

THIS AMENDMENT TO THE LOAN AGREEMENT OF THE 4TH OF APRIL 2012 (the “Agreement”) is made on the ___th December 2012 (the “Amendment”)

BETWEEN:

ALADDIN OIL & GAS COMPANY ASA, a company incorporated under the laws of Norway with organization number 989 307 606 with registered address at Bryggetorget 1, 0250 Oslo, Norway as borrower (the “Borrower”)

and

WATERFORD FINANCE & INVESTMENT LIMITED, registered on the records of the Island of Guernsey with registration number 29975 and with registered address at Channel House, Forest Lane, St. Peter Port, Guernsey, GY1 2NNF, Channel Islands as lender (the “Lender”)

WHEREAS

Any abbreviations and references to clauses and definitions are, unless otherwise stated, abbreviations and references to clauses and definitions of or to the Agreement.

The Lender initially has agreed to make available to the Borrower a loan facility of up to US\$ 7,600,000 (seven million and six hundred thousand US dollars) subject to the terms of the Agreement.

NOW IT IS HEREBY AGREED TO AMEND:

- The Loan Facility from US\$ 7,600,000 (seven million and six hundred thousand US dollars) up to US\$ 10,500,000 (ten million and five hundred thousand US dollars);
- Clause 8.1 of the Agreement with following wording: “The Borrower shall repay the Loan and all accrued, but unpaid interest on 1 of February 2014”;
- Clause 4 of the Agreement with the following wording: “Subject to clause 5, the Borrower may draw the Loan in the amounts specified in the draw down requests. To do this, the Borrower shall give the Lender at least five (5) Business Day prior notice for (each) drawing of the date on which the Borrower wants to draw the Loan. For the avoidance of doubt, the Lender may waive any of the conditions precedent as well as any potential Event of Default arising out of e.g. the Borrower not being able to pay all of its debts when due”;
- Delete Clause 19.4 as the reference to “... courts of England ...” is not relevant since the Agreement is subject to Norwegian law and courts of Norway.
- Add Clause 20 to the Agreement with the following wording: “CONVERSION”;
- Add Clause 20.1 to the Agreement with the following wording: “The Lender has now the right under this Amendment to send Notice to the Borrower to convert the Loan with all accrued interest (the "X Amount") into shares of the Borrower at any time until full repayment is duly made as per clause 8 of the Agreement. For the avoidance of doubt, no

amount pursuant to Clause 8.2 shall be considered due and payable as a result of this amendment and is therefore not included in the X Amount. Such conversion shall be based on X Amount divided on NOK (Norwegian Krone) 0.25 (25 øre) per Borrower's share the ("Conversion"). The Borrower agrees and undertakes to promptly perform this Conversion on specified terms.";

- Add Clause 20.2 to the Agreement with the following wording: "In case of share capital increases or decreases, new issuance of warrants, dissolution, merger, spilt or amalgamation affecting the Borrower, cf. section 11-2 (2) 11. of the public limited companies act ("Act"), the Lender's Conversion rights shall be adjusted and the Lender treated as if it was a shareholder, cf. the last sentence of section 11-2 (2) 11. of the Act "
- Add Clause 21 to the Agreement with the following wording: "ASSIGNMENT"
- Add Clause 21.1 to the Agreement with the following wording: "The Lender has the right to assign the Loan with all accrued interest on the date of assignment to any person at his sole discretion"
- All remaining terms and the conditions of the initial Agreement concluded between the parties remain fully effective.

IN WITNESS WHEREOF the parties hereto have executed this Amendment on the date first set forth above:

Signed by Mr. Paul Conway
for and on behalf of **WATERFORD
FINANCE & INVESTMENT LIMITED**

.....
Director

Signed by Mr. Frederick Matthew
Thomas Ponsonby
for and on behalf of **ALADDIN OIL &
GAS COMPANY ASA**

.....
Chairman

Signed by Mrs. Linda Dowding
for and on behalf of **ALADDIN OIL &
GAS COMPANY ASA**

.....
Director