

PRESIDENCE DE LA REPUBLIQUE

SECRETARIAT GENERAL DU
GOUVERNEMENT

REPUBLIQUE DU CONGO
Unité * Travail * Progrès

Ordonnance n° 7 - 2002 du 3 Avril 2002
portant approbation du contrat de vente de pétrole brut avec pré-paiement de
25 millions de dollars US signé le 2 avril 2002 entre la République du Congo, la
société nationale des pétroles du Congo et la société Chevron Overseas (Congo)
Limited.

Le Président de la République,

Vu l'Acte Fondamental ;

Vu l'ordonnance n° 2-2002 du 20 février 2002 autorisant la ratification du
protocole d'accord sur l'unitization des prospects 14 K et A-IMI signé le 10 septembre
2001 entre la République d'Angola et la République du Congo ;

Vu le décret n° 2002-172 du 14 mars 2002 portant ratification du protocole
d'accord sur l'unitization des prospects 14 K et A-IMI signé le 10 septembre 2001 entre
la République d'Angola et la République du Congo ;

Vu, ensemble, les décrets n°s 99-1 du 12 janvier 1999 et 219 du 8 mai 2001
portant nomination des membres du Gouvernement.

En conseil des ministres

ORDONNE :

Article premier. - Est approuvé le contrat de vente de pétrole brut avec pré-
paiement de 25 millions de dollars US signé le 2 avril 2002 entre la République du
Congo, la société nationale des pétroles du Congo et la société Chevron Overseas
(Congo) Limited.

Le contrat dont s'agit est annexé à la présente ordonnance.

Article 2. - La présente ordonnance sera exécutée comme loi de l'Etat.

Fait à Brazzaville, le



Denis SASSOU-NGUESSO.-

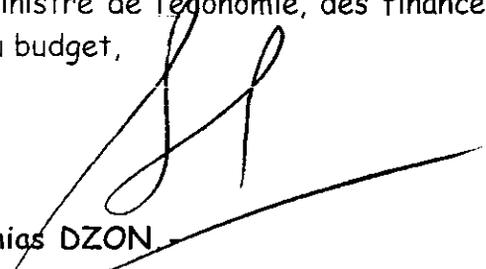
Par le Président de la République,

Le ministre des hydrocarbures,



Jean-Baptiste TATI LOUTARD.-

Le ministre de l'économie, des finances
et du budget,



Mathias DZON.-

\$ 25 MILLION PREPAID CRUDE OIL SALES CONTRACT

BETWEEN THE UNDERSIGNED:

The REPUBLIC OF CONGO, represented by His Excellency the Minister of Hydrocarbons, hereinafter referred to individually as "the Congo" or collectively with SNPC as "the Seller", and

The SOCIETE NATIONALE DES PETROLES DU CONGO, a public corporation, represented by Mr. Bruno Itoua, its Chief Executive Officer, hereinafter referred to individually as "SNPC" or collectively with the Congo as "the Seller".

Parties of the first part

And:

Chevron Overseas (Congo) Limited, a Bermuda Corporation, represented by Mr. James C. Pearce, its Managing Director or his duly authorised representative, hereinafter referred to as the "the Buyer"

Party of the second part

THE FOLLOWING HAS BEEN AGREED UPON:

ARTICLE 1: DEFINITIONS

For the purposes of this Contract, the terms used herein shall have the meaning accorded them in this first article:

AFRA

Average Freight Assessment as published by London Tanker Broker's Panel Limited.

Year

Designates all periods of twelve (12) months as divided into days and into months from January 1st through December 31, according to the Gregorian calendar.

API

American Petroleum Institute.

ASTM

American Society for Testing Materials.



Barrel (bbl)

Unit equal to 42 US gallons (one US gallon is equal to 3.78541 liters) measured at a temperature of sixty (60) degrees Fahrenheit.

Affiliate

Any person, directly or indirectly controlling, controlled by, or under common control with the Buyer. For purposes of this definition, the term "control" (including "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of any person, through the ownership of voting securities.

Agreed Cargo

Cargo designated in Article 8.3.

Contract

This Crude Oil Sales Contract

Credit Worthy Lifter

Any lifter:

- (a) whose senior, unsecured, non-credit enhanced long-term debt is rated by Standard & Poor's, a division of McGraw-Hill Companies, Inc. as AA- or higher and by Moody's Investors Service Inc. as Aa3 or higher or
- (b) whose payment obligations are unconditionally guaranteed to Buyer by a corporation whose senior, unsecured, non-credit enhanced long-term debt is rated by Standard & Poor's, a division of McGraw-Hill Companies, Inc. as AA- or higher and by Moody's Investors Service Inc. as Aa3 or higher or
- (c) which provides Buyer with a letter of credit or other satisfactory credit enhancement, in form and substance satisfactory to Buyer with respect to its payment obligations from a financial institution satisfactory to Buyer.

Designated Account

Account No. 4072-5962 maintained in the name of the Buyer in US Dollars with Citibank, New York, New York (ABA No. 021000089) Ref: "Congo & SPNC Agreement" (or such other dollar account as may from time to time be designated by the Buyer in a written notice and delivered to the Seller.

Effective Date

The date upon which all of the following have occurred:



- (1) signature of this Contract,
- (2) issuance of a Presidential Ordinance ratifying this Contract, and
- (3) coming into force of the Heads of Agreement between the Republic of Congo, the Republic of Angola, Chevron Overseas (Congo) Limited and Cabinda Gulf Oil Company Limited pertaining to the formation of the 14 K/AIMI Unitization Zone.

End Date

The date upon which the full Prepayment Amount shall have been reimbursed to the Buyer.

Nominal Cargo

Cargo designated in Article 8.1.

Coordinator

Refers to an affiliate Company of the Operator of the Terminal that for and on behalf of the Operator of the Terminal, can provide the scheduling and the coordination of the lifts of Liquid Hydrocarbons transiting to the Terminal.

Agreed Lift Date

Date defined in Article 8.3.

U.S. Dollars

The legal currency of the United States of America.

IP

Institute of Petroleum

Day

Means any day elapsing between 00:00 hours and 23:59:59 hours (local time).

Business Day

This means any day within the usual opening and closing times, which is neither a holiday nor a day of rest in the Congo or in New York.

Month M-1

Calendar month immediately preceding month M.

Month M-2

Calendar month immediately preceding month M-1.

Month M

Reference calendar month.

Li *P*

CM

MPMS

Manual of Petroleum Measurement Standards.

N.O.R. (Notice of Readiness)

Notice of availability.

Operator of the Terminal

TotalFinaElf or its successor as the Operator of the Loading Terminal.

Prepayment Amount

The amount specified in Article 2.

P&I Club (Protection and Indemnity Club)

Insurance company in the form of the Protection and Indemnity Club.

Agreed Lift Period

Period designated in Article 8.3.

Agreed Lift Schedule

Schedule designated in Article 8.3.

Loading Terminal

The Djeno Maritime Terminal for deliveries of hydrocarbons of Djeno Blend, and the Nkossa Terminal for deliveries of hydrocarbons of Nkossa.

Wordscale

New Worldwide Tanker Nominal Freight Scale, as published by the Wordscale association of London.

ARTICLE 2: PREPAYMENT

Upon the Effective Date of this Contract, the Buyer shall advance to the Seller the sum of twenty-five Million U.S. Dollars (U.S.\$25,000,000) (the "Prepayment Amount") as an advance payment for the crude oil to be delivered under the provisions of this Contract.

The value of cargoes lifted by the Buyer under this Contract or amounts paid to the Designated Account by a Credit Worthy Lifter, in accordance with Article 11, hereof shall be credited by the Buyer against the outstanding Prepayment Amount at their invoice value less a Discount equal to the product of (a) 1% and (b) the number of months between March 15, 2003 and the lifting date of each cargo and (c) the invoice value of such cargo, provided that Buyer shall not be required to credit amounts due from a credit Worthy lifter until the date such amounts have been actually received into the

[Handwritten initials]

[Handwritten signature]

Designated Account The Discount shall be in lieu of interest and shall be retained by the Buyer and shall not be subject to taxation of any kind.

The value of cargoes lifted by the Buyer under this Contract as determined under the provisions of Article 11 and any amounts paid to the Designated Account in accordance with this Article 2 or in accordance with Article 12 which are in excess of the amount required to reimburse the Prepayment Amount shall be promptly paid to Seller in U.S. Dollars at its U.S. Dollar account at BGFIBANK Brazzaville, account N° 627004-02-P via BGFIBANK GABON; Swift code BGFICALI CREDIT COMMERCIAL DE FRANCE, Paris

ARTICLE 3: TERM

This Contract shall come into force upon the Effective Date and shall remain valid until the End Date. Upon the occurrence of the End Date, neither the Seller nor the Buyer shall have any further obligation under this Contract, notwithstanding that less than the minimum quantity of crude oil as specified under Article 5 hereof shall not have been delivered.

ARTICLE 4: QUALITY OR TYPES OF HYDROCARBONS

Nkossa or Djeno Blend quality crude oil as customarily available at the loading terminals at the time each cargo is lifted and whose principal characteristics are specified in the Annex 1. Upon mutual agreement of the parties, Nkossa cargos may be switched with Djeno Blend or vice-versa.

ARTICLE 5: QUANTITY

Two (2) cargos of Djeno Blend of 920,000 barrels each ($\pm 5\%$); and one cargo of Nkossa crude of 985,000 barrels ($\pm 5\%$). This quantity shall be automatically increased until all the Prepayment Amount placed at the disposal of the Seller by the Buyer has been fully reimbursed to the Buyer. Upon mutual agreement, the parties may reduce the quantities to be lifted to reflect any cash payments or credits against the Prepayment Amounts.

The quantity will be determined for each ship in accordance with the practices of the terminal, and the quantity registered on the bill of lading shall determine the quantity loaded. The Buyer may, however, designate an independent international inspection company accepted by the Seller to verify the quantities loaded.

ARTICLE 6: DELIVERY METHOD AND LIFTING RIGHTS

The Seller shall sell and deliver or have delivered to the Buyer, and the Buyer shall purchase and receive the crude oil in accordance with the provisions of this Contract. The liability of the Congo and SNPC under this Contract shall be joint and several.

The Crude Oil shall be delivered by the Seller to the Buyer FOB (Free on Board) at the loading Terminal in the ships designated by the Buyer and accepted by the Terminal operator.



Subject to any requirement to provide cargoes under a separate 25 million Crude Oil Sales Contract between Buyer and Seller, dated 12 March 2002, Seller will provide the first two (2) cargoes of Djeno Blend to which the Seller is entitled at the Djeno Terminal after June 30, 2003, and a third cargo representing the first Nkossa cargo to which the Seller is entitled after Jan 1, 2004 and such additional oil as may be required under Article 5 to reimburse the Buyer in full for the Prepayment Amount. Any additional oil, which may be required to be delivered hereunder, shall be the first cargo reasonably available for such purpose. The Seller shall, upon execution of the Contract, execute and provide to Buyer an irrevocable letter of instruction to the operator of Nkossa and Djeno Terminals directing these volumes to be made available to Buyer for lifting in accordance with the terms of this Contract. The instruction shall be in the form and substance of Annex 2 attached hereto. At such time as the Prepayment Amount is paid in full, Buyer shall issue its consent to cancellation of said letter of instruction.

ARTICLE 7: TRANSFER OF OWNERSHIP AND RISKS

The Buyer shall become the owner of the Crude Oil and all risks pertaining thereto shall pass to it at the loading Terminal when the product has crossed the connection flange between the flexible delivery hose and the ship's stationary connection system, with the responsibility of the Seller ceasing at this delivery point.

ARTICLE 8: DESIGNATION OF CARGOS AND LIFTING SHIPS

8.1. Designation of the cargoes

The Buyer shall perform the designation of the cargoes.

To carry out the designations (designations for month M), the Buyer shall receive from the Seller no later than the 27th of month M-2 an estimate of its lifting rights (as defined in Article 6) for month M ("Estimated Available Quantity") along with the designation of the ten-day lift period.

The Buyer shall submit its designations of cargo to the Seller no later than the 30th of month M-2 (the "Designation Date") for lifts of its Estimated Available Quantity for month M. The cargo designations shall specify the quantity of Liquid Hydrocarbons that the Buyer is proposing to lift at each lift and a lift period of three (3) days for each lift.

For each lift of Liquid Hydrocarbons, the Seller proposes a nominal cargo of 920,000 bbl for the Djeno Blend plus or minus 5% and 985,000 barrels of Nkossa plus or minus 5% (the "Nominal Cargo").

Seller represents and agrees that no other lifter or purchaser is entitled to designate, nor during the term of this Contract will be granted the right to designate, other cargoes of Nkossa and Djeno Blend with any priority over Buyer's rights hereunder or in any other manner in conflict with the terms and conditions of this Contract. Subject to the foregoing, Seller may designate or allow others to

designate cargoes of Nkossa or Djeno Blend. Seller shall execute and deliver to Buyer a separate letter of commitment in the form of Annex 3.

The Buyer can request that the Seller perform the lift of a cargo smaller than the Nominal Cargo with a minimum of 450,000 bbl for Djeno Blend quality hydrocarbons, and a minimum of 500,000 bbl for Nkossa quality hydrocarbons. The Seller shall accept or refuse, depending on the operating conditions.

8.2. Tentative Lift Schedule

The Seller shall notify the Buyer via telex/fax by the 7th day of each month M-1 of the lift schedule for the following month (Month M) developed in compliance with the rules described in Article 8.1. ("**Tentative Lift Schedule**"). The Tentative Lift Schedule shall include the following information:

- cargoes to be lifted by the Buyer, which for avoidance of doubt shall be the first two (2) Djeno Blend cargoes to which Seller is entitled commencing July 1, 2003 and a third cargo representing the first cargo of Nkossa to which the Seller is entitled commencing January 1, 2004;
- total quantity to be lifted by the Buyer;
- dates on which the Cargos are available with a lift period of three (3) days per Cargo.

The Buyer shall strive to adhere to the Tentative Lift Schedule as defined in this Contract. However, it may request revisions of quantities and lift dates to the Tentative Lift Schedule in light of operating restrictions.

Upon the occurrence of the End Date, neither the Seller nor the Buyer shall have any further obligation under this Contract, notwithstanding that less than the minimum quantity of crude oil as specified under Article 5 hereof shall not have been delivered.

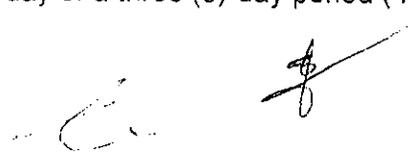
8.3. Agreed Lift Schedule

A)

No later than the 12th of each month (M-1), the Seller shall notify the Buyer in writing of a schedule that includes the information from the Tentative Lift Schedule and any modifications that the Seller had to make as a result of the operating conditions ("**Agreed Lift Schedule**"). The Agreed Lift Schedule may only be revised under those conditions stipulated in paragraph C below.

B)

The cargo of Liquid Hydrocarbons anticipated for each lift in the Agreed Lift Schedule constitutes the "**Agreed Cargo**"; the lift date of this Agreed Cargo constitutes the "**Agreed Lift Date**" and refers to the first day of a three (3)-day period ("**Agreed Lift Period**").



C)
If the Operator of the Terminal deems that revisions to the Agreed Lift Schedule are necessary, then the Seller and the Buyer will need to work together to revise the Agreed Lift Schedule so that it meets the requirements of the situation.

D)
A single ship shall lift each Agreed Cargo.

E)
The Buyer shall ensure that its ship meets the requirements of the regulations of the Terminal Port indicated in Annex 5.

8.4. Designation of Ships

A)
No later than nine (9) business days prior to the Agreed Lift Date and subject to a failure to lift, the Buyer shall notify the Seller via telex of the name of the ship, its ETA, its dead-weight tonnage (and its volume) and the Agreed Cargo that is to be lifted by the ship. Any ship designated by the Buyer to load at the Terminal must, for each lift, be accepted by the Operator of the Terminal in advance. This acceptance shall be performed in accordance with the procedures defined in Annex 4

B)
If the ship is refused following the procedure described in paragraph A above for any reason whatsoever, the reason(s) for refusal shall only be disclosed to the Buyer after prior consent of the owner/operator of the ship to such a disclosure.

C)
Neither the Operator of the Terminal nor the Seller may be held responsible for any damages whatsoever resulting from the application of the procedure described in paragraph A above.

D)
The acceptance by the Operator of the Terminal does not exclude the right of any Congolese authority to refuse the ship for reasons justified by the port regulations.

E)
The loading facilities at the Djéno loading Terminal do not permit the acceptance of ships with a dead-weight tonnage greater than 270,000 MT (maximum capacity of the buoy). The water depth at the buoy does not authorise a draft greater than 16 m for ships with a dead-weight tonnage less than 180,000 MT and 13.50 m for ships with a dead-weight tonnage greater than 180,000 MT.



F)

No later than six (6) days prior to a ship's expected date of arrival, the Buyer shall forward to the Seller via telex, complete instructions concerning the loading of the ship, the establishment and the destination of the bills of lading and any other information required by the Operator to perform the loading.

G)

The Buyer shall ensure that the Operator of the Terminal and the Seller are notified in writing of the ship's expected date and time of arrival (ETA) at least seventy-two (72) hours, then forty-eight (48) hours and twenty-four (24) hours prior to its arrival at the Terminal.

This notification shall disclose the date and time of arrival by using the local time at the Terminal. Failure to comply with the obligation of notifying twenty-four (24) hours before the expected date and time of arrival increases the time allotted to the Operator of the Terminal to load a ship (laytime) by the difference between twenty-four (24) hours and the actual number of hours remaining before the expected time of arrival when the notification of the expected dates and times of arrival is finally made. This increase in time shall not exceed twenty-four (24) hours.

8.5. Insurance of lifting ships

Buyer shall exercise reasonable efforts to ensure that any vessel nominated to lift or substituted for the nominated vessel:

- a. Is owned or demise chartered by a member of the International Tanker owners Pollution Federation LTD (ITOPF).
- b. Carries on board a valid certificate of insurance as described in the 1969 Civil Liability Convention for Oil Pollution or 1992 Protocols to the same as and when in force;
- c. Is entered in a P & I Club which is a member of the International Group of P & I Clubs; and

Has in place, insurance cover for oil pollution in an amount no less than the standard oil pollution cover (currently USD 500 million) plus additional cover (200 million) available under the rules of the International Group of P & I Clubs.

ARTICLE 9: LOADING OPERATIONS

9.1. Each ship is responsible for complying with the Port and Safety Regulations of the Terminal (see appendix).

9.2. Each ship must announce itself within the Agreed Lift period forty-eight (48) hours before its arrival at the Terminal; the ship shall specify the following:

- its expected date and time of arrival (ETA);



- the quantity it wishes to lift;
- its ballast.

Ships shall be berthed at the loading facilities of the Terminal according to their date of acceptance. However, the Operator of the Terminal shall reserve the right to establish a different order at any time when, for exceptional and justified reasons, the operating procedures of the Terminal so require.

9.3. The lift operations shall take place in the following order:

- (i) after deballasting, the loading shall be performed by the Terminal from the ground storage tanks in accordance with the provisions of Article 9.4 below;
- (ii) documents shall be prepared for each lift, including the bill of lading, a time sheet for the loading, an inspection certificate of the tanks prepared after deballasting (when the configuration of the ship so allows) and before the loading, a certificate of quality and quantity, a certificate of origin, a statement of the ullage of the tanks of the lifting ship, receipt of samples, documents and the ship's manifests;
- (iii) remittance of the documents and samples representing the quality of the load.

9.4. The Operator of the Terminal shall load the ship at the loading berth that it indicates, which shall be free upon the arrival of the ship and allow the entry, stay afloat and the departure of a ship whose characteristics must in all ways correspond to the restrictions imposed by the Port and Safety Regulations. The furnishing of all documents required by local authorities and port fees, duties and taxes of any kind, with the exception of fees derived from Presidential Decree No. 98/39 issued by the Department of Transportation (that are to be paid by the Seller) or any other current and future decree and order of the same nature regarding the ship and the cargo including clearance, piloting, mooring, towing and inshore piloting, are to be paid by the ship, except for costs incurred due to a change in berth at the request of the Operator of the Terminal, which shall be paid by such Operator.

9.5. At the request of the ship's Commanding Officer or his agents, the Operator of the Terminal shall ensure that the ship has all the necessary facilities for the arrival and departure manoeuvres.

9.5.1. At the arrival of the ship in the loading berth or in a waiting area in the basin designated for the ship, when the ship is checked against the regulations of the Terminal and it is in all regards ready to receive the Agreed Cargo, the ship's Commanding Officer shall forward to the Operator of the Terminal his N.O.R. via telex/radio/telephone (whether or not the wharf is free).



9.5.2. If the N.O.R. is sent before the Agreed Lift Date, the Operator of the Terminal shall load the ship as soon as possible, considering the ships that have already arrived and their respective announced dates. The time allotted for loading shall begin at 6:00 a.m. on the Agreed Lift date or at the beginning of loading if it has been previously performed.

9.5.3. If the N.O.R. is sent after the Agreed Lift Period, the Operator of the Terminal shall load the ship as soon as the delivery schedules and the availability of Liquid Hydrocarbons so permit. The time allotted for loading shall start to elapse when loading begins.

9.6. The time allotted to the Terminal for the loading of all ships is, subject to Article 8.4., equal to half of the total laytime as published in the **WORLDSCALE** in effect as of the lift day, i.e., currently 36 hours (SHINC), not including the days during which loading is prohibited by law and/or according to regulations in force at the Terminal.

The laytime shall be calculated on a pro-rated basis of the quantity loaded if such quantity exceeds the Nominal Load.

9.7. The allotted time shall stop at the moment of disconnection of the flexible hoses at the end of loading.

9.8. The ownership and all risks pertaining to the Liquid Hydrocarbons shall be transmitted to the lifter when the Liquid Hydrocarbons have crossed the connection flange between the flexible delivery hose and the ship's stationary connection system.

9.9. If a ship is not loaded within the time allotted or specified under the provisions of Article 9.6. above, the Operator of the Terminal shall pay demurrages to the lifter based on the lesser of the following rates:

- the daily rate of demurrages stipulated in the charter-party contracted for the lifting ship. In the event of a dispute regarding the demurrage rate mentioned in the charter-party, the rate published in the **WORLDSCALE** or
- the daily demurrage rate published in the **WORLDSCALE** shall be taken into account, applicable as of the day loading begins for a ship of the same type, dimensions and capacity, corrected by the AFRA rate applicable on the day loading begins for such a ship.

If all of the Liquid Hydrocarbons loaded on the ship do not constitute a full cargo for such ship, the demurrages shall be calculated based on the lesser of the following rates:

- the daily rate of demurrages stipulated in the charter-party contracted for the loading of the ship or

- the daily rate of demurrages as published in the **WORLDSCALE**, applicable as of the day loading begins for a ship of the same type, whose dimensions and capacities correspond to a dead-weight tonnage in summer equal to the weight indicated on the bill of lading of the agreed cargo, corrected by the AFRA rate applicable on the day loading begins for such a ship.

If several cargoes are loaded on the ship, the demurrages shall be calculated in accordance with the above provisions, but limited to the proportion of the demurrages that the agreed cargo represents with respect to the total cargo quantity of the ship.

However:

- (i) the Operator of the Terminal shall owe no demurrages in the event it is prevented or delayed in delivering all or part of the load, as a result of an event of Force Majeure.
- (ii) Under no circumstances shall the Operator of the Terminal owe demurrages for an amount greater than the demurrages actually paid by the Lifter with regard to the lifting ship and duly documented and proven to the Operator of the Terminal.
- (iii) Any claim for demurrages may only be taken into consideration if received by the Operator of the Terminal within sixty (60) days (for the Djéno Terminal) and forty five (45) days (for the Nkossa Terminal), from the date of the bill of lading and if it is duly documented within ninety (90) days from the date of the bill of lading.

9.10. Any time elapsed due to each of the following events shall not be taken into account as used laytime or, if the ship is already in demurrage, as demurrages:

- i. Manoeuvre time to reach the loading berth ; Delay incurred by the ship to reach or leave its loading berth, for the mooring or the preparation of loading operations, due to causes beyond the control of the Operator of the Terminal;
- ii. Waiting for towboats, a pilot, the tide or sunrise;
- iii. Any loss of time due to the ship; in particular, any delay incurred by the ship during loading operations, including a delay due to unsuitable equipment which does not allow the agreed cargo to be loaded in the time provided;
- iv. Prohibition to load given at any time by the Lifter, the owner, the shipper, or the ship's captain or the Congolese authorities;
- v. Delay incurred due to bad weather and/or sea conditions;
- vi. Deballasting if it does not take place simultaneously with the loading operations, inspection of the tanks;
- vii. Waiting for authorisations from the customs or immigration office, for free pratique, or due to requests from other local authorities.



CM

- 9.11. The right of the Lifter to demurrages under the provisions of this Contract shall constitute its sole recourse against any failure on the part of the Operator of the Terminal to supply a loading berth as provided hereinabove and/or to finish the loading within the allotted time.
- 9.12. The ship shall leave its mooring berth as soon as the loading has finished and, if it does not fulfill this obligation, the Operator of the Terminal may move it at its cost or at the cost of the Lifter insofar as this move does not threaten the safety of the ship; the latter ship shall pay the Operator of the Terminal extended mooring costs at the mooring berth in accordance with the rates of the Terminal.

In any event, any loss or damage incurred by the Operator of the Terminal due to the failure of the ship to immediately leave its berth, including delays incurred by other ships waiting for it to move, in order to be loaded, shall be paid by the Buyer to the Operator of the Terminal.

ARTICLE 10: DETERMINATION OF QUANTITY AND QUALITY

- 10.1. The quality and quantity of the delivered crude oil shall be measured at the loading berth, pursuant to the IP and/or ASTM standards and/or the API Manual of Petroleum Measurement Standards (MPMS). The quantity and quality documents may, at the Buyer's request, include the following:

- Density at 15°C in a vacuum and in air;
- Degree API at 60°F;
- Temperature in °C;
- Volume in US barrels (60°F) and m³ at 15°C;
- Weight in metric tons and long tons;
- Water content;
- Salinity;
- Sulfur content.

- 10.2. The quantities delivered to the buyer shall be determined by measuring the tanks used for loading (ullage of the tanks, temperature and density).

The net quantity delivered shall be calculated by deducting the quantity of water and sediments from the uncorrected quantity, which shall be evaluated at the time a representative sample taken from the ground storage tanks is analysed by the laboratory of the Operator of the Terminal.

The measured quantity of crudes must be brought to volume at 60°F or 15°C using the ASTM volume correction tables.



10.3. The Operator of the Terminal shall prepare four three-liter representative samples for each lift. The sealed and signed samples shall be distributed as follows:

- A) One three-liter sample for each tank shall be used to determine the quality in the laboratory of the Operator of the Terminal;
- B) One three-liter sample for each tank shall be retained by the Operator of the Terminal and must be available for a period of 90 days (for deliveries that take place at the Nkossa Terminal) and 150 days (for deliveries at the Djeno Terminal), for the purposes of any disputes regarding quality;
- C) Two three-liter samples must be sent to the Commanding Officer of the lifting ship, who shall send one to the owner of the lifting ship and one to the recipient of the cargo.

10.4.

- A) The Seller may, at its own expense, organise an independent inspection during the loading and crude analysis operations.
- B) The Buyer of the cargo shall have the right to appoint a duly authorised independent international inspection company accepted by the Seller, to be present at the time when the quality and quantity is determined by the Operator of the Terminal.

10.5. In the event of a dispute concerning the load, the Buyer may submit a formal written complaint to the Operator of the Terminal and to the Seller. This complaint must be submitted within 60 days of the date of the bill of lading. Any complaint sent to the Operator of the Terminal after this period shall be rejected.

ARTICLE 11: PRICE

A) Preamble

It is understood that the price of crude lifted under the terms of this Contract must always reflect the market price of crudes having the qualities specified in Article 4 above. In the event the following references are missing or disappear, the Buyer or the Seller may demand a review of these items. This review may include, but is not limited to:

- the DATED BRENT reference as an indicator of the market level of the crude.
- the changing or cancellation of the DATED BRENT price assessment, or the cessation of the publication of "Platt's Crude Oil MarketWire".

B) Formula

The PRICE of each cargo shall be determined by the following formula:

PRICE = DATED BRENT plus or minus X USD per barrel where:

DATED BRENT is the arithmetic mean of the average successive daily price assessments of DATED BRENT published by Platt's Crude Oil Market Wire over the five-day "Pricing Period".

X is the differential reflecting the discount for crude oil described in this Contract, with respect to DATED BRENT. The Seller and the Buyer shall commence negotiations for the differential of each cargo as soon as the Seller's lifting rights for month M are known in accordance with Article 8, Section 8.1 paragraph 2.

In the event the Seller and the Buyer cannot, for any reason, agree on the value of the differential (X) for any cargo to be lifted, the Buyer will sell the cargo to a Credit Worthy Lifter who shall pay the invoice value for the cargo to the Designated Account.

C) The Pricing Period

This period is set as being five (5) price assessments around the date of the bill of lading 2/1/2. However, the parties agree to meet at the request of the Buyer to modify this period by mutual agreement if the nature of the market so warrants, no later than 6 days before the first day of the 3-day lifting period.

In all cases:

- if the date of the B/L is a Sunday, the selected price assessment shall be Monday;
- if the date of the B/L is a Saturday, the selected price assessment shall be Friday;
- if the date of the B/L is a Monday which is a holiday, the selected price assessment shall be the following one;
- if the date of the B/L is a holiday other than Monday, the selected price assessment shall be the preceding one.

ARTICLE 12: REDUCTION OF OBLIGATIONS

At any time prior to June 30, 2003, the Buyer shall credit against the Seller's obligation to reimburse the Prepayment Amount any cash payments (up to the total of said Prepayment Amount) in US dollars paid into the Designated Account by Seller. In addition, the Seller and the Buyer hereby agree that, in the event a participation bonus is payable by the Buyer or any Affiliate for participation in the 14 K/AIMI Unitization Zone, the amount of such participation bonus shall be deposited by the Buyer up to the outstanding prepayment amount in the Designated Account or paid to the Designated

Account by the Affiliate and, in either case, applied as a credit against the obligation to reimburse the Prepayment Amount. Such deposit into or payment to the Designated Account shall be deemed to satisfy all obligations with respect to payment of such participation bonus. The portion, if any, of such participation bonus which is not necessary to pay the outstanding Prepayment Amount shall be promptly and directly paid to Seller.

Seller further agrees that it shall direct each other company or companies participating in the 14 K/AIMI Unitization Zone to pay, up to the outstanding Prepayment Amount, any participation bonus due from it directly by such company or companies to the Designated Account. The Buyer agrees that it shall credit against the Seller's reimbursement obligations with respect to the Prepayment Amount the amount of such bonuses actually received by the Buyer in the Designated Account. The portion, if any shall be promptly and directly paid to the Seller.

Each lifting will be evidenced by the following documents:

- (a) Commercial invoice showing the net quantities loaded in US barrels;
- (b) Original (3/3) of the bill of lading;
- (c) Original (1/1) of the certificate of quantity and quality;
- (d) Original of the certificate of origin.

In the event that original documents prescribed in (b) or (c) or (d) above are not available, payment is to be made against presentation to the Buyer of the Seller's invoice and of a letter of indemnity which may be in telex form.

ARTICLE 13: DUTIES AND TAXES

All duties, taxes or imposts in the Republic of the Congo shall be borne by the Seller, if they are related to Crude Oil lifted or to the loading of the vessel, and by the Buyer if they relate to the vessel. Pipeline fees, if any, shall be borne by the Seller.

ARTICLE 14: FORCE MAJEURE

None of the parties shall be considered as breaching its contractual obligations under this Contract and held responsible toward the others as a result of failing or being delayed in the total or partial fulfilment of any of the provisions of the Contract, if such failure or delay was caused by an event of force majeure. Force Majeure may include:

- voluntary or involuntary acceptance of the Buyer of directives or orders of any government (other than the Republic of the Congo) or person acting for and on behalf of a governmental authority (other than a governmental authority of the Republic of the Congo);
- strikes or other social unrest, regardless of the cause;
- natural disasters, fires, explosions;
- war, state of war whether declared or undeclared, embargoes, blockades, civil unrest and the consequences thereof;



- perils of the sea, storms, floods, weather causing serious hazards and other natural causes;
- obstacles in transportation or delivery, loss of transportation capacity due to requisition [or] destruction of facilities or the breakdown of the ship engine.

The party affected by the event of Force Majeure must promptly notify the other party, specifying if possible the magnitude and duration thereof. It must also keep the other party informed of the total or partial interruption thereof. Each party claiming Force Majeure agrees to exercise reasonable diligence to prevent, overcome or put an end to such event of Force Majeure

ARTICLE 15: DESTINATION

The crude oil purchased by the Buyer shall be exported unless there is a private agreement between the Buyer and the Seller regarding the needs of the local refinery, and in no case may it be forwarded by or directly delivered to any country prohibited by a decision of the Government Authorities of the Republic of the Congo.

Notwithstanding any other provision of this Contract or any other document executed in connection with the transactions contemplated by this Contract, neither this Contract nor any other such document shall constitute an agreement by Buyer to take any action that is in conflict with, penalised under or compliance with which is prohibited by the laws of the United States of America

ARTICLE 16: INSPECTION

The final quantity and quality shall be those established by the Operator of the Terminal. The Buyer shall nonetheless have the right to appoint an inspector acceptable to the Seller, and the costs associated with the inspection shall be the exclusive responsibility of the Buyer. Any complaint regarding the quantity and/or quality must be sent to the Seller no later than 60 days after the date of loading indicated on the bill of lading.

ARTICLE 17: REPRESENTATIONS OF SELLER

Each of the Congo and SNPC represents that:

- (a) the oil subject to this Contract is free of any Encumbrance (as hereinafter defined). The term "Encumbrance" shall mean and refer to any debenture, mortgage, pledge, lien, assignment by way of security, retention of title or any other type of preferential arrangement having the effect of conferring security or creating any encumbrance in favor of anyone not party to this Contract, however created or arising.



- (b) its obligations under this Contract and the transactions contemplated hereby are legal, valid and binding obligations, enforceable in accordance with their terms;
- (c) the entry into and performance by it of, and the transactions contemplated by, this Contract do not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or by which its properties are bound;
- (d) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, delivery and performance of this Contract and the transactions contemplated herein;
- (e) all authorisations, consents, approvals, resolutions, licenses, exemptions, filings and registrations required or desirable:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Contract and the transactions contemplated herein and therein; and
 - (ii) to make this Contract admissible in evidence in the Republic of the Congo and any other applicable jurisdiction

have been obtained or effected in due and strict compliance with all applicable laws of the Republic of the Congo, and are in full force and effect and no additional authorisations, consents, approvals, resolutions, licenses, exemptions, filings and registrations are required or desirable in respect of the matters referred to in this paragraph (e);

- (f) there is no income or other tax of the Republic of Congo or any political subdivision or taxing or fiscal authority thereof or therein, imposed by withholding or otherwise, on any payment to be made by the Congo pursuant to this Contract.
- (g) the Buyer will be exempt from any taxes, duties, rights, royalties, fees, contributions, withholdings or any other kind of fiscal or para-fiscal taxes on revenues deriving from this Contract.
- (h) under the laws of the Republic of Congo and any other applicable jurisdiction, it is not necessary that this Contract or any document entered into pursuant to this agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Contract or the transactions contemplated by this Contract;



- (i) no other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are bound which might have a material adverse effect on its ability to fulfil its obligations under this Contract;
- (j) any factual information provided by SNPC and the Congo or any person acting on behalf of either for the purposes of the transactions contemplated by this Contract was true and accurate as at the date it was delivered;
- (k) no litigation, arbitration or administrative proceedings or claim before, or of, any court, tribunal, arbitral body or agency or governmental authority or any dispute with any governmental authority is or are now in process, pending or threatened against the Congo or SNPC or any of their respective assets which, if adversely determined, might reasonably be expected to have a material adverse effect on the ability of the parties to fulfil their respective obligations pursuant to this Contract; and
- (l) it will not be entitled to claim for itself or its assets immunity from suit, judgement, execution on a judgement or attachment (whether in aid of execution, before judgement or otherwise) in respect of its obligations under this Contract.

ARTICLE 18: COVENANTS

The Congo and SPNC each hereby covenant and promise as follows:

- (a) From effective date of this Contract until the Prepayment Amount (i. e. \$25, 000,000) has been repaid in full, the Congo shall retain its current ownership interest in petroleum production in the Djéno Area and any underlying assets supporting the generation of such production.
- (b) The oil subject to this Contract shall remain free of any Encumbrances so long as any of the Prepayment Amount remains outstanding.
- (c) It will not undertake any action, or enter into any kind of contact or agreement, which would have an adverse effect on the effectiveness of or its ability to fulfil its obligations under this Contract.
- (d) It will obtain any statutory authority, authorisation, consent, approval, license or exemption from, and accomplish any filing or registration with, any court or judicial, administrative or governmental authority or organisation, which is required to be obtained or accomplished in order for it to perform and observe all of its other obligations under this Contract.

- (e) Performance by it of, and the transactions contemplated by, this Contract will not conflict with :
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or by which its properties are bound.
- (f) The Congo shall not use the Prepayment Amount in any manner which is prohibited by or would conflict with or violate any United States of American or Congolese laws, regulations or rules to the extent applicable to both the Buyer and the Seller.
- (g) The Buyer will not be required to pay any present or future Congolese taxes or other assessments of any type in relation to any payments payable to Buyer under this Contract.

ARTICLE 19: GOVERNING LAW AND DISPUTES

This Agreement shall be governed by, and construed in all respects in accordance with the laws of New York (excluding choice of laws) and only the English version of this Agreement shall be binding on the Parties hereto, notwithstanding any translation of this Agreement into any other language.

The Buyer and Seller hereby consent to submit to the International Centre for Settlement of Investment Disputes (ICSID) any dispute arising out of or relating to this Agreement for settlement by arbitration pursuant to the 18 March 1965 "Convention for the Settlement of Investment-related Disputes Between States and Citizens of Other States" (the ICSID Convention").

The Congo represents that the Congo has approved this consent agreement in accordance with Article 25(3) of the ICSID Convention.

Any arbitral tribunal constituted pursuant to this agreement shall consist of an arbitration board consisting of three arbitrators, one appointed by the Buyer, one by the Seller and the third, who shall be the President of the Tribunal, appointed by the President of the ICSID. Any appointed arbitrator shall be fluent in English and French. The place of arbitration shall be Paris, France, and the language of arbitration shall be English and French. The arbitration award shall be final and enforceable by any competent court.

To permit the application of this arbitration clause, the Buyer and the Seller agree that any such disputes shall be legal and contractual disputes directly resulting from an investment-related transaction.

To the extent that the Seller may be entitled in any jurisdiction to claim for themselves or their assets immunity in respect of their obligations under this Agreement or any of the transactions contemplated herein from any proceedings, execution, attachment (whether provisional or final, in aid of execution, before judgement or otherwise) or other legal process or to the

extent that in any jurisdiction that immunity (whether or not claimed) may be attributed to them or their assets, the Seller irrevocably agrees not to claim and irrevocably waive such sovereign immunity as to them and their property in respect of the enforcement and execution of any award rendered by the arbitral tribunal constituted pursuant to this Agreement.

ARTICLE 20: CONFIDENTIALITY

Each of the parties expressly agrees to keep confidential all information and documents which have been or will be made available to it on the occasion of the negotiation or performance of this Contract, and it is therefore prohibited from disclosing any of such documents to third parties, particularly this Contract or any information related thereto, without having first obtained the prior written consent of the other party.

This restriction does not apply to information and documents disclosed by one of the parties to the competent authorities of their country, nor in connection with a sale to a Credit Worthy Lifter nor to the usual commercial documents associated with cargos to be shipped to the Buyer.

ARTICLE 21: ASSIGNMENT OF THE CONTRACT

Subject to the Seller's prior approval of the assignee, the Buyer shall be allowed to assign this Contract. However, (without in any way relieving the Buyer of any of its obligations hereunder), it shall not be deemed as "assignment" for the purposes of this Clause if the Buyer causes one or more shipments of Crude Oil to be lifted and paid for in its place and stead by one or more Affiliates of the Buyer. In the event of assignment, the Buyer shall not be relieved from its obligations under this Contract and shall be held liable for any breach of obligations by such assignee and the Contract shall be performed and payments made hereunder as if no assignment were made.

The assignee, if any, shall assume all rights and obligations and be subject to all terms and conditions of this Contract.

The Seller may not transfer its rights and obligations under this Contract. Any purported assignment or transfer in violation of this shall be void.

ARTICLE 22: NOTICES

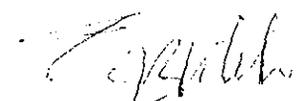
All notices, declarations or communications from one party to the other must, unless otherwise provided by the Contract, be sent in writing within the appropriate time frame, either by letter, by telex or fax, to the addresses indicated below.



Made in Brazzaville on the 2nd of April 2002, in three original counterparts, one for each of the parties.

SELLER

THE REPUBLIC OF CONGO



Minister of Hydrocarbons

BUYER

**CHEVRON OVERSEAS
(CONGO) LIMITED**



Managing Director

**SOCIETE NATIONALE DES PETROLES
DU CONGO**



Chief Executive Officer

CM