

TOREADOR

DEAL TERMS WITH HESS
MAY 2010

- **BOARD MANDATED ADVISORS IN NOVEMBER 2009 TO:**
 - SECURE FUNDING TO JUMP-START THE PILOT PHASE
 - COMPLEMENT TECHNICAL SKILLS WITH SHALE EXPERIENCE FROM OTHER BASINS
 - VALIDATE TECHNICAL WORK
- **RBC CAPITAL MARKETS (“RBC”) CONTACTED ALL MAJOR NORTH AMERICAN, EUROPEAN AND INTERNATIONAL SHALE PLAYERS DURING DEC 2009 TO FEB 2010**
- **BIDS WERE SUBMITTED IN FEB 2010 AND REVIEWED BY THE BOARD**
- **IN MAY 2010, TOREADOR SIGNED A DEFINITIVE AGREEMENT WITH HESS:**
 - **SIGNIFICANT SHALE OIL EXPERTISE, SECOND LARGEST ACREAGE POSITION IN THE BAKKEN FORMATION**
 - TOTAL OF 570,000 ACRES
 - 117 OPERATED WELLS
 - NET PRODUCTION OF 11,000 BBL/D AND INCREASING
 - **FINANCIAL STRENGTH**
 - **GLOBAL INTEGRATED ENERGY COMPANY**

HIGHLIGHTS OF THE DEAL WITH HESS



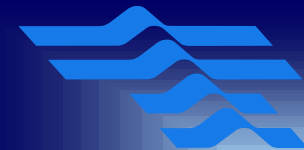
 **HESS EARNS UP TO A 50% SHARE OF TOREADOR'S WORKING INTERESTS IN BOTH TOREADOR'S AWARDED AND PENDING EXPLORATION PERMITS ⁽¹⁾₍₂₎ IN RETURN FOR:**

- **UPFRONT PAYMENT OF \$15 MM**
- **WORK PROGRAM**
 - **UP TO \$120 MILLION, CARRYING 100% OF TOREADOR'S SHARE, OVER TWO PHASES (US\$ 50 MM + US\$ 70 MM), BEYOND THE CARRIED INVESTMENT, COSTS ARE SHARED 50/50**
- **TWO TYPES OF CONTINGENT SUCCESS FEES UP TO A TOTAL OF \$130 MM**
 - **RESERVES SUCCESS FEE:**
 - **\$1.00 PER BBL FOR EACH BBL OF GROSS BOOKED RESERVES ATTRIBUTABLE TO THE ACREAGE, CAPPED AT \$80 MM**
 - **PRODUCTION SUCCESS FEE:**
 - **IF TOTAL PRODUCTION ON ACREAGE EXCEEDS 20,000 BBL/D FOR 30 CONSECUTIVE DAYS**
 - **MONTHLY PAYMENT EQUAL TO 10% OF HESS' MONTHLY PRODUCTION REVENUE FROM THE ACREAGE**
 - **MAXIMUM 36 MONTHS, CAPPED AT \$50 MM**
- **AN AREA OF MUTUAL INTEREST**

 **TOTAL POTENTIAL VALUE OF THE DEAL (WHICH INCLUDES ALL CONTINGENT AMOUNTS) UP TO US\$ 265 MM**

NOTES: (1) EXCLUDES PRODUCING CONCESSIONS (CHARMOTTES & NEOCOMIAN COMPLEX)

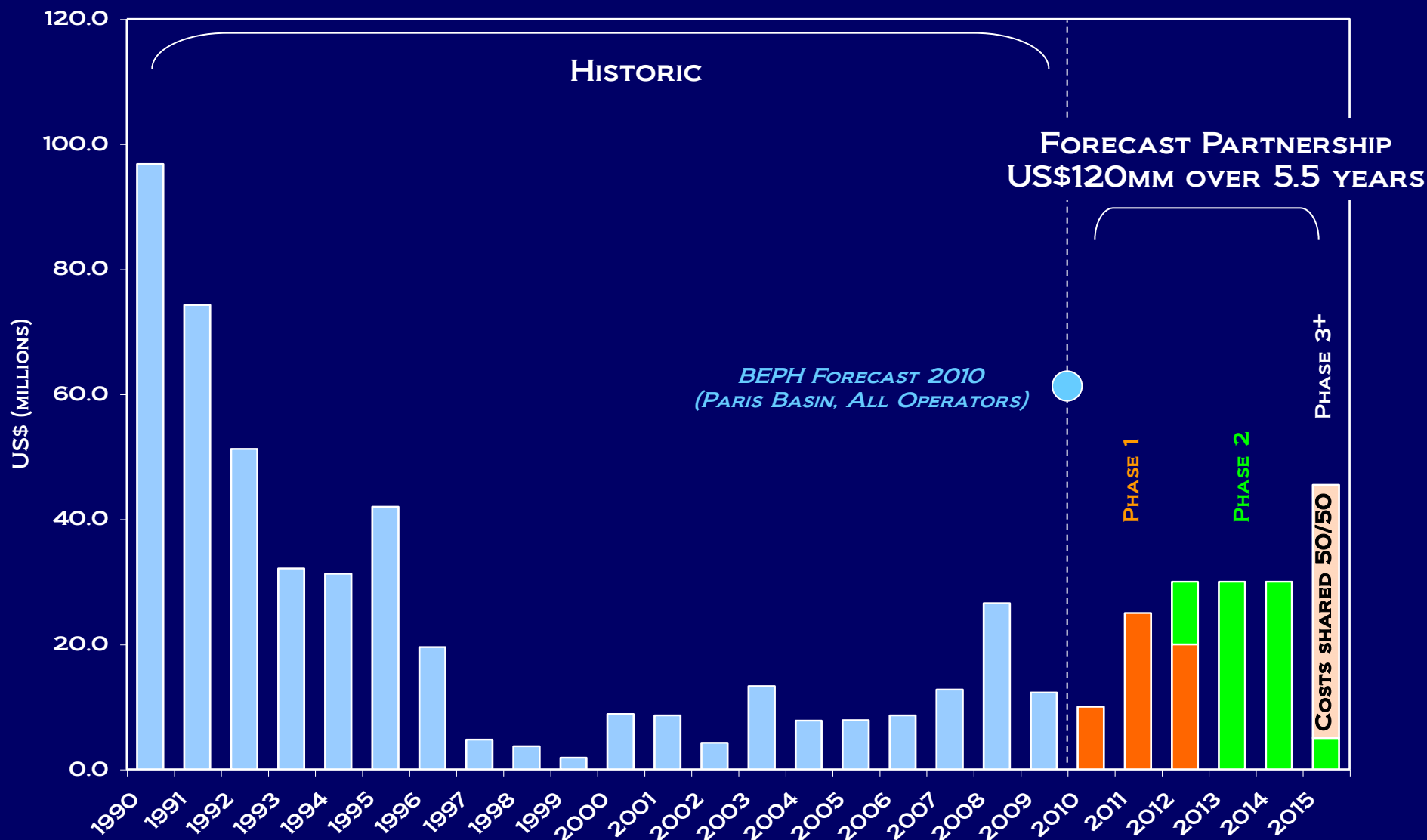
(2) HESS WILL ALSO HAVE THE RIGHT TO BECOME OPERATOR FOR THOSE EXPLORATION PERMITS WHERE TOREADOR OPERATES



IMPACT OF DEAL WITH HESS ON THE PARIS BASIN

POTENTIAL FOR EXPLORATION INVESTMENT LEVELS NOT SEEN SINCE THE EARLY '90s

TOREADOR



SOURCE:

BULLETIN D'INFORMATION DU BEPH (BILAN ANNUEL 2009). COMPANY ESTIMATES FOR 2010 (BASED ON BEPH) AND FOR 2011-2015
EXCHANGE RATE OF 1.35 USD PER EUR