

Terms of Business
1 January 2017

1.
The present Terms of Business apply to the investor's purchase of working interests in oil and/or gas projects at Kris Kon Oil & Gas Inc. as well as the management of such interests by Kris Kon Oil & Gas Inc.
2.
The present Purchase and Management Agreement is generally subject to the terms and conditions stipulated by Kris Kon Oil & Gas Inc. and provided to the investor.
3.
Kris Kon A/S has opened a separate account for Kris Kon Oil & Gas Inc. in which the invested amount will be deposited until the business transaction has been completed.
4.
The purchase is not considered to be final until Kris Kon Oil & Gas Inc. has registered the investor's payment of the full amount invested. Kris Kon Oil & Gas Inc. consequently reserves the right to sell the working interests in question to a third party until the purchase is considered to be final, with the consequence of cancelling this present agreement.
5.
If the project is not initiated, Kris Kon Oil & Gas Inc. will return the amount invested to the investor, less the bank's handling fee, however.
6.
Where Kris Kon A/S is asked to arrange financing for the investor, if applicable, the present Purchase and Management Agreement is subject to the bank approving the investor and to the full payment of the amount invested. If the investor fails to be approved by the bank with the effect of voiding this Agreement, Kris Kon Oil & Gas Inc. is entitled to charge the subscription fee.
7.
The investor derives his working interests from Kris Kon Oil & Gas Inc. who holds and will continue to hold the contract with the operator. Consequently, the investor does not obtain any ownership rights to the project *per se*, but only working interests derived from the ownership rights held by Kris Kon Oil & Gas Inc.
8.
Kris Kon Oil & Gas Inc. has outsourced the tasks of managing the Danish investors' working interests to Kris Kon A/S. By executing this Purchase and Management Agreement, the investor undertakes to use Kris Kon Oil & Gas Inc. as the investor's exclusive administrator of the working interests. The investor is consequently not entitled to entrust the management of the working interests to any third party.
9.
Kris Kon Oil & Gas Inc. charges a quarterly management fee for management tasks as follows, including in connection with acquisition of the interests, creating documents, follow-up and communication with authorities and operators, yield reports and other information; 0.75% of the amount invested for investments of USD 0 > 49,999 and 0.50% of the amount invested for investments of USD 50,000 > 99,999 and 0.25 % of the amount invested for investments of USD > 100,000. However, the management fee cannot exceed 20% of the profit for the period in question, however at least USD 75.- per quarter. The management fee is offset against the investor's right to participate in the yield. If the yield does not cover the management fee, the latter (the difference) will be charged separately, cf. clause 13 below. The percentages stated are subject to adjustment relative to the increase in the Danish net price index, cf. the Danish Executive Order no. 76 of 3 February 1999 on the Calculations Act as subsequently amended. The increase is effected in January of every year in accordance with the increase in said index from 1 October two years before and until 30 September in the year before the adjustment year.
10.
Kris Kon Oil & Gas Inc. is entitled to receive a performance fee. The performance fee is project specific, pls. refer to Project Details.
11.
Kris Kon Oil & Gas Inc. and Kris Kon A/S follow the development in the working interests on a daily basis. Each quarter, the investor will receive information about the net result in the form of a yield report, and the yield will be paid to the investor. Kris Kon Oil & Gas Inc. reserves the right to change to yearly or ½-yearly reports and payments of yield.
12.
The investor's yield, less management fee and yield fee, cf. clauses 9 and 10, will be paid no later than 30 business days after the end of a quarter. It is emphasised that Kris Kon Oil & Gas Inc. is entitled to offset any management fee and yield fee (as well as the amount mentioned in clause 14) against the investor's yield.
13.
If the net result, i.e. yield less management fee, for a quarter is negative, the investor is obliged to pay the outstanding amount within 15 days from receiving the yield report. The amount must be paid to Kris Kon A/S. In the event of late payment, interest will be charged at 2% per month or fraction thereof until payment is effected. Late payment will also entitle Kris Kon Oil & Gas Inc. to reduce the investor's share of the working interests in the project partially or totally without further notice.
14.
In special cases, the operator may suggest that further investments be made in the project. The investor is not obliged to participate in such further investments. In the event that the operator carries out the investment but the investor refrains from participating in this further investment in the project, Kris Kon Oil & Gas Inc. is entitled to offset the investment made for the investor's ownership share (the new investment) plus a penalty of 3 x the new investment against the investor's future yields. It is noticed and the investor acknowledges that this practice is customary in the US oil industry.
15.
The investor is entitled to sell his working interests to a third party, subject to the proviso that the investor also assigns and transfers his rights and obligations under this Purchase and Management Agreement to the third party. However, Kris Kon Oil & Gas Inc. or the investor cannot transfer or sell working interest to US citizens as stipulated by SEC (the US Securities and Exchange Commission). Kris Kon Oil & Gas Inc. charges a management fee for any ownership changes. Kris Kon Oil & Gas Inc. and Kris Kon A/S can assist in the sale of the investor's working interests if the investor so desires. In this event, a separate agreement will be made with the investor to this effect. Kris Kon Oil & Gas Inc. and Kris Kon A/S charge a sales fee of 3-5% for this service.
16.
By executing this Purchase Agreement and after reading and accepting its contents, the investor confirms being fully aware of all risks and possibilities related to investing in oil and/or gas rights.
17.
The maximum risk of this investment (working interests) is restricted to the amount invested, cf. clause 13, however.
18.
This Agreement is governed by Danish law.