

**CONFIDENTIAL SETTLEMENT AGREEMENT,
MUTUAL RELEASES AND AGREEMENT TO INDEMNIFY**

This Settlement Agreement, Mutual Releases, and Agreement To Indemnify ("Agreement") is entered into on May 20, 2011 (the "Effective Date") by BP Exploration & Production Inc., MOEX USA Corporation, and MOEX Offshore 2007 LLC (collectively, "Parties"). Mitsui Oil Exploration Co., Ltd. shall be a party to this Agreement solely for the purposes of Article VIII. BP Corporation North America Inc. shall be a party to this Agreement solely for the purposes of paragraph 5.3(b) and Article VIII.

For and in consideration of the mutual promises and releases set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties stipulate and agree as set forth herein below.

I. RECITALS AND ACKNOWLEDGEMENTS

1.1 BP Exploration & Production Inc. ("BPXP") and MOEX Offshore 2007 LLC ("MOEX Offshore") are parties to the "Macondo Prospect Offshore Deepwater Operating Agreement" (the "Operating Agreement"), the "Lease Exchange Agreement," and with Anadarko Petroleum Corporation and Anadarko E&P Company LP (separately or together, "Anadarko"), the "Ratification and Joinder of Operating Agreement Macondo Prospect," all with an effective date of October 1, 2009, and related and ancillary agreements (collectively, the "Contracts"). BPXP and MOEX Offshore currently own a 65% record title interest and 10% record title interest, respectively, in and to federal oil and gas lease OCS-G 32306 covering block 252 of the Mississippi Canyon protraction area of the Gulf of Mexico ("MC252"). MC252 is commonly called the Macondo Prospect. Under the Operating Agreement, BPXP serves as Operator of the block and thereafter invoices the other co-owners for their working-interest share of expenditures, costs, and indebtedness relating to activities and operations under the Operating Agreement ("Costs"). Under the Operating Agreement, BPXP has billed MOEX Offshore for Costs related to the *Deepwater Horizon* Incident (as defined below), including containment costs, third-party claims, and other categories of costs. MOEX Offshore has taken the position that the Operating Agreement does not require it to pay these Costs while the underlying facts are still being determined in investigations and pending lawsuits.

1.2 BPXP, MOEX Offshore, and various of the BP Released Parties and MOEX Released Parties (as defined below) are defendants or otherwise involved, or may in the future become involved, in lawsuits, arbitrations, administrative proceedings, regulatory proceedings, and criminal investigations arising from or relating to the *Deepwater Horizon* Incident (collectively, "the Litigation Proceedings").

1.3 BPXP, MOEX Offshore, and MOEX USA Corporation ("MOEX USA") acknowledge and recognize statements made by the National Commission on the BP *Deepwater Horizon* Oil Spill and Offshore Drilling that the *Deepwater Horizon* Incident was the result of a number of separate risk factors, oversights, and outright mistakes by multiple parties and a number of causes. BPXP, MOEX Offshore, and MOEX USA further acknowledge and recognize statements made by the United States Coast Guard that, among other things, the safety

management systems of both the *Deepwater Horizon* and Transocean itself had significant deficiencies that rendered them ineffective in preventing this casualty.

1.4 BPXP and MOEX Offshore now desire to resolve their differences and disputes arising from, relating to, or otherwise concerning the *Deepwater Horizon* Incident and their duties under the Contracts. This Agreement is not an admission of any liability by any of the Parties regarding the *Deepwater Horizon* Incident. The Parties agree and acknowledge that this Agreement has been reached after arm's length negotiations, with each Party compromising its claims and defenses for value that it considers to be fair and reasonable in view of the risks and costs associated with litigation.

1.5 MOEX USA has agreed to make the Cash Payment (as defined below) in order to (1) make the overall benefits of this settlement available to MOEX Offshore and thereby enhance the value of MOEX Offshore and MOEX USA's investment in MOEX Offshore and (2) obtain the benefits of the indemnification rights hereunder.

II. DEFINITIONS

The following terms shall be defined as follows for the purposes of this Agreement:

2.1 The "BP Released Parties" shall mean BPXP and each of its past and present Affiliates (including BP p.l.c. and its subsidiaries and subsidiary undertakings (as those terms are defined in the U.K. Companies Act 2006)), and each of their respective business units, predecessors, and successors, and each of their respective agents, servants, representatives, officers, directors (or Persons performing similar functions), employees, attorneys and administrators, all and only in their capacities as such (collectively, "Representatives").

2.2 The "BP Releasing Parties" shall mean BPXP and each of its past and present Affiliates (including BP p.l.c. and its subsidiaries and subsidiary undertakings (as those terms are defined in the U.K. Companies Act 2006)), and each of their respective business units, predecessors, and successors.

2.3 The "MOEX Released Parties" shall mean MOEX Offshore and each of its past and present Affiliates (including without limitation Mitsui & Co., Ltd., Mitsui & Co. (U.S.A.), Inc., Mitsui Oil Exploration Co., Ltd. ("MOECO") and MOEX USA, and each of their respective business units, predecessors, and successors, and each of the Representatives of any of the foregoing. Notwithstanding the foregoing, the MOEX Released Parties shall also include the Ministry of Economy, Trade and Industry of the Government of Japan and the other minority shareholders of MOECO, and their respective Representatives.

2.4 The "MOEX Releasing Parties" shall mean MOEX Offshore and each of its past and present Affiliates (including without limitation Mitsui & Co., Ltd., Mitsui & Co. (U.S.A.), Inc., MOECO, and MOEX USA) and each of their respective business units, predecessors, and successors.

2.5 The "*Deepwater Horizon* Incident" shall mean the fire and explosions on the *Deepwater Horizon* drilling unit that occurred on April 20, 2010; the events, actions, inactions, and omissions leading up to the fire and explosions; the ensuing loss of life and personal injuries;

the loss of hydrocarbon reserves from MC252; the loss of the drilling unit, the releases of hydrocarbons and other pollutants from the MC252 exploratory well and the drilling unit; the containment efforts; the subsequent clean up and remediation efforts and all other responsive actions; and related property or other damage.

2.6 "Released Claims" shall mean all past, present, or future claims, rights, causes of action, demands, lawsuits, damages, Natural Resource Damages, response costs, obligations, expenses, promises, liabilities, losses or costs of any kind, nature or description, whether or not presently known or suspected, including but not limited to tort claims, contract claims, warranty claims, statutory claims, declaratory judgment actions, counterclaims, cross claims, demands, and claims for damages or any other relief.

2.7 "Natural Resource Damages" shall mean all damages to natural resources, including without limitation all damages defined as "Natural Resource Damages" under federal or state law.

2.8 "Person" shall mean an individual, a corporation, limited liability company, partnership, association, trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

2.9 "Affiliate" of a Person shall mean a Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

2.10 All figures denominated with "\$" or "dollars" shall mean United States dollars.

III. CASH PAYMENT

3.1 Within 45 calendar days from the Effective Date, MOEX USA shall pay or cause to be paid to BPXP the sum of one billion sixty five million dollars (\$1,065,000,000) in cash (the "Cash Payment") via wire transfer to a United States bank account designated in writing by BPXP.

3.2 MOEX USA expressly acknowledges that the releases provided in Article IV and indemnities provided in Article V are good and sufficient consideration for the Cash Payment.

3.3 BPXP shall furnish to MOEX USA a duly executed Internal Revenue Service Form W-9, attesting that BPXP is a U.S. person for U.S. Federal income tax purposes. BPXP shall also cause any Affiliate of BPXP to which payment is required to be made hereunder to furnish to MOEX USA duly executed Internal Revenue Service Form W-9, attesting that such Affiliate is a U.S. person for U.S. Federal income tax purposes.

3.4 BPXP will use the Cash Payment to pay the claims of Persons whose injuries and damages arise from or relate to the *Deepwater Horizon* Incident.

IV. RELEASES AND WAIVERS

4.1 In consideration of and for the promises identified herein, the Parties make these releases:

- (a) The BP Releasing Parties hereby release and forever discharge the MOEX Released Parties from any and all Released Claims that the BP Releasing Parties have, ever had, or may have, now or in the future, against the MOEX Released Parties arising from or relating to (i) the Contracts, (ii) the *Deepwater Horizon* Incident, (iii) the Litigation Proceedings, and/or (iv) the Macondo Prospect (including without limitation alleged damage to the Macondo Prospect, loss of hydrocarbon reserves from the Macondo Prospect, or profits or revenues from potential lost hydrocarbon production from the Macondo Prospect). Without limitation and for the avoidance of doubt, the claims released hereunder include all claims asserting that MOEX Offshore is required to pay Costs under the Operating Agreement, claims predicated on gross negligence or willful misconduct, and all claims asserted or that could have been asserted against the MOEX Released Parties in BPXP's Notice of Dispute dated April 1, 2011. The BP Releasing Parties further covenant and agree that they will not assert any claim released under this paragraph.

- (b) The MOEX Releasing Parties hereby release and forever discharge the BP Released Parties from any and all Released Claims that the MOEX Releasing Parties have, ever had, or may have, now or in the future, against the BP Released Parties, arising from or relating to (i) the Contracts, (ii) the *Deepwater Horizon* Incident, (iii) the Litigation Proceedings, and/or (iv) the Macondo Prospect (including without limitation alleged damage to the Macondo Prospect, loss of hydrocarbon reserves from the Macondo Prospect, or profits or revenues from potential lost hydrocarbon production from the Macondo Prospect). Without limitation and for the avoidance of doubt, the claims released hereunder include claims predicated on gross negligence or willful misconduct and all claims asserted or that could have been asserted in the Cross-Claims of Third-Party Defendant MOEX Offshore 2007 LLC dated April 19, 2011. The MOEX Releasing Parties further covenant and agree that they will not assert any claim released under this paragraph. Additionally, the MOEX Releasing Parties hereby release and waive any claim for contribution or other recovery against any other defendant in MDL No. 2179, which is pending in the United States District Court for the Eastern District of Louisiana, or Person to recover, in whole or in part, the Cash Payment or other value or consideration provided to any BP Released Party pursuant to this Agreement; however, the scope of this release and waiver does not include any rights and benefits of the MOEX Releasing Parties under any insurance policies issued to any one or more of the MOEX Releasing Parties as principal(s) on which any one or more of such MOEX Releasing Parties is a named insured, including reinsurance policies applying to such

insurance policies (collectively, "the MOEX Offshore Insurance Policies").

4.2 Notwithstanding the foregoing paragraphs 4.1(a) and 4.1(b), the releases granted herein shall not impair, affect, or limit any right or claim that the MOEX Released Parties or the BP Released Parties may have under this Agreement (including without limitation all indemnification rights).

4.3 To the extent (i) proceeds from the MOEX Offshore Insurance Policies are used to contribute to the Cash Payment in paragraph 3.1 or other amounts paid under this Agreement or (ii) the MOEX Insurance Policies provide coverage for the amounts paid, MOEX Offshore on behalf of such insurer or reinsurer, any indemnitor of the MOEX Releasing Parties, and any subrogee or assignee of the MOEX Offshore Insurance Policies releases the BP Released Parties and waives their subrogation rights against the BP Released Parties. On behalf of itself, all other MOEX Releasing Parties, and any such insurer, reinsurer, indemnitor, subrogee, or assignee, MOEX Offshore acknowledges and agrees that it and they shall have no right to recover from any BP Released Party all or any portion of any payment made hereunder or rights assigned hereunder, at any time or under any theory whatsoever, whether legal, equitable, or otherwise.

4.4 To the extent BPXP's insurers make any payments to BPXP with respect to the *Deepwater Horizon* Incident under or on account of insurance policies as to which BPXP is a named insured ("BPXP Insurance Policies"), BPXP on behalf of any such insurer or reinsurer, any indemnitor of the BP Releasing Parties, and any subrogee or assignee of the BPXP Insurance Policies releases the MOEX Released Parties and waives their subrogation rights against the MOEX Released Parties. On behalf of itself, all other BP Releasing Parties, and any such insurer, reinsurer, indemnitor, subrogee, or assignee, BPXP acknowledges and agrees that it and they shall have no right to recover from any MOEX Released Party all or any portion of any payments made hereunder or rights assigned hereunder, at any time or under any theory whatsoever, whether legal, equitable, or otherwise.

4.5 Transfer of Lease and Operating Agreement.

- (a) As partial satisfaction of MOEX Offshore's obligations under the Operating Agreement and in acknowledgement of the security rights in favor of the Operator, MOEX Offshore shall transfer, convey and assign to BPXP (such transaction being referred to herein as the "Transfer"), on a non-recourse basis, any and all of its right, title and interest in, to, and under any property or rights (whether real or personal, tangible or intangible) related to or derived from MOEX Offshore's leasehold interest in MC252, the Operating Agreement (inclusive of Exhibits), the other Contracts, and any and all activities and/or operations conducted under any of the foregoing (collectively, "MOEX MC252 Rights"), and, in particular, waives and relinquishes to BPXP any and all right to any future economic benefits from the hydrocarbon reservoir in MC252, including, without limitation, revenues from future hydrocarbon production. BPXP shall assume all royalty obligations, existing and future, with respect to (i) the interest in MC252 that MOEX Offshore is assigning to BPXP under

this paragraph 4.5; and (ii) all oil released from the hydrocarbon reservoir in MC252 as a result of the *Deepwater Horizon* Incident, regardless of whether such oil was recovered or retrieved. MOEX Offshore represents and covenants that the leasehold interest in MC252 being assigned to BPXP pursuant to the Transfer constitutes all or substantially all of MOEX Offshore's current exploration and production properties in the Gulf of Mexico.

- (b) In order to effect the Transfer, MOEX Offshore agrees to execute the Assignment and Bill of Sale and Transfer of Operating Agreement Interest and BOEMRE Form MMS-150 attached hereto as Exhibit C and will cooperate with BPXP at BPXP's expense to obtain any governmental consents necessary to assign record title to any and all property and other rights and obligations described in this paragraph 4.5 and Exhibit C to BPXP or BPXP's Affiliates. The Parties agree and establish that for purposes of this Agreement, the leasehold interest in MC252 being transferred by MOEX Offshore to BPXP in accordance with this paragraph 4.5 and Exhibit C has a present, allocated market value of thirty-five million dollars (\$35,000,000).
- (c) BPXP and MOEX Offshore shall provide notices required under the Operating Agreement, if any. The Transfer shall be made without any representation (except as expressly provided in this Agreement) or warranty of any kind on the part of MOEX Offshore, including without limitation any warranty of title, and shall be subordinate to and expressly subject to the terms of the Operating Agreement.
- (d) In the event any required governmental consent is not obtained for the assignment of MOEX Offshore's MC252 leasehold interest to BPXP and BPXP elects to withdraw the application for governmental approval, then the Transfer shall be rescinded and the MOEX MC252 Rights shall re-vest in MOEX Offshore subject to the terms and conditions of the Operating Agreement and except as expressly provided in Exhibit C hereto. In no event shall BPXP's withdrawal of the governmental approval application or rescinding of the Transfer, in the absence of any breach by MOEX Offshore of its obligations under this paragraph 4.5, in any way affect the validity of the remaining provisions of this Agreement, including without limitation the release set forth in paragraph 4.1(a) and the indemnities set forth in paragraph 5.1, which provisions shall remain in full force and effect notwithstanding any such rescission of the Transfer by BPXP.

4.6 MOEX Offshore agrees on behalf of the MOEX Releasing Parties to release all claims and causes of action that the MOEX Releasing Parties have asserted or could assert against Anadarko and its Affiliates arising from or relating to the *Deepwater Horizon* Incident ("MOEX's Anadarko Claims"). MOEX Offshore hereby assigns to BPXP all right, title, and interest to all claims and causes of action that the MOEX Releasing Parties have asserted or could assert against any Persons arising from or relating to the *Deepwater Horizon* Incident other

than MOEX's Anadarko Claims (the "MOEX Third Party Claims"), and BPXP hereby accepts all right, title, and interest to all MOEX Third Party Claims. This assignment does not include any of MOEX's Anadarko Claims or any claims under the MOEX Offshore Insurance Policies. To the extent that assignment of any MOEX Third Party Claims is deemed invalid by a court or arbitration panel of competent jurisdiction, MOEX Offshore agrees on behalf of the MOEX Releasing Parties to release each and every, and covenants not to sue for, such MOEX Third Party Claims for which the assignment has been deemed invalid.

4.7 Notwithstanding paragraphs 4.5 and 4.6, to the extent that the BP Releasing Parties in the future receive value (whether as cash payments, non-cash consideration, price reductions or in any other form) (i) from claims that the BP Releasing Parties have asserted or could assert against third parties arising from or relating to the *Deepwater Horizon* Incident, other than claims against Anadarko and its Affiliates and Representatives, (ii) from the MOEX Third Party Claims and/or (iii) from any insurance policies of third parties under which any one or more of the BP Releasing Parties and/or the MOEX Releasing Parties is a named insured or an additional insured, arising from or relating to the *Deepwater Horizon* Incident, then the BP Releasing Parties shall make cash payments to MOEX Offshore, on a current and continuing basis, of five percent (5%) of the aggregate of such value received by the BP Releasing Parties in excess of twenty-five billion dollars (\$25,000,000,000); except that such payments to MOEX Offshore shall not exceed five hundred million dollars (\$500,000,000).

4.8 BPXP waives all rights to recover from Anadarko any shortfall between the Cash Payment and any amounts that could now or in the future be said to be due and owing by MOEX Offshore under the Operating Agreement.

V. INDEMNITIES

5.1 **Indemnities.** Subject to paragraphs 5.2 through 5.9 of this Agreement, BPXP shall hold harmless and indemnify the MOEX Released Parties, on a current basis as invoices are submitted to it, against all claims, actions, liabilities, losses, and damages arising from or related to the *Deepwater Horizon* Incident including but not limited to: (i) damages for personal injury or death; (ii) damages arising from negligence of any kind (whether sole, joint, concurrent, gross or otherwise); (iii) property damage; (iv) economic losses under the Oil Pollution Act of 1990; (v) spill response, cleanup, or containment costs; (vi) lost revenues or taxes; (vii) claims for royalties owed to the U.S. government for spilled, lost, wasted or escaped oil before the well was sealed; and (viii) Natural Resource Damages. This indemnity shall apply to claims past, present or future, known or unknown, by any Person or entity (including and without limitation Anadarko, Transocean Ltd., Halliburton Company, or any federal, state or local government entity).

5.2 Limitation On Indemnities.

- (a) The indemnities set forth in paragraph 5.1 shall NOT apply to the following types of claims:
- (i) Shareholder, derivative, or securities law claims, demands or actions;

- (ii) ERISA, pension plan, and employee benefit plan claims, demands, lawsuits, administrative proceedings or actions where a MOEX Released Party is the plan sponsor and the claimants are participants in the MOEX Released Party's plan, or other labor-related lawsuits, claims, demands, administrative proceedings or actions brought by or on behalf of any employee of the MOEX Released Parties;
 - (iii) Claims by creditors seeking creditor remedies, including but not limited to any claims that the Cash Payment constitutes a preference or a fraudulent conveyance, provided that such claims by creditors are not based upon, and do not result from, BPXP's failure to pay claims for which it is indemnifying the MOEX Released Parties under this Agreement (as to which paragraph 5.8(a) would apply);
 - (iv) Claims by Anadarko alleging the breach of any joint defense agreement, litigation defense agreement, or similar agreement between Anadarko and MOEX Offshore or the MOEX Released Parties;
 - (v) Any civil, criminal or administrative fines or penalties or sanctions, including but not limited to any deferred or non-prosecution agreement, or a civil judgment or settlement that adjudicates or resolves a claim or claims for fines, penalties, or sanctions; and
 - (vi) Any claims for punitive, exemplary, treble or other non-compensatory damages solely to the extent arising from the conduct of the MOEX Released Parties.
- (b) The indemnities described in paragraph 5.1 shall not include the payment of any of the MOEX Released Parties' costs, attorneys' fees, or expenses in the Litigation Proceedings.

5.3 BPXP's Rights and Responsibilities As Indemnitor.

- (a) BPXP, as the indemnitor, shall have (i) the right, at its election, to conduct or control any settlement negotiations that might give rise to claims under the indemnities contained in paragraph 5.1 of this Agreement; and (ii) the final authority to approve any settlement that involves claims under the indemnities contained in paragraph 5.1 of this Agreement, which settlement shall not be entered into without BPXP's prior written approval. In conducting settlement negotiations, BPXP will use reasonable efforts to obtain a general release of the MOEX Released Parties for claims arising from or relating to the *Deepwater Horizon* Incident. Without MOEX Offshore's prior written approval, which shall

not be unreasonably withheld, BPXP shall not (i) make any admissions on behalf of MOEX Offshore or enter into any obligations on behalf of MOEX Offshore or (ii) enter into a settlement that allocates any amounts to punitive or exemplary damages; provided, however, that this sentence shall not prohibit BPXP from litigating or releasing any MOEX Third Party Claims. BPXP shall be responsible for paying its own attorney's fees and expenses with respect to claims for which it exercises rights under this paragraph 5.3.

- (b) To the extent that BPXP or BP Corporation North America Inc. ("BPCNA") makes any payment to indemnify the MOEX Released Parties for claims or causes of action brought by other Persons, MOEX Offshore on behalf of the MOEX Released Parties agrees that BPXP or BPCNA, as the case may be, shall be subrogated to the extent of such payment to all of the rights of contribution or recovery of the MOEX Released Parties against such other Persons, and, at the request of BPXP or BPCNA, MOEX Offshore shall cause the MOEX Released Parties to take all reasonable action necessary to secure such rights, including the execution of such documents as are necessary to enable BPXP or BPCNA to bring suit to enforce such rights.

5.4 MOEX Offshore's Rights And Responsibilities As Indemnitee.

- (a) MOEX Offshore on behalf of the MOEX Released Parties, as the indemnitees, shall have the following responsibilities:
 - (i) to use its reasonable efforts to assume the defense of and defend the MOEX Released Parties in any lawsuit or other claim or proceeding covered by the indemnities in paragraph 5.1;
 - (ii) to promptly notify BPXP of any lawsuit, proceeding, claim or demand that may be covered by the indemnities in paragraph 5.1; and
 - (iii) to inform and consult with BPXP, at such times and in such a manner as BPXP may reasonably request, about the progress of any lawsuit or other proceeding or any settlement negotiations that may be covered by the indemnities in paragraph 5.1.
- (b) The failure of MOEX Offshore to perform any obligation set forth in paragraph 5.4(a) shall not affect the MOEX Released Parties' rights, except as indemnitees with respect to the particular claims at issue, and then only to the extent that such failure causes actual prejudice to BPXP.
- (c) Except as set forth in paragraph 4.1(b), MOEX Offshore agrees to, shall, and hereby does assign to BPXP any and all claims, rights and benefits the MOEX Releasing Parties have or may have as an insured or additional

insured to recoveries or other proceeds under or relating to insurance or reinsurance policies, issued to any Person involved in the *Deepwater Horizon* Incident (other than to a MOEX Releasing Party or Parties, which are covered by the last sentence of paragraph 4.1(b)), including, but not limited to, policies issued to any defendant in MDL No. 2179 and the policies listed on Exhibit D hereto and issued to Transocean Ltd. as the principal named insured. The assignment in this paragraph 5.4(c) shall apply only to the extent that BPXP shall indemnify the MOEX Released Parties pursuant to paragraph 5.1 with respect to any claims that such policies may insure against.

- (i) This assignment is not intended to, and does not prejudice or affect, any rights to insurance coverage that BPXP may have had as of the Effective Date of this Agreement.
- (ii) MOEX Offshore on behalf of the MOEX Released Parties agrees to cooperate reasonably with BPXP to the extent consistent with the law, in any effort by BPXP to recover the insurance and reinsurance proceeds that are assigned pursuant to paragraph 5.4(c), including, if BPXP so requests, the withdrawal or dismissal of or assignment to BPXP of all complaints, claims, notices, and demands that the MOEX Released Parties have asserted or may be entitled to assert for insurance coverage for the *Deepwater Horizon* Incident under insurance and reinsurance policies issued to parties in the proceedings consolidated in MDL No. 2179, including the complaint in intervention that MOEX Offshore filed in the matter bearing case no. 11-275.
- (iii) To the extent that any portion of this paragraph 5.4(c) is not enforceable under the law selected to govern this Agreement, the Parties agree that the law of the jurisdiction bearing a reasonable relationship to the parties, claims, or transaction, and most favorable to enforcement, shall apply.
- (d) The MOEX Released Parties shall be entitled to choose and retain their own attorneys to represent them in connection with any currently pending or future claim for which indemnification by BPXP is required under paragraph 5.1. The MOEX Released Parties shall be entitled to choose and retain counsel of their choice to defend against all claims excluded from the indemnities in paragraph 5.1 pursuant to paragraph 5.2.



[REDACTED]

5.5 Except as otherwise expressly provided herein, this Agreement is not intended to, and shall not, prejudice (i) any rights to insurance coverage, subrogation, contribution or any indemnity rights that the BP Releasing Parties may have had as of the effective date or may have in the future; or (ii) any rights to insurance coverage, subrogation, contribution or any indemnity rights that the MOEX Releasing Parties have under any insurance policies issued to any one or more of the MOEX Releasing Parties as principal(s) on which any one or more of such Parties is a named insured, including reinsurance policies applying to such insurance policies.

5.6 MOEX Offshore's Responsibilities As An Indemnitor.

- (a) Subject to paragraph 5.8, MOEX Offshore hereby releases on behalf of itself and the MOEX Releasing Parties, and agrees to indemnify the BP Released Parties for and against any claims of any kind or nature whatsoever, in law or in equity, asserted against any of the BP Released Parties by or on behalf of any insurer, reinsurer, indemnitor, subrogee, assignee, shareholder, or any other party seeking to recover (a) all or any amount of any payment made by or due from MOEX USA to BPXP (or any Affiliates nominated by BPXP) under this Agreement or (b) all or any amount of any payment for loss arising from or relating to the *Deepwater Horizon Incident* made by, or at any time committed to by, any MOEX Releasing Parties (or any insurer, reinsurer, indemnitor, subrogee, or assignee of any MOEX Releasing Parties) to any third party, provided that such payment or commitment is not the subject of the indemnities provided by BPXP to MOEX Offshore in this Agreement.
- (b) In the event the MOEX Releasing Parties sue to recover on any MOEX Third Party Claims (in breach of their obligations under Article IV to assign or release such claims), MOEX Offshore agrees to indemnify the BP Released Parties for and against any claims of any kind or nature whatsoever, in law or in equity, asserted against any of the BP Released Parties by or on behalf of any third party seeking to recover from the BP Released Parties all or any amount of any payment made by the third party as a result of a claim made by any of the MOEX Releasing Parties for any MOEX Third Party Claim, including claims for indemnification or contribution.
- (c) The indemnities described in paragraphs 5.6(a) and 5.6(b) shall include the payment of the BP Released Parties' reasonable costs, attorneys' fees, and expenses in any lawsuit or other proceeding covered by these indemnities.
- (d) Unless the Parties agree that MOEX Offshore shall assume the defense of and defend the BP Released Parties in any lawsuit or other proceeding

covered by the indemnities in paragraphs 5.6(a) and 5.6(b), the BP Released Parties shall use reasonable efforts to assume the defense in such lawsuit or other proceeding. MOEX Offshore shall have no right or duty to assume the defense of or defend the BP Released Parties in any lawsuit or other proceeding that is the subject of the indemnity in paragraph 5.6(a) and 5.6(b).

5.7 BPXP's Rights and Responsibilities as Indemnitee.

- (a) BPXP on behalf of the BP Released Parties, as the indemnitees, shall have the following responsibilities:
 - (i) to use its reasonable efforts to assume the defense of the BP Released Parties in any lawsuit or other claim or proceeding that may be covered by the indemnities in paragraphs 5.6(a) and 5.6(b);
 - (ii) to promptly notify MOEX Offshore of any lawsuit, proceeding, claim or demand that may be covered by the indemnities in paragraphs 5.6(a) and 5.6(b); and
 - (iii) to inform and consult with MOEX Offshore, at such times and in such a manner as MOEX Offshore may reasonably request, about the progress of any lawsuit or other proceeding, or any settlement negotiations, that may be covered by the indemnities in paragraphs 5.6(a) and 5.6(b).
- (b) The failure of BPXP to perform any obligation set forth in paragraph 5.7(a) shall not affect the BP Released Parties' rights, except as indemnitees with respect to the particular claims at issue, and then only to the extent that such failure causes actual prejudice to MOEX Offshore.
- (c) The BP Released Parties shall be entitled to choose their own attorneys to represent them in connection with any currently pending or future claim for which indemnification by MOEX Offshore is required under paragraphs 5.6(a) and 5.6(b). The BP Released Parties shall be entitled to retain counsel of their choice to defend against all claims excluded from the indemnities in paragraph 5.6(a) and 5.6(b).

5.8 Default, Notice, Cure and Enforcement

- (a) In the event BPXP defaults materially in the performance of its obligation to indemnify the MOEX Released Parties under paragraph 5.1 of this Agreement, MOEX Offshore shall provide written notice to BPXP in the manner provided in paragraph 9.3. If such default is not cured within 45 calendar days (including, without limitation, by payment under the Guarantee of BPCNA), then (i) BPXP shall compensate MOEX Offshore for any injury suffered by MOEX Offshore that is proximately caused by

BPXP's default (including without limitation injury caused by the exercise of creditors' remedies, such as fraudulent conveyance or preference claims); and (ii) MOEX Offshore may terminate this Agreement by providing written notice to BPXP in the manner provided in paragraph 9.3. In the event of such a termination, BPXP shall compensate MOEX Offshore as provided in subparagraph (i) above, and otherwise each Party shall be entitled to restitution of the value it provided minus the value of the performance it received. The avoidance, setting aside, or recovery of a payment required to be made by BPXP under this Agreement shall constitute a default of the obligation to make such payment. MOEX Offshore's exercise of its rights hereunder shall be without prejudice to its rights to enforce the Guarantee provided by BPCNA under paragraph 8.2.

(b) In the event MOEX Offshore or MOEX USA (the "Defaulting Party") defaults materially in the performance of its obligation to pay the Settlement Amount under paragraph 3.1 or its obligation to indemnify the BP Released Parties under paragraphs 5.6(a) and 5.6(b) of this Agreement, BPXP shall provide written notice to the Defaulting Party in the manner provided in paragraph 9.3 hereof. If such default is not cured within 45 calendar days (including, without limitation, by payment under the Guarantee of MOECO provided under paragraph 8.1), then (i) the Defaulting Party shall compensate BPXP for any injury suffered by BPXP that is proximately caused by the Defaulting Party's default (including without limitation injury caused by the exercise of creditors' remedies, such as fraudulent conveyance or preference claims); and (ii) BPXP may terminate this Agreement by providing written notice to the Defaulting Party in the manner provided in paragraph 9.3. In the event of such a termination, MOEX Offshore shall compensate BPXP as provided in subparagraph (i) above, and otherwise each Party shall be entitled to restitution of the value it provided minus the value of the performance it received. Subject to paragraph 5.8(c) below, the avoidance, setting aside or recovery of a payment required to be made under this Agreement shall constitute a default of the obligation to make such payment. BPXP's exercise of its rights hereunder shall be without prejudice to its rights to enforce the Guarantee provided by MOECO under paragraph 8.1 hereof.

(c) Notwithstanding paragraph 5.8(b):

(i) In the event that (a) an involuntary bankruptcy petition is filed against MOEX Offshore or MOEX USA on or before the 90th calendar day after MOEX USA makes the Cash Payment required by paragraph 3.1, and (b) an action is filed against BPXP seeking to avoid, set aside, or recover the Cash Payment, MOEX USA may (but shall not be required to), within 180 calendar days from the date of the filing of such an involuntary bankruptcy petition, terminate this agreement by providing notice to BPXP in the manner provided in paragraph 9.3 hereof. Within the 180-day period referred to in this subsection 5.8(c)(i), any default

arising from the avoidance, setting aside, or recovery of the Cash Payment may be cured (with no liability or penalty therefor) by payment to BPXP made by another Person, including without limitation MOECO, of any amount avoided, set aside or recovered.

- (ii) In the event that the making of the Cash Payment required by paragraph 3.1 is enjoined or otherwise barred by court order, no Party may terminate this Agreement until 225 calendar days after the Effective Date. Within the 225-day period, the Parties will cooperate in an effort to obtain legal authority for this Agreement to be consummated in accordance with its terms, or with such modified terms as the Parties may find mutually acceptable. To the extent permitted by law and/or any applicable court order, MOEX USA's obligation to make the Cash Payment may be satisfied by payment from MOECO or any other Person. Following the passage of 225 days from the Effective Date, if the Cash Payment remains unpaid, either BPXP or MOEX Offshore may terminate this Agreement by providing notice in the manner provided in paragraph 9.3.
- (d) In the event this Agreement is terminated under the provisions of paragraph 5.8(c) or this Agreement is null and void under the terms of paragraph 9.9 hereof, neither party shall thereafter be required to perform its obligations under the Agreement, including without limitation its obligations as indemnitor. Each Party shall be entitled as its sole and exclusive remedy to restitution of the value it provided, minus the value of the performance it received.
- (e) In the exercise of remedies provided under this Agreement, a Party shall be entitled to only a single recovery on account of an injury that it may suffer.

5.9 SUBJECT TO THE LIMITATION ON INDEMNITIES IN PARAGRAPH 5.2, THE PARTIES EXPRESSLY ACKNOWLEDGE THAT THE INDEMNITIES AND RELEASES OF LIABILITY CONTAINED IN THIS AGREEMENT APPLY TO LIABILITY PREDICATED ON THE NEGLIGENCE OR GROSS NEGLIGENCE OF OTHER PERSONS, AND ACKNOWLEDGE THAT ARTICLE V (INDEMNITIES) COMPLIES WITH ANY REQUIREMENT THAT SUCH INDEMNITIES BE EXPRESS, CONSPICUOUS, AND AFFORD FAIR AND ADEQUATE NOTICE.

[REDACTED]

[REDACTED]



VII. DUTY TO COOPERATE

7.1 BPXP and MOEX Offshore agree to cooperate, and shall each use their reasonable efforts to cause their respective Affiliates and the Representatives of each of the foregoing to cooperate, in the defense of the Litigation Proceedings to the extent consistent with applicable law, including the following:

- (a) Subject to and pursuant to whatever court or body of law has jurisdiction, the Parties agree to cooperate in the defense of any and all claims relating to the *Deepwater Horizon* Incident, where BPXP and/or MOEX Offshore or their Affiliates are parties. Nothing in this Agreement prevents or restricts in any way any person from fully and truthfully cooperating with, or from truthfully and completely testifying before, any federal, state, local or foreign government entity, including any federal, state or local governmental, regulatory or self-regulatory agency, body, committee (Congressional or otherwise), commission, or authority (including any governmental department, division, agency, bureau, office, branch, court, arbitrator, commission, tribunal, or other governmental instrumentality) ("Governmental Entity"), with respect to any investigation or inquiry concerning the *Deepwater Horizon* Incident. Further, nothing in this Agreement limits any party's ability to assert any and all matters of law or fact as a defense (and solely as a defense) to any claim brought against it.
- (b) The Parties agree, to the extent practicable, consistent with applicable laws, and subject to any confidentiality limitations or restrictions, and also subject to attorney-client or other legal privilege, and further recognizing that some individuals are represented by independent counsel, to provide each other, upon formal or informal request from their respective counsel,

with reasonable and direct access to their respective personnel, employees, documents, business records and all other evidence in their possession, custody or control, including physical evidence, samples, additives, and other materials.

- (c) BPXP shall appoint a liaison to facilitate communications between the respective counsel representing the BPXP Released Parties and the MOEX Released Parties in the Litigation Proceedings and to assist in minimizing duplication of effort relating to the MOEX Released Parties' defense of the claims indemnified by BPXP pursuant to paragraph 5.1 above.

VIII. GUARANTEES

8.1 MOECO shall execute a Guarantee in the form attached hereto as Exhibit A.

8.2 BPCNA shall execute a Guarantee in the form attached hereto as Exhibit B and shall annually provide to MOEX Offshore its audited financial statements for the prior year.

IX. MISCELLANEOUS PROVISIONS

9.1 **Public Announcement.** The form and timing of any press release relating to this settlement shall be subject to mutual agreement of the Parties, which shall not be unreasonably withheld, and, if all Parties consent, the Parties may issue a joint press release.

9.2 **Confidentiality.**

- (a) Except for such disclosures as may be required by law, regulations, court order, stock exchange rules or any applicable listing or other similar agreement (including, without limitation, as may be required to obtain any required consent and to file the Assignment and Bill of Sale), the terms of this settlement shall remain confidential and shall not be disclosed by any Party hereto other than to that Party's Affiliates and their respective Representatives, accountants, auditors, insurers and attorneys.
- (b) If at any time either Party is subject to a subpoena or other compulsory process of a court, an administrative body, a legislative body or any other person or entity that seeks a copy of this Agreement or documents relating to it, the Party to which the process was directed shall promptly deliver a copy of such process to the other Party and shall cooperate with the other Party to permit the other Party a reasonable period to evaluate and object to such process.
- (c) The fact that MOEX Offshore and BPXP have reached a settlement on issues related to MC252 and the *Deepwater Horizon* Incident shall not be confidential and may be publicly disclosed.

9.3 **Notice.** Notice to BPXP and BPCNA pursuant to this Agreement shall be sent by electronic mail and overnight mail to the following individuals:

John E. (Jack) Lynch Jr.
Deputy Group General Counsel
U.S. General Counsel
BP America Inc.
501 Westlake Park Boulevard
Houston, TX 77079
E-mail: John.Lynch@uk.bp.com

James J. Neath
Associate General Counsel
BP America Inc.
501 Westlake Park Boulevard
Houston, TX 77079
E-mail: James.Neath@bp.com

Notice to MOEX Offshore, MOEX USA, and MOECO pursuant to this Agreement shall be sent by electronic mail and overnight mail to the following individuals:

Takeshi Kasuga
General Manager
Emergency Response Division
Mitsui Oil Exploration Co., Ltd.
Hibiya Central Bldg 11th Floor
2-9, Nishi Shimbashi 1-chome
Minato-ku, Tokyo 105-0003, Japan
kasuga_takeshi@moeco.co.jp

Naoki Ishii
President
MOEX Offshore 2007 LLC
9 Greenway Plaza, Suite 1220
Houston, Texas 77046
naoki_ishii@moexus.com

Noboru Tsuruta
Director and President
MOEX USA Corporation
9 Greenway Plaza, Suite 1220
Houston, Texas 77046
tsuruta_noboru@moeco.co.jp

9.4 Representations And Warranties.

- (a) Each Party represents and warrants that: (i) it is a corporation or limited liability company, as the case may be, duly incorporated or formed, validly existing and in good standing under the laws of its jurisdiction of its incorporation or formation; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate or limited liability company action, does not constitute a default under any provision of applicable law or regulation, and does not contravene any provision of the organizational documents of such Party or any agreement to which such Party is a party; (iii) this Agreement has been duly executed and delivered by such Party and constitutes a valid and binding agreement of such Party, enforceable in accordance with its terms; and (iv) it has not assigned, transferred, or conveyed, or purported to have assigned, transferred or conveyed, to any person or entity any claim, demand, debt, liability, account, obligation, or cause of action herein transferred, released or assigned.

- (b) To the extent this Agreement binds the BP Releasing Parties, BPCNA and BPXP represent and warrant that they are authorized to act on behalf of the BP Releasing Parties in executing this Agreement.
- (c) To the extent this Agreement binds the MOEX Releasing Parties, MOECO, MOEX USA, and MOEX Offshore represent and warrant that they are authorized to act on behalf of the MOEX Releasing Parties in executing this Agreement.
- (d) BPXP represents and warrants that it is a domestic corporation as defined in Internal Revenue Code § 7701(a)(4) and is not a foreign corporation as defined in Internal Revenue Code § 7701(a)(5).

9.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by the MOEX Releasing Parties, MOEX Released Parties, BP Releasing Parties or the BP Released Parties without the prior written consent of BPXP or MOEX Offshore, respectively; provided, however, that MOEX Offshore may assign some or all of its interests in this Agreement to MOECO, but no such assignment shall relieve, alter, or modify the obligations and responsibilities of any MOEX Releasing Party under this Agreement.

9.6 Taxes. Each Party to this Agreement shall separately and independently bear responsibility to report any payments, transfers, and other transactions specified in this Agreement to the proper governmental authorities and to pay any taxes owed on account of such payments, transfers, and other transactions as necessary. The Parties acknowledge and agree that the amount of any payments or the property to be transferred, in each case as specified in this Agreement, shall not be reduced on account of any withholding tax and that each of the Parties is relying upon its own counsel and/or tax advisors for any tax matters or advice.

9.7 Construction and Amendment. This Agreement shall be interpreted as if jointly written by both Parties. No term of this Agreement may be released, discharged, abandoned, modified, or amended except by a written instrument signed by the Parties.

9.8 Entire Agreement. The Exhibits to this Agreement are hereby incorporated by reference and constitute a part of this Agreement. This Agreement contains the entire agreement between the Parties concerning the subject matter hereof and supersedes previous negotiations with respect to this Agreement. To the extent of any inconsistency or conflict between this Agreement and the Contracts, the terms of this Agreement shall prevail.

9.9 Severability and Enforceability. Other than the assignment of MOEX Third Party Claims provided for in the second sentence in paragraph 4.6 and the Transfer in paragraph 4.5, if any portion of Articles IV or V of this Agreement is held to be illegal, invalid, or unenforceable, then this entire Agreement shall be null and void at the option of any Party adversely affected by the elimination of such provision. Subject to the preceding sentence, the illegality, invalidity or unenforceability of any other provision of this Agreement shall not operate to invalidate the whole Agreement and shall not affect the validity or enforceability of any other provisions of this Agreement.


9.10 Dispute Resolution And Choice of Law. This paragraph 9.10 shall bind, and shall provide remedies to, all of the MOEX Released Parties and the BP Released Parties. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the state of Delaware, without giving effect to its principles or rules of conflict of laws. The Parties expressly waive any right to trial by jury of any dispute, controversy or claim arising from or relating to this Agreement. Any dispute, controversy or claim arising from or relating to this Agreement shall be settled fully, finally, and exclusively by arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules before a panel of three arbitrators, and judgment on the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The place of the arbitration shall be Houston, Texas. Notwithstanding anything contained in the Commercial Arbitration Rules, the Parties hereby agree on the following procedures. In any arbitration proceeding under this paragraph 9.10, all arbitrators shall be independent and impartial. MOEX Offshore and any related Parties shall have the right to appoint one of the arbitrators and BPXP and any related Parties shall have the right to appoint one of the arbitrators. With the initial demand for arbitration, the claimant shall also serve its designation of its Party-appointed arbitrator. The respondent shall designate its Party-appointed arbitrator within 20 calendar days of receiving the claimant's designation. Within 30 calendar days after they have been confirmed, the two Party-appointed arbitrators shall together designate the third arbitrator. If the two Party-appointed arbitrators fail to designate a third arbitrator within 30 calendar days, the AAA shall name the third arbitrator pursuant to its Commercial Arbitration Rules. Related disputes may be consolidated and heard before the same panel. The panel shall actively manage the proceedings so as to make the proceedings expeditious, economical, and less burdensome and adversarial than litigation. The amount of discovery permitted in arbitrations pursuant to this paragraph 9.10 shall be within the discretion of the arbitrators. In any arbitration brought to enforce one or more of the Guarantees under Article VIII of this Agreement, the arbitrators shall employ expedited and simplified procedures to facilitate the swift, inexpensive and efficient enforcement of such Guarantee(s). All proceedings, documents, briefs, testimony, transcripts, decisions and awards in the arbitration, and all views, proposals, memoranda, admissions, submissions, and other information exchanged in the arbitration, shall be confidential, except that the Parties may make appropriate disclosures to their Affiliates, accountants, insurers, auditors and attorneys, and as otherwise required by law. The panel shall render a written award that sets forth the reasons for its decision. In the event that emergency relief is necessary in aid of the arbitration before the Panel has been appointed, either Party may seek such relief in the state or federal courts located in Houston, Texas.

9.11 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any entity other than BPXP and MOEX Offshore, except as expressly provided herein. Without limitation and for the avoidance of doubt, MOEX Released Parties and BP Released Parties shall be entitled to the benefit of releases and indemnities as set forth herein, even if they are not signatories to this Agreement. Paragraphs 4.6 and 4.8 are not intended to and do not confer any enforceable rights, benefits, or remedies upon Anadarko or its Affiliates.

9.12 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed valid and binding with respect to the signatories thereto, and with the effect that all counterparts shall be construed as and constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in their representative corporate capacity by their duly authorized officers, as of the day and year first written above.

BP EXPLORATION AND PRODUCTION INC.

By: 
Name: James Dupree
Title: President

BP CORPORATION NORTH AMERICA INC.

By: 
Name: James Diets
Title: Vice President

MOEX OFFSHORE 2007 LLC

By: _____
Name:
Title:

MOEX USA CORPORATION

By: _____
Name:
Title:

MITSUI OIL EXPLORATION CO., LTD.

By: _____
Name:
Title: