

From: Wardlaw, O. Kirk  
Sent: Mon Oct 05 13:16:31 2009  
To: Thorseth, Jay C; Rainey, David I; Howe, Kemper  
Cc: Beirne, Michael  
Subject: FW: Macondo Proposal  
Importance: High  
Attachments: Macondo Proposal Letter.pdf

Attached is Mitsui's proposal. Proposal is not acceptable. Need to work up a counter. Trading them out of Gouda for an interest in Macondo would be a counter back.

Kemper - Jay and I are meeting with Dave at 9:00 if you can come.

Thank You

*O. Kirk Wardlaw*  
Chief Land Negotiator  
281-366-4171  
wardlaok@bp.com

From: Naoki Ishii [mailto:naoki\_ishii@moexus.com]  
Sent: Friday, October 02, 2009 5:16 PM  
To: Wardlaw, O. Kirk  
Subject: Macondo Proposal  
Importance: High

Kirk,

Attached is our proposal letter for the Macondo. The original letter has been mailed to you. Thank you very much for this very exciting opportunity and we hope BP will accept this offer. The deadline to exercise the option to increase the Subject Percentage is still blank in the letter and it should be determined later. Thank you again for the opportunity and we look forward to hearing from you.

Best regards,  
Ishii/MOEX



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BP-HZN-2179MDL01832578

## **MOEX Offshore 2007 LLC**

9 Greenway Plaza, Suite 1220  
Houston, Texas 77046, USA  
Tel: 713-532-8887 Fax: 713-532-8510

October 2, 2009

BP Exploration & Production Inc.  
Attn: Mr. O. Kirk Wardlaw  
Land and Negotiations Manager  
200 WestLake Park Blvd.  
Houston, Texas 77079  
Fax: 281-366-7569

Re: Proposal for Acquisition and Participation Agreement for Macondo Prospect, covering all of Block 252, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, currently subject to Oil and Gas Lease OCS-G 32306 (the "Macondo Lease"), in the Gulf of Mexico

Gentlemen:

MOEX Offshore 2007 LLC ("MOEX") proposes to acquire a portion of the working interest owned by BP Exploration & Production Inc. ("BP") in the above referenced Macondo Lease pursuant to the following general terms and conditions:

1. MOEX would have the right to earn five percent (5%) of one hundred percent (100%) of the Working Interest in the Macondo Lease (the "Subject Percentage") by participating in the drilling of the OCS-G 32306 Well No. 1, which will be the initial exploratory well under the joint operating agreement, located in Mississippi Canyon Block 252, as well as any substitute well therefor (MOEX contemplates that the form of operating agreement would be similar to the form used for the Gouda Prospect). The promotion ratio shall be 2.2:1 meaning that MOEX would pay 11% (i.e.,  $5\% \times 2.2 = 11\%$ ) of drilling costs to earn the Subject Interest, subject to an agreed promotion cap and MOEX having an exit option if aggregate well costs exceed an agreed percentage of the initial AFE for OCS-G 32306 Well No. 1. "Working Interest" means the entire leasehold working interest, whether record title interest or operating rights interest, in a lease.
2. MOEX shall have the option, by written notice to BP at any time prior to \_\_\_\_\_, 2009, to increase the Subject Percentage from five percent (5%) of one hundred percent (100%) of the Working Interest up to twenty percent (20%) of one hundred percent (100%) of the Working Interest. If MOEX timely exercises this option to increase its Subject Percentage, the promotion paid by MOEX will be increased proportionately with the increase in the Subject Percentage so that

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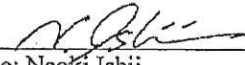
the promotion ratio remains 2.2:1. For example, if MOEX elects to increase its Subject Percentage from five percent (5%) to fifteen percent (15%), then the percentage of drilling costs to be paid by MOEX to earn the Subject Interest would increase from eleven percent (11%) to thirty-three percent (33%) (i.e.,  $15\% \times 2.2 = 33\%$ ), subject to a proportionate agreed promotion cap and the aforesaid exit option.

This proposal is subject to (i) MOEX's review and approval of the AFE for the OCS-G 32306 Well No. 1, (ii) the negotiation and approval by MOEX of the terms of a participation agreement between BP and MOEX, and all exhibits thereto, (iii) MOEX's review and approval of such other information and data regarding the Macondo prospect, the Macondo Lease and the proposed initial exploratory well on the Macondo Lease as MOEX in its sole discretion deems appropriate, and (iv) the approval of this transaction and the participation agreement by the sole member of MOEX and the Board of Directors of Mitsui Oil Exploration Co., Ltd.

This letter has been prepared for discussion purposes only and shall not create a binding obligation or commitment on the part of MOEX or BP or their respective affiliates or any other person.

Regards,

MOEX Offshore 2007 LLC

By:   
Name: Naoki Ishii  
Title: President