undertaking contained in Clause 8.1 or Part A of Schedule 1;
 - 7.3.2. where the Farmor shall have a right of recourse against or a right to be reimbursed by any third party (including any relevant insurer) in respect of any Obligations then the Farmor shall use all reasonable endeavours to make available to the Farminee the benefits of such rights or any recoveries made pursuant thereto; and
 - 7.3.3. the Farminee shall not be liable to indemnify the Farmor for any relevant Obligation, charge, expense, liability or obligation which was incurred by the Farmor in circumstances where the Farmor has reasonably been demonstrated by the Farminee to be in breach of its obligations to the Farminee pursuant to Clause 4.2 unless the Farmor has subsequently remedied such breach and/or Farminee has suffered no material disadvantage thereby.
- 7.4 To the extent that a Farminee properly incurs or settles any such Obligations which Accrued in respect of any period prior to the Effective Date the Farmor shall reimburse and indemnify the Farminee against any such Obligations which are borne by the Farminee, provided that:
- 7.4.1. it is not an expense for which the Farminee is properly liable pursuant to Clause 4; and further that
 - 7.4.2. it is specifically agreed between the Parties that all the obligations in respect of environmental, site restoration and abandonment arising out of operations on the Licence whether prior to or after Completion shall be borne by the Parties pro rata to their Percentage Interests.
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7.5 To the extent that any income, receipts, rebates or other benefits relating to a Farmed Interest (together “**Benefits**”) are received by or credited to the Farmor in respect of any period after the Effective Date in respect thereof, the Farmor shall, except as otherwise provided herein, pay to the Farminee an amount equal to such Benefits.

7.6 To the extent that any such Benefits are received by or credited to a Farminee in respect of any period prior to the Effective Date in respect thereof the Farminee shall, except as otherwise provided herein, reimburse the Farmor for any such Benefits.

8 Representations and Warranties

8.1 Each representation and warranty in this Clause [8](#) shall be construed as being a separate set of representations and warranties in respect of each Farmed Interest between the Farmor and each respective Farminee.

8.2 The Farmor in respect of its Farmed Interest hereby represents, warrants, covenants and undertakes to Farminee, as follows:

8.2.1. The Farmor is the sole legal and beneficial owner of and has (or at Completion will have) absolute ownership of the Farmed Interest with the right to sell, transfer and assign the full legal and beneficial ownership therein to Farminee on the terms of this Agreement; and

8.2.2. the Farmed Interest is free from any mortgage, charge, pledge, lien, encumbrance or other third party right or interest (legal or equitable) (other than as arising under applicable legislation, or the JOA) together with all accrued benefits and rights attached to it as at the Completion Date or subsequently becoming attached to it.

For the avoidance of doubt, the provisions of this Clause [8.1](#) shall not be limited or restricted in any way by any other provision of this Agreement or otherwise, and, without prejudice to the foregoing generality, any claim for breach of this Clause [8.1](#) may be brought at any time in the future and shall not be subject to a maximum sum.

8.3 Subject to the provisions of this Clause, the Farmor hereby represents and warrants to Farminee, in the terms set out in Part A of Schedule 1 (“**FARMOR’S WARRANTIES**”) and each Farminee hereby represents and warrants to each Farmor in the terms set out in Part B of Schedule 1 (“**Farminee’s Warranties**”).

8.4 Farmor’s Warranties are subject to any matter referred to or provided for under this Agreement (including any Appendices thereto) done or omitted to be done by or with the written consent of or at the written request of Farminee.

- 8.5 The Farmor makes no representations or warranties about the Data save that they will be provided on an “as available” and “best efforts to find” basis.
- 8.6 Where the Farmor is not a Licensee at the date of this Agreement, all warranties of title shall be qualified by the words “at Completion”.
- 8.7 The Farmor’s Warranties and Farminee’s Warranties shall be deemed to be repeated at Completion.
- 8.8 In the event of any matter or thing (including an omission) materially inconsistent with any of the Farmor’s Warranties arising at or before Completion and the Farmor having failed to remedy such material inconsistency by Completion Farminee shall not be bound to complete the acquisition of the Farmed Interest and Farminee, as its sole remedy for such continuing material inconsistency, shall be that it shall be entitled to rescind this Agreement.
- 8.9 The Farmor will immediately notify Farminee in the event that either it or its Affiliates becomes aware of any matter or thing which would or might entitle Farminee to rescind this Agreement pursuant to Clause [8.8](#) above.
- 8.10 Neither Party shall be liable under this Agreement for any claim for breach of any its Warranties:
- 8.10.1.unless notice of the claim is given in writing by the Party claiming breach to the other Party within 18 months after the Completion Date and that Party has instigated Court proceedings against the other Party within 18 months of such notice;
 - 8.10.2.to the extent that the Farmor’s liability for all claims made would thereby exceed the Consideration;
 - 8.10.3.to the extent that any Farminee’s liability for all claims made would thereby exceed that Farminee’s share of the Consideration;
 - 8.10.4.if the amount of the claim is less than £25,000 (twenty five thousand pounds) provided that if the aggregate amount exceeds £25,000 (twenty five thousand pounds) the relevant Party shall be liable for the whole amount of the claims and not just the excess over £25,000 (twenty five thousand pounds);
- provided always that the above limitations shall not apply in the case of fraud or wilful misconduct.
- 8.11 Within 14 days of any notice given under Clause [8.10.1](#) the Party claiming breach shall give written notice to the other Party summarising the grounds on which the claim is based. Within a further 21 days it shall give further written notice setting out such detailed particulars of the claim as shall then be available.
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- 8.12 Neither the Farmor nor its Affiliates shall do or allow any act or thing, or authorise any act or thing to be done over which it has control or which it can otherwise by the exercise of any right or power prevent from being done which would prevent any of the representations or warranties set out in this Clause 8, and Part A of Schedule 1 from being true and accurate if repeated at any time up to and as at the Completion Date by reference to circumstances then existing.
- 8.13 Nothing herein shall be deemed to relieve either Party from any common law duty to mitigate any loss or damage incurred by it.
- 8.14 No Farminee shall be entitled to recover any sum in respect of any claim under the Farmor's Warranties or otherwise obtain reimbursement or restitution more than once in respect of any one breach of the Farmor's Warranties.
- 8.15 The Farmor shall not be entitled to recover any sum in respect of any claim under Farminees' Warranties or otherwise obtain reimbursement or restitution more than once in respect of any one breach of Farminees' Warranties
- 8.16 If the Farmor pays to any Farminee an amount in discharge of a claim under the Farmor's Warranties and such Farminee recovers (whether by payment, discount, credit or otherwise) from a third party a sum which would not have been received but for the circumstances giving rise to the claim in respect of which the payment by the Farmor was made, such Farminee shall repay to the Farmor an amount equal to either the amount the Farmor shall have so paid to such Farminee or the sum received from the third party less any third party costs or expenses incurred in recovering the same (whichever shall be the lower). For the avoidance of doubt no Farminee shall be required to take any action against a third party where such action would materially prejudice any existing relationship with such third party.
- 8.17 Without prejudice to all other rights available to either Party, including the right to sue for damages, no breach of any warranty, covenant or undertaking hereunder or misrepresentation or misstatement of fact by either Party shall give rise to a right on the part of the other Party to rescind or terminate this Agreement following Completion.
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- 8.18 Save other than as and to the extent set forth in the Farmor's Warranties, Clause 2, and the Assignment Documents, and save in the event of fraud or wilful non-disclosure, the Farmor makes no representations or warranties in respect of any matter or thing and disclaims all liability and responsibility for any representation, warranty, statement, opinion or information made or communicated (orally or in writing) to any Farminee (including without limiting the generality of the foregoing, any representation, warranty, statement, opinion, information or advice made or communicated to any Farminee by any other shareholder, stockholder, director, employee, agent, consultant or representative of the Farmor or any of its Affiliates) and each Farminee acknowledges and affirms that it has not relied upon any such representation, warranty, statement, opinion or information in entering into and carrying out the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the Farmor makes no representations or warranties as to:
- 8.18.1.the quantity of Petroleum reserves attributable to the Farmed Interest;
 - 8.18.2.the quality or deliverability of said Petroleum reserves;
 - 8.18.3.any geological, geophysical, engineering, economic or other interpretations, forecasts or evaluations concerning any Farmed Interest.
- 8.19 Each Farminee acknowledges and affirms that it has made its own independent investigation, analysis and evaluation of the geological, geophysical, engineering, environmental, economic or other interpretations, availability of tax allowances, costs and prospects for further development of the Farmed Interest.
- 8.20 The warranties, representations and undertakings given by the Farmor under or pursuant to this Agreement shall not in any respect be extinguished or affected by any investigation made by or on behalf of any Farminee, or by any information of which any Farminee may independently have knowledge, whether actual, imputed or constructive, by such Farminee rescinding, or failing to rescind this Agreement or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release by Farminee.
- 8.21 Each of the Farmor's Warranties shall be separate and independent and save as expressly provided to the contrary, shall not be limited by reference to or inference from any other term of this Agreement.
- 8.22 Where any of the Farmor's Warranties is qualified by the expression "so far as the Farmor is aware" or any similar expression, such qualification shall be deemed to include an additional statement that the warranty, representation or undertaking has been made after due diligent and careful enquiry of the relevant person in the Farmor's (or its respective Affiliates') organisation.
- 8.23 Notwithstanding anything else to the contrary in this Agreement, neither Party shall be liable to the other Party for any consequential loss sustained by any other party irrespective of the cause of such loss or damage.
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9 Taxation

VAT

- 9.1 At Completion the Parties shall confirm that they are registered as taxable persons for the purposes of VAT.
- 9.2 The Parties confirm that no election has been made and confirm that no election will be made prior to the Completion Date under paragraph 2 Schedule 10 Value Added Tax Act 1994 in relation to any Farmed Interest.
- 9.3 The Farmor confirms that the Farmed Interest has been used as part of its business operated by a group of companies which constitute a VAT group of which the Farmor is a member as a going concern for the purposes of Article 5 of the Value Added Tax (Special Provisions) Order 1995.
- 9.4 Each Farminee undertakes that it will use the Farmed Interest as part of its business of searching for, boring for and getting petroleum as a going concern for a sufficient period to comply with the requirements of Article 5 of the Value Added Tax (Special Provisions) Order 1995 so that the assignment of the Farmed Interest is treated as neither a supply of goods nor a supply of services for VAT purposes.
- 9.5 Notwithstanding that the Parties believe that the sale and transfer hereunder is a transaction which is outside the scope of VAT by virtue of the Value Added Tax (Special Provisions) Order 1995, in the event that either of the Parties is advised in writing by H.M. Customs & Excise after full disclosure of all material facts that the transaction hereunder is subject to VAT, Farminee undertakes that, if called upon to do so by the Farmor, it will pay to the Farmor on presentation by the Farmor of a VAT invoice any amounts properly due in respect of VAT set out in such invoice within thirty (30) days of demand.
- 9.6 The Parties agree that the Farmor shall make an application to the Commissioners of Customs and Excise under Section 49(1)(b) Value Added Tax Act 1994 for a direction that the records relating to the Farmed Interest which under paragraph 6 Schedule 11 Value Added Tax Act 1994 have been maintained by the Farmor should be preserved by the Farmor notwithstanding the provisions of the said section, the Farmor shall forthwith upon receipt thereof provide Farminee with a copy of any such direction, and Farminee shall retain access at all reasonable times during business hours to all books and records retained by the Farmor in relation to VAT matters concerning the Farmed Interest, and the Farmor covenants to retain such records as required by paragraph 6 Schedule 11 Value added Tax Act 1994.
- 9.7 Subject to Clause [9.5](#) above, any adjustments pursuant to Clause [4](#) (Consideration) or payments or reimbursements pursuant to Clause [7](#) (Indemnity) in respect of any payment or receipt being an amount in respect of which VAT has been paid or received shall be made on a basis disregarding the VAT element where the VAT paid is fully deductible or is required to be accounted for in full to H.M. Customs & Excise, but otherwise shall be made on a basis which leaves the Farmor in no better and no worse a position (after taking account of VAT, and subject to the application of the other provisions of this Clause) than had the payment or receipt not been made or received.
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10 Announcements

- 10.1 No Party and no Affiliate of any of them shall, without the prior written consent of the other Parties, issue or make any public announcement or statement regarding this Agreement or any matter which is the subject of this Agreement, unless it is necessary for that Party or its Affiliate to make such public announcement or statement in order to comply with a statutory obligation, an obligation to include information in published or audited accounts, or with the requirement of a competent government agency, the Securities and Exchange Commission or other regulatory body (whether statutory or non-statutory), or institutional shareholder body, or a recognised stock exchange on which that Party or such Affiliate has (or is to have) its shares listed or an unlisted securities market in which its shares are (or are to be) dealt, in which event, the Party proposing to make such an announcement or statement shall consult with the other Parties and shall take account of any objections or requests for revisions made by the other Parties. A copy of such announcement or statement shall (subject to any applicable law or the rules of any such stock exchange) so far as possible be furnished to the other Parties at least 72 hours prior to publication and such announcement or statement shall be limited to the minimum so required.

11 Notices

- 11.1 Any notice under this Agreement shall be in writing and shall be given by personal delivery or by first class registered or recorded delivery letter sent to the relevant Party as applicable at:

Brigantes Energy Limited
Burnside House, Church Road,
Paddock Wood, Tonbridge,
Kent, TN12 6HG
Email: mbburnside@btintemet.com

Attn: Malcolm Butler
Southwestern Resources Ltd
c/o Ardent Oil Ltd
150 Borough High Street
London
SE1 1LB
Email: bob.moore@ardentoil.com

Attn: Bob Moore
Petro River UK Limited
c/o Ardent Oil Ltd
150 Borough High Street
London
SE1 1LB

Email: gary.malhotra@petroriveroil.com and scohen@icofund.com

Attn: Gary Malhotra and Scot Cohen or to such other address as a Party may notify to the other from time to time in accordance with the provisions of this Clause.

- 11.2 All notices shall be acknowledged promptly by the receiving Party.
- 11.3 Any notice or other communication given by any Party shall be deemed to be served at the time when the same is handed to or left at the relative address of the Party to be served and if served by post on the second day (not being a Sunday or public holiday) following the day of posting.
- 11.4 Notwithstanding the foregoing, a notice given by email shall be deemed to be a notice properly given if the recipient has positively confirmed that it has been received in a complete and intelligible form.

12 Costs, Expenses and Delayed Payment

- 12.1 The Farmor and each Farminee shall pay its and its Affiliates' own costs and expenses in relation to the preparation and execution of this Agreement and the documents contemplated hereby or executed pursuant hereto.
- 12.2 The Farminees shall be responsible for payment in a timely fashion of any and all UK stamp duty and stamp duty land tax, (including fines and penalties) payable on or in respect of this Agreement and the transactions set out herein and all other documents contemplated hereby or executed pursuant hereto.
- 12.3 Without prejudice to any other rights hereunder, if any amount payable hereunder is not paid when due, the defaulting Party shall pay interest on such amount from the due date of payment (after as well as before judgement) at a rate equal to three per cent (3%) above the Base Rate.

13 Variation

- 13.1 The terms and conditions of this Agreement shall only be varied by an agreement in writing specifically referring to this Agreement.
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14 Further Assurance

14.1 The Parties shall execute or cause to be executed and delivered to each other such further deeds and documents and do all such further acts and things as may reasonably be necessary or as may reasonably be requested by any Party more fully to vest in and assign to each Farminee all rights, powers, privileges and remedies herein intended to be vested in or assigned to such Farminee.

15 General

15.1 This Agreement including, without limitation, the representations, warranties and undertakings hereunder shall remain in full force and effect notwithstanding Completion.

15.2 No waiver by a Party of any breach of a provision of this Agreement shall be binding unless made expressly in writing and any such waiver shall relate only to the matter to which it expressly relates and shall not apply to any subsequent or other matter.

15.3 Neither Farminee nor Farmor shall have no right to assign any right or interest under this Agreement, without the written consent of the other, such consent not to be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties hereto.

15.4 Time shall be deemed to be of the essence of this Agreement.

15.5 This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes and excludes all negotiations and preliminary agreements whether oral or written.

15.6 Notwithstanding any other provision of this Agreement, no Party shall be liable to another for any consequential losses arising out of or in any way connected with this Agreement or the Completion Documents.

15.7 Notwithstanding termination of this Agreement in accordance with its terms, the provisions of [Clauses 5.7, 5.8, 11 and 17](#) shall survive such termination, shall be deemed to remain in full force and effect and the Parties shall continue to be bound thereby.

16 Rights of Third Parties

16.1 Save as expressly provided in this Agreement, nothing in this Agreement shall confer on any third party any right to enforce any term of this Agreement which it would not have had but for the Contracts (Rights of Third Parties) Act 1999.

17 Counterparts

17.1 This Agreement may be executed in any number of counterparts with the same effect as if all Parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one instrument.

18 Governing Law

18.1 This Agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Agreement or its formation) shall be governed by and construed in accordance with the laws of England and Wales.

18.2 The Parties hereby irrevocably submit to the exclusive jurisdiction of the English Courts for the purpose of hearing and determining any dispute arising out of the Agreement and to the non-exclusive jurisdiction of the English Courts for the purpose of enforcement of any judgement against their respective assets.

AS WITNESS whereof this Agreement has been signed by the duly authorised representatives of the Parties on the day and year first above written.

SIGNED for and on behalf of

[Brigantes Energy Limited](#)

By: /s/ Malcolm Butler

Name: Malcolm Butler

Title: Director

SIGNED for and on behalf of

southwestern resources ltd

By: /s/ Jonathan B. Rudney

Name: Jonathan B. Rudney

Title: Director

SIGNED for and on behalf of

petro river uk limited

By: /s/ Scot Cohen

Name: Scot Cohen

Title: Director

SCHEDULE 1

PART A. THE FARMOR'S WARRANTIES

Each of the representations and warranties in this Schedule 1 shall be construed as being a separate set of representations and warranties in respect of the Farmor. The Farmor represents, warrants, covenants and undertakes to Farminee, as follows:

- 1 The Farmor has complied in all respects with its obligations under the Licence, and as applicable, the JOA.
 - 2 Save for the JOA the Farmor is not a party to any licences, leases, permits, concessions or agreements relating to the exploitation, appraisal or development of any area covered by the Licence or to the production, transportation, treatment, storage, marketing or sale of any Petroleum attributable to the Farmed Interest or for the transfer, assignment or farm-out to or by the Farmor of the Farmed Interest or any part thereof and there is no offer or tender outstanding the acceptance of which may give rise to any of the same and which will survive Completion.
 - 3 No operations have been carried out on the Licence, which could give rise to any liabilities for site restoration or abandonment.
 - 4 As at the date of this Agreement, the Farmor is not a party to any litigation or arbitration or administrative proceedings in relation to the Farmed Interest nor is the Farmor aware that any such litigation, arbitration or administrative proceedings is threatened or pending either by or against it.
 - 5 Other than any obligation to pay rent and royalty under the Licence and encumbrances created by the JOA, the Farmed Interest is free from all mortgages, charges (whether fixed or floating), pledges, liens or other encumbrances, or claims relating thereto, overriding royalty, production payment, net profit interest, carried interest, third party rights or any other burden or equity whatsoever (and the Farmor is not a party to any agreement to give or create any of the same).
 - 6 The Farmor has all requisite corporate power and authority to execute this Agreement and the Assignment Documents to which it is a party and to perform its obligations hereunder and thereunder, and such execution and performance has been duly authorised by all requisite corporate action and do not constitute nor will they cause a breach of, or a default under, any material agreement or arrangement to which it is a party.
 - 7 The Farmor is duly incorporated with limited liability and validly exists under the laws of England and Wales.
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- 8 This Agreement will, together with the Completion Documents and all other documents ancillary hereto, not cause the Farmor to violate any judgement, order, permit or any other consent or instrument binding upon it and will not cause any limitation on it or the powers of its directors, whether imposed by or contained in any document which contains or establishes its constitution or in any law, order, judgements, agreement, instrument or otherwise, to be exceeded.
- 9 No order has been made or petition presented or resolution passed for the winding up of the Farmor or for an administration order in respect of the Farmor. the Farmor is not insolvent nor unable to pay its debts for the purposes of Section 123 of the Insolvency Act 1986 and no administrative receiver or receiver has been appointed by any person over its business or assets or any part thereof and no power to make any such appointment has arisen.
- 10 The Farmor is not subject to any other material obligations or material restrictions in relation to the Farmed Interest which will bind Farminee other than as specifically set out in the JOA, or which exist by virtue of any statute, act, regulation, planning consent or other regulatory requirement.
- 11 The Licence and all rights and Interests thereunder or deriving therefrom of the Farmor are in full force and effect and
- 11.1 no act or omission of the Farmor (or so far as the Farmor is aware, of any other person) has occurred which would entitle the Secretary to revoke the Licence; and
- 11.2 there are no other grounds for rescission, avoidance, revocation, repudiation or termination of the Licence, as against the Farmor nor, so far as the Farmor is aware as at the date of this Agreement, as against any other Licensee; and
- 11.3 no change of control of the Farmor has occurred at any time so as to give the Secretary, a right to, or cause the Secretary to, rescind or revoke the Licence; and
- 11.4 no notice has been given to the Farmor nor, so far as the Farmor is aware, to any other Licensee of the Licence, by the Secretary of any intention to revoke the Licence.
- 12 So far as the Farmor is aware, none of the parties to any Licence has committed any material breach thereof or is in default thereunder.
- 13 Save as included in the Conditions Precedent, all consents, permissions, approvals and agreements of third parties which are or were necessary for the Farmor to obtain in order to enter into and perform this Agreement in accordance with its terms has been unconditionally obtained in writing and has been disclosed in writing to Farminee. The Licence and consents are valid and subsisting and, so far as the Farmor is aware, there are no facts which would be likely to cause the Licence or consents to be suspended, cancelled or revoked.
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- 14 To the extent that the Farmor requires reimbursement pursuant to Clause [7.3](#) of all sums and other liabilities arising and expenditure payable after the Completion Date in respect of the Farmed Interest, all such sums, liabilities and expenditure has been, or will be paid and discharged by the Farmor.
 - 15 The Licence is not in the course of being surrendered in whole or in part.
 - 16 All information made available by the Farmor to Farminee in connection with this Agreement has been made available in good faith and, so far as the Farmor is aware, the Farmor has not misled Farminee.
 - 17 The Farmor has no continuing or contingent obligations in relation to arrangements which are in the nature of farm-in or farm-out arrangements in respect of the Farmed Interest.
 - 18 The copies of any documents made available to Farminee were true and complete copies.
 - 19 The Farmor is registered for VAT in the U.K. and has used the Farmed Interest for its own trade of exploration/exploitation.
-

SCHEDULE 1

PART B. FARMINEE'S WARRANTIES

Farminee represents, warrants, covenants and undertakes to each Farmor, as follows:

- 1 Farminee has all requisite corporate power to execute this Agreement and the Assignment Documents and to perform its obligations hereunder and thereunder, and such execution and performance has been duly authorised by all requisite corporate action and does not constitute or cause a breach of, or a default under, any material agreement or arrangement to which it is a party.
 - 2 Farminee is duly incorporated with limited liability in England and Wales.
 - 3 No litigation, arbitration, administrative proceeding, dispute or judgement against Farminee or to which Farminee is a party which might by itself or together with any other such proceedings has a material adverse effect on its business, assets or condition and which would materially and adversely affect its ability to observe or perform its obligations under this Agreement and the transactions contemplated hereby, is subsisting or, so far as Farminee is aware, threatened or pending against Farminee or any of its assets.
 - 4 Prior to Completion, Farminee intends to be registered for VAT in the U.K.
 - 5 Farminee is not a party to any agreement, arrangement or practice which restricts its freedom to discharge its obligations under this Agreement or the JOA.
-

SCHEDULE 2

FARMED WORK PROGRAMME

Programme summary

Drill Woodburn Forest-1 ("Well")

(complete and suspend pending long-term test, or P&A and site restoration)

- Drilling costs of drilling the Well to an estimated total measured depth of 2000 metres (PL1/10 Licence obligation) with a horizontal offset of approximately 300 metres; to include well preparation, drilling, logging and other evaluations agreed to by Farminee, until a point is reached where there is a decision to plug and abandon the Well or run a liner and suspend the Well.
- The decision to plug and abandon the Well or run a liner shall be made on completion of all total depth wireline operations.
- If there is a decision by Licensees to run a liner for completion of the Well and/or seek planning permission to undertake further work on the Well then all costs from that decision point forward to complete and plug and abandon the Well in a manner that the site can be re-established and the Well re-entered, shall be funded by the Parties in their Percentage Interest shares.
- It is acknowledged that costs have been expended (or are committed to be expended) prior to the Completion Date for Well preparation which, notwithstanding the Completion Date shall form part of the AFE and, for the purpose of Clauses [4.1.2](#) and [4.1.3](#), the Farmed Work Programme.
- If there is a decision by Licensees to plug and abandon the Well then the costs of plugging and abandon the Well and restoring the Well site will form part of the Farmed Work Programme.
- The decision by the PL1/10 Licensees to run a liner and suspend the Well or plug and abandon the Well shall be subject to the JOA affirmative vote pass mark of two or more Licensees with a 60.00% or more participating interest in the Licence.
- All ongoing costs on the PL1/10 Licence beyond suspension of the Well or plugging and abandoning the Well shall be Joint Venture Operations and shall be funded by the Parties in their Percentage Interest shares.
- All administrative fees incurred and the Overhead Charge under the JOA through to completion of the drilling programme will be included in the AFE.

First year programme for P2123

P2123 will be assigned to Farminee on a "ground-floor basis" and accordingly there is no Farmed Work Programme as such and all expenditure shall be funded by the Parties in their Percentage Interest shares. However it is acknowledged there is a firm work programme required by the Licence comprising Licence fees from award of Licence, geological and geophysical studies and obtaining 1250km 2D seismic data and shooting 150km of new 2D seismic data within the initial 4 year Licence term. Notwithstanding the Completion Date, each Party will pay for its full Percentage Interest share of such programme including costs expended or committed to be expended before the Completion Date.

SCHEDULE 3

FARMED AND FARMIN INTERESTS

Part I

The Licences

Licence No.	Licence Date	JOA Date	Current Licensees	Current Percentage Interest
P2123	18/2/2014	20/5/2014	InfraStrata plc	40%
			Brigantes Energy Limited	40%
			Terrain Energy Limited	20%
PL1/10	4/3/2011	28/10/2011	InfraStrata plc	45%
			Brigantes Energy Limited	45%
			Terrain Energy Limited	10%

Part II

The Farmed / Farmin Interests

P2123

Party	Current Percentage Interest	Farmed / Farmin Interest	Future Percentage Interest
Brigantes Energy Limited	40%	to SWR 16.00%	
Brigantes Energy Limited		to Petro 9.00%	15%

PL1/10

Party	Current Percentage Interest	Farmed / Farmin Interest	Future Percentage Interest
Brigantes Energy Limited	45%	to SWR 16.00%	
Brigantes Energy Limited		to Petro 9.00%	20%

SCHEDULE 4

LICENCE INTEREST DOCUMENTS

P2123

1.18/2/2014	Licence – (Start Date 20 th December 2013)
2.22/4/2014	Licence Assignment
3.22/4/2014	Interest Assignment – 40% Nautical to InfraStrata
4.22/4/2014	2 nd Interest Assignment – 40% InfraStrata to Terrain
5.20/5/2014	JOA
6. /1/2016	Supplement to Sale and Purchase Agreement

PL1/10

1.4/3/2011	Licence
2.1/9/2011	Licence Assignment
3.1/9/2011	Interest Assignment
4.2/9/2011	Licence Assignment
5.2/9/2011	Consolidated Interest Assignment (InfraStrata 40%, IS E&P 40%, Nautical 20%, Terrain 10%)
6.28/10/2011	JOA
7.7/12/2011	Data Trade with Islandmagee Storage Limited
8.14/1/2013	Amended and Re-stated Data Exchange with Gaelectric Holdings Plc
9.26/3/2013	Interest Assignment – 5% InfraStrata to Brigantes
10.26/3/2013	JOA Novation
11.25/11/2013	Licence drill-or-drop extension
12.22/7/2014	Licence Assignment – Nautical withdraws

13.22/7/2014
14.22/7/2014
15.11/2/2015
16. /1/2016

Interest Assignment – 20% Nautical to InfraStrata
JOA Novation (InfraStrata 45%, Brigantes 45%, Terrain 10%)
DETI Letter on Licence terms
Supplement to Sale and Purchase Agreement

APPENDIX A

AFE DATED 26TH MAY 2015

Date: January 18, 2016

InfraStrata plc
Tudor Hall Energy Limited
Ermine Resources Limited
Baron Oil Plc
Southwestern Resources Ltd
Petro River UK Limited
Terrain Energy Limited
Brigantes Energy Limited
Fieldfisher LLP

Escrow Agreement

THIS DEED is dated the _____ day of _____ 2016 between:

1. **INFRASTRATA PLC** a company registered in England and Wales (company number **06409712**) whose registered office is at Blackstable House, Longridge, Sheepscombe, Stroud, Gloucestershire, GL6 7QX (“**InfraStrata**”);
2. **TUDOR HALL ENERGY LIMITED** a company registered in England and Wales (company number 7071931) whose registered office is at Tudor Hall, Llwyndafydd, Llandysul, Ceredigion, Wales, SA44 6BZ (“**THE**”);
3. **ERMINE RESOURCES LIMITED** a company registered in England and Wales (company number 9655155) whose registered office is N°3 Hadlow Castle, Hadlow, Kent, TN11 0EG (“**Ermine**”);
4. **BARON OIL PLC** a company registered in England and Wales (company number 05098776) and whose registered office is at Finsgate, 5-7 Cranwood Street, London, EC1V 9EE (“**Baron**”);
5. **SOUTHWESTERN RESOURCES LTD** a company registered in England and Wales (company number 9245321) and whose registered office is at 1-7 Park Road, Caterham Surrey CR3 5TB (“**SWR**”);
6. **PETRO RIVER UK LIMITED** a company registered in England and Wales (company number 9939973) and whose registered office is at 1-7 Park Road, Caterham, Surrey CR3 5TB (“**Petro**”);
7. **TERRAIN ENERGY LIMITED** a company registered in England and Wales (company number 07004014) whose registered office is at 104 Park Street, London, W1K 6NF (“**Terrain**”);
8. **BRIGANTES ENERGY LIMITED** a company registered in England and Wales (company number 06759861) whose registered office is at 35-37 Lowlands Road, Harrow, Middlesex HA1 3AW (“**Brigantes**”); and

(InfraStrata, THE, Ermine, Baron, SWR, Petro, Terrain and Brigantes together being the “**JV Parties**”).
9. **FIELDFISHER LLP** a limited liability partnership (company number **OC318472**) whose registered office is at Riverbank House, 2 Swan Lane, London EC4R 3TT) (the “**Escrow Agent**”).

BACKGROUND:

- A. The JV Parties are parties to several farmout agreements (the “**Farmout Agreements**”), covering inter alia onshore Licence PL1/10 Northern Ireland, and
 - B. THE, Ermine, SWR, Petro, Baron and Terrain have each agreed to deposit a sum of money in an Escrow Account (as defined below) in accordance with the provisions of this Agreement as security for the performance of certain obligations under the Farmout Agreements, and
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- C. Terrain has already deposited with InfraStrata the sum of £327,445.00 which is to be paid into the Escrow Account by InfraStrata at the same time as the other payments into the Escrow Account referred to in Clause 2.1 are paid into the Escrow Account, and
- D. The JV Parties have agreed to establish the Escrow Account to facilitate a smooth running of the drilling operations with pre-defined cash calls of the escrow funds and provide all parties with comfort that all the funds are in place at the start of operations on site. Cash calls on the Escrow Account are only being intended to replace cash calls under the Joint Operating Agreement until such time as the Escrow Account is fully depleted.
- E. The Escrow Agent has agreed to accept the terms and conditions set out in this Agreement on and subject to which it is to act as Escrow Agent in relation to the Escrow Account.

OPERATIVE PROVISIONS:

1. Definitions and interpretation

1.1 For the purposes of this Agreement the following terms have the meanings specified:

- “Appeal Period”** in the case of a decision of the courts of England and Wales or any other court of competent jurisdiction, the normal permitted time for appeal in relation to such decision in the relevant court.
 - “Deposit Amount”** the amounts deposited in cleared funds into the Escrow Account under Clause 2;
 - “Deposit Balance”** the amount from time to time standing to the credit of the Escrow Account (but only in so far as it is used for the holding of funds provided or credited to such account under this Agreement).
 - “Draft AFE”** the draft Authority for Expenditure for the Well dated 18th May 2015 in the amount of £4,277,397.
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“Escrow Account”	<p>the account of the Escrow Agent with account details:</p> <p>Bank: Lloyds Bank Plc Branch: Fenchurch Street Address: 72 Fenchurch Street, London EC3P 3EH Sort code: 30-93-23 Swift code: LOYDGB2L Account Number: 00919510 BIC code: LOYDGB21009 IBAN: GB73 LOYD 3093 2300 9195 10 Account name: Fieldfisher LLP Client Account</p> <p>but only in so far as it is used for the holding of funds provided or credited to such account under this Agreement. Lloyds Bank Plc.</p>
“Escrow Bank”	Lloyds Bank Plc.
“Escrow Close Date”	has the meaning given to it in Clause 3.1 .
“Joint Operating Agreement”	means the joint operating agreement dated 28 th October 2011 which upon completion under the various Farmout Agreements is to be novated to be between the JV Parties.
“Longstop Date”	means 31st August 2016.
“Milestone Table”	means the table of payments in Schedule 2 Part I;
“PL1/10 Consent”	means consent, from Senior Officer of the Northern Ireland Department of Enterprise, Trade and Development responsible for Petroleum Licensing or any other person being at the time in question responsible for carrying out the functions at present carried out by such senior officer, to assign the various PL1/10 interests to THE, Ermine, Baron, SWR, Petro and Terrain; notice of the receipt of which, InfraStrata shall give to all the JV Parties.
“Well”	the exploration well called ‘Woodburn Forest-1’ in Licence PL1/10 located in the Lame-Lough Neagh Basin.
“Wellcosts Incurred”	the costs of the Well already incurred and paid by InfraStrata with funds advanced by itself, Brigantes and Terrain.
“Working Day”	any day other than Christmas Day, Good Friday, a Saturday, Sunday or bank holiday in England and any day on which banks in London are closed for business.

- 1.2 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.3 The clause and paragraph headings do not form part of this Agreement and are not to be taken into account in its construction and interpretation.
- 1.4 A reference to writing or written includes faxes but not email.
- 2. Establishment of the Escrow Account**
- 2.1 Each of InfraStrata, Terrain, THE, Ermine, Baron, SWR and Petro shall deposit the sum set out opposite their name in the table in Schedule 3 (column "Payable into the Escrow Account") into the Escrow Account prior to the close of banking in London on 19th January 2016.
- 2.2 InfraStrata, Terrain, THE, Ermine, Baron, SWR and Petro hereby each indemnifies each of InfraStrata, Brigantes, Terrain, THE, Ermine, Baron, SWR and Petro against any and all damage, both direct and consequential, which is caused by its failure to make the deposit required by Clause 2.1 above including the failure of the Escrow Account to come into full force and effect in accordance with Clause 4.1.
- 2.3 The JV Parties agree as between themselves that as soon as all of InfraStrata, Terrain, THE, Ermine, Baron, SWR and Petro have made the deposits into the Escrow Account prescribed in Clause 2.1:
- (a) the payment out of the Escrow Account through the operation of Clause 4.2(a) shall be made out of the funds contributed by each JV Party to the Escrow Account, and
 - (b) in so far as part of wellcosts in respect of the Well have been incurred and are repayable to Brigantes, these have been or will be accounted for between Brigantes and InfraStrata outside this agreement and accordingly the attribution in sub clause (a) above has its approval, and
 - (c) in so far as £80,127 of the wellcosts in respect of the Well has already been reimbursed to InfraStrata by Terrain, this will be netted off and has been deducted both from the sum to be paid into the Escrow Account by Terrain and from the sum to be paid out as part of the payments under Clause 4.2(a), which netting off has been approved by the JV Parties.
- 2.4 Subject to the terms of this Agreement the Escrow Agent agrees to operate the Escrow Account in accordance with the terms set out in this Agreement, and in particular to account to each of the JV Parties for money due to any of them from the Escrow Account in accordance with notices issued under this Agreement or as instructed by any court order.
- 2.5 In the event that the Escrow Bank becomes insolvent, enters into liquidation, administration, administrative receivership or suffers any analogous event in the jurisdiction in which the Escrow Bank is located then the Escrow Agent shall be fully released from its responsibilities and obligations under this Agreement.
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3. Duration of Escrow Account

3.1 The Escrow Account is to be maintained in accordance with the terms of this Agreement until whichever is the earlier of:

- (a) depletion of the Escrow Account to a zero credit balance pursuant to the receipt of a certified instruction notice pursuant to Clause 4.2 or a joint instruction notice pursuant to Clause 4.3 to pay out the balance standing to the credit of such account or any payment which the Escrow Agent is entitled to make out of the Deposit Balance under Clauses 5 and 6 of this Agreement; or
- (b) the Longstop Date,

(the “**Escrow Close Date**”).

3.2 Subject to Clause 3.3, on the Escrow Close Date, the Escrow Agent shall repay the Deposit Balance (less any amount to be paid out in accordance with Clauses 4.2 and 4.3 and any fees, expenses or other amounts which the Escrow Agent is entitled under Clauses 5 and 6 of this Agreement to deduct from the Deposit Balance) to THE, Ermine, Baron, SWR, Petro and Terrain pro rata in the percentages set out in the table in Schedule 3 (column “Paying of Well %”).

3.3 In the event of the Escrow Agent having been notified (including having been provided with a copy of the relevant claim form as duly sealed by the court) of proceedings having been lodged at court in accordance with Clause 9, the Escrow Agent shall be entitled to pay the Deposit Balance, if any, into the account of a court of competent jurisdiction on the terms determined by an order of such court.

3.4 On the occurrence of either of the events referred to in Clauses 3.2 and 3.3, the Escrow Agent shall cease to be the Escrow Agent under this Agreement which shall come to an end, subject to Clause 8, and no party shall have any further liability under this Agreement.

4. Operation of Account

4.1 In the event that the following conditions are not fully satisfied on or before 4th February 2016:

- (a) the full amounts referred to in Clause 2.1 having been deposited in the Escrow Account; and
 - (b) InfraStrata is, as far as its is aware, in receipt of all the necessary permits, consents or authorisations which are required for the commencement of drilling operations for the Well; and
 - (c) InfraStrata obtaining permission from the requisite governmental authority(ies) to commence and/or complete drilling the Well after 4th March 2016; and
 - (d) an order having been placed by InfraStrata for the long-lead items for drilling the Well; and
-

- (e) a contract having been executed by InfraStrata for the construction of the Well site, such site to begin construction no later than 24th February 2016,

then, the JV Parties agree to issue a joint instruction notice under this Clause 4 to instruct the Escrow Agent to:

- (i) (where the condition referred to in Clause 4.1(a) has not been satisfied) to return all deposited funds to the parties depositing the same in the amount deposited by each party under Clause 2.1 and as set out in the table in Schedule 3 (column "Payable Into the Escrow Account"); or
- (ii) (where the condition referred to in Clause 4.1(a) has been satisfied but any of the other conditions have not been satisfied) to return to the JV Parties the sum which each paid into the Escrow Account (table in Schedule 3 - column "Payable into the Escrow Account"), less:
 - (A) all irrecoverable expenses (other than administrative costs) incurred or irrevocably committed by InfraStrata in endeavouring to fulfil the above conditions (a) to (e) inclusive acting as a reasonable and prudent operator; and
 - (B) the fixed escrow fee referred to in Clause 6.1

with each JV Party bearing a proportion of such expenses and fee equal to the percentage set opposite its name in the table in Schedule 3 (column "Paying of Well %") and InfraStrata receiving its share of funds via the operation of Clause 4.2(a)(ii).

For the avoidance of doubt the Escrow Agent:

- (A) shall not make any payment out of the Escrow Account for the purposes of this Clause 4.1 unless it has received a joint instruction notice given for the purposes of this Clause 4.1; and
- (B) shall not be required to assess whether such notice complies with the provisions of this Clause 4.1.

4.2 To the extent that the Escrow Agent believes in good faith that it is lawful to do so, the Escrow Agent shall apply the amounts standing to the credit of the Escrow Account:

- (a) as soon as all the payments into the Escrow Account referred to in Clause 2.1 have been received, and without further authority, by payment to InfraStrata of £656,414.00 (which the JV Parties agree as between themselves represents the costs of the Well expended by InfraStrata to 31 August 2015 of £400,631 less £80,127 already paid to InfraStrata by Terrain plus the £335,910.00 Week 1 payment in the Milestone Table); Provided that:
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- (i) for the purpose of apportioning the reimbursement of the costs of the Well expended by InfraStrata to 31 August 2015 of £400,361 between the JV Parties, the £80,127.00 paid direct by Terrain to InfraStrata shall be ignored and the balance of £320,234 shall be apportioned to the JV Parties (excluding Terrain) pro rata to the percentages set opposite their respective names in the table in Schedule 3 (column “Paying of Well %”), and
 - (ii) in the event that the provisions of clause 4.1(ii) require to be applied then InfraStrata shall return the sum received by it pursuant to this sub-clause (a) into the Escrow Account, but shall be entitled to net off the £327,445 which it had paid into the Escrow Account, the irrecoverable expenses borne by it referred to in Clause 4.1(ii)(A) and the fixed escrow fee referred to in Clause 6.1;
- (b) as directed by a certified instruction notice actually received by the Escrow Agent in the form annexed to this Agreement at Schedule 2 Part I and issued in accordance with Clause 4.3; or
 - (c) as directed by a joint instruction notice actually received by the Escrow Agent in the form annexed to this Agreement at Schedule 2 Part II and issued in accordance with Clause 4.4; or
 - (d) as directed by an order of an English court (provided that no such funds shall be released unless there is submitted to the Escrow Agent by one of the JV Parties a certified copy of the relevant court order together with written confirmation that the normal permitted time for appeal has expired and no notice of appeal has been lodged with the court).

4.3 For the purposes of Clause 4.2, a certified instruction notice shall:

- (a) specify the sum(s) to be paid from the Escrow Account (which shall not exceed the then current Deposit Balance) and the bank account(s) (which must be sterling accounts held within the UK) of the beneficiary/beneficiaries to whom the sum(s) should be paid; and
 - (b) be signed by:
 - (i) one of the signatories for InfraStrata; and
 - (ii) signatories of other JV Parties representing in aggregate not less than 33 1/3% of the percentages set out in the table in Schedule 3 (column “Paying of Well %), (excluding the percentage set out in the "Total" row of the table),for each of whom specimen signatures are set out in Schedule 1.
 - (c) where in the form set out in Schedule 2 Part I specify the Milestone reached.
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4.4 For the purposes of Clause 4.2, a joint instruction notice shall:

- (a) specify the sum(s) to be paid from the Escrow Account (which shall not exceed the then current Deposit Balance) and the bank account(s) (which must be sterling accounts held within the UK) of the beneficiary/beneficiaries to whom the sum(s) should be paid; and
- (b) be signed by:
 - (i) one of the signatories for InfraStrata; and
 - (ii) signatories of other JV Parties representing in aggregate not less than 33 1/3% of the percentages set out in the table in Schedule 3 (column "Paying of Well %), (excluding the percentage set out in the "Total" row of the table),
for each of whom specimen signatures are set out in Schedule 1.

4.5 In the event that the sum specified in the notice in accordance with Clause 4.3 or 4.4 exceeds the then current Deposit Balance (after the deduction of any fees, expenses or other amounts which the Escrow Agent is entitled under this Agreement to deduct from the Deposit Balance) then the Escrow Agent's obligation to make payment shall be to make payment of the Deposit Balance (after such deductions) only (with any reduction in the payments being applied pro rata across any payments the subject of the relevant notice).

4.6 Receipt by the Escrow Agent of the notice referred to in Clause 4.1, 4.2(b) or 4.2(c) or a court order as referred to in Clause 4.2(d) above will be conclusive evidence that the Escrow Agent is entitled to make or withhold (as the case may be) the payments referred to in this Clause 4 without further enquiry into the justification for the demand.

4.7 The Escrow Agent shall on receipt of an instruction issued in accordance with Clauses 4.2 and 4.3 promptly give such instructions as are required for the Escrow Bank to make payment from the Escrow Account in the amount required pursuant to such instruction.

4.8 The Escrow Agent shall where it is in receipt of such information, issue or cause to be issued as soon as reasonably practicable thereafter to the JV Parties a statement upon deposit to or payment or withdrawal from the Escrow Account identifying the amount of such deposit, payment or withdrawal and the resulting Deposit Balance so adjusted.

4.9 If the Escrow Agent receives conflicting notices, demands or instructions or for any other reason is unable to determine which person is entitled to receive any part of the sums standing to the credit of the Escrow Account, the Escrow Agent may elect by written notice to the JV Parties to refuse to make any payment from the Escrow Account until either:

- (a) unambiguous joint written instructions or certified written instructions are provided in accordance with this Clause 4; or
- (b) directed by a final order of a court of competent jurisdiction in respect of which the Appeal Period has elapsed,

in which case the Escrow Agent shall deal with the relevant matter in accordance with those instructions/directions as per this Clause 4.

4.10 A payment instruction given for the purposes of this Clause 4, can be in counterparts with each counterpart in like form and signed by one of the relevant signatories.

5. Adjustments to the Deposit Amount

5.1 The Escrow Agent shall be authorised to make withdrawals from and payments out of sums standing to the credit of the Escrow Account from time to time as follows:

- (a) (to the extent that the Escrow Agent is under a legal obligation to account to HM Revenue & Customs for the same) to pay to HM Revenue & Customs any tax payable on, or withholding tax in respect of, interest credited to the Escrow Account;
- (b) to pay any bank charges or other fees, costs, disbursements and expenses incurred in the operation or termination of the Escrow Account; and
- (c) to pay their respective costs and expenses pursuant to Clause 6 below, and any amount owing to them in respect of the indemnity in Clause 8.

6. Costs and expenses

6.1 The Escrow Agent shall receive a fixed fee of £3,850 plus VAT in respect of the establishment of the Escrow Account. Further the Escrow Agent shall be entitled to be paid reasonable professional fees to be charged by them from time to time for work in connection with the operation and termination of the Escrow Account, such amount to be calculated on the basis of time spent by the Escrow Agent (plus VAT and disbursements charged for at cost) using the following rates:

- (a) Partner £445
 - (b) Senior associate (4 years and above PQE) £355
 - (c) Solicitor £270
 - (d) Trainee £145
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6.2 InfraStrata shall be primarily responsible for the fees, VAT and expenses of the Escrow Agent referred to in Clause 6.1 and shall be entitled to recharge them via the operation of the Joint Operating Agreement. Such costs which may be recharged shall include £3,850 plus VAT in respect of the establishment of the escrow account.

6.3 Any fees and expenses referred to in Clause 6.1 payable to the Escrow Agent and which are not paid on the due date shall be deducted from and/or paid out of any payment to be paid from the Escrow Account without any further authority being required by the Escrow Agent.

7. Interest

7.1 The Escrow Agent shall credit the Escrow Account with interest accrued on the Escrow Balance at the rates from time to time required by the Law Society of England and Wales.

7.2 The Escrow Agent shall not be under any obligation to maximise the amount of interest or other amounts earned on all or any part of the sums standing to the credit of the Escrow Account.

8. Indemnity

8.1 Each of the JV Parties hereby agree jointly and severally:

- (a) that the Escrow Agent shall not be liable for any mistake of fact, error of judgment or act or omission of any kind nor if it acts in good faith in considering any document, signature or any endorsement on any document to be genuine and correct and to have been signed by a proper person or persons even if any such document or the signature or any endorsement on any such document should prove to be invalid, unauthorised, fraudulent or forged; and
- (b) to indemnify, keep indemnified and hold harmless the Escrow Agent against and in respect of all demands, claims, liabilities, losses, costs and expenses whatsoever (including all legal and other costs, charges and expenses and bank charges or fees) the Escrow Agent may each incur or sustain or suffer in connection with, in relation to or arising out of the performance of its obligations under this Agreement or otherwise howsoever relating or pursuant to this Agreement, or enforcing or attempting to enforce the JV Parties' rights arising in relation to or out of this Agreement or any act or omission in relation to or pursuant to this Agreement; and
- (c) the Escrow Agent shall have no liability for negligence in relation to the performance or non-performance of its obligations in relation to this Agreement save to the extent that the amount of such liability does not exceed the fees (excluding VAT and disbursements) charged by the Escrow Agent and referred to in Clause 6.1 (or if greater such greater amount as may from time to time be required by the Law Society in England and Wales),

provided that this indemnity shall not apply to demands, claims, liabilities, losses, costs and expenses arising from any fraudulent or bad faith act or omission of the Escrow Agent.

8.2 The indemnity in Clause 8.1 shall survive the cancellation or termination of this Agreement and the resignation or termination of the appointment of the Escrow Agent for whatever reason.

9. Dispute Resolution

This Agreement is governed by and shall be construed in accordance with English law. Each party submits to the exclusive jurisdiction of the English courts for all purposes relating to and in connection with this Agreement or its subject matter, and irrevocably waives any right that it may have to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

10. Notices

10.1 A notice given under this Agreement is to be in writing and may be served:

- (a) personally; or
- (b) by recorded delivery.

10.2 The parties' addresses for service shall be the addresses set out below:

(a) InfraStrata:

Address: Blackstable House, Longridge, Sheepscombe, Stroud, Gloucestershire, GL6 7QX

For the attention of: Walter Roberts

(b) THE:

Address: Tudor Hall, Llwyndafydd, Llandysul, Ceredigion, Wales, SA44 6BZ

For the attention of: Phillip Slater

(c) Ermine:

Address: N°3 Hadlow Castle, Hadlow, Kent, TN11 0EG

For the attention of: Matthew Hawthorn

(d) Baron:

Address: Finsgate, 5-7 Cranwood Street, London, EC1V 9EE

For the attention of: Bill Colvin

- (e) SWR:
Address: c/o Ardent Oil Limited, 150 Borough High Street, London SE1 1LB
For the attention of: Bob Moore
- (f) Petro
Address: c/o Ardent Oil Limited, 150 Borough High Street, London SE1 1LB
For the attention of: Bob Moore
- (g) Terrain:
Address: 104 Park Street, London W1K 6NF
For the attention of: Eric King
- (h) Brigantes
Address: Burnside House, Church Road, Paddock Wood, Tonbridge, Kent, TN12 6HG
For the attention of: Malcolm Butler
- (i) Escrow Agent:
Address: Riverbank House, 2 Swan Lane, London EC4R 3TT
For the attention of: David Wilkinson

or such other address for service as the relevant party may have notified to the other for the purposes of and in accordance with this Agreement.

- 10.3 Notices served on any of the JV Parties shall be effective on delivery (if delivered personally) or two Working Days after posting (if sent by recorded first class delivery post - postage pre paid). Notices served on the Escrow Agent shall only be effective on actual receipt by the Escrow Agent.
- 10.4 Notices and instructions shall not be valid if transmitted by fax, telex or email.
- 10.5 A party is to notify the others in writing within 5 Working Days of a change of address for service.

11. Third Party Rights

- 11.1 Save as set out in Clauses 11.2 and 12, a person who is not a party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act and the benefit of this Agreement is not assignable by any party.
-

11.2 If any person who is not a party to this Agreement shall become a party to the Joint Operating Agreement, then such person shall be entitled to enforce the terms of this Agreement as if it were a party to this Agreement subject to such person entering into a deed of adherence to this Agreement in such form as the other parties to this Agreement may reasonably require.

12. Partner's etc of the Escrow Agent

The JV Parties agree that their relationship is solely with the Escrow Agent as the entity contracting under this Agreement and that they will not bring any claim or proceedings of any nature in any way in respect of this Agreement, or any act or omission under it, against any individual partner, member, consultant or employee of the Escrow Agent. Any claims in respect of the acts or omissions of the Escrow Agent shall be brought only against the Escrow Agent. Any partner, member, consultant or employee of the Escrow Agent may enforce the terms of this paragraph under the Contracts (Rights of Third Parties) Act 1999.

13. Miscellaneous

The JV Parties declare that the instructions given to the Escrow Agent in or pursuant to this Agreement are irrevocable.

14. Counterparts

This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, but shall not take effect until each party has executed and delivered at least one counterpart. Each counterpart when executed and delivered shall constitute an original, but all the counterparts shall together constitute one and the same instrument.

15. Entire agreement

This Agreement constitutes the entire agreement and understanding between the parties and supersedes all previous agreements between the parties relating to its subject matter. Each party acknowledges that, in entering into this Agreement, it does not rely on and shall have no right or remedy in respect of any warranty or representation (whether innocently or negligently made) of any person except as expressly set out in this Agreement. Nothing in this Clause, however, shall limit or exclude any liability for fraud in relation to the entering into of this Agreement.

16. Waiver, variation and severance

- (a) The failure to exercise or delay in exercising a right or remedy provided to a party under this Agreement shall not constitute a waiver of that right or remedy, and no waiver by a party of any breach of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision. Each right or remedy of a party under this Agreement is without prejudice to any other right or remedy of that party under this Agreement or at law.
-

- (b) No purported amendment or variation of this Agreement or any provision of this Agreement shall be effective unless it is in writing and duly executed by or on behalf of each of the parties.
- (c) If any provision of this Agreement is or becomes, or is declared by any competent court or body to be, illegal, invalid or unenforceable this shall not affect or impair the legality, validity or enforceability of the remaining provisions of this Agreement.

17. Assignment

The rights, benefits and obligations of the parties under this Agreement may not be assigned, transferred, charged, encumbered, made the subject of a trust or otherwise disposed of in whole or in part (nor shall any party enter into any commitment or agreement to do any of the above) without the previous written consent of the other parties.

18. Costs and expenses

Subject to Clause 6, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated by this Agreement (save that the costs and expenses of the Escrow Agent shall be met by InfraStrata).

19. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of England.

IN WITNESS whereof this Agreement has been signed by the parties the day and year first above written.

Schedule 1

Details of Signatories:

InfraStrata's Authorised Signatories

Name	Status	Will Sign
Andrew Hindle	CEO	
Stewart McGarrity	CFO	

THE's Authorised Signatories

Name	Status	Will Sign
Philip Slater	Managing Director	
Alan Gracie	Financial Director	

Ermine's Authorised Signatories

Name	Status	Will Sign
Matthew Hawthorn	Director	
Malcolm Butler	Director	

Baron's Authorised Signatories

Name	Status	Will Sign
William Colvin	Director	
Malcolm Butler	Director	

SWR's Authorised Signatories

Name	Status	Will Sign
Jonathan Rudney	Director	
Bob Moore	Director	

Petro's Authorised Signatories

Name	Status	Will Sign
Scot Cohen	Director	
Bob Moore	Director	

Terrain's Authorised Signatories

Name	Status	Will Sign
Eric King	Director	
John Glencross	Director	

Schedule 2 Part I

Form of Certified instruction Notice

To: Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT
(For the attention of: David Wilkinson)

Dated: [•] 201[•]

Dear Sirs

We refer to the Escrow Account established pursuant to the terms of the escrow agreement entered into between (1) InfraStrata plc (2) Tudor Hall Energy Limited, (3) Ermine Resources Limited (4) Baron Oil Plc (5) Southwestern Resources Ltd (6) Petro River UK Limited (7) Terrain Energy Limited, (8) Brigantes Energy Limited and (9) Fieldfisher LLP dated 2015 (the “**Escrow Agreement**”). Words and expressions used in the Escrow Agreement shall have the same meanings in this letter.

We certify that:

- (a) the Milestone [•] described in the table in Schedule 2 Part I of the Escrow Agreement (“**Milestone Table**”) has been reached;
- (b) the sum(s) instructed to be paid out in paragraph(s) [•] below are in accordance with the Milestone Table;
- (c) a copy of this Certified Instruction Notice is being delivered to the JV Parties that are not signing a counterpart of this notice at the same time as it is issued to you.

We irrevocably instruct you, subject to the terms of the Escrow Agreement, to:

1. [pay _____, out of the sums currently standing to the credit of the Escrow Account the sum of £[•] to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

2. [pay _____, out of the sums currently standing to the credit of the Escrow Account the sum of £[•] to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

3. [pay _____ the balance standing to the credit of the Escrow Account to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

[Delete as applicable]

Yours faithfully

[Delete signature blocks as appropriate]

For and on behalf of
InfraStrata plc

For and on behalf of
Tudor Hall Energy Limited

For and on behalf of
Baron Oil Plc

For and on behalf of
Petro River UK Limited

For and on behalf of
Brigantes Energy Limited

For and on behalf of
Ermine Resources Limited

For and on behalf of
Southwestern Resources Ltd

For and on behalf of
Terrain Energy Limited

Milestone Table

Milestone	Amount	Basis
Week 1 following funds in escrow for site construction and long lead contracts	£335,910	DRAFT AFE
Start of site construction	£459,268	DRAFT AFE
Spud of well (week 1 drilling)	£722,326	DRAFT AFE
Week 2 drilling	£328,129	DRAFT AFE
Week 3 drilling	£374,558	DRAFT AFE
Week 4 drilling	£374,533	DRAFT AFE
Week 5 drilling	£524,096	DRAFT AFE
Commencement of demobilisation	£remainder	ADJUSTED TO FINAL ANTICIPATED EXPENDITURE

Notes:

Anything left in escrow refunded.

Any overruns to be cash-called as normal under the JOA

Schedule 2 Part II

Form of Joint instruction Notice

To: Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT
(For the attention of: David Wilkinson)

Dated: [•] 201[•]

Dear Sirs

We refer to the Escrow Account established pursuant to the terms of the escrow agreement entered into between (1) InfraStrata plc (2) Tudor Hall Energy Limited, (3) Ermine Resources Limited (4) Baron Oil Plc (5) Southwestern Resources Ltd (6) Petro River UK Limited (7) Terrain Energy Limited, (8) Brigantes Energy Limited and (9) Fieldfisher LLP dated 2015 (the "**Escrow Agreement**"). Words and expressions used in the Escrow Agreement shall have the same meanings in this letter.

We irrevocably instruct you, subject to the terms of the Escrow Agreement, to:

1. [pay _____, out of the sums currently standing to the credit of the Escrow Account the sum of £[•] to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

2. [pay _____, out of the sums currently standing to the credit of the Escrow Account the sum of £[•] to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

3. [pay _____ the balance standing to the credit of the Escrow Account to the following account:

Bank:
Bank Address:
Sort Code:
Account Number:
Account name:]

[Delete as applicable]

Yours faithfully

[Delete signature blocks as applicable]

.....
For and on behalf of InfraStrata plc

.....
For and on behalf of Brigantes Energy Limited

.....
For and on behalf of Tudor Hall Energy Limited

.....
For and on behalf of Emine Resources Limited

.....
For and on behalf of Baron Oil Plc

.....
For and on behalf of Southwestern Resources Ltd

.....
For and on behalf of Petro River UK Limited

.....
For and on behalf of Terrain Energy Limited

Schedule 3 — Parties and Payments into Escrow Account

Party	Licence Interest %	Paying of Well %	Payable Into the Escrow Account	Wellcosts already paid by Terrain	Final net apportionment of Wellcosts
InfraStrata	20	0	£327,445.00		£0
Brigantes	10	0	£0.00		£0
Terrain	10	20	£447,907.40	£80,127.00	£855,479.40
THE	10	13 1/3	£570,319.60		£570,319.60
Ermine	15	20	£855,479.40		£855,479.40
Baron	10	13 1/3	£570,319.60		£570,319.60
SWR	16	21 1/3	£912,511.36		£912,511.36
Petro	9	12	£513,287.64		£513,287.64
TOTAL	100%	100%	£4,197,270.00	£80,127.00	£4,277,397.00

SIGNED by Stewart McGarrity for and on behalf of **INFRASTRATA PLC**:

/s/ Steward McGarrity
Signature of director

SIGNED by Phillip Slater for and on behalf of **TUDOR HALL ENERGY LIMITED**:

/s/ Phillip Slater
Signature of director

SIGNED by Matthew Hawthorn for and on behalf of **ERMINE RESOURCES LIMITED**

/s/ Matthew Hawthorn
Signature of director

SIGNED by William Colvin for and on behalf of **BARON OIL PLC**

/s/ William Colvin
Signature of director

SIGNED by Jonathan B. Rudney for and on behalf of **SOUTHWESTERN RESOURCES LTD**:

/s/ Jonathan B. Rudney
Signature of director

SIGNED by Scot Cohen for and on behalf of **PETRO RIVER UK LIMITED**

/s/ Scot Cohen
Signature of director

SIGNED by Eric A. E. King for and on behalf of **TERRAIN ENERGY LIMITED**

/s/ Eric A. E. King
Signature of director

SIGNED by Malcolm Butler for and on behalf of **BRIGANTES ENERGY LIMITED**

/s/ Malcolm Butler
Signature of director

SIGNED by David Wilkinson for and on behalf of **FIELDFISHER LLP:**

/s/ David Wilkinson
Signature of Partner

NON-RECOURSE NOTE

FOR VALUE RECEIVED, the undersigned, Petro River Oil Corporation, a Delaware corporation, whose address is 205 E 42nd Street, 20th Fl, New York, NY 10017 (the "Maker"), hereby promises to pay to the order of Horizon I Investments, LLC, a Delaware limited liability company, whose address is 20 E 20th Street, 6th Fl, New York, NY 10003 (the "Payee"), the principal amount of Seven Hundred Fifth Thousand Dollars (\$750,000.00), together with interest on the outstanding portion thereof for the period such sums are unpaid, all in accordance with the provisions of this promissory note (the "Note").

1. Payment of Principal and Interest.

(a) The principal amount of this Note and all unpaid and accrued interest shall be due and payable the earlier of: (i) the date of the closing of the Conditional Purchase Agreement dated as of November 24, 2015 (the "Purchase Agreement") between Maker and Payee or (ii) December 31, 2016.

(b) Subject to the preceding paragraph, interest hereunder shall be computed on the basis of the actual number of days elapsed based on a 365 day year and will accrue at an annual rate equal to one half of one percent (0.5%).

(c) Any payment of principal of and interest upon this Note shall be made by Maker to Payee at the address of Payee in New York, NY by bank wire transfer to an account designated by Payee. Payments made to Payee by Maker hereunder shall be applied first to accrued interest and then to principal.

2. Voluntary Prepayments. Maker may voluntarily prepay all or any part of the outstanding principal amount and all accrued interest on this Note at any time, and from time to time, without premium or penalty. Any payments made to Payee by Maker hereunder will be applied first to accrued but unpaid interest and then to principal.

3. Security. NO SECURITY OF ANY KIND FROM ANY SOURCE CAN BE USED UNDER ANY CIRCUMSTANCES AS PAYMENT ON THIS NOTE, ACCRUED INTEREST ON THIS NOTE, OR ANY OTHER EXPENSE GENERATED.

4. Waivers. Maker and each surety, endorser, guarantor, and other party ever liable for payment of any sums of money payable upon this Note, jointly and severally waive presentment, demand, protest, notice of protest and non-payment or other notice of default, notice of acceleration, and intention to accelerate, or other notice of any kind, and agree that their liability under this Note shall not be affected by any renewal or extension in the time of payment hereof, or in any indulgences, or by any release or change in any security for the payment of this Note, and hereby consent to any and all renewals, extensions, indulgences, releases, or changes, regardless of the number of such renewals, extensions, indulgences, releases, or changes.

No waiver by Payee of any of its rights or remedies hereunder or under any other document evidencing or securing this Note or otherwise, shall be considered a waiver of any other subsequent right or remedy of Payee; no delay or omission in the exercise or enforcement by Payee of any rights or remedies shall ever be construed as a waiver of any right or remedy of Payee; and no exercise or enforcement of any such rights or remedies shall ever be held to exhaust any right or remedy of Payee.

5. **Events of Default.** An “**Event of Default**” will exist hereunder if any one or more of the following events occurs and is continuing:

(a) Maker fails to pay when due any principal of, or interest on, this Note and such failure continues for ten business days;

(b) Maker (i) applies for or consents to the appointment of a receiver, trustee, custodian, intervenor or liquidator of Maker or of all or substantially all of its assets, (ii) files a voluntary petition in bankruptcy, (iii) makes a general assignment for the benefit of creditors, (iv) files a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy or insolvency laws, (v) files an answer admitting the material allegations of, or consents to, or defaults in answering, a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or (vi) takes corporate action for the purpose of effecting any of the foregoing; or

(c) an involuntary petition or complaint is filed against Maker seeking bankruptcy or reorganization or the appointment of a receiver, custodian, trustee, intervenor or liquidator of Maker, or of all or substantially all of its assets, and such petition or complaint is not dismissed within sixty days of the filing thereof; or an order for relief, judgment or decree is entered by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of Maker or appointing a receiver, custodian, trustee, intervenor or liquidator of Maker, or of all or substantially all of its assets.

6. **Remedies.** If Maker fails or refuses to pay any part of the principal or interest upon this Note as the same become due, or upon the occurrence of any Event of Default, Payee may at its sole option: (a) declare the entire unpaid balance of principal and accrued interest of this Note to be immediately due and payable without presentment or notice of any kind which Maker waives pursuant to Section 4 herein, and/or (b) pursue and enforce any of Payee’s rights and remedies available pursuant to any applicable law or agreement; provided, however, in the case of any Event of Default specified in Sections 5(b) and 5(c) with respect to Maker, without any notice to Maker or any other act by Payee, the principal and interest accrued on this Note shall become immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by Maker.

7 . **Binding Effect.** This Note shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

8 . **Amendments.** The provisions of this Note and any other agreement or instrument securing or assuring the payment of this Note or executed in connection herewith may be amended or revised only by an instrument in writing signed by Maker and Payee.

9 . **Severability.** If any term or provision of this Note shall be held invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of all other terms and provisions hereof shall in no way be affected thereby.

10. **Governing Law.** THIS NOTE SHALL BE GOVERNED IN ALL RESPECTS BY THE LAWS OF THE STATE OF DELAWARE.

11 . **Entirety.** THIS NOTE AND ANY OTHER AGREEMENT OR INSTRUMENT SECURING OR ASSURING THE PAYMENT OF THIS NOTE OR EXECUTED IN CONNECTION HEREWITH EMBODY THE FINAL, ENTIRE AGREEMENT OF MAKER AND PAYEE AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF MAKER AND PAYEE. THERE ARE NO ORAL AGREEMENTS BETWEEN MAKER AND PAYEE.

Executed as of the date first written above.

MAKER

/s/ Scot Cohen
Scot Cohen
Executive Chairman

Petro River Oil Corp. to Acquire a 9% Interest in Petroleum Licenses Located in the Larne Basin in Northern Ireland

NEW YORK, NY, January 19, 2016— Petro River Oil Corp. (OTCBB: PTRC) (“Petro River” or the “Company”), today announced that Petro River UK Limited, its wholly owned subsidiary, entered into a Farmout Agreement to acquire a 9% interest in Petroleum License PL 1/10 and P2123 (the “Petroleum Licenses”) located in the Larne Basin in Northern Ireland (the “Larne Basin”). The two Petroleum Licenses, one onshore and one offshore, together encompass approximately 130,000 acres covering the large majority of the prospective Larne Basin. The other parties to the Farmout Agreement are Southwestern Resources Ltd, a wholly owned subsidiary of Horizon Energy Partners, LLC (“Horizon Energy”), which will acquire a 16% interest, and Brigantes Energy Limited, which will retain a 10% interest; the remaining 65% interest will be owned by third parties.

The Larne Basin has broad similarities to the highly prolific Carboniferous sourced East Irish Sea Basin to the southeast, which has produced over 200 million barrels of oil and 4 trillion cubic feet of gas. The initial well to be drilled as part of the Farmout Agreement, the Woodburn Forest #1, is permitted, funded and scheduled to be drilled in the first quarter of 2016. It will be drilled onshore to a depth of about 6,000 feet and will test the entire sequence of petroleum objectives, including the Carboniferous source. The well has prospective, un-risked, recoverable resources in excess of 30 million barrels of oil.

Management Commentary.

Stephen Brunner, President of Petro River, stated: “This acquisition is consistent with our strategy of acquiring valuable assets in the current oil market. Due to historical political and geological issues that have now been resolved, the Larne Basin remains the only truly untested Carboniferous Basin in Europe. We are excited about drilling the initial well, Woodburn Forest #1, early this year. The potential discovery would be a significant milestone for Petro River.”

About: Horizon Energy Partners, LLC.

Horizon Energy is a private oil and gas exploration and development company with a portfolio of domestic and international assets. The majority of the funding for Horizon Energy has come from seasoned oil and gas industry professionals, including several former senior oil industry executives who have run both major and large independent oil and gas companies (including Royal Dutch Shell, Texaco, Burlington Resources and Pogo Producing), and have advised large energy focused private equity funds and hedge funds (including KKR, Riverstone Holdings, Silver Point Capital and the Carlyle Group). Horizon Energy is managed by Jonathan Rudney. Mr. Rudney has over 35 years of senior executive experience in the upstream oil and gas industry. Throughout his career, Jonathan has been instrumental in the growth and success of several private E&P companies. Horizon Energy was formed to take advantage of the current depressed oil market by identifying and acquiring a portfolio of highly attractive conventional oil and gas assets. A common theme underlying each project is the application of modern technology, such as the use of 3-D seismic data.

About: Horizon I Investments, LLC.

Horizon I Investments, LLC (“Horizon Investments”) is a Delaware limited liability company with approximately \$5.0 million in cash and a 20% membership interest in Horizon Energy. On December 1, 2015, Petro River entered into a conditional purchase agreement to acquire 100% of Horizon Investments in an all-stock deal. The transaction is expected to close in April 2016. Investors should review Petro River’s filings with the Securities and Exchange Commission (SEC) for additional information regarding Petro River’s conditional purchase of Horizon Investments, including its Current Report on Form 8-K filed with the SEC on December 7, 2015.

About: Petro River Oil Corp.

Petro River Oil Corp. (OTCBB: PTRC) is an independent exploration and development company focused on applying modern technologies to oil and gas assets. Petro River’s core holding is in the Mid-Continent Region in Oklahoma. Petro River has assembled a strong management team with local and global expertise to exploit hydrocarbon-prone resources to build reserves and to create value for the Company and its shareholders. For more information, please visit our website at www.petroriveroil.com.

Forward-Looking Statements.

This news release contains forward-looking and other statements that are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements. These forward looking statements, projections and statements are subject to change and could differ materially from final reported results. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. Petro River assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, Petro River undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect to the matters discussed above. Readers should also carefully review the “Risk Factors” in Petro River’s annual report on Form 10-K, its quarterly report on Form 10-Q, and its other reports filed with the SEC under the Securities Exchange Act of 1934, as amended.

For further information, please contact:

Investor Relations
ir@petroriveroil.com
(469) 828-3900