

To: Vadym Pozharskyi[vadym.pozharskyi@
Cc: Clifford A. Wolff, Esq.[cwofff@; Марина Герасимчук[m.gerasymchuk@; Devon Archer[darcher@; Андрей Кича[a_kicha@; Archer Devon[darcher@; Даша Самсонова[dar.samsona@; o.terefenko@; o.terefenko@; sebastian[sebastian@; Jason Galanis[jason@
From: Devon Archer[devon@
Sent: Fri 8/28/2015 7:03:59 PM (UTC)
Subject: Re: Production and Sharing Agreement

Vadim,
As discussed in today's call we're going to come back with a term sheet to start working against to refine our approach and develop a critical timeline to launch the Burnham Energy Security Fund.

A FEW CLARIFICATIONS IN ALL CAPS:

On Fri, Aug 28, 2015 at 7:04 AM, Vadym Pozharskyi <vadym.pozharskyi@> wrote:

Dear Clifford,

there few additional questions from our side, could you kindly clarify?

With regard to ownership:

- What is the structure of the ownership in BSSF?
- What does the "25% carried interest in the Fund and de facto veto rights" means? In the transaction information page is mentioned "Lead investor to be sole limited partner holding seventy-five percent 75% ownership behind fund structure" we will be grateful if you clarify this issue?
- Are there are any reasons for 25/75 diviso

THIS IS SUGGESTION BASED ON A STANDARD GP (MANAGER) / LP (INVESTOR) SPLIT ON EQUITY WITHIN THE PROFIT. (THIS WAS A SUGGESTION FOR ECONOMIC SPLITS AS AN ALTERNATIVE TO THE PUT / CALL OPTION SO THE STRUCTURE LOOKS AND SMELLS MORE LIKE A TRADITIONAL FUND.)

- What are the rights of General Partner (BAM UK) and Limited Partner (Lead Investor/ MZ)?
- Are we understand correctly that fund will be managed by General Partner (BAM UK)?

With regard to capital commitment:

- Please, clarify how the capital commitment in the amount of 120 million USD was calculated and the time frames of 36 months were determined.

THIS WAS TAKEN FROM A CONVERSATION WITH ANDRE AND I HAD IN NORWAY BASED ON WHAT HE THOUGHT THE MINIMUM WE COULD INVEST AND THE TIMING.

With regard to budget of establishing this structure and annual maintenance:

- Please, clarify whether we understand correctly that costs of organizational expense is approximately 1% from

120 million USD as well as whether the annual management fee shall be calculated from 120 million USD? (effectively equals 1,2 m \$?)

WE'LL GET REAL DOLLAR BUDGET BASED OUR BEST ESTIMATES. THE 1% IS A STANDARD FOR ORGANIZATIONAL EXPENSES FOR FUND FORMATION BUT WE'LL BE ABLE TO DO IT FOR LESS.

We also will be grateful if you clarify the meaning of "protection rights associated with a preferred lead investor". Are we understand correctly that it includes investor rights mentioned in the transaction information page?

Thank you and looking forward for your reply

AGAIN, THE BALANCE OF ANSWERS WILL BE PICKED UP IN TERM SHEET WHICH WILL BE AN EFFICIENT WAY TO KEEP THE PROCESS MOVING FORWARD IN HASTE.

BEST!

Best regards, vadym

On Thu, Aug 27, 2015 at 3:05 PM, Clifford A. Wolff, Esq. <[cwolff@\[REDACTED\]](mailto:cwolff@[REDACTED])> wrote:

Marina -

Please see responses below each question. Thank you.

- Cliff

From: Марина Герасимчук [mailto:[m.gerasymchuk@\[REDACTED\]](mailto:m.gerasymchuk@[REDACTED])]
Sent: Tuesday, August 25, 2015 8:21 AM
To: Clifford A. Wolff, Esq.
Сс: 'Devon Archer'; 'Андрей Кича'; 'Archer Devon'; 'Даша Самсонова'; [o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED])sebastian'; 'Jason Galanis'; 'Vadym Pozharskyi'
Subject: RE: Production and Sharing Agreement

Dear Cliff,

Many thanks for your mail and for the proposed structure.

In the meantime we have several questions regarding structure.

1. Who is the lead investor, as we understand it's MZ. Do we have a correct understanding?

Yes, this is correct.

2. What's a current role of HB in BAM and what role he'll have in BESL?

HB is a W-2 employee of BAM and the Vice-Chairman of the parent company which owns 100% of BAM. HB is also contemplated as a director of BESL.

3. What mechanism shall be foreseen for protection of the lead Investor? Why the lead investor will be 75% shareholder of BSSF? Is it a requirement? Who is a founder in BAM UK and in BSSF?

The lead investor will have all protection rights associated with a preferred lead investor, including a 25% carried interest in the Fund and de facto veto rights. I can also send you the proposed documents. That said, we intend to invest on a parri passu basis, so we are joining in the risk-reward. Additionally, the lead investor will have the relationship cover we propose by way of appointed personnel. This opportunity/structure will remain the same with investments in other countries as well since it will be the vehicle for additional bidding by Burisma for other opportunities. That said, we will need to have cross-risk protection of Devon and others who are lending their relationships to the structure.

4. What is budget (amount) for establishing this structure and its annual maintenance? What timing is for establishing all this structure?

We please to jointly develop the budget, but as a general rule, a structure such as the proposed has a one-time organizational expense of approximately 1% of the capital commitment and an annual management fee of 1-2% of the capital commitment. As for timing, we would like to implement the opportunity immediately.

Would be grateful to receive your feedback asap.

Best regards

Marina Gerasymchuk

Legal Counsel

To: Marina Gerasymchuk

Cc: Devon Archer; Андрей Кича; Archer Devon; Даша Самсонова; [o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED]); sebastian; Jason Galanis ([jason@\[REDACTED\]](mailto:jason@[REDACTED])); [vadym.pozharsky@\[REDACTED\]](mailto:vadym.pozharsky@[REDACTED])

Subject: RE: Production and Sharing Agreement

All -

We spoke internally at Burnham about a refined structure to facilitate the project. I attach for the benefit of everyone a Transaction Information Page for review.

I am currently drafting governing documents for the referenced fund, and I will circulate for collective review. Please let me know if you have any questions.

Thank you in advance for your consideration.

- Cliff

Clifford A. Wolff, Esq.

THE WOLFF LAW FIRM

[REDACTED]
[REDACTED]
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FLORIDA OFFICE:

[REDACTED]
[REDACTED]
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[REDACTED]

From: Marina Gerasymchuk [[mailto:m.gerasymchuk@\[REDACTED\]](mailto:m.gerasymchuk@[REDACTED])]

Sent: Thursday, August 13, 2015 4:17 PM

To: Clifford A. Wolff, Esq.

Cc: Devon Archer; Андрей Кича; Archer Devon; Даша Самсонова; [o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED]); sebastian; The Greek

Subject: Re: Production and Sharing Agreement

Cliff,

Thank you for your reply. Everything is noted.

Kind regards,

Marina

Sent from my iPad

On 13 Aug 2015, at 22:51, Clifford A. Wolff, Esq. <[cwolff@\[REDACTED\]](mailto:cwolff@[REDACTED])> wrote:

All -

Please see responses, below, for ease of reference.

- Cliff

From: Марина Герасимчук [[mailto:m.gerasymchuk@\[REDACTED\]](mailto:m.gerasymchuk@[REDACTED])]
Sent: Wednesday, August 12, 2015 8:18 AM
To: Clifford A. Wolff, Esq.; 'Devon Archer'; 'Андрей Кича'
Сс: 'Archer Devon'; 'Даша Самсонова'; [o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED]) 'sebastian'; 'The Greek'
Subject: RE: Production and Sharing Agreement

Dear Cliff,

Thank you for your reply, we are fine with the answers, but in the meantime please clarify several issues below.

1. Who is a founder of Burnham Energy Security, LLC?

Devon Archer

2. Why do you propose to change an approach to the issue of incorporation legal entity in Lichtenstein, why it has changed from (unregulated) fund to LLC?

Lichtenstein is more familiar, and we believe the LLC is more flexible for the purpose non-security investments

3. Has Burnham Energy Security, LLC direct link to Burnham Fund?

Burnham Energy Security is a stand-alone entity which exists under the Burnham Financial Group umbrella through common shareholder ownership and governance. Burnham Financial Group is a FINRA and SEC regulated business and therefore an operating agreement will be established between Burnham Energy Security and Burnham Financial Group when the contract is awarded.

4. Please let us know the preliminary fee of incorporation of a fund and LLC in Lichtenstein through your agents. We'll do the same work through ours.

We are checking on that now. We will reply with best estimate shortly.

Thank you so much,

- Cliff

Thank you in advance,

Best regards

Marina Gerasymchuk

Legal Counsel

From: Clifford A. Wolff, Esq. [<mailto:cwolff@>]
Sent: Tuesday, August 11, 2015 5:59 PM
To: Марина Герасимчук; 'Devon Archer'; 'Андрей Кича'
Сс: 'Archer Devon'; 'Даша Самсонова'; o.terefenko@; 'sebastian'; 'The Greek'
Subject: RE: Production and Sharing Agreement

All -

In speaking with Devon and our counsel in Lichtenstein, we believe the following answers are appropriate to the questions posed:

1. Lichtenstein is the preferred jurisdiction for the entity.
2. The best structure for the intended purpose is a Lichtenstein limited liability company (LLC, Ltd.)
3. The founder from our side will be a new entity, "Burnham Energy Security, LLC," which is a Delaware (US) limited liability company.
4. Devon is speaking to certain people about nomination to a board of directors. We are waiting to hear back from those individuals, but our initial thoughts are:

Chairman - Devon Archer

Director - Hunter Biden

Director - Alexander Kwasnieski

Director - Vuk Jeremic

Director - Wesley Clarke

Director - Carlos Pascual

Corporate Secretary - Vadim Pozharskyi

Senior Analyst - William Maze

Let us know if this is agreeable in principle. Thank you very much.

- Cliff

From: Марина Герасимчук [<mailto:m.gerasymchuk@>]
Sent: Monday, August 10, 2015 12:53 PM
To: 'Devon Archer'; 'Андрей Кича'
Cc: 'Archer Devon'; 'Даша Самсонова'; o.terefenko@ Clifford A. Wolff, Esq.; 'sebastian'; 'The Greek'
Subject: RE: Production and Sharing Agreement

Dear Devon and Cliff,

Further to our conference call please find below issues discussed during the call.

1. Issue of jurisdiction. We consider three of jurisdictions in order to incorporate a fund: USA, Lichtenstein and Luxembourg. We inclined to Lichtenstein, that uses commonly for such purposes as we need to achieve.

2. In which form should we incorporate the entity, fund or LLC?

3. Who will be founders of a fund from your side? Burnhum original, right?

4. Name of the fund, board of directors, executives -looking forward to revive your vision.

As well, please find attached the text of PSA we have at our disposal, but please be aware that it might be a pre-final version.

Best regards

Marina Gerasymchuk

Legal Counsel

From: Devon Archer [[mailto:darcher@\[REDACTED\]](mailto:darcher@[REDACTED])]
Sent: Monday, August 10, 2015 3:24 PM
To: Андрей Кича
Сс: Марина Герасимчук; Archer Devon; Даша Самсонова; [o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED]) Clifford A. Wolff Esq.; sebastian; The Greek
Subject: Re: Production and Sharing Agreement

12:00pm New York time I am proposing.

Devon D. Archer

[REDACTED]

On Aug 10, 2015, at 5:47 AM, Андрей Кича <[a_kicha@\[REDACTED\]](mailto:a_kicha@[REDACTED])> wrote:

Devon,

Can you give me a preliminary time of the call to consider it?

AK

From: Devon Archer [[mailto:darcher@\[REDACTED\]](mailto:darcher@[REDACTED])]
Sent: Sunday, August 9, 2015 3:38 PM
To: Марина Герасимчук; <[a_kicha@\[REDACTED\]](mailto:a_kicha@[REDACTED])>
Сс: Archer Devon; Даша Самсонова; <[o.terefenko@\[REDACTED\]](mailto:o.terefenko@[REDACTED])>; Clifford A. Wolff Esq.; sebastian; The Greek
Subject: Re: Production and Sharing Agreement

Andrii,

Please let me know if noon EST works for a preliminary call to review kick off plan tomorrow.

Very Best,

Devon

Devon D. Archer

[REDACTED]

On Aug 7, 2015, at 10:39 AM, Марина Герасимчук <[m.gerasymchuk@\[REDACTED\]](mailto:m.gerasymchuk@[REDACTED])> wrote:

Dear Devon,

Taking into account your arrangements with Andrii re future cooperation on Production and Sharing Agreement (PSA), please find attached the information on PSA for further discussion with legal counsels.

Further, please let us know time convenient for you for setting up a conference call on Monday to discuss the matter. In addition , we suppose to provide you with a deal structure on Monday.

Please send me a confirmation that you safely received the attached document.

Thank you in advance.

Best regards

Marina Gerasymchuk

Legal Counsel

<Information on PSA.doc>