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# EXPORT GAS SALES AGREEMENT

between

MYANMA OIL AND GAS ENTERPRISE

and

TOTAL MYANMAR EXPLORATION  
AND PRODUCTION

and

UNOCAL MYANMAR OFFSHORE Co Ltd

and

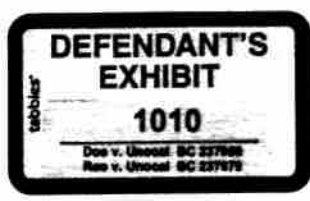
PTTEP INTERNATIONAL LIMITED

and

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PETROLEUM AUTHORITY OF THAILAND

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FIRST SCHEDULE THE CONTRACT AREA  
SECOND SCHEDULE QUALITY SPECIFICATIONS  
THIRD SCHEDULE MONTHLY STATEMENT  
FOURTH SCHEDULE ANNUAL STATEMENT  
FIFTH SCHEDULE MEASUREMENT OF SALES GAS DELIVERED

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This Contract is made on this 2nd Day of February 1995

BY and BETWEEN

THE MYANMA OIL AND GAS ENTERPRISE, an enterprise organised and existing under the laws of the Union of Myanmar and having its principal office at 74/80, Min Ye Kyaw Swa Road, Yangon, (hereinafter referred to as the "MOGE") ;

AND

TOTAL MYANMAR EXPLORATION AND PRODUCTION, a company existing under the laws of France with its registered office at Tour TOTAL, 24, Cours Michelet - 92800 Puteaux (hereinafter referred to as "TOTAL") ;

AND

UNOCAL MYANMAR OFFSHORE Co Ltd, a company existing under the laws of Bermuda having an office at 1201 West 5th Street, Los Angeles CA90017 USA (hereinafter referred to as "UNOCAL") ;

AND

PTTEP INTERNATIONAL LIMITED, a company incorporated under the laws of Thailand, having its principal office at 555 Vibhavadi Rangsit Road, Bangkok 10900 (hereinafter referred to as "PTTEPI") ;

with the MOGE, TOTAL, UNOCAL and PTTEPI also called together the "Sellers" and individually a "Seller" ;

OF THE FIRST PART

AND

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PETROLEUM AUTHORITY OF THAILAND, having its principal office at 555 Vibhavadi Rangsit Road, Bangkok 10900 (hereinafter referred to as "PTT") ;

With PTT also called the "Buyer".

OF THE SECOND PART

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WHEREAS

- (1) Under and by virtue of a Production Sharing Contract dated 9th July 1992 and of a Memorandum of Understanding of even date, relating to the Yadana Gas Project :
  - (a) operations have been carried out in the Contract Area by the Sellers and the Initial Reserves have been determined based upon the geophysical, geological, and reservoir data presently available ;
  - (b) each Seller separately owns its Seller's share in the Sales Gas ;
- (2) The Sellers and the Buyer have agreed that each Seller shall sell and the Buyer shall buy each Seller's share in the Sales Gas during the term of this Contract under the terms and conditions set out below ;

NOW THEREFORE in consideration of the recitals and the mutual covenants and conditions herein contained, it is agreed as follows :

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ARTICLE I - DEFINITIONS

In this Contract, reference to Articles, Clauses and sub-Clauses shall be reference to Articles, Clauses and sub-Clauses of this Contract and words indicating the singular may also include the plural and vice versa as the context requires and unless otherwise indicated the following words and expressions in this Contract, including the foregoing recitals, shall have the meanings set forth below:

- 1.1 "Annual Contract Quantity" or "ACQ" shall have the meaning set forth in Article VI.
- 1.2 "Agreement" means the Production Sharing Contract and the Memorandum of Understanding for the Yadana Gas Project dated 9th July 1992.
- 1.3 "BTU" means one (1) British Thermal Unit which is further defined as the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-eight and one-half (58.5) degrees Fahrenheit to fifty-nine and one-half (59.5) degrees Fahrenheit at a standard pressure of fourteen decimal seven three (14.73) pounds per square inch absolute.
- 1.4 "Build-up Period" means the period referred to in sub-Clause 6.4.1.
- 1.5 "Buyer's Facilities" shall have the meaning set forth in Article VIII.
- 1.6 "By-Products" means nitrogen, helium, carbon dioxide, sulphur, and other substances obtained from natural gas production.
- 1.7 "Contract" means this document, comprising Articles I to XXXI together with Schedules First to Fifth, as may be amended from time to time in accordance with the provisions hereof.
- 1.8 "Contract Area" shall mean the area containing the geologic structures located in the Gulf of Moattama, Union of Myanmar, corresponding to the Yadana and Bright Spot structures, which are described by their co-ordinates in the First Schedule, Part I and which, for illustrative purposes, are shown by a map in the First Schedule Part II.

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- 1.9 "Contract Delivery Pressure" shall have the meaning set forth in Clause 5.1.
- 1.10 "Contract Period" means the period from the Contractual Delivery Date to the date on which this Contract shall be terminated by any of the means herein provided.
- 1.11 "Contract Year" means a period of twelve Months commencing the first Day of January of any Calendar year, with the exception of the first Contract Year which shall extend from the Contractual Delivery Date until the end of the last Day of the Calendar year in which the Contractual Delivery Date has occurred, and the last Contract Year which shall extend from the First Day of January of the last Calendar year until the date of expiration or termination of this Contract.
- 1.12 "Contractual Delivery Capacity or "CDC"" shall have the meaning set forth in Article VI.
- 1.13 "Contractual Delivery Date or "CDD"" means the date established pursuant to Article VI.
- 1.14 "Contract Price" shall have the meaning set forth in Article XI.
- 1.15 "Cubic Foot" or "CF" when applied to Sales Gas means the volume of Sales Gas being saturated with water vapour which occupies one (1) cubic foot of space measured at fourteen decimal seven three (14.73) pounds per square inch absolute pressure at a temperature of sixty (60) degrees Fahrenheit.
- 1.16 "Daily Contract Quantity" or "DCQ" shall have the meaning set forth in Article VI.  
The DCQ prevailing during the Maintenance Period or "DCQm" shall have the meaning set forth in Clauses 6.14 and 6.15.
- 
- 1.17 "Date of Commencement of Deliveries" or "DCD" shall have the meaning set forth in Article VI.
- 1.18 "Day" ("Daily" or "D") means a period of twenty four (24) hours beginning at zero (0) o'clock a.m. on each day and ending at zero (0) o'clock a.m. on the following day.

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- 1.19 "Debit Year" shall have the meaning set forth in Article VI.
- 1.20 "Domestic Contract" shall have the meaning set forth in sub-Clause 6.4.3.
- 1.21 "Domestic DCO" shall have the meaning set forth in sub-Clause 6.4.3.
- 1.22 "Effective Date" shall be the date of signature of this Contract.
- 1.23 "Excess Gas" means a quantity of Sales Gas delivered pursuant to Clause 6.9 (b).
- 1.24 "Gross Calorific Value" or "GCV" means that quantity of BTUs produced by the complete combustion at a constant pressure of thirty (30) inches of mercury at thirty two (32) degrees Fahrenheit and under standard gravitational force (acceleration thirty two point one seven four (32.174) feet per second per second) of one (1) Cubic Foot of Sales Gas at sixty (60) degrees Fahrenheit with excess air at the same temperature and pressure as Sales Gas when the products of combustion are cooled to sixty (60) degrees Fahrenheit and when the water formed by combustion is condensed to the liquid state and the products of combustion contain the same total mass of water vapour as Sales Gas and air before combustion.
- 1.25 "Inch Water Gauge" means that differential pressure equal to zero decimal zero three six one two seven three (0.0361273) pounds force per square inch.
- 1.26 "Initial Reserves" means those Reserves specified in Article III.
- 1.27 "MM" as a prefix or suffix means million.
- 1.28 "Maintenance Period" means the period established pursuant to Article VI.
- 
- 1.29 "Month" ("Monthly") means a period extending from the first Day of any Calendar month until the end of the last Day of the same Calendar month with the exception of the first Month which shall extend from the Contractual Delivery Date until the end of the last Day of the Calendar month in which the Contractual Delivery Date has occurred, and the last Month which shall extend from the first Day of the last Calendar month until the date of expiration or

termination of this Contract.

- 1.30 "Natural Gas" means all kinds of gaseous hydrocarbons, whether wet or dry, produced from oil or gas wells ; and also includes By-Products and/or the residue gas remaining after the extraction of liquid hydrocarbons.
- 1.31 "Net Annual Contract Quantity" or "Net ACQ" shall have the meaning set forth in Article VI.
- 1.32 "Nomination" means any Daily quantity of Sales Gas notified by Buyer within the volume and time limits specified under Clauses 6.9 and 6.11.
- 1.33 "Operator" shall have the meaning set forth in Article XXIV.
- 1.34 "Overall DCQ" shall have the meaning set forth in sub- Clause 6.4.3.
- 1.35 "Party" means either any of the Sellers or the Buyer and "Parties" means all of the Sellers and the Buyer.
- 1.36 "Paying Agent" shall have the meaning set forth in Article XII.
- 1.37 "Plateau Period" means the period referred to in sub-Clause 6.4.2.
- 1.38 "Point of Delivery" shall be at the point where Sales Gas passes the flanges connecting Buyer's and Sellers pipelines facilities at the Thailand-Myanmar border in the vicinity of Ban-I-Tong, Thong-Pa-Phum District, Kanchanabun Province, Thailand.
- 1.39 "Probable Natural Gas Reserves" means the estimated additional quantities of Natural Gas in the Contract Area, beyond those defined as Proved Natural Gas reserves, which from time to time geological and engineering data indicate to have a fair to good probability of being recovered in future years from already discovered deposits with price movements consistent with Article XI and forecast investment and operating costs. For the purpose of this definition there is a fifty (50) per cent chance that the actual quantity will be more than the amount estimated as Proved Natural Gas plus Probable Natural Gas reserves and a fifty (50) per cent chance that it will be less.

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- 1.40 "Properly Nominated Quantity" means in respect of a Day the last Nomination notified by Buyer within the time limits specified under Clauses 6.11 (a) (b) or (c) as the case may be.
- 1.41 "Proved Natural Gas Reserves" means the estimated quantities of Natural Gas which from time to time geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from the Contract Area under existing economic and operating conditions, that is prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by this Contract. For the purpose of this definition there is a ninety (90) per cent chance that the actual quantity will be more than the amount estimated as Proved Reserves and a ten (10) per cent chance that it will be less.
- 1.42 "PSIA" means pound per square inch absolute.
- 1.43 "PSIG" means pounds per square inch gauge.
- 1.44 "Quarter" means a period of three Months, commencing on the first Day of January, April, July or October in any Contract Year with the exception of the first Quarter which shall extend from the Contractual Delivery Date until (but excluding) the first Day of the Quarter immediately following such date, and the last Quarter which shall extend from the first Day of the last Calendar Quarter until the date of expiration or termination of this Contract.
- 1.45 "Reasonable and Prudent Operator" when used to describe the standard of care to be exercised by a Party in performing its obligations hereunder means the degree of diligence and prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions and when used to determine the action that would be required of a Party to this Contract means the action an experienced commercial operator engaged in the same line of business under the same or similar circumstances and conditions would take in the exercise of such due diligence, prudence and foresight.
- 1.46 "Reserves" means at any time the estimated total quantity of Proved and Probable Natural Gas in the Contract Area on the date of the last determination of reserves made in accordance with Article III or Article X which may be

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economically and reasonably recovered by prudent oil and gas industry practices plus the total quantity of Natural Gas theretofore taken from the Contract Area.

- 1.47 "Sales Gas" means Natural Gas to be produced by the Sellers from the Contract Area and to be delivered to the Buyer in accordance with the provisions of this Contract.
- 1.48 "Sellers' Facilities" shall have the meaning set forth in Clause 6.1
- 1.49 "Shortfall Gas" shall have the meaning set forth in Article XV.
- 1.50 "Specific Gravity" means the weight of a volume of dry Sales Gas divided by the weight expressed in the same units of an equal volume of dry carbon dioxide free air, both gases being at sixty (60) degrees Fahrenheit and an absolute pressure of thirty (30) inches of mercury at thirty-two (32) degrees Fahrenheit and under standard gravitational force (acceleration thirty-two decimal one seven four (32.174) feet per second per second).
- 1.51 "Time" and "Calendar" : any reference to time shall be construed as whatever time shall be in force in Bangkok and any reference to calendar shall be construed as the Gregorian Calendar.
- 1.52 "US Dollars" or "USD" means Dollars of the United States of America.
- 1.53 "Week" means a period of seven (7) Days beginning at zero (0) o'clock a.m. on each Sunday and ending at zero (0) o'clock a.m. on the following Sunday.

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**ARTICLE II - SALES, PURCHASE AND RELATED MATTERS**

- 2.1 Subject to the provisions of Clauses 7.2 and 7.3 and unless excused under other provisions of this Contract the Sellers shall deliver and sell and Buyer shall accept and purchase Sales Gas in the manner and on the terms and conditions hereinafter set out in this Contract.
- 2.2 Each Seller individually agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims by any or all persons claiming entitlement to its share of Sales Gas delivered to Buyer hereunder or to royalties, taxes or other charges thereon, which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof before delivery to Buyer.  
Buyer shall upon receiving notice of any such claim deliver to Sellers full particulars thereof.
- 2.3 Except as otherwise provided in this Contract the Parties shall, so long as this Contract remains in force, maintain any licence, permit, agreement or other authorisation, or cause to be maintained any licence, permit, agreement or other authorisation, which is or are necessary to enable each to fulfil all of its obligations under this Contract.

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ARTICLE III - INITIAL RESERVES

The Parties agree that the Initial Reserves are five point seven trillion Cubic Feet (5.7 TCF) of Natural Gas.



ARTICLE IV - QUALITY

4.1 Sales Gas delivered under this Contract shall, at the Point of Delivery, be in accordance with the specifications set out in the Second Schedule to this Contract.

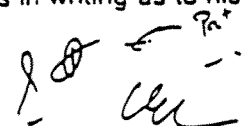
4.2 If at any time or from time to time during the Contract Period, the Sales Gas offered for delivery hereunder shall fail to conform to the relevant specifications set out in the Second Schedule :

(i) Buyer may refuse to accept delivery of the Sales Gas in whole or in part until the deficiency has been remedied and to the extent of such refusal, Buyer's rights and remedies in respect of the quality deficient gas so refused shall be as set forth in Article XV ;

or

(ii) Buyer may accept delivery of the Sales Gas in whole or in part (notwithstanding the failure to conform to the specifications set out in the second Schedule) and, in the event that Buyer accepts delivery, the Sellers shall compensate Buyer for all reasonable and justifiable expenses of a temporary nature which Buyer has incurred incidental to the acceptance of such Sales Gas and all reasonable and justifiable costs incurred by Buyer in the course of any temporary measures which Buyer may take to restore the Sales Gas to the specifications set out in the Second Schedule or such lesser standard as Buyer may determine and agrees to accept. The Sellers' liability under this Clause 4.2 (ii) in any Month shall not exceed the value of an amount of Sales Gas equal to two (2) times the DCQ in force at the Contract Price. Sales Gas taken under this Clause 4.2 (ii) shall be paid for at the Contract Price.

4.3 The Sellers shall, as soon as possible after any such failure in quality, inform Buyer in writing of the cause of the failure and give an estimate of the probable duration of the failure. Buyer shall promptly notify the Sellers in writing as to his election to accept or not accept delivery under Clause 4.2.



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4.4 Within thirty (30) Days after any failure in quality pursuant to Clause 4.2 the Sellers may give notice to Buyer that the Sellers propose within a period of not more than one hundred and eighty (180) Days, or such longer period as may be required for a Reasonable and Prudent Operator, to carry out the operations necessary to remedy the deficiency in quality and in such event, during the period mentioned in such notice or for so long as during such period the Sellers are actively and diligently carrying out the said operations, Buyer shall not itself be entitled to carry out any remedial operations of a permanent nature but may either refuse or accept delivery of Sales Gas as provided in Clause 4.2.

4.5 If the Sellers shall not have served a notice within the period stated in Clause 4.4 or (having served a notice) shall have ceased to carry out the operations actively and diligently, then (in either such event) Buyer may itself carry out such operations in Thailand as may reasonably be required to remedy the deficiency in quality.

After completion of the operations Buyer shall recover from the Sellers the reasonable cost of such operations supported by accounting records, with interest thereon at the rate set forth in Clause 12.7, by reducing the price to be paid for Sales Gas to be delivered thereafter by twenty (20) per cent until the reduction has permitted recovery of such cost and interest but such recovery (net of interest) shall not exceed the value of an amount of Sales Gas equal to twenty (20) times the DCQ in force at the Contract Price when Buyer commenced such operations.

4.6 During any period in which Buyer is carrying out any remedial operations in accordance with Clause 4.5, it may either refuse or accept delivery of Sales Gas as provided in Clause 4.2.

4.7 Failing agreement within a period of thirty (30) Days, any difference between the Parties which may arise in respect of the quality of the Sales Gas or the cost incurred to remedy any deficiency therein or in connection with the carrying out of any remedial operations or otherwise under this Article shall (at the request of either Party) be referred to an expert appointed pursuant to Article XX.

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ARTICLE V - DELIVERY PRESSURE

5.1 Sales Gas shall be delivered at the Delivery Point at such pressure (hereinafter called the "Contract Delivery Pressure") necessary to meet Buyer's notification under this Contract, taking into account Buyer's back pressure at the Delivery Point at the time of delivery. The Contract Delivery Pressure shall not be greater than nine hundred and fifty (950) PSIA unless the CDC is increased above six hundred and four (604) MMCFD, then the Contract Delivery Pressure shall be increased accordingly, but shall not exceed twelve hundred and fifty (1250) PSIA, except as otherwise agreed by the Parties.

5.2 If at any time or from time to time the Sales Gas offered for delivery hereunder is not at the Contract Delivery Pressure :

(i) Buyer may refuse to accept delivery of the Sales Gas in whole or in part and to the extent of such refusal Buyer's rights and remedies in respect of pressure deficient gas so refused shall be as set forth in Article XV :

or

(ii) Buyer may accept delivery of the Sales Gas in whole or in part (notwithstanding it was not at Contract Delivery Pressure) and, in the event that Buyer, in its sole judgement, accepts delivery the Sellers shall compensate Buyer for all reasonable and justifiable expenses of a temporary nature which Buyer has incurred incidental to the acceptance of such Sales Gas and all reasonable and justifiable costs incurred by Buyer in the course of any temporary measures which Buyer may take to restore the Sales Gas to the required pressure. The Sellers' liability under this Clause 5.2 (ii) in any Month shall not exceed the value of an amount of Sales Gas equal to two (2) times the DCQ in force at the Contract Price. Sales Gas taken under this Clause 5.2 (ii) shall be paid for at the Contract Price.

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- 5.3 The Sellers shall as soon as possible after any such failure in Contract Delivery Pressure inform in writing Buyer of the cause of the failure and give an estimate of the time needed to remedy the failure. Buyer shall promptly notify the Sellers in writing as to his election to accept or not accept delivery under Clause 5.2.
- 5.4 Within thirty (30) Days after any failure in Contract Delivery Pressure the Sellers may give notice to Buyer that the Sellers propose within a period of not more than one hundred and eighty (180) Days, or such longer period as may be essential for a Reasonable and Prudent Operator, to carry out the operations necessary to remedy such failure and in such event, during the period mentioned in such notice or for so long as during such period the Sellers are actively and diligently carrying out the said operations Buyer shall not itself be entitled to carry out any remedial operations of a permanent nature, but may either refuse or accept delivery of Sales Gas in the manner set out in Clause 5.2.
- 5.5 If the Sellers shall not have served a notice within the period stated in Clause 5.4 or (having served a notice) shall have ceased to carry out the operations actively and diligently, then (in either such event) Buyer may itself carry out such operations in Thailand as may reasonably be required to remedy the deficiency in Contract Delivery Pressure.

After completion of the operations Buyer <sup>shall</sup> ~~may~~ recover from the Sellers the reasonable cost of such operations supported by accounting records, with interest thereon at the rate set forth in Clause 12.7, by reducing the price to be paid for Sales Gas to be delivered thereafter by twenty (20) per cent until the reduction has permitted recovery of such cost and interest but such recovery (net of interest) shall not exceed the value of an amount of Sales Gas equal to twenty (20) times the DCQ in force at the Contract Price when Buyer commenced such operations. <sup>?</sup>

- 5.6 During any period in which Buyer is carrying out any remedial operations in accordance with Clause 5.5, it may either refuse or accept delivery of Sales Gas as provided in Clause 5.2.

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5.7 Failing agreement within a period of thirty (30) Days. any difference between the Parties which may arise in respect of the Contract Delivery Pressure of the Sales Gas or the cost incurred to remedy any deficiency therein or in connection with the carrying out of any remedial operations or otherwise under this Article shall (at the request of either Party) be referred to an expert appointed pursuant to Article XX.

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ARTICLE VI - QUANTITIES

6.1 Sellers' Facilities

The Sellers shall, after the Effective Date and at their own expense, diligently proceed to provide and maintain facilities (the "Sellers' Facilities") to enable them, on and after the Contractual Delivery Date, to produce and deliver Sales Gas at a peak capacity (hereinafter called the "Contractual Delivery Capacity") at the rate or rates calculated as hereinafter provided.

6.2 Commencement of Deliveries

6.2.1 Subject always to Article XVI the Date of Commencement of Deliveries shall be on the first day of July nineteen ninety eight (01/07/1998). The Parties will however inform, at regular intervals, each other of the progress and status of the construction of their respective facilities. If it is agreed that the DCD can take place before the above referred date, the Parties undertake to bring forward the DCD to a date which is mutually acceptable and in that case the other provisions of the Contract will apply mutatis mutandis.

Any deferment of the DCD due to an event constituting Force Majeure in accordance with Article XVI shall be limited to the number of Days and part Days actually lost in consequence of the occurrence of such an event.

6.2.2 Following the Date of Commencement of Deliveries there shall be a run-in period for the purpose of proving the facilities required for the performance of the initial obligations of both the Sellers and Buyer and during such run-in period both the Sellers and Buyer shall use reasonable endeavours respectively to deliver and take Sales Gas.

(i) The Sellers shall, during the run-in period, complete a test of seventy-two (72) consecutive hours during which Buyer shall make Nominations in accordance with Clauses 6.9 and 6.11, it being understood that these Nominations cannot exceed one hundred thirty five (135) MMCFD, and the Sellers shall deliver to Buyer Sales Gas of a quality and at a pressure consistent with Articles IV and V respectively. If the Sellers are

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unable, for whatever reason other than Buyer's inability to take, to complete the continuous seventy-two (72) hour period, the test shall be re-started.

If within the seventy-two (72) hour test period, Buyer, for whatever reason, other than Sellers' inability to deliver, is unable to take Sales Gas, the test shall be re-started at the end of the interruption, but only for the number of hours necessary to make up the total period of seventy-two (72) hours.

(iii) During the run-in period and until the completion of such test period, Sales Gas shall be paid for at a price of 2.40 USD/MMBTU.

(iii) Following the completion of such test period and until the CDD both the Sellers and Buyer shall continue to use reasonable endeavours to deliver and take Sales Gas which shall then be paid for at the Contract Price.

(iv) If by the Day preceding the CDD the test has not been completed for any reason other than Force Majeure

(a) if such non completion is due to the Sellers' inability to deliver, Buyer shall have the right to notify the Sellers that the test is deemed to be completed for all purposes of this Contract, and that from the Day following the receipt of such notice the provisions of this Contract following the CDD shall apply.

(b) if such non completion is due to Buyer's inability to take, the Sellers shall have the right to notify Buyer that the test is deemed to be completed for all purposes of this Contract, and that from the Day following the receipt of such notice the provisions of this Contract following the CDD shall apply.

### 6.3 Contractual Delivery Date

The CDD shall be one Month after the DCD.

Any deferment of the CDD, due to an event constituting Force Majeure in accordance with Article XVI, shall be limited to the number of Days and part

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Days actually lost in consequence of the occurrence of such an event.

6.4 Daily Contract Quantity

For each Contract Year there shall be determined in the manner herein provided a daily rate for delivery of Sales Gas in that Contract Year which shall be expressed as a quantity of Sales Gas in Cubic Feet and shall hereinafter be called the "Daily Contract Quantity" or "DCQ".

6.4.1 Build-Up Period

The Build-Up Period shall be the fourteen (14) Months period starting from the Contractual Delivery Date.

It shall consist in the following steps during which the DCQ shall be :

- for the first Month starting : 65 MMCFD  
with the Contractual Delivery Date
- for the second Month : 130 MMCFD
- for the third Month : 195 MMCFD
- for the fourth Month : 260 MMCFD
- for the fifth to the eleventh Month inclusive : 325 MMCFD
- for the twelfth to the fourteenth Month inclusive : 390 MMCFD

From the start of the Build-Up Period, the Parties shall have full contractual delivery and take or pay obligations and the price to be paid is the Contract Price, in accordance with Clause 11.3.

However, during the Build-up Period, the Sellers and the Buyer shall use reasonable endeavours respectively to deliver and take Sales Gas in excess of the hereabove mentioned DCQ provided that:

- for the first to the eleventh Month inclusive, the quantities of Sales Gas taken in excess of an amount equal to the sum of the DCQ and 65 MMCFD shall be paid for at a price fifteen (15) per cent below the Contract Price.

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- for the twelfth to the fourteenth Month inclusive, the quantities of Sales Gas taken in excess of an amount equal to the sum of the DCQ and 130 MMCFD shall be paid for at a price fifteen (15) per cent below the Contract Price.

- these incremental volumes shall not be counted against the Annual Contract Quantity.

#### 6.4.2 Plateau Period

The Plateau Period shall be the period immediately following the Build-Up Period. During the Plateau Period, the DCQ shall be five hundred and twenty-five (525) MMCFD, unless modified in accordance with other provisions of this Article VI.

The Plateau Period will last for nineteen (19) years, or until the redetermination of the Reserves leads to a level preventing the Sellers, acting as a Reasonable and Prudent Operator, from economically maintaining the DCQ over the Plateau Period, whichever is the earlier.

Should such redetermination occur before the depletion of sixty two point five (62.5) per cent of the Reserves so redetermined, the Sellers shall first substitute gas from other sources, provided that such substitution sources shall be located in blocks M5 and/or M6 and/or adjacent blocks (Myanmar), shall belong to the Sellers in the same proportion as the Sales Gas, have a quality compatible with the quality of the Sales Gas, and are not committed at the time of such determination. If the Sellers have no alternative sources of gas, the Sellers shall propose for Buyer's consideration appropriate and fair adjustments, if necessary, to the provisions of Clause 6.10 (a).

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When making such proposals, the Sellers shall, subject to Buyer's prior approval which shall not be unreasonably withheld, take due consideration of the wishes expressed by the Buyer to maintain either the previously applicable DCQ for a reduced number of years or the duration of the Plateau period at a reduced level of DCQ, depending upon reservoir performance under existing economic and operating conditions.

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6.4.3 Overall DCQ

(a) It is acknowledged by the Parties that the Yadana Gas Project is based at any time on an overall daily contract quantity to be produced ("the Overall DCQ") defined as the sum of the hereinabove specified DCQ, as possibly revised according to the provisions of this Contract, and of a supplementary daily contract quantity of gas allocated to the Myanmar domestic gas market ("the Domestic DCQ"), as possibly revised according to similar provisions of the gas sales agreement entered into with MOGE ("the Domestic Contract"). At the Effective Date, the Overall DCQ has been set at 650 MMCFD at plateau level, split into 525 MMCFD for the DCQ and 125 MMCFD for the Domestic DCQ.

(b) Should the Overall DCQ be revised during the Plateau Period, the following mechanisms shall apply :

(i) in the case of an increase in accordance with the provisions of Clause 6.10 (b) and similar provisions of the Domestic Contract, MOGE will have a first-priority on 21.875 % of the incremental Overall DCQ. If MOGE elects not to commit to their share of the incremental Overall DCQ, or if they decide to commit only to a portion of this incremental Overall DCQ, the Sellers shall inform the Buyer of such availability within thirty (30) Days so that the Buyer shall make decision whether or not to take it and so inform the Sellers within sixty (60) Days after receiving the notice, or, in the event Buyer advises the Sellers within such sixty (60) Day-period that it will require additional facilities to be able to receive these incremental quantities, within one hundred and eighty (180) Days after receiving the Sellers' notice.

(ii) in the case of a decrease in accordance with the provisions of sub-Clause 6.4.2 and similar provisions of the Domestic Contract, the respective DCQs under this Contract and the Domestic Contract will be proportional to the original commitments, as set out hereinbefore. For the avoidance of doubt, the DCQ and Domestic DCQ will correspond to the application of the original ratios, that is 525/650 under this Contract and 125/650 under the Domestic Contract, to the

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reduced Overall DCQ.

- (c) In the case of any decrease of the Overall DCQ pursuant to the provisions of Clause 6.10 (a) and similar provisions of the Domestic Contract, MOGE will have a first priority on 21.875 % of the reduced Overall DCQ provided however that the then applicable Domestic DCQ shall not exceed the previously applicable Domestic DCQ. If MOGE elects to commit to a lower share of the reduced Overall DCQ, the Sellers shall inform the Buyer of the availability of volumes that MOGE did elect not to take within thirty (30) Days so that the Buyer shall decide whether or not to take these volumes within sixty (60) Days after receiving the notice. The reduced DCQ shall amount to 78.125 % of the reduced Overall DCQ, possibly increased by said volumes if accepted by Buyer.
- (d) If the Sellers on any Day do not have available the quantities of Sales Gas necessary to enable them to perform their obligations under this Contract and the Domestic Contract, the Sellers shall prorate the quantities then available to the Buyer and MOGE respectively on the basis of the DCQ and the Domestic DCQ in force. The same provisions shall apply mutatis mutandis to DCQm, as set out in Clause 6.14, during the maintenance of the Sellers' Facilities, and/or in Clause 6.15, during the performance of the exceptional major works.

6.5 Annual Contract Quantity

That amount of Sales Gas equivalent to the sum of the DCQs (including the DCQms) in effect on each Day for each Contract Year shall hereinafter be called the "Annual Contract Quantity".

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6.7 Minimum Annual Payment

Each Contract Year (starting from the Contractual Delivery Date) the Buyer shall purchase not less than the Net ACQ which quantity shall be the ACQ reduced by:

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- (a) Any and all portions of Properly Nominated Quantities which Sellers have failed to deliver for any reason other than the failure of Buyer to accept, and
- (b) Any and all portions of Properly Nominated Quantities which Buyer has been prevented by Force Majeure from accepting.

If in any one Contract Year Buyer has not taken at least the Net ACQ, Buyer shall pay (in the manner set forth in Article XII) the arithmetic average of the Contract Prices applicable in the relevant Contract Year for a quantity equal to the difference between the Net ACQ and the quantity of Sales Gas actually taken.

Provided that:

- (i) if any previous Contract Year Buyer has taken and paid for Sales Gas (other than Sales Gas taken in accordance with Clause 6.9.b) in excess of the Net ACQ for that Contract Year (such excess gas hereinafter being called "Carry Forward Gas"), then such Carry Forward Gas shall be offset against the obligation of Buyer in any Contract Year under this Clause 6.7 to pay Sales Gas not taken, and
- (ii) the application of such offset by Carry Forward Gas shall in any Contract Year be limited to fifteen (15) per cent of the Net ACQ for that Contract Year, and
- (iii) the balance (if any) of Carry Forward Gas not so used shall be carried forward for offset in subsequent Contract Years, provided however that Carry Forward Gas shall only be used to offset Buyer's obligations in the five (5) Contract Years following the Contract Year in which the offset was earned.

#### 6.8. Make-Up

When Buyer has paid for a quantity of Sales Gas not taken in any Contract Year (hereinafter called "the Debit Year") Buyer shall in any

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or all of the subsequent Contract Years take free of charge, after Buyer has taken the Net ACQ for that Contract Year, a quantity of Sales Gas equal to that paid for but not taken in respect of the Debit Year or Years (the "Make-Up Entitlement") adjusted to reflect any differences in the BTU content of the Sales Gas paid for in the Debit Year (based on the average Gross Calorific Value for the said Debit Year) and the Sales Gas actually taken.

The determination of the Make-Up Entitlement shall be performed as part of the Annual Statement which at the end of each Contract Year shall be credited with any Make-Up Entitlement created in respect of said Contract Year, or debited with any Make-Up Entitlement used in respect of such Contract Year, as the case may be.

Provided that this Clause shall not oblige the Sellers to deliver Sales Gas on any Day in excess of the Contractual Delivery Capacity as defined in sub-Clause 6.9. (a).

#### 6.9 Daily Deliveries

- (a) Except during the Maintenance Period, Sellers shall throughout the Contract Period make available for delivery to Buyer each Day such quantity of Sales Gas notified by Buyer up to the Contractual Delivery Capacity being one hundred and fifteen per cent (115 %) of the DCQ, notwithstanding that the aggregate of such daily requirements in any one Contract Year may exceed the ACQ.
- (b) At the prior request of Buyer, the Sellers shall use their reasonable endeavours to deliver Sales Gas in excess of the Contractual Delivery Capacity. Quantities of Sales Gas so delivered shall be called Excess Gas.

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Provided that, in no event shall the Sellers be required to install additional facilities nor to upgrade existing facilities to enable them to deliver Sales Gas in excess of the CDC rate.

- (c) Except during the Maintenance Period, the Minimum Daily Quantity (MDQ), to be notified and taken by Buyer shall be fifty (50) per cent of the

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6.10 Variation of Daily Contract Quantity

(a) Decreased Contract Quantity

If at any time or from time to time during the Contract Period but not before sixty two point five (62.5) per cent of the Reserves as last determined or redetermined has been produced (but excluding gas, if any, which has been reinjected into the reservoirs) under this Contract and the Domestic Contract, the Sellers taking due account of their rights under Article VII, expect that in order to maintain the Overall DCQ it would be necessary for the Sellers to incur additional capital expenditure for facilities required to maintain such Overall DCQ in excess of that which a Reasonable and Prudent Operator would make, then the Sellers may serve upon Buyer notice of a decrease in DCQ, to be effective after the expiration of twelve (12) months from the date of the service of the said notice.

For the avoidance of doubt, such reduced DCQ will be computed according to the principles specified in sub-Clause 6.4.3.

The Sellers' notice shall also specify the decreased Overall DCQ, which shall not be less than that which a Reasonable and Prudent Operator could maintain without making such additional expenditure, and shall be supported by adequate information and raw data (if any) not previously given to Buyer.

If within sixty (60) Days following the receipt of a notice under this Clause 6.10 Buyer has informed the Sellers that Buyer considers the Overall DCQ which a Reasonable and Prudent Operator could maintain without making such additional expenditure as aforesaid is greater than the Overall DCQ specified in the Sellers' notice, or that a Reasonable and Prudent Operator would make such additional expenditure and the Parties are unable to agree, then either Party may require the matter to be submitted for determination to an expert to be appointed in accordance with Article XX. The expert shall be given access to all material data including raw data available to the Sellers. The award of the expert shall be effective twelve (12) Months from the date of the Sellers'

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notice.

(b) Increased Contract Quantity

To the extent that the Reserves have been redetermined to be greater than the previously applicable Reserves, the Sellers shall inform the Buyer of a possibility to increase the DCQ, with at least 78.125 % of the incremental quantities pursuant to the provisions of sub-Clause 6.4.3, and Buyer shall make decision whether or not to take it, and so inform the Sellers, within sixty (60) Days after receipt of the notice ; or, in the event that the Buyer advises the Sellers, within such sixty (60) Day period, that it will require additional facilities to receive these incremental quantities, within one hundred and eighty (180) Days after receiving the Sellers' notice.

The increased DCQ level shall not exceed the maximum capacity of the Sellers' and Buyer's Facilities. Such increased DCQ level shall become the DCQ and shall be applicable from the beginning of the next Contract Year but not earlier than twelve (12) Months after the notice was given.

Provided that, if the Reserves are increased to the extent that additional facilities are essential to deliver or receive the higher DCQ (and provide the corresponding Contractual Delivery Capacity), and the Buyer and the Sellers agree to expand such facilities, then the revised DCQ shall become effective immediately after such facilities are commissioned or two (2) years after the Reserves redetermination effective date, whichever is the earlier.

6.11 Nominations

~~(a) Buyer shall, with at least one Month prior notice, notify Sellers of an indicative programme of Nominations for the following Quarter.~~

(b) Buyer shall, not later than 3 p.m. each Friday, notify Sellers of the programme of Nominations in respect of each Day of the following Week (the "Weekly Programme"), and so far as is reasonably practicable the Sellers shall deliver and the Buyer shall receive at a rate as consistent as possible throughout the day, with due consideration for the normal fluctuations caused by demand variations and operational control of

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facilities.

- (c) Buyer may at any time before or during any Day call for the Nomination previously notified to be varied within the limits set out in Clause 6.9 and this Clause 6.11 and the Sellers shall use reasonable endeavours to comply with such request.

Provided that :

- (i) Any request for a change of less than ten per cent (10%) shall be complied with within eight (8) hours.
- (ii) Any request for a change of ten per cent (10%) or greater but less than twenty-five per cent (25%) shall be complied with within eleven (11) hours.
- (iii) Any request for a change of twenty-five per cent (25%) or greater shall be complied with within twenty (20) hours.

6.12 If for any reason, other than Buyer's failure to accept, the Sellers curtail deliveries below the quantities properly notified for delivery by Buyer within the prevailing Contractual Delivery Capacity, Buyer shall be deemed, until such curtailment ceases, to have nominated as hereinafter provided :

- (a) according to the Weekly Programme in force, from the start of the curtailment until the end of the Weekly Programme in which the said curtailment started,
- (b) at the level of the prevailing DCQ in respect of the period of curtailment, if any, which extends beyond the Weekly Programme referenced in (a) above.

Provided that, if at the end of the referenced Weekly Programme, the total volume of Sales Gas taken by Buyer during that Contract Year is less than that which Buyer should on average have taken at that date, then Buyer may continue, until such deficiency has been made good, to notify up to the maximum level permitted in accordance with Clause 6.9, and once made good, at a level of the current DCQ until the end of the period of curtailment.

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For the purpose of this Contract the quantity properly notified for delivery on any Day shall be that quantity which would be tendered for delivery if the delivery rate or rates required by Buyer had been sustained throughout the number of hours for which it was or they were required to be effective.

If, in accordance with Clause 6.9. (b), Buyer has in fact called for a rate exceeding the applicable Contractual Delivery Capacity the quantity properly notified shall be calculated as if the rate called for had been that of the applicable Contractual Delivery Capacity.

6.13 After any event which causes a cessation of deliveries of Sales Gas, then for a period of forty eight (48) hours following the start-up of deliveries, the Sellers, while using reasonable endeavours to meet nominations, shall be relieved from the consequences of any failure to deliver the nominated amounts in full.

6.14 Maintenance Period

For the purpose of managed preventative maintenance, the Sellers shall be entitled to give notice to Buyer and the Buyer shall be entitled to give notice to the Sellers to reduce, for limited periods, the DCQ to less than the DCQ prevailing prior to the Maintenance Period ("DCQm"), subject to the following conditions :

- (i) This entitlement is solely in respect of preventative maintenance.
- (ii) The frequency shall be not more than once in any Calendar year.
- (iii) The notification period shall be twelve (12) Months, or such lesser period as may be agreed between the Sellers and the Buyer, on each occasion.

- (iv) Each notice shall give the proposed period of maintenance, which shall not exceed fifteen (15) Days, and the level of DCQ which is to prevail during the period of maintenance. Such level of DCQ shall be not less than fifty per cent (50%) of the DCQ prevailing prior to the maintenance period for that period of that Contract Year.

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- (v) Up to not later than six (6) Months prior to the notified date of commencement of such maintenance, either Party may require the other to make such timing adjustments to the Maintenance Period as may be reasonably requested but such right shall not be used to the detriment of preventative maintenance which is in accordance with good oil and gas industry practice.
- (vi) The reduced DCQm notified under this Clause 6.14 shall apply for all purposes of this Contract for each day or part day during which maintenance is taking place.

The Sellers and the Buyer shall exercise their best efforts in order to have their respective Maintenance Periods coincide.

#### 6.15 Exceptional major works

In addition, the Sellers and the Buyer shall have the right to perform exceptional major works which will consist in the installation of compressors or tie-in of other fields into the pipeline systems.

The start up date and expected duration of such works, which will be notified to Buyer, or Sellers as the case may be, with not less than twelve (12) Month advance notice, or such lesser period as shall be agreed between the Parties, shall be agreed upon by the Buyer, or the Sellers as the case may be, which consent shall not be unreasonably withheld. Such notification shall specify the Daily Contract Quantity, reduced as necessary, which the Sellers expect to deliver or the Buyer expects to take during this period (DCQm). The reduction to be applied to the ACQ will be computed from the difference between DCQ and DCQm as notified pursuant to the provisions of this Clause 6.15.

~~Should this right be exercised, the Sellers and the Buyer will use their best endeavours to have their Maintenance Period, if any, coincide with the period elected for these exceptional major works. Moreover, if the Sellers and the Buyer must proceed with exceptional major works during the same Contract Year, they shall exercise their best efforts in order to have their respective exceptional major works coincide.~~

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ARTICLE VII - SELLERS' RESERVATIONS

There are reserved to the Sellers the following rights:

7.1 Without prejudice to the nature and extent of the obligations of the Sellers under this Contract the right to decide the manner in which it shall conduct its physical operations.

7.2

(a) The right to use Natural Gas produced by the Sellers from the Contract Area for any of the following purposes to the extent that it may be required for the fulfilment of its obligations under this Contract and the Domestic Contract :

(i) for the operation of the Sellers' field facilities, process facilities, and other miscellaneous uses relating to production from the Contract Area and the delivery of Sales Gas ;

(ii) for gas lift operation, repressuring, pressure maintenance or cycling operations within the Contract Area.

(b) The right to exclude from such Natural Gas such quantities as may be required to satisfy the royalties or other rights in kind of the Government of the Union of Myanmar which arise by law or governmental intervention in respect of the Contract Area, which however shall not exceed the levels as set out in sub-Clause 6.4.3.

7.3 The right to process the Natural Gas recovered before delivery to the Buyer for the removal of any constituents other than methane, ethane, propane and butane (except such minimum amounts of methane, ethane, propane and butane as would necessarily be removed in the recovery of such constituents). Such removed constituents shall not be a part of this Contract.

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ARTICLE VIII - BUYER'S FACILITIES

Buyer shall, within the timed programme for the sale and delivery of Sales Gas in accordance with this Contract, diligently proceed to provide and maintain at its own expense such facilities (the "Buyer's Facilities") as may be necessary to enable both Buyer and the Sellers to test their facilities during the run-in period provided in sub-Clause 6.2.2 and to ~~transmit and dispose~~ of the Sales Gas ~~on and~~ after the Contractual Delivery Date at the rate or rates determined as herein provided.

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ARTICLE IX - EXCHANGE OF INFORMATION

- 9.1 The Sellers and Buyer shall at all times make available to each other all such information as may reasonably be required to enable each Party to carry out its obligations under this Contract and in particular (but without prejudice to the generality of the foregoing) will meet together approximately three (3) Months before each new Contract Year to exchange and discuss written forecasts which shall indicate future programmes of operations and expectations for succeeding Years.
- 9.2 The Sellers shall make available to Buyer all basic data which assists in determining the Reserves whether or not notice of a redetermination of Reserves has been given in accordance with Clause 10.2. This basic data shall be supplied to the Buyer within thirty (30) Days after the end of each Contract Year, or more frequently as may be reasonably requested by the Buyer.
- 9.3 All information made available under this Article shall be supplied at the expense of the Party providing the same and shall not be disclosed to any person not in the service or employment or professionally retained by the Party receiving the same and entitled to receive the same or required by law or by bank(s) and/or financial institutions for the purpose of financing operations hereunder or in any arbitration or legal proceedings and any information disclosed hereunder shall be so disclosed only on condition that the recipient shall make no further disclosure thereof.

Each recipient shall treat as confidential all data and information properly designated as confidential as long as the same does not become public knowledge and shall take or cause to be taken such precautions as are necessary to prevent disclosure thereof to others.

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**ARTICLE X - DETERMINATION OF RESERVES**

- 10.1 Until such time as a new Reserves quantity is agreed, or redetermined as provided in this Article X, the Reserves shall be the quantity set forth in Article III.
- 10.2 At any time or from time to time, either the Buyer or the Sellers may require a redetermination of the Reserves.
- 10.3 If the Parties agrees upon the result of such redetermination, the Reserves as so redetermined shall become effective for all purposes of this Contract as of the start of the following Contract Year, but if the Parties do not so agree within ninety (90) Days of the provision of the result of a given redetermination, then either Buyer or the Sellers may require that the redetermination be carried out by an expert appointed pursuant to Article XX, who shall be given access to all basic geological, geophysical, engineering and pertinent economic and price forecast data available to both the Sellers and Buyer. The Reserves so determined by the expert shall become effective as of the first Day of the Month following completion date of such determination for all purposes of this Contract.
- 10.4 In any redetermination the calculation of Reserves shall limit the allowable element of Probable Natural Gas Reserves to twenty (20) percent of the total Reserves.
- 10.5 Unless the Parties shall expressly agree to the contrary, no notice requiring a redetermination shall be given before the expiration of two (2) years from the completion date of the previous determination or redetermination

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**ARTICLE XI - PRICE AND PRICE ADJUSTMENT**

11.1 Sales Gas delivered under this Contract from the Date of Commencement of Deliveries and onwards (or to be paid for whether taken or not) shall be paid for in the manner and at the prices following.

11.2. For the duration of this Contract, there shall be a Ceiling Price (Ay), a Normal Price (By), a Floor Price (Cy) and a Special Floor price (Dy), all expressed in USD/MMBTU, which shall be calculated according to the following formulae:

(i) Ceiling Price (Ay)

$$A_y = 1.25 \times (F_y / 6.15)$$

(ii) Normal Price (By)

$$B_y = P_1 [ 0.2 (I_y / I) + 0.2 (O_{My}/O_M) + 0.5 (F_y / F) + 0.10]$$

(iii) Floor Price (Cy)

$$C_y = P_2 [ 0.25 (I_y / I) + 0.225 (O_{My}/O_M) + 0.2 (F_y / F) + 0.325]$$

(iv) Special Floor Price (Dy)

$$D_y = (A_y + C_y) / 2$$

where:

P 1 = 3.00 USD/MMBTU,

P 2 = 2.32 USD/MMBTU,

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ly is the arithmetic average of the figures published for each Month of the twelve (12) month period ending six (6) months prior to each Recalculation Date for the Consumer Price Index number in the United States of America, all items, all urban consumers (CPI - U), on a 100 basis for the period covering the Calendar years from 1982 to 1984, as published by the US Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, in their monthly Survey of Current Business.

Is agreed to be one hundred and seventy point zero thirty six (170.036)

OMy is the arithmetic average of the figures published for each Month of the twelve (12) month period ending six (6) months prior to each Recalculation Date for the Producer Price Index for Oil Field and Gas Field Machinery, Commodity Code No. 1191, on a 100 basis for the calendar year 1982, as published by the United States Department of Labor, Bureau of Labor Statistics, in their Producer Price indexes.

OM is agreed to be one hundred and seventeen point seven hundred and eleven (117.711).

Fy is the arithmetic average of the prices published for each Month of the twelve (12) month period immediately preceding each Recalculation Date for the fuel oil in Singapore as published monthly by Platt's Oilgram Price Report in their Price - Average supplement under "Singapore cargoes - Lows & Highs" for the FO 150 Cst 2% quotation (Singapore) expressed in USD/metric ton (USD/mt) and converted in USD/BBL using the corresponding conversion factor published from time to time by Platt's in their Guide To Petroleum - Specifications. In the event different Low and High values are quoted, the average of such values shall be applied.

F is agreed to be fifteen point five (15.50) USD/BBL

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11.3

- 11.3.1 For the first fifteen (15) months corresponding to four hundred and fifty seven (457) Days starting from the CDD, the Contract Price shall be 3.00 USD/MMBTU.
- 11.3.2 Starting from the end of the fifteen (15) month period referred to in Clause 11.3.1, the Contract Price shall be:

- (a) By if Ay is greater than By and By is greater than Cy.
- (b) Ay if By is greater than Ay and Ay is greater than Cy.
- (c) Cy if Ay is greater than Cy and Cy is greater than By.
- (d) Dy if Cy is greater than Ay.

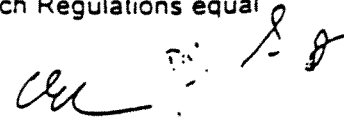
Such Contract Price shall be adjusted in the Months of January, April, July and October every Calendar year (hereinbefore referred to as "the Recalculation Dates") according to the foregoing calculation principles and the Contract Price so obtained shall become effective on the first Day of the same Months and remain effective for a duration of three Months.

- 11.4 If in the opinion of either Party any of the indices or set of statistics used in this Article at any time or from time to time are discontinued or are so changed in nature or become so out of date that it ceases to serve the original purpose for which it was intended by the Parties, as evidenced by the context in which it was used in this Contract, then that Party may so notify the other Parties and request that a replacement be found. The Parties shall endeavour to agree such replacement as is considered necessary.

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Furthermore, if the Thai Government or any agency thereof decides to impose new regulations, instructions, directives or policies (hereinafter "Regulations") aimed at developing the use of fuel oil having a sulphur content lower than 2% in any area in Thailand which does not exclude the Ratchaburi province, the Parties undertake upon notification to this effect made by either Party, to discuss and agree on appropriate changes in the Ceiling Price formula.

Such changes shall take effect the number of years after the later of the date of such Regulations and of the effective date quoted in such Regulations equal



to the sum of the ratios "R" defined below and calculated for each year, between the application date of the previous sulphur regulation and the application date of the new sulphur regulation. For the avoidance of doubt, the 2% sulphur regulation shall be deemed to apply as from the DCD.

For a given year, the ratio "R" of the Sales Gas not used in Combined Cycle Gas Turbines and the DCQ is given by the formula:

$$R = 1 - (390 / DCQ) \times (CCGT / 1800)$$

where CCGT is the available Combined Cycle Gas Turbine capacity, expressed in Megawatts, in the said year in the Ratchabun power plants and R is always greater than or equal to zero and less than or equal to one ( $0 \leq R \leq 1$ ).

The changes shall consist in the modification of the quality of the fuel used in the Ceiling Price formula (Ay) as follows:

$$Ay = 1.25 \times [ (R \times Fy) + ((1-R) \times Fz) ] / 6.15$$

where Fz is the price of the fuel corresponding to the new sulphur regulations.

If no agreement is reached within sixty (60) Days following a notification served under the first or second paragraph hereof, then at the request of either Party the matter shall be referred for resolution to an expert appointed in accordance with Article XX. The award of the expert shall be effective from the date of said notification.

11.5 If for any reason, when it becomes necessary to calculate the Contract Price, any of the components of the necessary data are not published or made available as required by this Article XI, then such calculation shall be provisionally made using the latest twelve (12) Months published data and the final adjustment shall be made within thirty (30) Days of all of the components of the necessary data being first published. Such final adjustment shall have retroactive effect.

11.6 All figures in calculations performed under this Article shall at each stage in the calculation be rounded to five (5) decimal places by rounding off the sixth decimal place, a five (5) in the sixth decimal place being rounded upwards.

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The final figures for the prices payable in accordance with this Article shall be rounded to four (4) decimal places by rounding off the fifth decimal place, a five (5) in the fifth decimal place being rounded upwards.

11.7 Buyer shall pay the Sellers (in the manner set forth in Article XII) for an amount of Sales Gas delivered in accordance with Article VI and in the following priority:

- (i) Firstly, for such volumes of Sales Gas to which the reduced prices under Articles IV, V, and XV apply, at such reduced prices.
- (ii) Secondly, for the remaining balance of the Net ACQ. at the Contract Price.

Any Sales Gas additional to the Net ACQ taken, where applicable, in each Contract Year shall be paid for as follows:

- (i) Firstly, such volumes of Sales Gas as the Buyer has paid for but not taken in Debit Years, and taken in accordance with Article VI shall be free of charge.
- (ii) Secondly, for the remaining balance, if any, of the volumes of Sales Gas to which a reduced price applies under either Article IV, V or XV, at such reduced price.
- (iii) Thirdly, for the remaining balance, at the Contract Price.

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ARTICLE XII - BILLING AND PAYMENT

12.1 On or before the tenth Day of each Month following the Date of Commencement of Deliveries hereunder, the Operator shall render to Buyer an invoice and a statement showing for the preceding Month:

- (i) The quantity of Sales Gas properly notified by Buyer for delivery on each Day and the amount of Sales Gas offered for delivery by the Sellers hereunder on each Day expressed in Cubic Feet and millions of BTU ;
- (ii) The DCQ in force on each Day ;
- (iii) The quantity of Sales Gas actually taken by Buyer each Day expressed in Cubic Feet and millions of BTU ;
- (iv) The quantity of Sales Gas, if any, which Buyer was required to take according to the provisions of Clause 6.9 (c), expressed in Cubic Feet and millions of BTU ;
- (v) The quantity of Excess Gas, if any, taken by Buyer in accordance with the provisions of Clause 6.9 (b), expressed in Cubic Feet and millions of BTU ;
- (vi) The quantity of Shortfall Gas, if any, taken by Buyer in accordance with the provisions of Clause 15.2, expressed in Cubic Feet and millions of BTU ;
- (vii) The reduction (if any) in the ACQ to be made in respect of that Month pursuant to the provisions of Clause 6.7 ;
- (viii) The Gross Calorific Value of the Sales Gas delivered in each Day expressed in BTU per Cubic Foot ;
- (ix) The sum due and owing to the Sellers under Article XI for Sales Gas delivered during the Month and any prior Month showing the quantities at the prevailing price or prices for each Month ;

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- (xi) Any sum due and owing to Buyer ; and
- (xii) The net sum payable to the Sellers, together with, for purpose of Buyer's information, its split between Sellers.

12.2 On or before the last Day of the Month following each Contract Year, the Operator shall render or cause to be rendered to Buyer an invoice and a statement showing:

- (i) the total quantity of Sales Gas delivered hereunder in the preceding Contract Year, expressed in Cubic Feet and millions of BTUs and the price or prices applicable ;
- (ii) the Net ACQ for such period;
- (iii) the quantity (if any) of undelivered Sales Gas (expressed in Cubic Feet and millions of BTUs computed from the Average Gross Calorific Value of the Sales Gas delivered during that period) for which Buyer must pay in accordance with Clause 6.7. In the event no Sales Gas was delivered in that period, the last Average Gross Calorific value determined for the last effective period shall be used;
- (iv) the quantity (if any) of Make-Up Entitlement Gas which Buyer is entitled to offtake in accordance with Clause 6.8 ;
- (v) the net sum or sums (if any) payable by one Party to another in respect of such transactions or of the provisions of Clause 16.4.2.

12.3 On or before the last Day of each Month or the twentieth Day following receipt of the invoice and statement for that Month, whichever is the later, Buyer shall pay Sellers in the manner defined in Clause 12.6 the net sum set forth in the invoice submitted by the Operator in accordance with Clause 12.1.

12.4 On or before the sixtieth Day following each Contract Year or the thirtieth Day following the receipt of the invoice and statement in accordance with Clause 12.2 (whichever is the later) Buyer or the Sellers (as the case may be) shall pay in the manner defined in Clause 12.6 the net sum or sums (if any) referred to in Clause 12.2 (v).

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Provided that, if by the twenty eighth Day of any February the Operator shall not have rendered such invoice and statement, then Buyer may itself prepare the same and render it to the Sellers.

The different computations done in accordance with the provisions of Clause 12.2 (i), (ii), (iii) and (iv) shall be deemed to be agreed to by the Parties if neither the Buyer, nor the Operator as applicable, objects ~~in writing~~ within a period of two (2) years following the issuance of the yearly statement.

- 12.5 Where any sum is in dispute the undisputed portion shall promptly be paid and after settlement of the dispute any amount agreed or otherwise determined to be due shall be paid within fourteen (14) Days after such agreement or determination with interest thereon in accordance with Clause 12.7.
- 12.6 Buyer shall pay, or cause to be paid, in US Dollars or in such other currency that the Parties, acting in good faith according to the circumstances, shall unanimously agree, all amounts which become due and payable by Buyer pursuant to any invoice issued hereunder, by means of telegraphic transfer to the Paying Agent's bank account or accounts as designated by Operator in each invoice.

Sellers shall pay, or cause to be paid, in US Dollars or in such other currency that the Parties, acting in good faith according to the circumstances, shall unanimously agree, all amounts which become due and payable by Sellers pursuant to any invoice issued hereunder by means of telegraphic transfer to a bank account or accounts in Thailand as designated by the Buyer in each invoice.

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The paying Party shall not be responsible for a designated Paying Agent or bank's disbursement of amounts remitted to such Paying Agent or bank, and a deposit in immediately available funds of the full amount of each invoice with such Paying Agent or bank shall constitute full discharge and satisfaction of the obligations under this Contract for which such amounts were remitted. Any payment which falls due on Saturday, Sunday or bank holidays in Thailand shall be paid on the next succeeding business day. When paying any amount due to the Sellers, the Buyer shall arrange that such payment made to the

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Paying Agent shall be in the full amount due under this Contract, without any deduction for any taxes, duties, exchange charges or bank transfer charges.

The original Paying Agent is BNP JERSEY TRUST CORPORATION LIMITED, a company existing under the laws of Jersey, with its registered office at BNP House, Anley Street, St. Helier, Jersey, Channel Islands. In case the Sellers desire to change the Paying Agent, they shall ensure that the choice of a new Paying Agent and/or its location do not increase the taxes and duties, exchange charges, bank transfer charges and the like, chargeable to the account of Buyer, and shall have to notify such change to Buyer with a thirty (30) Day prior notice.

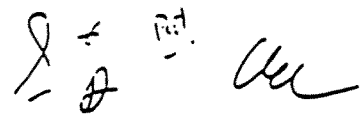
Buyer declares that he has received all relevant approvals in Thailand to make such payments.

When paying any amount due to the Buyer, the Sellers shall arrange that such payment made to the bank designated by the Buyer shall be in the full amount due under this Contract, without any deduction for any taxes, duties, exchange charges or bank transfer charges.

12.7 Should any Party fail to make payment to another of any sum due hereunder, interest thereon shall accrue for each day until paid in full at the annual rate of the London Inter-Bank Offered Rate (LIBOR) for USD for one month borrowing plus one percent (1 %) per annum as published by the Financial Times, London, or if not published as quoted by the National Westminster Bank in London, and valid on the latest working day in London the payment was due, except to the extent that the failure to make payment arose from an error on the part of the Party to whom payment was due to be made. For the avoidance of doubt, the above mentioned rate is presently available in the Financial Times in a tabulation called "Money Rates" under the heading "~~LIBOR FT London Interbank Fixing~~".

12.8 Buyer and the Sellers shall have the right at reasonable hours to examine the books and other records of the other Party relative to this Contract to the extent necessary to verify the accuracy of any statement or computation made pursuant to any of the provisions of this Contract.

Provided that, for the purposes of this Contract,

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- (i) such books and other records need not be preserved longer than a period of four (4) Calendar years ; and
- (ii) if any such examination reveals any inaccuracy in any billing theretofore made, the necessary adjustment shall be made promptly.

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ARTICLE XIII - MEASUREMENTS

- 13.1 Sales Gas delivered under this Contract shall be measured in Cubic Feet and BTUs according to the procedure set out in the Fifth Schedule hereto.
- 13.2 All measuring and testing equipment, housings, devices and materials shall, with all related equipment, appliances and buildings (herein called the "Sellers' Equipment") be procured, installed, maintained and operated by the Sellers at the Sellers' expense except as provided hereafter.
- 13.3 The Sellers shall ensure that withdrawal for maintenance or adjustment of any individual component part of the Sellers' Equipment does not affect the delivery of Sales Gas.
- 13.4 The Buyer shall have the right from time to time and at all times upon giving reasonable notice to the Sellers to inspect or cause to be inspected the Sellers' Equipment and other measurements or test data of the Sellers but the reading calibration and adjustment of the Sellers' Equipment shall be carried out only by the Sellers who shall preserve all original test data and other similar records for a period of four (4) years and shall make a copy thereof available to the Buyer at any time upon request ;
- Provided that, the Buyer or its employees, agents or representatives may, with reasonable notice, enter upon any facilities owned or installed by the Sellers pursuant to this Article at the sole risk and cost of the Buyer.
- 13.5 Each component of the measuring and testing equipment shall be adjusted to operate accurately within a limit prescribed by the manufacturer but which shall not in any case exceed a limit of two (2) per cent.

The accuracy of the Sellers' Equipment shall be verified by the Sellers once in every month during the Contract Period or at such other frequency as may be

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agreed (and at other times if so required by either the Buyer or the Sellers) and the Sellers shall give to the Buyer sufficient previous notice of the date, time and nature of every verification to enable a representative of the Buyer to be present thereat. The results of any verification shall be binding on both the Sellers and the Buyer unless the Buyer shall within seven (7) Days after such verification give notice to the Sellers that it disputes the accuracy of such verification.

Verification shall be made at the expense of the Sellers but the Buyer shall bear the cost of the attendance of its representatives at any verification and shall bear the whole expense of any verification made at its request if the accuracy of the equipment concerned is found to be within the limits mentioned in this Clause 13.5.

13.6 If at any time or from time to time during the continuance of this Contract any component of the Sellers' Equipment is found to be out of service or registering outside the limits of accuracy agreed under Clause 13.5 the Sellers shall forthwith adjust it to read accurately within the limits mentioned in Clause 13.5 or (if that is not possible) replace it with a serviceable component and (unless the Sellers and the Buyer shall otherwise agree) the following provisions shall apply with regard to earlier readings affected by the defective component :

- (i) no correction shall be made in respect of readings made during the period before the immediately preceding verification of the defective component :
- (ii) if the time at which the component became defective can be established the readings affected thereby shall be corrected with effect from that time in a manner provided by paragraphs (a), b) and c) of Clause (iii) of this Clause 13.6 :
- (iii) if the time at which the component became defective cannot be established, then the time which has elapsed since the immediately preceding verification shall be divided into two (2) equal parts and estimated readings shall be established in respect of the first such part by assuming that the defective component has operated accurately throughout such part and in respect of the second such part :

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a) by using the readings recorded by any check measuring or testing equipment, if such equipment is registering accurately within the limits mentioned in Clause 13.5 ;

or if such equipment is not registering accurately or if no such equipment has been installed,

b) by ~~correcting the error~~, if the percentage of error is ascertainable to the satisfaction of both the Sellers and the Buyer, by calibration test or mathematical calculation;

or, if the percentage of error is not so ascertainable.

c) by estimating the quantity and/or quality of Sales Gas delivered by reference to deliveries under similar conditions when the defective component was registering accurately.

13.7 The Sellers and the Buyer shall meet to discuss and to endeavour to settle any dispute which may arise with regard to the application of the provisions of this Article or the measurement of the quantity of Sales Gas delivered and if within thirty (30) Days after the commencement of such meeting, or, if no such meeting takes place, within forty (40) Days of notice that a point of dispute exists, they shall have been unable to agree, the matter may be referred to an expert to be appointed in accordance with the provisions of Article XX.

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ARTICLE XIV - POINT OF DELIVERY, PROPERTY AND RISK

- 14.1 Sales Gas to be delivered under this Contract shall be delivered by the Sellers to the Buyer at the Point of Delivery.
- 14.2 The title and risk in the Sales Gas tendered for delivery by the Sellers shall pass to Buyer at the Point of Delivery.

Provided that, if any Sales Gas so tendered is deficient in quality but is, at the moment of its passage through the Point of Delivery, not known by Buyer to be so deficient, such Sales Gas shall for the purposes of this Contract be deemed to have been delivered and the Sellers shall compensate Buyer for any damages suffered by Buyer and which Buyer can properly claim in consequence of such deficiency up to an amount equal to the value of a quantity of Sales Gas six (6) times the DCQ then in force at the Contract Price. Should Buyer subsequently elect to accept delivery of such quality deficient gas, then Buyer shall not be entitled to make a further claim under this Clause 14.2.

- 14.3 Immediately upon notification by Buyer of the occurrence of a failure of pipeline facilities installed by Buyer pursuant to Article VIII causing an escape of Sales Gas, the Sellers shall stop delivering Sales Gas and Buyer shall not be required to pay for any Sales Gas passing the Point of Delivery after such failure has been notified and prior to the failure being remedied, but Buyer shall remain obligated in accordance with Clause 6.7.

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ARTICLE XV - DEFAULT

- 15.1 Except as otherwise provided in this Article XV and Clauses 4.2 and 5.2, each Party shall be liable to the other in the event of such Party's default or breach of an obligation hereunder only for actual costs, expenses and damages incurred by such other Party as the direct result of such default or breach.
- 15.2 Except as otherwise provided in this Article XV, Buyer's sole remedy for the Sellers' failure to deliver the Property Nominated Quantity of Sales Gas during any Day (such deficient quantity being referred to as "Shortfall") shall be the right to take an amount of Sales Gas equal to the Shortfall as part of the Net ACQ. at a price twenty-five (25) per cent below the Contract Price at the time of the occurrence of Shortfall. The Shortfall shall be cumulated at the end of the Month of its occurrence and Sales Gas to compensate for Shortfall ("Shortfall Gas") shall be taken as from the first Day of the next Month.

If for a period of not less than thirty (30) Days, in circumstances in which this Clause 15.2 applies, the Sellers do not make available Sales Gas and, as a result at the end of the Contract Year Buyer has not been able to exercise all or part of its right to require delivery of Shortfall Gas in respect of that period, then the Sellers shall pay to Buyer, in accordance with Article XII, a sum in cash equal to the Shortfall not so delivered times twenty-five (25) per cent of the Contract Price prevailing during the occurrence of the Shortfall.

If any period of not less than thirty (30) Days occurs over two accounting years then the sum to be paid shall not become due before the end of the second of such years.

- 15.3 The Sellers, as a Reasonable and Prudent Operator, shall incur no liability to Buyer for failure to deliver Sales Gas in quantities required by this Contract if such failure was in any way caused, in whole or in part, by an event where:

- (i) the Sellers has been prevented by Force Majeure as defined in Article XVI,  
or
- (ii) subject to Buyer's rights under Clauses 4.2 and 5.2, Buyer failed to take Sales Gas properly tendered in accordance with this Contract.

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- 15.4 Subject to the provisions of this Contract, Buyer's liability to the Sellers, for failure in its obligation to accept delivery of Sales Gas hereunder, shall be limited to the payment to the Sellers for Sales Gas not taken, at the price provided in this Contract.
- 15.5 In no event shall either the Sellers or Buyer be liable to the other for indirect or special damages of any kind nor shall either be liable to the other for damages asserted or claimed to have been suffered by any third party not a Party to this Contract.
- 15.6 For the avoidance of doubt, the Parties agree that if the Sellers' default under the provisions of this Contract is limited to Shortfall, then Buyer's remedy is pursuant to Clause 15.2 and not 15.1.

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**ARTICLE XVI - FORCE MAJEURE**

16.1 In this Contract "Force Majeure" shall denote any event of a non routine nature the happening or pernicious results of which could not be prevented even though a person against whom it happened or threatened to happen were to take such appropriate care as might be expected of a Reasonable and Prudent Operator. Force Majeure shall not include a failure to give a notice or to pay money due under this Contract.

16.2 Events which may, subject to Clause 16.1, be considered Force Majeure events shall include but not be limited to acts of government, strikes, lock-outs, acts of the public enemy, wars whether declared or undeclared, blockades, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, partial or entire failure of wells, inability to obtain necessary materials or supplies due to changes in laws and regulations, inability of Buyer to accept delivery of Sales Gas by reason of inability of any power generation or industrial customer of Buyer to take Sales Gas which it or they would have taken if such inability is caused by a happening which would have constituted Force Majeure in accordance with Clause 16.1 as if the customer concerned had been a Party to this Contract; provided that Buyer shall have no right to Force Majeure relief hereunder by reason of the inability of any power generation or industrial customer to take Sales Gas unless Buyer shall pro-rate the amount from which it requires relief among all of its relevant suppliers. The deemed amount of Sales Gas which would have been delivered to the customer concerned shall be calculated by reference to the average delivery to that customer over the immediately preceding thirty (30) Days and the Buyer supply pattern by the average take of Sales Gas over the same thirty (30) Days.

16.3 A Party claiming relief on account of Force Majeure shall:

- (i) as soon as practicable give notice to the other Party of the happening said to constitute Force Majeure, such notice to include full information about the circumstances and a statement of the steps and time believed necessary to remedy the failure but neither Party shall be obliged to settle or prevent any strike or other industrial action except on terms which, in its

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sole judgement, are acceptable to it.

- (ii) proceed as a Reasonable and Prudent Operator at its own expense to remedy the failure as rapidly as possible.

16.4

16.4.1. A Party failing to fulfil its obligations (other than the obligations to give notice or to pay money excepted under Clause 16.1) by reason of Force Majeure and fulfilling the requirements of Clause 16.3 shall be relieved of liability as follows:

- (i) in the case of the Sellers, to the extent that Force Majeure has prevented them from fulfilling their obligations under this Contract and in particular delivering Sales Gas that it should have delivered.
- (ii) in the case of Buyer to the extent that Force Majeure has prevented it from fulfilling its obligations under this Contract and in particular accepting Sales Gas which it should have accepted or from disposing of the same.

16.4.2. In the implementation of Clause 16.4.1, however, the Parties agree that, if the pipeline is non-operable as a result of an act of sabotage, the following provisions shall apply:

- (i) if the act of sabotage has occurred on the Myanmar section of the pipeline and prevents the Sellers from fulfilling their delivery obligations under this Contract, then the Sellers shall compensate the Buyer for the price difference it will incur when purchasing high speed diesel oil or any other substitute alternative gas or liquid fuel as may be agreed by the users of the Sales Gas as a substitute for Sales Gas.

This compensation (C) shall be calculated as follows:

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$$C = [G - CP] \times Q$$

where,

- G is the price of high speed diesel oil (HSD) or any other substitute alternative gas or liquid fuel as may be agreed by the users of the Sales Gas, determined as being the price paid by the Buyer including

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all taxes but not including transportation cost from the refineries at which it was purchased to the Ratchaburi plant expressed in USD/bbl, as applicable and converted into USD/MMBTU with the appropriate conversion factor.

- CP is the Contract Price or Prices in effect during the Quarter or Quarters when the disruption of deliveries occurs.
- Q is the quantity of high speed diesel oil or any other substitute alternative gas or liquid fuel as may be agreed by the users of the Sales Gas, expressed in bbl and converted into MMBTU with the same factor, which the Buyer may buy as a substitute for Sales Gas during the period of disruption of deliveries.

The Sellers' liability under this Clause 16.4.2(i) in any Contract Year shall not exceed the value of an amount of Sales Gas equal to twenty eight (28) times the DCQ in force at the Contract Price.

This compensation will be credited to the Buyer as a deduction of the sum due to the Sellers in the Month or Months following the resumption of deliveries. If such credit cannot take place by the end of the Contract Year, it will be paid to Buyer as per the provisions of Clause 12.2.

The Buyer acting in accordance with the standards of a Reasonable and Prudent Operator, shall exercise, and shall have the users of the Sales Gas exercise, their best efforts to mitigate the effects of the non-delivery through all available measures.

In case the electricity demand cannot be met through the use of other available power generation capacity, and high speed diesel oil or any other substitute alternative gas or liquid fuel as may be agreed by the users of the Sales Gas has to be utilised, Buyer shall exercise its best efforts to obtain a price not higher than the average of the product concerned in Thailand. Buyer shall provide the Sellers with documentary evidence reasonably satisfactory to the Sellers relating to the quantities used and price paid.

- (iii) if the act of sabotage has occurred on the Thai section of the pipeline and prevents the Buyer from fulfilling its obligations to accept Sales Gas under

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this Contract, the Buyer will only be entitled to ACQ deductions as per Clause 6.7 b) hereunder for a maximum of three (3) Days per event; thereafter, as a compensation to the Sellers, Buyer will not be entitled to such ACQ deductions. The aggregate number of Days for which Buyer shall not be entitled under this Clause 16.4.2 (ii) to such ACQ deductions shall be limited to a maximum of twenty eight (28) Days in any Contract Year.

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ARTICLE XVII - PERIOD OF CONTRACT

This Contract shall come into force on the Effective Date and shall so continue in force until terminated as provided in Article XVIII. Rights and obligations accrued to and incurred by each Party prior to termination of this Contract shall survive such termination.

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ARTICLE XVIII - TERMINATION

18.1 This Contract shall terminate

- (i) upon termination of the Agreement in accordance with its Sections 25.1 and 25.2.
- (ii) when all the Reserves have been produced, or
- (iii) after a period of thirty (30) years from the Contractual Delivery Date, such period to be extended by each event of Force Majeure which is of not less than thirty (30) Days duration.

whichever shall first occur.

18.2 The Sellers shall in good faith endeavour to give to Buyer not less than two (2) years notice of the date upon which an event set forth in Clause 18.1 (ii) is expected to occur, but this Contract shall terminate when such event occurs whether before or after the date notified by the Sellers.

18.3 If this Contract terminates because all the Reserves have been produced then the Sellers shall reimburse Buyer the Make-Up Entitlement as per Article 5.8 which Buyer was unable to take due to the Seller's inability to provide Sales Gas. Reimbursement shall be made within thirty (30) Days of termination and all other amounts due from one Party to the other shall be settled within sixty (60) Days after termination, after which interest shall be paid in accordance with Clause 12.7 until payment is made.

18.4 Termination in any circumstance shall not relieve any Party of an obligation to pay amounts due and payable to another Party at the time of termination.

18.5 If any provision of part of this Contract is void, then this Contract as a whole shall not be affected thereby and if practicable the remainder of the provisions hereof shall remain valid and enforceable, provided, however, that if such void provision is considered as essential by any Party, the Parties shall meet and endeavour in good faith to set out a legal replacement provision.

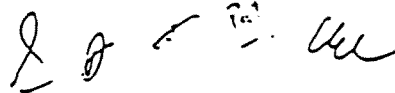
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ARTICLE XIX - ASSIGNMENT

19.1 No Party shall be entitled without the consent in writing of the others (which consent shall not be unreasonably withheld) to assign any of its rights or obligations created by this Contract.

19.2 Whenever any Party will consider the opportunity to finance through bank(s) and/or financial institution(s) part or all of its share in the expenses related to development and production operations under this Contract, such Party shall be free, notwithstanding any provision to the contrary, to assign or pledge or otherwise encumber any and all of its rights such bank(s) and/or financial institution(s) may request. The assigning Party shall inform each of the other Parties of the assignment as soon as possible and not later than thirty (30) Days following the assignment.



ARTICLE XX - EXPERT

- 20.1 Whenever in this Contract it is provided that any person is to be appointed an expert or any matter is to be referred to an expert or the Parties agree that a point of difference between them shall be resolved by an expert the provisions of this Article XX shall apply, being understood that for the purpose of the appointment of the expert, Operator shall act as Sellers' representative.
- 20.2 Other than in the appointment of an expert to redetermine Reserves pursuant to Article X, the procedure for the appointment of an expert shall be the following:
- (i) The Party requesting the appointment of an expert shall give notice in writing to that effect to the other and in such notice shall give details of the matter which it is proposed shall be resolved by the expert.
  - (ii) The Parties shall meet in an endeavour to agree upon a single expert to whom the matter in dispute shall be referred for determination.
  - (iii) If within twenty-one (21) Days from the service of the said notice the Parties have failed to agree upon an expert then the matter shall forthwith be referred by the Party requesting the appointment to be made to the President of the International Gas Union who shall be requested to make the appointment of the said expert within thirty (30) Days and may in so doing take such independent advice as he thinks fit.
  - (iv) Upon an expert being agreed to or selected under the foregoing provisions of this Article the Parties shall forthwith notify such expert of his selection and shall request him to state within fourteen (14) Days whether or not he is willing and able to accept the appointment.
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- (v) If such expert shall be either unwilling or unable to accept such appointment or shall not have accepted such appointment within the said fourteen (14) Days then unless the Parties are able to agree on the appointment of another expert who is willing and able to act, the matter shall again be referred to the President of the International Gas Union who shall be requested to make a further appointment and the procedures shall

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be repeated until an expert is found who accepts the appointment.

20.3 For the appointment of an expert to redetermine Reserves pursuant to Article X, the procedure for the appointment of an expert shall be the following.

- (i) The Party wishing the appointment of an expert to be made shall give notice in writing to that effect to the other Party and in such notice shall give details of the matter which it is proposed shall be resolved by the expert.
- (ii) The Operator shall within fifteen (15) Days of giving by it or receiving by it of such notice, submit to Buyer the names of five (5) companies, (at least two (2) of which must be registered outside of France and must not be a subsidiary of a French company), each of which in the opinion of the Sellers has the capability and integrity to act as an independent expert.
- (iii) The Parties jointly shall within fifteen (15) Days request written confirmation within thirty (30) Days from each such expert that the expert is willing to accept the redetermination assignment.
- (iv) If less than three (3) of the experts furnish their written confirmation as provided above, the Operator, maintaining the requirements of Clause 20.3 (ii), shall add within a further fifteen (15) Days a number of experts to the remaining list to increase the number to three (3) or more experts on the list who are willing to accept the assignment.
- (v) From the list determined as above by the Operator, Buyer will select one (1) expert within seven (7) Days. This expert shall be given the redetermination assignment.

20.4 Once the expert has accepted his appointment pursuant to Clause 20.2 (v) or ~~has been selected pursuant to Clause 20.3 (v) a notice shall be sent within five~~ (5) Days of such date to appoint an expert by either Party (with copy of such appointment to the other Party) or both Parties and shall instruct the expert that the appointment is made on behalf of both Parties and will set forth the points of difference to be resolved and will fairly represent the position of each.

20.5 Not later than thirty (30) Days after the acceptance by an expert of his

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appointment each Party shall submit to the expert and to the other Party all data, information and other submissions which each Party considers relevant to the matter for which the expert has been appointed. Within fifteen (15) Days after the said thirty (30) Day period each Party may rebut the data, information and submission of the other Party. The expert shall make his decision on such data, information and submissions made after such forty-five (45) Days unless the same are furnished in response to a specific request from him. The expert may examine physical evidence on site provided both Parties are accorded the opportunity to attend and participate in such examination.

20.6 Within a reasonable period, which shall not in the case of a redetermination under Article X exceed one hundred and eighty (180) Days after his appointment or in any other case ninety (90) Days after the appointment, the expert shall render a decision. If the expert does not so decide the matter within such time or within such extensions of time agreed upon by the Parties hereto, the matter shall, at the request of either Party, be referred to a new expert who shall be appointed under the provisions of this Article XX and upon the acceptance of appointment by such new expert the appointment of the previous expert shall cease.

Provided that if the previous expert shall have rendered a decision prior to the date upon which the new expert accepts his appointment then such decision shall be binding upon the Parties and the instructions to the new expert shall be withdrawn.

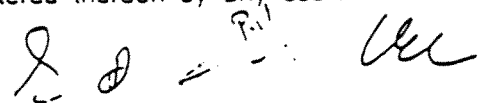
20.7 The report of the expert shall be in writing and shall set forth his decision and reasons therefor.

20.8 No person shall be appointed to act as the expert under this Article XX:

(i) unless he shall be qualified by education, experience and training to ~~determine the matter in dispute.~~

(ii) who at any time has been an employee of or engaged by either Party.

20.9 The decision of the expert shall be final and binding upon the Parties on the matter under determination and may be entered thereon by any court of competent jurisdiction save in the event of:



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- (i) fraud;
- (ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;
- (iii) failure of an expert to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence;
- (iv) where an expert has awarded upon a matter not submitted to him, unless it is a matter not affecting the merits of the decision upon the matter submitted.

Each Party shall continue to fully perform all of its obligations under this Contract during the pendency of the determination.

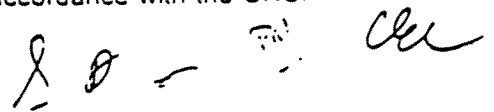
20.10 Each Party shall bear the costs and expenses of all counsel, witnesses and employees retained by it but the cost and expenses of the expert shall be apportioned fifty/fifty between the Sellers and Buyer.

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ARTICLE XXI - ARBITRATION

- 21.1 Any and all disputes, controversies or claims between the Parties arising out of or relating to this Contract or the performance, breach, termination or invalidity thereof which are not by this Contract referred for determination to an expert appointed in accordance with the provisions of Article XX shall be finally settled under the UNCITRAL Arbitration Rules at present in force by three (3) arbitrators appointed in accordance with the said Rules, one (1) for the Buyer, one (1) for the Sellers ; the third one to be designated in accordance with the said Rules.
- 21.2 The place of arbitration shall be Singapore.
- 21.3 In rendering an award, the arbitrators shall take account of English law to the exclusion of any conflict of law rules which would refer the matter to the laws of another jurisdiction; the arbitrators shall also take account of the practice and usage of the international oil and gas industry.
- 21.4 The arbitral award shall be final and binding on all Parties on the matter under arbitration and judgement may be entered thereon by any court of competent jurisdiction save in the event of :
- (i) fraud;
  - (ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;
  - (iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence;
  - (iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

in which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules referred to in Clause 21.1.



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Each Party shall continue fully to perform all of its obligations under this Contract during the pendency of the determination.

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ARTICLE XXII - APPLICABLE LAW

This Contract shall be governed by, construed and interpreted in accordance with English law to the exclusion of any conflict of law rules which would refer the matter to the laws of another jurisdiction.

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ARTICLE XXIII - SUCCESSORS AND ASSIGNS

This Contract shall bind and enure to the benefit of the companies defined as the Sellers and Buyer and their respective successors and permitted assigns.

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ARTICLE XXIV - SELLERS' REPRESENTATIVE

- 24.1 The Operator appointed from time to time by the Sellers pursuant to the Agreement shall be the authorised representative of the Sellers for the provision of information and data, for the giving and receiving of all notices and invoices to and from Buyer and for all other purposes of this Contract other than (a) the receiving from Buyer payments in accordance with Article XII and (b) implementation of Article XXI, and Buyer shall be fully protected in acting in reliance upon anything done or performed or agreement made by the Operator (except as indicated in (a) and (b) above) as though the Sellers had done or performed the same, subject to the provisions of Article XXXI.
- 24.2 The original Operator appointed by the Sellers is TOTAL.  
In case of appointment of a new Operator, the Sellers shall so notify the Buyer at least fifteen (15) Days before such appointment becomes effective.

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ARTICLE XXV - NOTICES

25.1 Whether or not so stipulated herein, all notices, communications and statements (hereinafter called "notices") required or permitted hereunder shall be in writing. Notices may be served:

- (i) by hand delivering them to, and receiving a receipt from, the Party on whom they are to be served at that Party's address hereinafter given and received, provided that such delivery shall be during normal business hours. Such notices shall be deemed received by the addressees when actually delivered as aforesaid; or
- (ii) by telex when given (or by any other like method by which a written and recorded message may be sent) directed to the Party on whom they are to be served at that Party's address hereinafter given. Notices so served shall be deemed received by the addressees thereof:
  - (a) when actually received by them within the normal working hours of a business Day; or, if not so received
  - (b) at the commencement of the next ensuing business Day following transmission thereof.

provided, however, that an answer back has been received; or

- (iii) by mailing them first class registered post, to the Party on whom they are to be served. Notices so served shall be deemed received by the addressees when a signed receipt has been given.

25.2 The initial address for service of notice hereunder of each of the respective Parties shall be as follows:

*R. D. P. C.*

In the case of the Buyer :

PETROLEUM AUTHORITY OF THAILAND  
555 Vibhavadi - Rangsit Road  
BANGKOK 10900  
Thailand  
Telex : 72054 PTT TH

In the case of the Sellers :

TOTAL MYANMAR EXPLORATION and PRODUCTION,  
YANGON BRANCH  
5 Pyay Road, 6th Mile  
HLAING TOWNSHIP P.O. 11051  
YANGON, UNION OF MYANMAR  
Telex: 0 8321434 TMEP BM  
with copy to :

TOTAL MYANMAR EXPLORATION AND PRODUCTION  
Tour TOTAL  
Cedex 47  
92069 PARIS LA DEFENSE  
France  
Telex: 615700 F

- 25.3 Each Party will promptly inform the other in writing of any change.
- 25.4 For information purposes only, and without limiting in any way the scope of Article XXIV, the initial nominated addresses of each of the companies defined as Seller (apart from Total Myanmar Exploration and Production) shall be:

THE MOGE :

74/80 Min Ye Kyaw Swa Road  
P.O. Box 1049  
YANGON, UNION OF MYANMAR  
Telex : MYCORP BM 21307

*[Handwritten signatures and initials]*

PTTEP INTERNATIONAL LIMITED:  
555 Vibhavadi - Rangsit Road  
Bangkok 10900  
Thailand  
Telex: 20610 PTTEP TH

UNOCAL :  
1201 West 5th Street  
P.O. Box 7600  
LOS ANGELES, CALIFORNIA 90017  
UNITED STATES OF AMERICA  
Telex : 188334 UNOCAL UT

Each such company shall promptly inform the other and Total Myanmar  
Exploration and Production and Buyer, in writing, of any change.

*Ull* *P. O.* *Pat*

UYP3 003355

ARTICLE XXVI - WAIVER

No waiver by either Party of any default or defaults by any of the other Parties in the performance of any of the provisions of this Contract shall operate or be construed as a waiver of any other or further default whether of a like or different character.

*Ull* *J O* *71*



ARTICLE XXVII - MARGINAL HEADINGS

The marginal headings in this Contract are inserted for convenience only and shall not affect the construction of this Contract.

*[Handwritten signature]*

ARTICLE XXVIII - ATTACHMENTS

There are attached to this Contract five (5) Schedules numbered from the First to the Fifth and such Schedules are hereby made part of this Contract for all the purposes thereof.

In the event that any provision set forth in any of the five (5) Schedules attached hereto conflict with the provisions set forth in this Contract, the provisions of this Contract shall prevail.

*J. D. ← P. U*

ARTICLE XXIX - RELATIONSHIP AND LIABILITY

- 29.1. It is expressly agreed that it is not the purpose or intention of this Contract to create, nor is the same to be construed as creating, any form of legal partnership between the companies defined as the Sellers.
- 29.2. This Contract contains separate sales contracts between each Seller and Buyer which are combined into one document solely for convenience, and each Seller executes this Contract only in respect of its share in the Sales Gas. Any liability arising under the separate sales contracts between each Seller and Buyer shall be separate and not joint and several. Operator shall inform every month Buyer of the percentage of Sales Gas delivered attributable to each Seller.

The Sellers agree that, in respect of each Month, the Buyer can rely on the above percentages for settlement of all bills, claims, liabilities and responsibilities in that Month and can accept them as true percentages for all matters associated with the Contract in respect of such Month.

*all* *2* *0* *10*

ARTICLE XXX - PRIOR APPROVALS

- 30.1 The Buyer guarantees the Sellers that it has obtained all governmental authorisations made necessary for the signature of this Contract under the laws and regulations of Thailand.
- 30.2 Each Seller guarantees the Buyer that it has obtained all governmental authorisations made necessary for the signature of this Contract under the laws and regulations of its own country and of the Union of Myanmar.

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A large handwritten signature, possibly "Ull", is written below the text of paragraph 30.2. To its right, there are several smaller handwritten marks, including what appears to be a circled "2" and other scribbles.

ARTICLE XXXI - ENTIRE CONTRACT

This Contract and the terms hereof shall constitute the entire Contract between the Parties hereto with respect to all matters herein and its execution has not been induced by, nor do either of the Parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein. This Contract may be modified or supplemented only by amendment in writing executed by the Parties hereto.

IN WITNESS WHEREOF each Party hereto has caused this Contract to be executed by its duly authorised representative as of the date first written above.

Signed, and delivered  
on behalf of  
THE MYANMA OIL AND GAS ENTERPRISE

By *U PE KYI*  
Title *Managing Director*

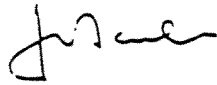
WITNESSES

*[Handwritten signatures and initials]*

*U SOE MYINT*  
*Director General*  
*E.P.D*

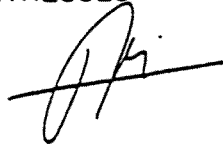
UYP3 003361

Signed, and delivered  
on behalf of  
TOTAL MYANMAR EXPLORATION AND PRODUCTION

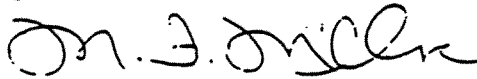


By Jean Marie BEUCHET  
Title Director General

WITNESSES



Signed, and delivered  
on behalf of  
UNOCAL MYANMAR OFFSHORE Co Ltd



By MARTY F. MILLER  
Title PRESIDENT



WITNESSES



Signed, and delivered  
on behalf of  
PTTEP INTERNATIONAL LIMITED

*V. Chompibon*

By *Vient Chompibon*  
Title *Chairman & President*



WITNESSES

*Tavin Vongth*

Signed, and delivered  
on behalf of  
PETROLEUM AUTHORITY OF THAILAND

*Frank*

By  
Title

WITNESSES

*Pij Pijnt*

*[Handwritten initials]*

*all*

FIRST SCHEDULE

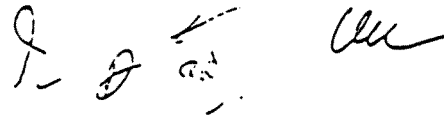
PART I

CONTRACT AREA CO-ORDINATES

The contract area co-ordinates are -

LONGITUDE EST	LATITUDE NORTH
94° 38'	15° 15'
94° 50'	15° 15'
94° 50'	15° 05'
94° 38'	15° 05'

For illustrative purposes the co-ordinates are shown by a map in the First Schedule Part II.

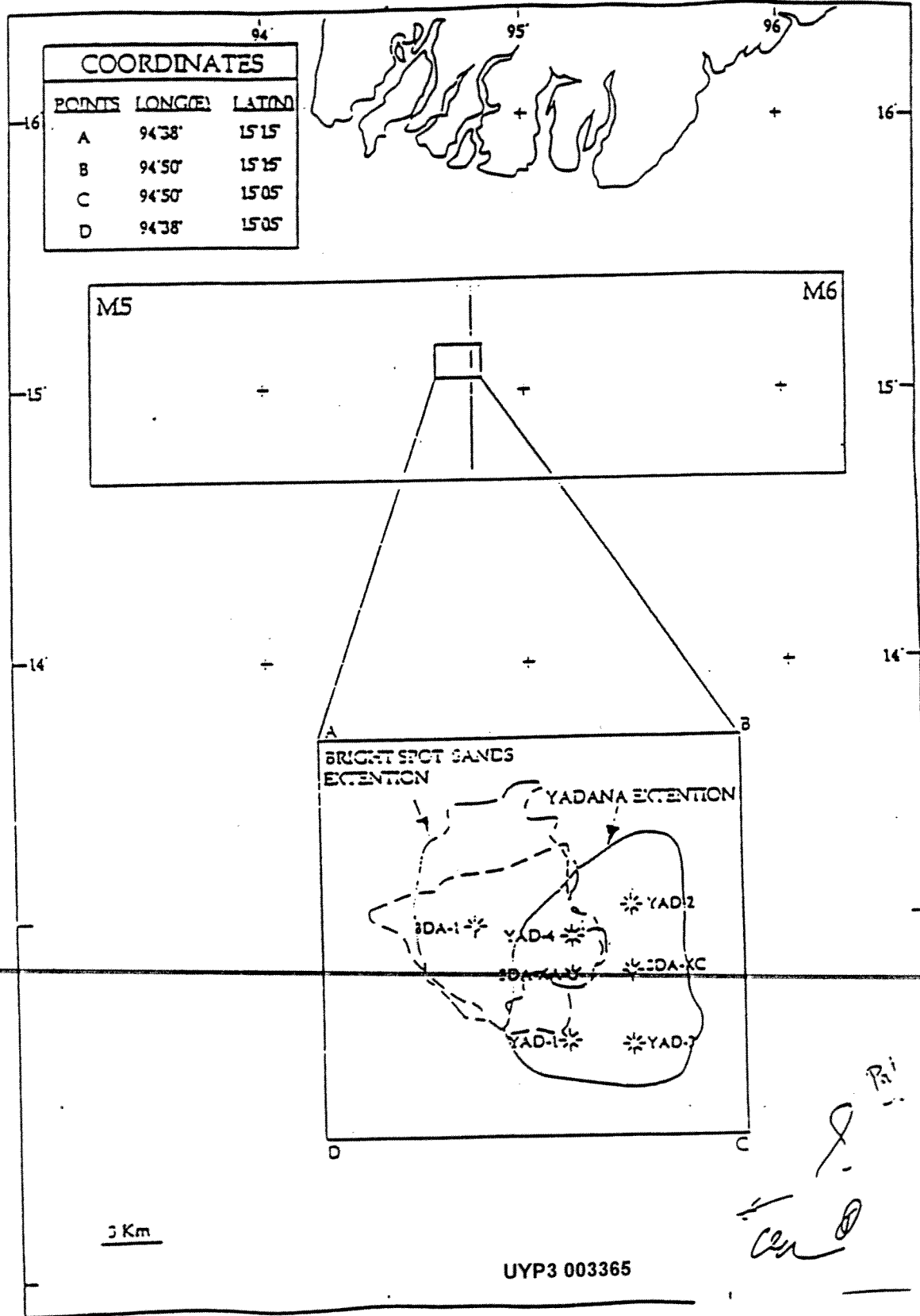
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FIRST SCHEDULE PART II

CONTRACT AREA



SECOND SCHEDULE  
QUALITY SPECIFICATIONS

Sales Gas delivered under this Agreement shall at the Delivery Point:

1. GENERAL: be commercially free from materials and dusts or other solid matter, liquid matter, waxes, gums and gumforming constituents which might cause injury to or interference with proper operations of the lines, meters, regulators or other appliances through which Sales Gas flows. The Sellers shall furnish, install, maintain and operate such filters, separators and other devices as are necessary to comply with this specification.
2. WATER CONTENT: contain not more than seven (7) pounds of water vapor per one million (1,000,000) Cubic Feet of Sales Gas.
3. SULPHUR: contain not more than one hundred (100) parts per million (ppm) by weight of total sulphur in the Sales Gas.
4. HYDROGEN SULPHIDE: contain not more than eighty five (85) parts per million (ppm) by weight of hydrogen sulphide in the Sales Gas.
5. CARBON DIOXIDE: contain not more than six (6) mole per cent of carbon dioxide.
6. NITROGEN: contain not more than twenty six (26) mole per cent of nitrogen.
7. OXYGEN: contain not more than zero decimal one (0.1) mole percent of oxygen.
8. MERCURY: contain not more than fifty (50) micrograms per Normal cubic meter.
9. HEATING VALUE: have a Gross Calorific Value not less than seven hundred and fifteen (715) BTU per Cubic Foot.
10. TEMPERATURE: have a temperature which is not less than sixty (60) degrees Fahrenheit and not more than one hundred and twenty (120) degrees Fahrenheit.

~~Suitable standard test methods and measuring instruments of standard manufacture acceptable to both parties, together with procedures for checking and/or verification of the instruments, shall be agreed between the parties or be determined by an expert.~~

*[Handwritten signatures and initials]*

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THIRD SCHEDULE - MONTHLY STATEMENT AND INVOICE

(NB: the attached documents are forms for the different statements and invoices to be issued by the Operator each Month ; even though their format was agreed upon at the date of execution of this Contract, they may be amended from time to time provided that the new format is discussed and accepted by the Parties on beforehand).

*[Handwritten signatures and initials]*

CONFIDENTIAL  
 DOE v. UNOCAL  
 SUBJECT TO PROTECTIVE ORDER

CRUISE GSA MONTHLY STATEMENT  
 Fully Gas Sales Budget  
 Month in Contract Year Y

DAY	DCQ	MIQ (1/2 DCQ)	GV	SUBS GAS (property with)	SUBS GAS (office for delivery)	SUBS GAS (with LDC)	EXCESS GAS	VOL UNRES (not delivered)	SHORTFALL GAS (have)	ACUR (not have)
	MIQSCP	MIQSCP	MIQSCP	MIQBTU	MIQBTU	MIQBTU	MIQSCP	MIQSCP	MIQSCP	MIQSCP
1										
2										
3										
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31										
31										MIQSCP

*P. J. Lee*

EXPORT GAS SALES AGREEMENT - MONTHLY INVOICE

Month *m* Contract: Year *y* - Operator statement n° 00

	MMCF	GCV (Average)	MMBTU
<b><u>I. QUANTITY TO BE PAID FOR AT REDUCED PRICE</u></b>			
<u>I.1 Shortfall Gas deliveries (art 15.2)</u>			
I.1.1 Supply Gas (within CDC)	xxxxx	xxxxx	xxxxx
Applicable Contract Price		xxxxx \$/MMBTU	
I.1.2 Quality or Contract Delivery Pressure deficient gas as reimbursement of PTT's cost (art 4.5 and 5.5)	xxxxx	xxxxx	xxxxx
Applicable Contract Price		xxxxx \$/MMBTU	
<b>I. PAYMENT DUE FOR QUANTITY TO BE PAID FOR AT REDUCED PRICE</b>			xxxxx \$

**II. QUANTITY TO BE PAID FOR AT CONTRACT PRICE**

II.1 Remaining Sales Gas (Sales Gas Actually taken within CDC - Quantity to be paid for at reduced price)	xxxxx	xxxxx	xxxxx
II.2 Excess Gas	xxxxx	xxxxx	xxxxx
<b>SUB-TOTAL (II.1 - II.2)</b>	xxxxx	xxxxx	xxxxx
Applicable Contract Price		xxxxx \$/MMBTU	
<b>II. PAYMENT DUE FOR QUANTITY TO BE PAID FOR AT CONTRACT PRICE</b>			xxxxx \$

OVERALL PAYMENT DUE BY PTT TO THE SELLERS xxxxx \$

SPLIT BETWEEN THE SELLERS (for information purposes only)

MCGE	xxxxx \$
TOTAL	xxxxx \$
UNOCAL	xxxxx \$
PTTEPI	xxxxx \$

*[Handwritten signatures and initials]*

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**EXPORT GAS SALES AGREEMENT - PRICE COMPUTATION (I)**

Month m to Month m + 2 - Contract Year y

PRICE FORMULAE

$$\begin{aligned} A_y &= 1.25 \times (F_y/6.15) \\ B_y &= 3.00 \times (0.2 \times I_y/I + 0.2 \times OM_y/OM + 0.5 \times F_y/F + 0.10) \\ C_y &= 2.32 \times (0.25 \times I_y/I + 0.225 \times OM_y/OM + 0.2 \times F_y/F + 0.325) \\ D_y &= (A_y + C_y)/2 \end{aligned}$$

with CP =

B<sub>y</sub> if A<sub>y</sub> > B<sub>y</sub> > C<sub>y</sub>  
A<sub>y</sub> if B<sub>y</sub> > A<sub>y</sub> > C<sub>y</sub>  
C<sub>y</sub> if A<sub>y</sub> > C<sub>y</sub> > B<sub>y</sub>  
D<sub>y</sub> if C<sub>y</sub> > A<sub>y</sub>

INITIAL VALUES

F = 15.50 USD/bbl  
I = 170.036  
OM = 117.711

ACTUAL VALUES (for details cf. Price Computation (III))

F<sub>y</sub> = xxxxx USD/bbl  
OM<sub>y</sub> = xxxxx  
I<sub>y</sub> = xxxxx

PRICE COMPUTATION

A<sub>y</sub> = xxxxx USD/MMBTU  
B<sub>y</sub> = xxxxx USD/MMBTU  
C<sub>y</sub> = xxxxx USD/MMBTU  
D<sub>y</sub> = xxxxx USD/MMBTU

**= > CONTRACT PRICE APPLICABLE = xxxxx USD/MMBTU**

(NB: during the first fifteen Months after CDD, CP = 3.00 USD/MMBTU)

*[Handwritten signatures and initials]*

EXPORT GAS SALES AGREEMENT - PRICE COMPUTATION (III)

Month  $m$  to Month  $m - 2$  - Contract Year  $y$

Supporting computations (1)

Fy: The arithmetic average of the prices published for each Month of the 12-month period immediately preceding for the FO 180 Cst 2% quotation in Singapore

Month	Value (USD/mt)
$m - 12$	xxxxx
$m - 11$	xxxxx
$m - 10$	xxxxx
$m - 9$	xxxxx
$m - 8$	xxxxx
$m - 7$	xxxxx
$m - 6$	xxxxx
$m - 5$	xxxxx
$m - 4$	xxxxx
$m - 3$	xxxxx
$m - 2$	xxxxx
$m - 1$	xxxxx
AVERAGE (USD/mt)	xxxxx
Conversion factor (bbl/mt)	xxxxx
AVERAGE (USD/bbl)	xxxxxxx

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A large stylized signature, possibly "Lee".  
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EXPORT GAS SALES AGREEMENT - PRICE COMPUTATION (III)

Month  $m$  to Month  $m - 2$  - Contract Year  $y$

Supporting computations (2)

- ly: The arithmetic average of the figures published for each Month of the 12-month period with 6-month time lag for the US Consumer Price Index
- OMy: the arithmetic average of the figures published for each Month of the 12-month period with 6-month time lag for the Producer Price Index - Oil and Gas Field Machinery

Month	l	OM
m - 18	XXXXX	XXXXX
m - 17	XXXXX	XXXXX
m - 16	XXXXX	XXXXX
m - 15	XXXXX	XXXXX
m - 14	XXXXX	XXXXX
m - 13	XXXXX	XXXXX
m - 12	XXXXX	XXXXX
m - 11	XXXXX	XXXXX
m - 10	XXXXX	XXXXX
m - 9	XXXXX	XXXXX
m - 8	XXXXX	XXXXX
m - 7	XXXXX	XXXXX
AVERAGE	XXXXX	XXXXX

*Handwritten signature and initials*



FOURTH SCHEDULE - ANNUAL STATEMENT

(NB: the attached documents are forms for the different statements and invoices to be issued by the Operator each Year ; even though their format was agreed upon at the date of execution of this Contract, they may be amended from time to time provided that the new format is discussed and accepted by the Parties on beforehand).

*UCC* *Q* *Pat*

**EXPORT GSA - ANNUAL STATEMENT**  
**Monthly Gas Sales Breakdown**  
**Contract Year Y**

MONTH	DCQ MNSCF	OCV BTU/SCF	SALES GAS taken		EXCESS GAS MNSCF	ACQ Reductions MNSCF	VOLUMES not delivered MNSCF	SHORTFALL GAS taken	
			MNSCF	MMDTU				MNSCF	MMDTU
JANUARY									
FEBRUARY									
MARCH									
APRIL									
MAY									
JUNE									
JULY									
AUGUST									
SEPTEMBER									
OCTOBER									
NOVEMBER									
DECEMBER									
SUM/AVERAGE									

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 901  
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**EXPORT GAS SALES AGREEMENT - ANNUAL STATEMENT**

**CONTRACT YEAR (Y)**

(from January 1st, y to December 31st, y)

**1. Sales Gas Deliveries (Sy)**

10. Sy = xxxxxxx CF, or Sy = xxxxxx MMBTU

11. Average Gross Calorific Value = xxxxxx BTU/CF

**2. Computation of the Net ACQ**

21. ACQy = 365 \* DCQ = 365 \* xxxxxx CF/D = xxxxxx CF

22. ACQ Reductions = xxxxxx CF

20. Net ACQ = xxxxxx CF (21-22)

**3. Determination of Annual Take-or-Pay (ATPy)**

30. ATPy = xxxxxx CF (20-10-42)

**4. Carry-Forward Balance**

41. Initial cumulative Balance (as of 31/12/y-1) = xxxxxx CF

y-5	y-4	y-3	y-2	y-1
xxxxxx CF	xxxxxx CF	xxxxxx CF	xxxxxx CF	xxxxxx CF

42. Accounted against during Contract Year y = xxxxxx CF

43. Deleted during Contract Year y = xxxxxx CF

44. Created during Contract Year y = xxxxxx CF  
(excl. Excess Gas)

40. Remaining Balance (as of 31/12/y) = xxxxxx CF (41-42+43+44)

*[Handwritten signatures and initials]*

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5. Make-Up Entitlement

51. Initial Balance (as of 31/12/y-1) = xxxxxx CF

	Debit Year n ° 1	Debit Year n ° 2	Debit Year n ° 3
Volume	xxxxxx CF	xxxxxx CF	xxxxxx CF
GCV	xxxxxx BTU/CF	xxxxxx BTU/CF	xxxxxx BTU/CF

52. Gas not taken, to be paid for during Contract Year y = xxxxxx CF (30)

53. Net Make-Up Entitlement used during Contract Year y = xxxxxx CF (530-531)

530. Gross Make-Up Entitlement used during Contract Year y = xxxxx CF

531. GCV adjustment = xxxxxx (GCV Credit Year/GCV Debit Year)

50. Remaining Balance (as of 31/12/y) = xxxxxx CF (51-52-53)

6. Net sum to be paid by PTT to the Sellers (or by the Sellers to PTT)

61. Annual Minimum Payment due by PTT = xxxxx \$ (610-611)

610. ATPy = xxxxx MBTU (60-111)

611. Applicable Contract Price = xxxxx \$/MBTU

62. Shortfall quantities to be paid by the Sellers to PTT = xxxxx \$ (620-621-622)

620. Shortfall not delivered = xxxxx CF

621. Applicable Shortfall price = xxxxx \$/MBTU

*[Handwritten signature]*

FIFTH SCHEDULE

MEASUREMENT OF SALES GAS DELIVERED

1. METERING

The Sales Gas delivered under this Agreement shall be measured with meters constructed and installed, and whose computations of volume are made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association (AGA) as reprinted and revised Part 1 - September 1990, Part 2 - February 1991, Part 3 - August 1992, Part 4 - November 1992, with any subsequent amendments or revisions which may be mutually acceptable to both parties.

2. ADJUSTMENT FOR SUPERCOMPRESSIBILITY

Adjustment for the effect of supercompressibility shall be made according to the provisions of AGA Report No. 8 for the average conditions of pressure, flowing temperature and specific gravity at which the Sales Gas was measured during the period under consideration and with the proportionate values of all components including carbon dioxide and nitrogen, in the gas delivered included in the computation of the applicable supercompressibility factors. The Sellers agree to exercise due diligence in measuring the initial fraction values of carbon dioxide, nitrogen, and all other components and to measure subsequent values of all components as may be required and agreed by the parties. Unless another method is agreed by the parties, super compressibility factors shall be calculated in accordance with clause 3.1 in the Transmission Measurement Committee Report No. 8 "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases", November, 1992.

3. TEMPERATURE

The temperature of the Sales Gas shall be determined by a recording thermometer so installed that it will record the temperature of such gas flowing through the meters. The recording thermometer shall be installed and maintained by the Sellers in accordance with the specifications set forth in said AGA Gas Measurement Committee Report No.3. The arithmetical average of readings each day shall be deemed the Sales Gas temperature and used in computing the volume of gas metered during such day.

4. SPECIFIC GRAVITY

Test to determine the Specific Gravity of the Sales Gas being metered shall be made in accordance with American Society for Testing and Materials (ASTM) Standard D 1070-85, or any subsequent revision thereof acceptable to both parties.

*[Handwritten signatures]*

The Specific Gravity of the Sales Gas shall be determined using an online gravitometer.

In lieu of continuous measurements the parties may agree to spot sampling which shall be representative of the Sales Gas delivered at the time such samples are taken. The specific gravity of the Sales Gas being metered shall be calculated in accordance with the provisions of the said AGA Measurement Committee Report No. 3.

The Specific Gravity so determined by any calculation shall apply to the Sales Gas metered from the commencement date of the sample used for compositional analysis until the next sample is taken for analysis.

5. HEATING VALUE DETERMINATION

The Gross Calorific Value of the Sales Gas in BTUs per Cubic Foot shall be determined from samples taken with a continuous sampler.

Tests to determine the calorific value of Sales Gas delivered may be made utilizing gas chromatograph measurements. In such case, calculations of Gross Calorific Value shall be made utilizing the method set forth in AGA Measurement Committee Report No. 3.

The Gross Calorific Value determined by any test shall apply to the Sales Gas metered from the commencement date of the sample until the next sample is taken for test.

In lieu of continuous sampling, the parties may agree to spot sampling which shall be representative of the Sales Gas delivered at the time such samples are taken.

6. Notwithstanding anything contained herein the measurement of Sales Gas delivered may be carried out by alternative methods if the parties hereto agree.

*[Handwritten signatures and initials]*