

**INTRA GROUP CURRENT ACCOUNT FACILITY /**  
**INTERNAL FINANCING ACCOUNTS (IFA) AGREEMENT**

**Term Sheet**

This Agreement comprises this Term Sheet (which shall include the Annexes thereto) and the Schedule of Terms and Conditions attached hereto.

1. **Effective Date:** ("Effective Date")

2. **Parties:**

(a) NORTH AMERICA FUNDING COMPANY ("NAFCO") a company incorporated in Delaware whose registered office is located at 501 Westlake Park Boulevard, Houston, Texas 77079, United States of America.

and

(b) BP EXPLORATION & PRODUCTION INC ("BPXP") a company incorporated in Delaware whose registered office is situated at 501 Westlake Park Boulevard, Houston, Texas 77079, United States of America.

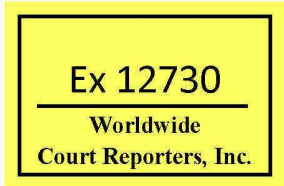
3. **The Currency:**

United States dollar ("USD") and such other currency as agreed in writing from time to time by the Parties.

4. **Interest:**

Interest Calculation: Interest shall be calculated on the basis of a 360 day year and the actual number of days elapsed.

Interest Rate (Debit balance): LIBOR + 1.45% (Tier 1 < 1 year) or such other Interest Rate as notified in writing by NAFCO to the Company from time to time.



Interest Rate (Credit balance): LIBID -0.125% or such other Interest Rate as notified in writing by NAFCO to the Company from time to time.

Credit balance means the balance on the Facility when the Company is depositing surplus funds with NAFCO, and Debit balance means the balance on the Facility when the Company is borrowing from NAFCO.

Default Interest Rate: Interest Rate (Debit balance) + 1 %.

Interest Period: 1 calendar month

5. **Borrowings Maximum:**

United States Dollars Five Billion (\$5,000,000,000)

6. **Agents for Service of Process:**

NAFCO: Not applicable.

Company: Not applicable.

7. **The Relevant Times:**

Any Notice of Borrowing, Notice of Deposit, Notice of Payment, or Notice of Repayment received after the Relevant Time is deemed to have been received on the next following Business Day. The relevant times are:

- a. By 9:00 a.m. (London time) 2 Business Days prior to the Borrowing Date, Deposit Date or Payment Date (as applicable)

THB Thai Baht  
IDR Indonesian Rupiah

- b. By 9:00 a.m. (London time) 1 Business Day prior to the Borrowing Date, Deposit Date or Payment Date (as applicable)

AUD Australian Dollars  
NZD New Zealand Dollars  
JPY Japanese Yen  
SGD Singapore Dollars  
HKD Hong Kong Dollars  
CZK Czech Republic Koruna  
PLN Polish Zloty

DKK Danish Kroner  
ZAR South African Rand

c. By 9:00 a.m. (London time) on Borrowing Date, Deposit Date or Payment Date (as applicable)

NOK Norwegian Kroner  
SEK Swedish Kroner  
CHF Swiss Francs

d. By 11:00 a.m. (London time) on Borrowing Date, Deposit Date or Payment Date (as applicable)

USD United States Dollars  
GBP Sterling  
EUR Euro  
CAD Canadian Dollars

8. **Commission:**

None

9. **Notices:**

<b><u>NAFCO</u></b>	North America Funding Company	<b>ENTITY</b>	BP Exploration & Production Inc
Address:	501 Westlake Park Blvd Houston, TX 77079 United States of America	Address:	501 Westlake Park Blvd Houston, TX 77079 United States of America
Attn:	Mike Mroz, Treasurer	Attn:	Patricia Hanson, Assistant Treasurer
Tel:	+1 (630) 821-3141	Tel:	+1 (630) 821-3117
Fax:	+1 (630) 821-3423	Fax:	+1 (630) 821-3423

10. **Guarantor:**

None

11. **Bank Details:**

As notified in writing by the Parties from time to time.

12. **Termination Notice Period:**

Three business days.

13. **Governing Law:**

Delaware, USA governing law.

14. **Definitions:** "LIBOR" means in respect of an Interest Period the rate per annum calculated by the arithmetic mean, rounded upwards, of rates offered by four (4) leading banks on Reuters page LIBOR01 at or about 11 a.m. (London Time) two (2) Business Days before the first day of that Interest Period on amounts in the Currency comparable to the Borrowing .

"LIBID" means in respect of an Interest Period LIBOR minus 0.125%.

15. **Other Terms and Conditions**

1. The terms, conditions and definitions set out in the Conditions shall apply

Should there be any contradiction between the terms of this Term Sheet and the Conditions, the terms of this Term Sheet shall prevail.

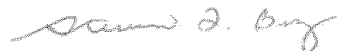
Signed by



for and on behalf of  
**North America Funding  
Company**

Name: Brian D. Smith  
Position: VP, Business Treasury  
Services

Signed by



for and on behalf of  
**BP Exploration & Production  
Inc**

Name: Steven Bray  
Position: Senior Attorney, US  
Corporate Secretary

## The Schedule and Terms and Conditions

### 1. Definitions

In this Agreement the following words and phrases shall bear the following meanings:

"**Acceleration Event**" means any one of the events specified in Condition 10;

"**Account**" has the meaning set out in Condition 2;

"**Agreement**" means the Term Sheet and the Schedule of Terms and Conditions;

"**Amount**" means the credit or debit balance outstanding at any time on the Account;

"**Borrowing**" means a borrowing by the Company from NAFCO pursuant to the provisions hereof;

"**Borrowing Date**" means, subject to Condition 4.1, the Business Day specified in the Notice of Borrowing;

"**Business Day**" means (i) in the case of any Currency other than euro, a day (other than a Saturday or a Sunday) when banks are open for commercial business in the principal financial centre for such Currency and London; and (ii) in the case of euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating and a day when banks are open for commercial business in London ;

"**Commission**" has the meaning set out in the Term Sheet;

"**Currency**" has the meaning set out in the Term Sheet;

"**Default Interest Rate**" has the meaning set out in the Term Sheet;

"**Deposit**" means a deposit of funds in the Currency by or on behalf of the Company with NAFCO pursuant to the provisions hereof;

"**Deposit Date**" means, subject to Condition 4.2, the Business Day specified in the Notice of Deposit;

"**Facility**" has the meaning provided in Condition 2;

"**Interest Rate**" has the meaning set out in the Term Sheet;

"**Mandate**" means a mandate in the form set out in Annex I;

"**Notice of Borrowing**" means a notice from the Company to NAFCO notifying NAFCO that the Company wishes to make a Borrowing (on the Business Day notified) in accordance with Condition 4;

"**Notice of Deposit**" means a notice from the Company to NAFCO notifying NAFCO that the Company or a third party (on the Company's behalf) wishes to make a Deposit (on the Business Day notified) in accordance with Condition 4;

"**Notice of Payment**" means a notice from the Company to NAFCO notifying NAFCO that the Company wishes to make a Payment on the Company's behalf of the amount specified in such notice (on the Business Day notified) in accordance with Condition 4;

"**Notice of Repayment**" means a notice given by NAFCO to the Company requiring the Company to make a Repayment (on the Business Day notified) in accordance with Condition 4;

"**Notice of Termination**" means a notice given by one Party to the other in accordance with Condition 3.1;

"Party" means a party to this Agreement; and "Parties" shall be construed accordingly;

"Payment" means on payment of funds standing to the credit of the Account pursuant to the provisions hereof;

"Payment Date" means, subject to Condition 4.3, the Business Day specified in the Notice of Payment;

"Relevant Time" means the day and time specified for that Currency determined in the way described in the Term Sheet;

"Repayment" means a repayment of funds where the Account has a debit balance pursuant to the provisions hereof;

"Repayment Date" means, subject to Condition 4.4, the Business Day specified in the Notice of Repayment;

"Tax on Overall Net Income" of a Party shall be construed as a reference to tax (other than tax deducted or withheld from any payment) imposed on that Party by the jurisdiction in which its principal office and/or its facility office is located by reference to (a) the net income, profits or gains of that Party worldwide or (b) such of its net income, profits or gains as arise in or relate to that jurisdiction;

"Termination Date" means the Business Day specified in the Notice of Termination on which the Facility terminates in accordance with the terms of this Agreement;

"Termination Notice Period" has the meaning set out in the Term Sheet;

"Term Sheet" means the term sheet attached hereto including the Annexes thereto; and

"**Withholding Tax**" means fees, taxes, charges or deductions of whatever nature imposed by the fiscal authorities in the country of tax residence of the paying Party on any sum payable under this Agreement.

2. **Facility**

- 2.1 Subject to, and in accordance with, the terms of this Agreement, NAFCO shall provide the Company with a borrowing, payment and deposit taking facility in the Currency (the "**Facility**").
- 2.2 NAFCO shall maintain a current account for the Company in each Currency (each an "**Account**"). NAFCO shall credit the Account with all sums deposited with it by the Company or (in the case of Deposits by third parties) on behalf of the Company and shall debit from the Account all sums borrowed from it by the Company and all sums paid on behalf of the Company. In the case of a Borrowing, Payment or a Deposit in a currency other than the Currency, NAFCO shall first convert such sum into the Currency at a market rate selected by NAFCO in its sole discretion.
- 2.3 The Company shall not have outstanding at any time a Borrowing or Borrowings which alone or in aggregate exceed the Borrowing Maximum as set out in the Term Sheet and, accordingly, the Company shall not deliver NAFCO Notice(s) of Borrowing if the Borrowing requested would alone or in aggregate cause the Borrowing Maximum to be exceeded.
- 2.4 The Borrowing Maximum may be increased or decreased by either Party from time to time on giving not less than 10 Business Day's notice in writing to the other Party.



3. **Availability**

3.1 Subject to the provisions of Condition 11, the Facility shall be available from the Effective Date and shall continue to be available until terminated either:

- (i) by one Party giving a written Notice of Termination to the other Party, which notice shall specify a Termination Date which shall be no earlier than the expiry of the Termination Notice Period; or
- (ii) by either Party in accordance with Conditions 7, 10, or 12 of this Agreement.

Following delivery of a Notice of Termination, the Company shall not, and shall not be entitled to, deliver any Notice of Borrowing, Notice of Deposit or Notice of Payment.

3.2 If on the Termination Date the Account has a debit balance, the Company shall pay the Amount to NAFCO on the Termination Date in the Currency and, if on the Termination Date the Account has a credit balance, NAFCO shall pay the Amount to the Company on the Termination Date in the Currency.

3.3 All payments made on the Termination Date shall take into account sums due to be paid but not otherwise debited from or credited to the Account including accrued unpaid interest and any other sums payable hereunder.

4. **Notice of Deposits, Borrowings, Payments and Repayments**

4.1 If the Company wishes to make a Borrowing, it shall deliver to NAFCO a Notice of Borrowing and NAFCO shall make such Borrowing for value on the Borrowing Date. For the purpose of determining the Borrowing Date, any Notice of Borrowing received after the Relevant Time will be deemed to have been received on the next following Business Day.

4.2 If the Company wishes to make a Deposit or the Company wishes a third party to make a Deposit on its behalf, the Company shall deliver to NAFCO a Notice of Deposit and NAFCO shall accept such Deposit for value on the Deposit

Date. For the purpose of determining the Deposit Date, any Deposit received after the Relevant Time will be deemed to have been received on the next following Business Day.

- 4.3 If the Account has a credit balance and the Company wishes to make a Payment, it shall deliver to NAFCO a Notice of Payment and NAFCO shall make such Payment for value on the Payment Date. For the purpose of determining the Payment Date, any Notice of Payment received after the Relevant Time will be deemed to have been received on the next following Business Day.
- 4.4 If the Account has a debit balance and NAFCO wishes the Company to make a Repayment, NAFCO shall deliver a Notice of Repayment to the Company and the Company shall make such Repayment for value on the Repayment Date. For the purpose of determining the Repayment Date, any Notice of Repayment received after the Relevant Time will be deemed to have been received on the next following Business Day.

**5. Interest**

- 5.1 Interest shall be calculated daily in the Currency on the Amount and shall be credited or debited (as the case may be) in arrears on the last Business Day of each Interest Period and, in the case of additions or reductions to the Amount, shall thereafter itself bear interest.
- 5.2 The Interest Rate applicable to a particular Interest Period or part thereof shall be the rate per annum (calculated to the nearest one thousandth of one per cent (1/1000<sup>th</sup>%) calculated in accordance with the Term Sheet.

**6. Payments**

- 6.1 All payments to be received hereunder by a Party shall be made to it at its account, details of which are set out in the Term Sheet. All payments to be received hereunder by third party shall be made to that third party at its account as specified in the Notice of Payment.

6.2 If any payment (whether of principal, interest or otherwise) falls due on, or the last day of any Interest Period is, a day which is not a Business Day, the date for payment or such last day of an Interest Period shall be on the immediately preceding Business Day.

6.3 In the event that either Party fails to make a payment under this Agreement on its due date, interest shall be payable (before as well as after judgment) on such overdue sum at the Default Interest Rate from the due date until such sum is paid.

7. **Withholding Tax**

7.1 Subject to Condition 7.5, all sums payable under this Agreement, whether of principal, interest or otherwise, shall be paid in full without any deduction or withholding whatsoever unless such deduction or withholding is required by law.

7.2 To the extent that an amount is deducted or withheld and if and to the extent any applicable double taxation treaty or any provision of law provides for a reduced (or (as the case may be) zero) rate of Withholding Tax, the parties will use all reasonable endeavours to obtain permission at the earliest opportunity to make payment hereunder at such reduced (or as the case may be zero) rate.

7.3 The parties will use all reasonable endeavours to recover the Withholding Tax.

7.4 In the event that either party is compelled to make a deduction or withholding pursuant to Condition 7.1 above, the provisions of Condition 12.1(i) to (iii)(A) hereof shall apply mutatis mutandis.

7.5 Either Party required to make a deduction or withholding will deliver tax receipts to the other Party within thirty (30) Business Days after Withholding Tax has been paid and will further provide all other available documents and information reasonably necessary or appropriate to permit the other Party to substantiate its claim for credit for foreign tax purposes with respect to the

withheld amount. The Parties agree to submit any such claims to the appropriate revenue authorities expeditiously.

**8. Commissions and Expenses**

8.1 If and to the extent that Commission is payable, it shall be calculated and paid as set out in the Term Sheet.

8.2 Each Party will reimburse the other on demand for all reasonable expenses incurred (including reasonable legal fees) in suing for or recovering any sum due to it or otherwise enforcing its rights under this Agreement.

**9. Representations and Warranties**

9.1 Each Party represents and warrants that:

- (i) It is a duly incorporated validly existing corporation under the laws of the place of its incorporation.
- (ii) It has the power to enter into this Agreement and to exercise its rights and fulfil its obligations hereunder and has taken all necessary actions to authorise the execution, delivery and performance of this Agreement which, when executed and delivered, will constitute its valid and legally binding obligation enforceable in accordance with its terms.
- (iii) The execution, delivery and performance of this Agreement does not violate any provision of any applicable existing law or regulation by which it is bound or its statutes or any mortgage, contract or other undertaking to which it is a party or which is binding upon it.
- (iv) All relevant consents, approvals or authorisations of any governmental authority or agency required in connection with the execution, validity or enforceability of this Agreement have been obtained and are valid and subsisting.

9.2 The Company is deemed to repeat (by reference to the then existing circumstances) the representations and warranties set out in Condition 9.1 on each Borrowing Date, Deposit Date or Payment Date.

**10. Acceleration**

10.1 If any of the following events shall occur in respect of one Party (the "**Affected Party**"), the other Party may at its discretion, by notice to the Affected Party, declare such event to be an Acceleration Event:

- (i) the Affected Party fails to pay principal, interest or any other sum due for payment by the Affected Party under this Agreement within ten (10) Business Days of the date such payment is due; or
- (ii) the Affected Party commits any other material breach or fails to observe in any material respect any other of the obligations accepted or undertakings given by it under this Agreement; or
- (iii) a final judgment is made by a court of competent jurisdiction, or an effective resolution is passed for the winding-up of the Affected Party (save for a voluntary winding-up for the purpose of an amalgamation or reconstruction), or a receiver is appointed or an encumbrancer takes possession of all or a major part of the undertaking, property or assets of the Affected Party and is not paid out or discharged within forty (40) Business Days (excluding any period during which such appointment or taking possession is being contested in good faith), after such judgment, resolution, appointment or taking possession or the occurrence of any similar event in any appropriate jurisdiction; or
- (iv) any material long term debt (as defined below) of the Affected Party:
  - (A) is validly declared to be due and repayable prior to the stated date of maturity thereof as a result of any material default on the part of the Affected Party (other than a default arising out of liability being contested in good faith) under the terms of the

agreement or other documents evidencing or constituting such debt and such debt is not repaid or such default is not remedied or such declaration is not otherwise rescinded within ten (10) Business Days after the Affected Party has received notice of such declaration; or

- (B) is not repaid within ten (10) Business Days after the date of the maturity thereof plus any applicable period of grace;

where "**long term debt**" means a borrowing which is wholly or partly repayable after a period exceeding one (1) year and no long term debt shall be deemed "material" unless it represents more than ten per cent (10%) of the aggregate amount of the long term debt of the Affected Party and no failure to pay or repay or other default resulting from circumstances outside the control of the Affected Party shall be taken into account; or

- (v) the Affected Party ceases to be controlled by the NAFCO Group where the "**NAFCO Group**" means any one or more companies which is an associated company of the Affected Party within the meaning of Section 416 of the UK Income and Corporation Taxes Act 1988.

10.2 If an Acceleration Event is declared in accordance with Condition 10.1, the other Party shall have the right, at any time after the occurrence of such event, by written notice to the Affected Party, to terminate this Agreement forthwith with the result that the Amount together with any unpaid accrued interest thereon less any interest to be debited from the Amount shall become immediately due and payable by or to the other Party.

10.3 If the Amount shall be declared immediately due and payable as aforesaid, the Affected Party shall immediately pay such Amount and, in addition, shall promptly reimburse to the other Party all properly documented direct losses, costs and expenses whatsoever incurred or suffered by the other Party.

11. **Conditions Precedent**

11.1 The Facility shall become available to the Company on receipt by NAFCO of:

- (i) a duly executed copy of this Agreement;
- (ii) a duly executed copy of the Mandate;
- (iii) where required pursuant to this Agreement, a guarantee of the Company's obligations hereunder in form and substance satisfactory to NAFCO, and duly executed by or on behalf of the guarantor named in the Appendix; and
- (iv) where any statutory, regulatory or other consents or authorisations are required for the making or performance of this Agreement, a certificate signed by a duly authorised officer on behalf of the Company confirming that such consents or authorisations have been obtained and are subsisting.

12. **New Circumstances**

12.1 Save as otherwise provided in Condition 7 hereof, if:

- (A) there is any change in applicable law, regulation or regulatory requirement or in the interpretation or application thereof; or
- (B) compliance by either Party (the "**Relevant Party**"), with any new directive of any competent authority shall impose, modify or deem applicable any reserve requirements or require the making of any special deposits against or in respect of any assets or liability of, deposit with or for the account of, or loans by, the Relevant Party

and the result thereof is either to increase the costs to the Relevant Party of making available or maintaining the Amount or any part thereof or to reduce the amount of any payment received or receivable by the Relevant Party under

this Agreement (except on account of Tax on Overall Net Income of the Relevant Party) then:

- (i) the Relevant Party shall notify the other Party as soon as possible of the happening of such event;
- (ii) the other Party shall pay to the Relevant Party on demand such amount as may be necessary to compensate the Relevant Party (as set out in an explanatory certificate provided by the Relevant Party) for such additional costs or such reduction; and

Provided that, if the notice claiming payment of such additional costs or such reduction is served later than 30 days after the occurrence of such event, such demand shall not include costs incurred or attributable to the 30 day period preceding service of such notice.

- (iii) so long as such additional costs continue or as the case may be so long as the circumstances giving rise to the reduction continue, the other Party shall have the right:
  - (A) on giving not less than ten (10) Business Days' written notice to the Relevant Party, to terminate this Agreement and declare the Amount together with any unpaid interest accrued thereon or less any interest to be deducted therefrom immediately due and repayable; or
  - (B) at any time without premium, penalty or other charge to reduce the Borrowing Maximum hereunder to any amount being not less than (whilst any sums are outstanding under the Agreement and not repaid) the Amount.

12.2 In the event that it becomes unlawful in any relevant jurisdiction for either Party to comply with its obligations or maintain the Amount under this Agreement, this Agreement shall immediately terminate and the Amount (if any), together



with all unpaid accrued interest thereon and all other such sums then outstanding under this Agreement less any interest to be deducted from the Amount shall become immediately due and repayable upon receipt by the other Party of a written notice from the Relevant Party.

**13. Notices**

13.1 All notices and other communications in connection with this Agreement shall be given in writing, by e-mail, fax or by telephone by one Party to the other at the address, e-mail address, fax number or telephone number specified in the Term Sheet or such other address, e-mail address, fax number or telephone number as may from time to time be substituted therefore by written notice by one Party to the other. In the case of Notices of Payment, NAFCO shall only carry out the instructions contained in a Notice of Payment upon receipt of a signature (matching those on the Mandate) in paper or fax form, or an e-mail which has been digitally signed, or by submitting the form held on the website which has been digitally signed.

13.2 Notices sent by e-mail or fax shall be deemed to be received on the Business Day following the day they are transmitted, if given by telephone shall be deemed to be received on the Business Day the telephone call is made and if sent by post shall be deemed to be received three (3) Business Days after they are put in the post by airmail, postage prepaid and properly addressed to the addressee.

**14. Assignment**

Neither Party may assign its rights or transfer its obligations under this Agreement.

**15. Currency Indemnity**

The obligation of either Party to make payments in the Currency shall not be discharged or satisfied by tender or recovery pursuant to any judgement expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the receiving Party of the full amount of the Currency payable under this Agreement and

accordingly the primary obligation of both Parties shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the Currency of the amount (if any) by which such effective receipt shall fall short of the full amount of the Currency payable hereunder and shall not be affected by judgment being obtained for any other sum due under this Agreement.

16. **No Waiver**

No waiver by any Party of any provision of this Agreement shall be binding unless made expressly and confirmed in writing. Further, any such waiver shall relate only to such matter, non-compliance or breach as it expressly relates to and shall not apply to any subsequent or other matter, non-compliance or breach.

17. **Entire Agreement**

This Agreement shall constitute the entire agreement and understanding between the Parties with respect to the subject matter referred to and shall supersede all prior agreements and negotiations relating thereto (whether written, oral or implied between the Parties).

18. **Consent to Recording**

The Parties hereby consent to the recording of telephone conversations in connection with this Agreement and consent to the admissibility of the recordings of telephone calls as evidence in a court of competent jurisdiction.

19. **Governing Law and Jurisdiction**

19.1. This Agreement shall be governed by and construed in accordance with the laws specified in the Term Sheet.

19.2. In relation to any legal action or proceeding arising out of or in connection with this Agreement ("**Proceedings**"), each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the country or countries specified in the Term Sheet and waives any objection to Proceedings in any such court on the grounds of venue or on the grounds that Proceedings have been brought in an inconvenient forum.

19.3. Where applicable, each of the Parties irrevocably appoints the person, firm or company specified as Agent for Service of Process in the Term Sheet to receive, for it and on its behalf, service of process in any Proceedings in the country or countries referred to in the Term Sheet and agrees, if such process agent at any time ceases to be able or willing to act as such, forthwith to appoint a replacement in the same country approved by the other Party. Nothing in this Agreement shall affect the right of either Party to serve process in any other manner permitted by law or to bring any action or proceeding against the other Party or its property in the courts of any other jurisdiction.

20. **Counterparts**

This Agreement may be executed in counterparts which, when taken together, will constitute one instrument.

21. **Contracts (Rights of Third Parties) Act 1999**

For English law governed agreements, the Parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

