



NIGERIAN CONTENT EXECUTION STRATEGY

PINNACLE OIL AND GAS LIMITED

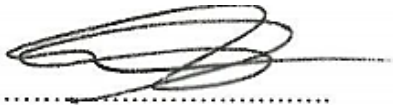
6, SAMUEL MANUWA STREET, VICTORIA ISLAND LAGOS |

PINNACLE OIL AND GAS LIMITED NIGERIAN CONTENT EXECUTION POLICY

In line with the Federal Government of Nigeria's policy on local content development strategy, Pinnacle Oil and Gas Limited hereby states as follows:

- That in pursuance of this noble policy by the Government, Pinnacle Oil and Gas Limited will as much as possible, source all locally made materials needed for our operations through local vendors and contractors.
- We shall employ and engage members of host communities as staff in carrying out jobs, thereby empowering and transferring technology and developing know how. This will be aimed at making considerable investment in the manpower development of the host community.
- We shall adequately empower our Nigerian staff, by engaging our Nigerian staff in management and high level decision making, in the running of key departments in the company.
- We shall ensure Nigerians play pivotal roles in various aspects of the business, from inception of project to commissioning. This is in order to enhance commitment to transfer technology, employment creation and competence development.
- We shall develop local expertise through improved training, supervision and delegation of duties to ensure effective participation.
- We shall achieve all the above without compromising total quality delivery.

The Company states a commitment to achieving this policy statement.



Managing Director/CEO

MECHANISM FOR NIGREIAN CONTENT DEVELOPMENT

- Specific project local content plan
- Employment of competent and qualified Nigerian staff to provide technical and non-technical services and support
- Investing in the development and training of Nigerians to participate in higher level activities of the company, in and outside the country
- Investing in offices, logistics, accommodation, computing systems and other business support infrastructure, goods and services all of which are procured locally, to augment other equipment procured internationally
- Patronage of Nigerian Shipping companies, Legal service providers, Insurance companies, Banking and Financial service providers.

Pinnacle Oil and Gas Limited understands Nigerian Content to mean that services, activities or goods that are substantially or wholly of Nigerian origin, is capable of meaningful development and whose procurement for incorporation into projects will have eventful multiplier effect on the economy.

Pinnacle Oil and Gas Limited's Policy Objectives are as follows:

1. Encourage and ensure the use of made in Nigeria good and services in our projects
 - 1.1. Procure and use made in Nigeria materials and goods while ensuring that the desired quality specification is met
 - 1.2. Nominated Nigerian vendors will handle all in-country procurement
 - 1.3. All PPE and allied equipment shall as much as possible, be made in Nigeria
 - 1.4. All other consumables shall be made in Nigeria.
 - 1.5. Only lack of availability or quality non-conformance shall necessitate the use or employment of foreign good.
2. Encourage and ensure value addition/fabrication/assembly or project components to be done in Nigeria.
 - 2.1. Actual construction shall be carried out in Nigeria
 - 2.2. All fabrication and pre-cast must be done in Nigeria with Nigerian staff
 - 2.3. All reinforcement materials must be sourced locally and procured from Nigerian vendors
 - 2.4. All maintenance staff for the project shall be Nigerians.

3. Require sub-contractors who do not provide made in Nigeria goods, fabrication, installation and/or services, to provide a knowledge/technology transfer plan
 - 3.1. All our nominated sub-contractors and technical partners that are international in operation shall be mandated to provide knowledge/technology transfer plan
 - 3.2. All our foreign subcontractors (if any) shall be encouraged to have a physical presence in Nigeria.

4. Search for experienced Nigerians and fully engage them in our projects. Also, encourage subcontractors to engage them in project execution positions
 - 4.1. Experienced Nigerians shall be employed as Contract Managers, Project Managers, HSE Managers and Project Engineers
 - 4.2. Sub-contractors shall be encouraged to source and employ Nigerians into management teams.

5. Increase the number of Nigerians in each project discipline/skill-pool through training, exposure and certification, thus making them available for other major project. Such certifications shall include COREN, CORBON, NIM, ICAN etc.

6. Training plan for Nigerians to be deployed for Projects/Contracts. This will be tailored to the need of the contract.

7. Involve Nigerian banks, insurance firms and other financial institutions in the contract's financial transactions e.g., sourcing of venture capital locally.

Total estimated Nigerian Content value for our projects shall be 95% minimum.