

FARMIN AGREEMENT

This **FARMIN AGREEMENT** (“**Agreement**”) is entered into on the 25th day of July 2023 (“**Effective Date**”) by and between **Derkim Poliüretan Sanayi ve Ticaret A.Ş.**, a company existing under the laws of Republic of Turkey, having its registered address at Fevzipaşa Mah. Gülbağlar Sok. No: 6/A 34586 Silivri/İSTANBUL (hereinafter referred to as “**Farmor**” and/or “**DERKİM**”) and **Park Place Energy Turkey Ltd.**, acting via its branch Park Place Energy Turkey Limited – Türkiye Ankara Şubesi, having its registered branch in Turkey at the address at Oran Mah. Kudüs Cad. Ticaret Merkezi No: 1/21 İç Kapı No: 45 Çankaya/ANKARA (hereinafter referred to as “**Farmee**” and/or “**PPE**”).

The companies named above, and their respective successors and assignees (if any), may sometimes individually be referred to as “**Party**” and collectively as the “**Parties**”.

WITNESSETH:

WHEREAS; as of the date of this Agreement, Farmor holds 100% undivided interest in the three petroleum exploration licenses numbered AR/DEP/K/M46-C, AR/DEP/K/M46-D and AR/DEP/K/M47-C3, C4 (hereinafter the “**Licenses**”) granted to it by T.C. Ministry of Energy and Natural Resources General Directorate of Mining and Petroleum Affairs (“**GDMPA**”);

WHEREAS; Farmor is willing to assign and transfer a 50% undivided interest in the Licenses to Farmee in accordance with the terms set forth herein and accordingly Farmee wishes to acquire such interest; and

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1

ASSIGNMENT OF INTEREST AND OBLIGATIONS

1.1. Grant. After the fulfillment of the obligations stipulated under Article 1.2 by the Farmee, Farmor, after the written notification of the Farmee and in any event within the term specified under the notice, shall assign and transfer to Farmee a 50% undivided interest in the Licenses.

After such assignment, the participation rates in the shares and ownership of Licenses, as well as all kinds of obligations, shall be as follows:

Farmor:	%50
<u>Farmee:</u>	<u>%50</u>
Total:	%100

In the event of the transfer taking place, Farmee agrees and commits to participate in the work programs submitted to GDMPA for the license areas in proportion to its share.

1.2. Obligations of the Farmee. Farmee undertakes to fulfill all of the obligations below in order to acquire the 50% interest in the Licenses, in accordance with Article 1.2.

A) PPE EXPLORATION PERIOD

1.2.1. 2D Seismic Data Acquisition and Data Processing. Farmee shall conduct (through contractors) a minimum of 351 KM 2D Seismic Data Acquisition (“**Seismic Acquisition**”) in the License Area within 2023. The scope of this Seismic Acquisition will be distributed among the Licenses as follows:

AR/DEP/K/M46-c:	200 km
AR/DEP/K/M46-d:	87 km
AR/DEP/K/M47-c3, c4:	64 km

After the Effective Date, Farmee shall prepare a seismic program containing the details of the target area and the Seismic Acquisition as soon as reasonably possible. The Seismic Acquisition shall be conducted within the year 2023 based on this program. The scope of the Seismic Acquisition can be expanded upon Farmee's request, preference, and at its cost. In such a case, any additional costs incurred shall be entirely borne by Farmee. Following the completion of the Seismic Acquisition in 2023, Farmee will continue its exploration well commitments in accordance with Article 1.2.2.

Until the determination of well locations, all seismic survey expenses (including all costs related to seismic crews, land damages, processing, interpretation, reporting, procurement, and reprocessing of previously acquired seismic lines in the license area, gravity surveys, etc.) will be covered by PPE. All reports and results of the conducted work, along with potential structures identified as a result of these activities, will be shared with Farmor. After joint evaluations and decisions, exploration wells will be drilled at the most suitable structures.

1.2.2. Exploration Well Drilling Obligation. Farmee shall conduct (through contractors) drilling of 4 (four) exploration wells in the License Area within the year 2024. Drilling of those four exploration wells shall be fully funded by the Farmee (including Location, infrastructure development, land usage, and any other expenses).

The numerical distribution of these wells on the Licenses shall be as follows:

AR/DEP/K/M46-c: 1 Well-Garzan-Mardin Targeted

AR/DEP/K/M46-d: 1 Well-Garzan-Mardin-Bedinan Targeted

AR/DEP/K/M47-c3, c4: 2 Wells-Mardin-Cudi Targeted (*The second well to be drilled in this License can be transferred to another license with the mutual agreement of the Parties.*)

The location, drilling program, well design, drilling location, and other details of the

wells to be drilled as part of the drilling commitment will be determined by Farmee, taking into account Farmor's input. If Farmor is not satisfied with the technical and geological aspects, they may request changes to the well location and program from Farmee. It is mandatory to drill the wells to the designated geological targets and test the objectives (in terms of hydrocarbon presence). Wells that are technically abandoned before reaching the target shall not be considered as fulfilling the drilling commitment.

Farmee's drilling commitment shall be deemed fulfilled upon the drilling (including acquisition of petrophysical logs, running and cementing production casing strings, CBL-VDL logging, and necessary cement repairs, if any) and testing (DST, MDT, etc.) of the specified wells (four wells). The completion (perforation, swabbing, acidizing, etc.) and production expenses of these wells will be shared equally between the Parties in a 50-50 joint manner based on their respective ownership shares.

After the drilling and testing of the four exploration wells to be drilled during the Exploration Period, the restoration of well locations to their original state, mud-pit clean-up, and any damage compensation costs, if applicable, will be borne by Farmee.

1.2.3. Cash Consideration Payment Obligation. In addition to the obligations stated in Article 1.2.1 and 1.2.2, Farmee agrees to pay Farmor a monthly fee of 15,000 (fifteen thousand) US Dollars, starting from the date of contract signing until the completion date of all obligations specified in Article 1.2.1 and 1.2.2 or until December 31, 2024 (whichever occurs earlier). Farmee shall make this payment within 7 days following the receipt of the invoice issued by DERKİM.

B) JOINT EXPLORATION PERIOD 50%-50%:

Farmee/Farmor shall notify each other in writing of their intention to enter into a joint exploration period in the Licenses. After Farmee's fulfillment of his obligations stated in Article 1.2.1 and 1.2.2, the costs and liabilities of operations within the Licenses will be shared equally between the Parties based on a 50-50 principle. During the joint exploration

period, there will be no Cash Consideration Payment Obligation as specified in Article 1.2.3.

In the joint exploration period, Farmee will continue to act as the OPERATOR. Farmor, as the joint representative, will conduct all correspondence, official relations, and ministry meetings related to the licenses with GDMPA. Sales, finances, service procurements, and expenditures during the joint exploration and production period will be managed through Farmor based on a joint commission decision detailed in the Joint Operating Agreement (JOA).

1.3. Particular Conditions Regarding Farmee's Fulfillment of Obligations.

1.3.1. Farmee shall act as the Operator during the fulfillment of all obligations specified in Article 1.2 and shall regularly and reasonably inform Farmor about the ongoing operations. The Parties shall also make the necessary notifications to GDMPA regarding the operations carried out in accordance with Turkish Petroleum Law No. 6491, relevant regulations, and other legislation. As the current License holder, Farmor shall sign all documents within its authority to ensure Farmee's proper fulfillment of obligations, carry out all necessary transactions, and ensure their execution. Farmee shall not be held responsible for any delay or failure resulting from Farmor's failure to fulfill this duty.

1.3.2. Without prejudice to Farmee's financing obligations, in order to benefit from exemptions under Turkish Petroleum Law No. 6491 and other regulations, contracts for the services to be obtained during the fulfillment of Farmee's obligations stipulated under Article 1.2 shall be signed between Farmor and the relevant service provider.

1.4. Joint Operating Agreement.

1.4.1. Parties have agreed to sign a joint operating agreement (JOA) based on the AIPN Joint Operating Agreement Model Form as soon as reasonably possible following the Effective Date, and submit it for registration to GDMPA. If the JOA is not signed within 2 (two) months from the Effective Date of this Agreement, unless otherwise agreed by the

Parties, this Agreement shall automatically terminate without the need for any additional notice, and the Parties will not make any claims against each other regarding the termination.

- 1.4.2.** For the avoidance of doubt, Farmee will act as the Operator within the Licenses from the Effective Date, regardless of whether the JOA is signed. Besides the Operating Committee to be formed through the JOA, a Technical Committee will be established as a sub-committee, and Farmee will be represented with equal rights alongside Farmor in the Operating Committee, Technical Committee, and any other sub-committees that may be formed, irrespective of the ownership status over the Licenses.
- 1.4.3.** After the completion of the obligations stated under Article 1.2, the Parties shall apply to GDMPA for the transfer according to Article 1.1.
- 1.5. Pre-Transfer Production.** If production commences within the Licenses prior to the official approval of the assignment and transfer, Farmee shall have an economic interest and contract-based right to 50% of such production until the transfer is officially approved ("**Farmee's Pre-Transfer Production Entitlement**"). In such a case, Farmor will carry out the sale of any Farmee's Pre-Transfer Production Entitlement together with its own share of production and transfer the proceeds from these sales to Farmee in cash within 5 (five) days following the collection of payments from customers.

ARTICLE 2

APPROVAL PROCESS OF THE TRANSFER

- 2.1.** The official validity of the transfer of the Licenses under this Agreement is subject to the approval of GDMPA (or any other institution that may replace it) on behalf of the Government of the Republic of Turkey, in accordance with Turkish Petroleum Law No. 6491. Each Party shall use commercially reasonable efforts and endeavors, within their authority, to sign all documents and carry out or ensure the execution of all transactions reasonably required to obtain the approval from GDMPA for the transfer after the application is submitted to GDMPA.

2.2. Regardless of any provision in this Agreement, if the transfer is not approved for any reason, Farmor shall (i) reimburse Farmee for all expenses incurred by Farmee related to Article 1.2, (ii) refund to Farmee the total amount of cash consideration paid by Farmor as envisaged in Article 1.2.3, and (iii) pay to Farmee the accrued and unpaid Farmee's Pre-Transfer Production Entitlement up to the date of the decision of non-approval. Such reimbursements, refunds, and payments shall be made by Farmor to Farmee in full within 90 (ninety) days following the decision of non-approval related to the transfer.

ARTICLE 3

DEFAULT

In case of occurrence of any one of the following events:

- (i) If any License has been terminated, cancelled, revoked for any reason whatsoever before the completion of the transfer; or
- (ii) If, despite Farmee's fulfilment of his obligations as defined in Article 1.2, Farmor do not file the necessary legal application for the transfer or fails to perform requirements of such application, or
- (iii) If, Farmee is prevented to timely conduct his obligations under Article 1.2 due to fault or negligence of the Farmor,

then the Farmor shall be deemed to be in default. In such case, Farmee shall have the right (but not obligation) to send a default notice to the Farmor and, within 30 days following such default notice the Farmor shall (i) reimburse the Farmee for all costs and expenses incurred by the Farmee with respect to his obligations under Article 1.2 together with interest to be accrued at the rate of 10% until actual reimbursement date, (ii) refund total amount of cash consideration paid to Farmor by Farmee as stipulated under Article 1.2.3 above together with interest to be accrued at the rate of 10% until actual refund date, and (iii) pay any outstanding Farmee's Pre-

Assignment Production Entitlement accrued up to the date of default notice. Upon completion of aforementioned reimbursements, refunds and payments in full this Agreement shall be deemed to have automatically terminated.

ARTICLE 4

THE PARTIES' OBLIGATIONS, REPRESENTATIONS AND WARRANTIES

- 4.1. Farmor's Representations and Warranties:** Until the date in which the transfer is approved, Farmor shall promptly notify Farmee and provide details upon the occurrence of: (a) any written notice of default or termination received or given by Farmor with respect to the Licenses, (b) any written notice of any pending or threatening claim, demand, action, suit, inquiry or proceeding related to the Licenses, or (c) any material damage, destruction or loss to key assets within the scope of the Licenses. Farmor undertakes not to transfer any license interest or create any right, encumbrance, pledge or any other type of commitment of lien on the Licenses to a third Party other than Farmee during the validity of this Agreement.
- 4.2.** Farmor declares and undertakes that as of the date of this Agreement, it holds its rights on the Licenses (i) free and clear of any liens, claims, encumbrances, or obligations, that the Licenses are fully in force and valid, and that there are no defaults, terminations, or breach notices with respect to the Licenses, and (ii) there are no material claims, demands, actions, lawsuits, government investigations, or prosecutions pending or, to the knowledge of Farmor, threatened, which would adversely affect the completion of the transactions contemplated under this Agreement in connection with the Licenses.
- 4.3. Farmee's Representations and Warranties.** Farmee declares and undertakes that as of the date of this Agreement, there are no current and/or threatening material claims, demands, actions, lawsuits, government investigations, or prosecutions pending or, to the knowledge of Farmee, which would adversely affect the completion of the transactions contemplated under this Agreement.
- 4.4. Mutual Obligations.** Farmor and Farmee shall (i) not take any action that would result in a breach of any of the representations and undertakings under this Agreement, nor will it fail

to perform any action necessary to fulfill its obligations, and (ii) make all necessary notifications to GDMPA or any other relevant unit of the Republic of Turkey, as required under the Agreement or related to the Licenses, in accordance with the relevant legislation and without delay.

ARTICLE 5 PENAL CLAUSE

After completing the Seismic program specified under Article 1.2.1, Farmee, until February 28, 2024, shall decide whether there are potential structures worth drilling a well in the license areas. If Farmee chooses not to drill a well, it may withdraw from the partnership by transferring all the work it has done to DERKİM.

After acquiring the license transfer, Farmee agrees to cover 50% of its remaining obligations (to fulfill the Minimum Work Obligation) in the 5-year work and investment programs that DERKİM submits to GDMPA for each license.

ARTICLE 6 TRANSFER OF SHARES

After the transfer of shares to PPE, if either Party wishes to transfer their license shares to a third party during the subsequent period, the other Party will have the right of first refusal. The details regarding this right of first refusal will be specified in the Joint Operating Agreement.

After the transfer of shares in the licenses to PPE, if either Party's company shares change ownership, the Party undergoing the share transfer must adhere to the agreements related to the Licenses between DERKİM, PPE, and the Party in question without any modifications.

ARTICLE 7
CONFIDENTIALITY

Each Party agrees that all information disclosed under this Agreement, except information in the public domain or lawfully in possession of a Party prior to the Effective Date, shall be considered confidential and shall not be disclosed to any other person or entity without the prior written consent of the Party which owns such confidential information. This obligation of confidentiality shall remain in force during the term of the Licenses and for a period of five (5) years thereafter. Notwithstanding the foregoing, confidential information may be disclosed without consent and without violating the obligations contained in this Article in the following circumstances:

- (1) to a governmental agency or other entity when required by a License;
- (2) to the extent such information is required to be furnished in compliance with the applicable Laws/Regulations;
- (3) to attorneys, consultants, financial bodies, potential investors or affiliate where disclosure of such information is essential;
- (4) to the extent any information which, through no fault of a Party, becomes a part of the public domain.

ARTICLE 8
NOTICES

All notices authorized or required between the Parties by any of the provisions of this Agreement shall be in writing (in Turkish) and delivered in person or by courier service or by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and properly addressed to the other Party. Verbal communication does not constitute notice for purposes of this Agreement, and e-mail addresses and telephone numbers for the Parties are listed below as a matter of convenience only. In the event of an address change, such Party must inform the other

Party within 1 (one) month from the date of the change. Until such notification is made, communications sent to the addresses specified here will be deemed valid.

Name: Park Place Energy Turkey Ltd.

Name: Derkim Poliüretan Sanayi ve Ticaret A.Ş.

Address: Oran Mah. Kudüs Cad.

Address: Fevzipaşa Mah. Gülbağlar Sok. No: 6/A

Ticaret Merkezi No: 1/2 İç Kapı No: 45

34586 Silivri/İSTANBUL

Çankaya/ANKARA

Attention: Kubilay Yıldırım

Attention: Fikret Baydarman

Facsimile: 0312 441 80 09

Facsimile: 0850 277 95 64

Email: kyildirim@parkplaceenergy.com

Email: fikret@derkimpu.com

Telephone: 0312 441 80 02

Telephone: 0212 659 78 20

ARTICLE 9

LAW AND DISPUTE RESOLUTION

9.1. Governing Law. The substantive laws of England, exclusive of any conflicts of laws principles that could require the application of any other law, shall govern this Agreement for all purposes, including the resolution of disputes between or among Parties.

9.2. Dispute Resolution. Any and all claims, demands, causes of action, disputes, controversies and other matters in question arising out of or relating to this Agreement, including any question regarding its breach, existence, validity or termination, which the Parties do not resolve amicably within a period of thirty (30) days from the notice of dispute, shall be resolved by three arbitrators in accordance with the Arbitration Rules of International Chamber of Commerce (ICC). The place of arbitration shall be London, England. The proceedings shall be in English language. The resulting arbitral award shall be final and binding, and judgment upon such award may be entered in any court having jurisdiction thereof.

ARTICLE 10
FORCE MAJEURE

If as a result of Force Majeure, any Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused and for such reasonable period thereafter as may be necessary for the Party to put itself in the same position that it occupied prior to the Force Majeure, but for no longer period. The Party claiming Force Majeure shall notify the other Parties of the Force Majeure within a reasonable time after the occurrence of the facts relied on and shall keep all Parties informed of all significant developments. Such notice shall give reasonably full particulars of the Force Majeure and also estimate the period of time which the Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in a commercially reasonable manner but shall not be obligated to settle any labor dispute except on terms acceptable to it.

ARTICLE 11
GENERAL PROVISIONS

11.1. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement.

11.2. If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

11.3. With respect to the subject matter contained herein, this Agreement (i) is the entire agreement of the Parties; and (ii) supersedes all prior understandings and negotiations of the

Parties.

This Agreement, consisting of 11 pages and 11 Articles, has been signed by the authorized representatives of the Parties on the Effective Date in two copies, on 25th July 2023.

FARMOR

(signed)
Derkim Poliüretan Sanayi ve Ticaret A.Ş.

FARMEE

(signed)
Park Place Energy Turkey Ltd.