

Date: May 21, 2012

From: Bank A

To: Company B

Re: Variance Swap Transaction

The purpose of this Confirmation is to confirm the terms and conditions of the commodity transaction entered into between Bank A ("Party A") and Company B ("Party B") on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below and supersedes all or any prior written or oral agreement in relation to the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "Swap Definitions") and in the 2005 ISDA Commodity Definitions (the "Commodity Definitions", and together with the Swap Definitions, the "Definitions"), each is published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the Equity Definitions, the Commodity Definitions will prevail. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

References in this Confirmation to "Transaction" shall be deemed to be references to "Swap Transaction" for the purposes of interpreting the Swap Definitions, and references in the Swap Definitions to "Swap Transaction" shall be deemed to be references to "Transaction" for the purposes of interpreting this Confirmation.

1. This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 16 April 1999, as amended and supplemented from time to time (the "Agreement"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms

Trade Date: May 20, 2012

Effective Date: March 1, 2013

Termination Date: Cash Settlement Date

Deal Reference: 1234567-ABCDE

Trade Reference: T901234-123456

Observation Dates: Means each Commodity Business Day that is not a Disrupted Day during the Observation Period; provided that, if such date is a Disrupted Day, then the immediately following Commodity Business Day which is not a Disrupted Day. "Disrupted Day" means any Commodity Business Day on which a Market Disruption Event has occurred.

Observation Period: Means the period from, and including, the Observation Start Date to, and including, the Valuation Date.

Observation Start Date: March 1, 2013 or, if such day is not a Commodity Business Day, the following Business Day in accordance with the Modified Following business day convention.

Observation End Date: The Scheduled Valuation Date

Valuation Date: May 16, 2013, or, if such day is not a Commodity Business Day, the next following Commodity Business Day in accordance with the Modified Following business day convention.

Variance Buyer: Party A

Variance Seller: Party B

Commodity: OIL-WTI-NYMEX

Commodity Delivery Date: June 2013

Business Days: NYMEX Trading

Cash Settlement Amount Payer: In respect of a Swap Transaction to which Cash Settlement is applicable , if the Cash Settlement Amount is:

- (1) A positive amount, the Variance Seller shall be the Cash Settlement Amount Payer and shall pay the Variance Buyer an amount equal to

the Cash Settlement Amount on the Cash Settlement Payment Date;

- (2) A negative amount, the Variance Buyer shall be the Cash Settlement Amount Payer and shall pay the Variance Seller an amount equal to the absolute value of the Cash Settlement Amount on the Cash Settlement Payment Date; and
- (3) Zero, there will be no Cash Settlement Amount Payer and neither party shall be required to make any payment to the other party

Notional Amount: USD 16,666,666.67

Vega Notional Amount: USD 100,000.00

Cash Settlement Amount: An amount in the Settlement Currency determined as of the Valuation Time on the Valuation Date in accordance with the following formula:

Notional Amount * (FRV - Variance Strike Price)

Where:

"Variance Strike Price" means 9.00 percent.

"Final Realized Variance ("FRV')" means an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Annualization Factor}}{N} \times \sum_{i=1}^N \left[\ln \left(\frac{S_i}{S_{i-1}} \right) \right]^2$$

Where:

"*t*" means the relevant Observation Date.

"*S_i*" means the Relevant Price on the Observation Date.

"*S_{i-1}*" means, for:

- (1) The second Observation Date, the Relevant Price of the Commodity on the Observation Start Date.
- (2) Any Observation Date subsequent to the second Observation Date, "*S_i*" for the Observation Date immediately preceding such Observation Date.

"*ln*" means the natural logarithm.

"N" means the actual number of Observation Dates comprised in the Observation Period, as determined by the Calculation Agent on the Valuation Date.

Annualization Factor is 252 days

"Relevant Price" means, in respect of any Observation Date, the Commodity Reference Price on that Observation Date.

Settlement Terms

Settlement Currency: USD

Cash Settlement: Applicable

Cash Settlement
Payment Date: The second (2nd) Business Days following the Valuation Date

Calculation Agent: As per the Master Agreement