

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom – Happiness

No: 33/2013/ND-CP

Hanoi, April 22, 2013

DECREE¹

On the Model Petroleum Production Sharing Contract

Pursuant to the Law on Government Organization dated December 25, 2001;

Pursuant to the Petroleum Law 1993; Law on amending and supplementing a number of articles of the Petroleum Law in 2000 and Law on amending and supplementing a number of articles of the Petroleum Law in 2008;

At the proposal of the Minister of Industry and Trade;

The Government promulgates the Decree on the Model Petroleum Production Sharing Contract.

Article 1. To promulgate together with this Decree the Model Petroleum Production Sharing Contract.

Article 2. All Petroleum Production Sharing Contracts must comply with the Model contract promulgated together with this Decree.

Vietnam Oil and Gas Group and the Contractors shall only negotiate the contents epitomized "depending on the bidding result or negotiation" similar to provision in Article 20.7 of the Model contract. The parties to the contract may agree not to apply the Model contract with the Prime Minister's approval.

Article 3. This Decree does not apply to the petroleum contracts executed before the effective day of this Decree. With respect to the blocks of which the basic economic, technical and commercial conditions have been approved by the Prime Minister before the effective day of this Decree, the negotiation and execution of such contracts shall continue performing under the Model Petroleum Production Sharing Contract promulgated together with Decree No. 139/2005/ND-CP of the Government dated November 11, 2005.

¹ Initial Draft Translation by VILAF for internal use and subject to further revisions and updates.

Article 4. This Decree takes effect on June 08, 2013 and replaces Decree No. 139/2005/ND-CP of the Government dated November 11, 2005 on promulgating the Model Petroleum Production Sharing Contract.

Article 5. The Ministers, Heads of ministerial-level agencies, Heads of Governmental agencies, the Presidents of the People's Committee of central-affiliated cities and provinces and relevant organizations and individuals shall implement this Decree.

Recipients:

**ON BEHALF OF THE GOVERNMENT
THE PRIME MINISTER**

- Secretariat of the Communist Party of Vietnam;
- Prime Minister, Deputy Prime Minister;
- Ministries, Ministerial level agencies, governmental agencies;
- Provincial People's Committees, People's Counsel;
- Communist Party office and management ;
- General secretary office;
- President office;
- Ethnic Affairs Counsel and Committees of the National Assembly;
- National Assembly office;
- Supreme Court;
- Supreme Procuracy;
- National Financial Supervision Committee;
- National Audit;
- Bank for Social Policies;
- Vietnam Development Bank;
- Central Committee of Vietnamese Fatherland Front;
- Central agencies of the organizations;
- Vietnam Oil and Gas Group;
- Government Office
- Filing: VT, KTN (3 copies).

(signed and sealed)

Nguyen Tan Dung

MODEL PETROLEUM PRODUCTION SHARING CONTRACT²

(Issued with Decree No. 33/2013/ND-CP dated 22 April 2013 of the Government)

PETROLEUM PRODUCTION SHARING CONTRACT

BETWEEN

VIETNAM OIL AND GAS GROUP

WITH

[]

AND

[]

FOR BLOCK []

SOCIALIST REPUBLIC OF VIETNAM

HA NOI,

² Initial Draft Translation by VILAF for internal use and subject to further revisions and updates.

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Exhibits

[As agreed by Parties]

Exhibit A: Map and Co-ordinate of Contract Area;

Exhibit B: Accounting Procedures;

Exhibit C: Basic information for issuance of Investment Certificate.

THIS PETROLEUM PRODUCTION SHARING CONTRACT is made and entered into this ____ day of _____, by and between:

VIETNAM OIL AND GAS GROUP, a one member limited liability company, acting in its capacity as the national oil company, incorporated and operating under the laws of the Socialist Republic of Vietnam, having its registered office at 18 Lang Ha, Ba Dinh District, Ha Noi, the Socialist Republic of Vietnam (hereinafter referred to as "PETROVIETNAM"), on the first part and

[#], a company incorporated and operating under the laws of [#] and having its registered address at [#] (hereinafter referred to as "[#]"). [#] and [#] hereinafter referred to collectively as the "CONTRACTOR" and individually as the "Contractor Party" on the second part.

The parties of both first and second parts are hereinafter referred to individually as "Party" and collectively as "Parties" as the context may require.

WITNESSETH:

Whereas, PETROVIETNAM with authority as provided in Article 14 of the Petroleum Law and the CONTRACTOR desire to enter into the Petroleum Production Sharing Contract in order to undertake petroleum exploration, appraisal, development and production operations in the Contract Area.

Whereas, the Parties desire to set forth the terms and conditions of this Contract in accordance with the Petroleum Law to achieve the purposes and goals expressed hereunder.

Now, therefore, the Parties hereby agree as follows:

Chapter I

DEFINITIONS, EXHIBITS AND SCOPE OF CONTRACT

Article 1.1 Definitions³

The terms used in this Contract and its Exhibits in accordance with the Petroleum Law shall have the meanings set forth below:

- 1.1.1 "Abandonment Operations" means demolition, removal, destruction, conversion and placement of artificial bases, installations or structures constructed by the CONTRACTOR in connection with Petroleum Operations as regulated in Article 14.3.
- 1.1.2 "Accounting Procedures" means the document describing the methods of making accounting book entries and conducting cost accounting during the conduct of Petroleum Operations for the purpose of this Contract and as consistent with VAS set out in Exhibit B.
- 1.1.3 "Affiliated Company" or "Affiliate" means an organization or other individual (i) which controls any Party to this Contract or (ii) which is controlled by any Party to this Contract or (iii) which is controlled by an organization or individual which controls any Party to this Contract, it being understood that control means ownership of more than fifty per cent (50%) of the voting rights of such organization, individual or the direct or indirect right to appoint the majority or all members of the executive board of such Affiliate.
- 1.1.4 "Appraisal Well" means a Well that is drilled for the purpose of obtaining information on the scale of reserves and characteristics of a product reservoir, product layer or field.
- 1.1.5 "Article" means an article in this Contract.
- 1.1.6 "Associated Gas" means hydrocarbons in gaseous state which are separated during the process of production and treatment of Crude Oil.
- 1.1.7 "Barrel" means a unit of Crude Oil consisting of one hundred and fifty eight point nine eight seven (158.987) litres at atmospheric pressure of one hundred and one point three two five (101.325) kilopascals and a temperature of fifteen degrees Celcius (15°C).
- 1.1.8 "BODP" means Barrels of Crude Oil produced per Day. "
- 1.1.9 "Budget" means the estimate of total costs required to carry out Petroleum Operations pursuant to an approved work program.

³ Definitions have been re-arranged in English alphabetical order.

- 1.1.10 "Business Day" means any day on which commercial banks in Vietnam are customarily open for full business; for the purpose of defining "LIBOR", Business Day means any day on which the commercial banks in the United Kingdom are customarily open for full business.
- 1.1.11 "Chapter" means a chapter of this Contract.
- 1.1.12 "Coal Gas" means hydrocarbons in which the main component is methane in gaseous or liquid state which are contained in coal reservoirs or in adjacent reservoir holdings.
- 1.1.13 "Commercial Discovery" means a Petroleum Discovery or an accumulation of hydrocarbons which, in the sole opinion of the CONTRACTOR can be exploited economically.
- 1.1.14 ""Commercial Production" means the production of Petroleum from a Commercial Discovery and delivery of the same at the Point of Delivery under a program of regular production and sale after the Development Plan has been approved for such Commercial Discovery.
- 1.1.15 "Confidential Information" means all technical, technological and commercial data and information which may be owned by the CONTRACTOR after the Effective Date including, but not limited to, all patents, intellectual property, technical know-how, designs, concepts, Work Programs and Budgets, financial statements, invoices, sales and pricing information, and data related to production, marketing and service capability which the CONTRACTOR develops after the Effective Date and which relates to Petroleum Operations and the terms and conditions of this Contract.
- 1.1.16 "Contract Area" means the initial contract area, the coordinates of which are set out and outlined in Exhibit A and as such will be amended from time to time pursuant to the provisions in Article 2.3.
- 1.1.17 "Contract" means this Petroleum Production Sharing Contract and its Exhibits attached, together with any amendments thereto in accordance with the law of Vietnam and this Contract.
- 1.1.18 "Contract Year" means a period of twelve (12) consecutive months in accordance with the Gregorian calendar commencing on the Effective Date of this Contract.
- 1.1.19 "CONTRACTOR" or "Contractor Party(ies)" has the meaning ascribed to it in the first part of this Contract and/or such party's lawful successors and/or assignees, and consistent with Chapter XII, and which may include an Affiliate designated by PETROVIETNAM.

- 1.1.20 "Cost Recovery Oil" and "Cost Recovery Gas" mean the portion of Net Oil Production or Net Gas Production, as the case may be, from which costs recovery is to be made by the CONTRACTOR pursuant to Articles 6.1.2 and 6.2.2.
- 1.1.21 "Crude Oil" means hydrocarbons in natural liquid state, asphalt, ozokerite or liquid hydrocarbons obtained by distillation or extraction of natural gas.
- 1.1.22 "Cubic Metre" means one cubic metre of Natural Gas at atmospheric pressure of one hundred and one point three two five (101.325) kilopascals and at a temperature of fifteen degrees Celcius (15°C).
- 1.1.23 "Day" means a day according to the Gregorian calendar.
- 1.1.24 "Development Area" means that portion of the Contract Area duly retained for the development of a Commercial Discovery as further defined in Articles 2.1.3 and 2.3.4.
- 1.1.25 "Development Operations" mean operations conducted with a view to the development of Petroleum accumulations underlying Development Areas. Development Operations include, but are not limited to, reservoir, geological and geophysical studies and surveys; drilling, testing, completing, recompleting and reworking of Development Wells, the drilling and completion of Production Wells; planning, design, construction and contracting in order to transport and install product-gathering lines, onshore and offshore platform facilities, equipment installations, separators, tankage, pumps, artificial lifts and other producing, gathering and injection facilities and related activities required in order to produce, process, treat, transport, store and deliver Petroleum, and other operations as required for the safe and efficient development of the Petroleum accumulation.
- 1.1.26 "Development Plan" means the plan as prepared by the CONTRACTOR for development of a Commercial Discovery pursuant to Article 4.3 which PETROVIETNAM adopts and submits to the competent authorities for approval in order to carry out the construction of works, install the equipment and exploit the product reservoirs, product layers or fields.
- 1.1.27 "Development Well" means a Well that is drilled in a reservoir, product layer or field for the purpose of conducting the following activities: production of hydrocarbons or fluids; observation, monitoring of the changes of a reservoir; injection of fluids into the reservoir or product layer; and injection of fluids into the well.
- 1.1.28 "Discovery" means any discovery of a Petroleum accumulation which, in the opinion of the CONTRACTOR, has the potential of being produced in commercial quantities.

- 1.1.29 "Dong" or "VND" means the lawful currency of the Socialist Republic of Vietnam.
- 1.1.30 "Effective Date" means the date of issuance of the Investment Certificate in respect of this Contract by the Ministry of Industry and Trade.
- 1.1.31 "Expert" means an expert appointed in conformity with Article 15.3.
- 1.1.32 "Exploration Operations" means operations conducted pursuant to this Contract with a view to the discovery of Petroleum accumulations, and to the appraisal of the extent and reserves of such Petroleum accumulations, the characteristics of the relevant reservoir(s) and their likely behaviour when produced. Exploration Operations may include, but are not limited to, geological, geophysical, geochemical, aerial and other surveys, analysis and studies; drilling, deepening, sidetracking, plugging back, testing, completing, recompleting, redrilling and abandonment of Exploration Wells, taking samples and stratigraphic tests and testing of such Wells; and all activities related to such operations.
- 1.1.33 "Exploration Period" means the period during which Exploration Operations are conducted in short phases consistent with the detailed provisions in Article 2.1.1.
- 1.1.34 "Exploration Well" means either Wildcat Well or Appraisal Well.
- 1.1.35 "First Production Date" means the day following the thirtieth (30th) day of Petroleum production from the Contract Area via a production system including but not limited to one or more Development Wells connected to a floating production storage offload vessel or via pipelines to an onshore storage and export terminal, but excludes any long-term well tests.
- 1.1.36 "Force Majeure" has the meaning ascribed to it in Chapter XIX.
- 1.1.37 "Foreign Party" means any individual and/or legal entity established and registered under foreign law constituting the CONTRACTOR and/or its lawful successors and/or assignees, excluding PETROVIETNAM and its Affiliates.
- 1.1.38 "Gas Purchase and Sale Agreement" means the agreement providing for consumption of Natural Gas produced in accordance with each Development Plan for gas fields, as provided in Article 8.5.
- 1.1.39 "Development Plan" means the plan as prepared by the CONTRACTOR for development of a Commercial Discovery pursuant to Article 4.3 which PETROVIETNAM adopts and submits to the competent authorities for approval in order to carry out the construction of works, install the equipment and exploit the product reservoirs, product layers or fields.
- 1.1.40 "Government" means the Government of the Socialist Republic of Vietnam

including, without limitation, any ministries and ministerial-level agencies.

- 1.1.41 "Investment Certificate" means the investment certificate issued by the Ministry of Industry and Trade in respect of this Contract, and its amendments (if any).
- 1.1.42 "Joint Operating Agreement" means the agreement regulating the management of the CONTRACTOR's operations and which sets out the rights and obligations corresponding to the Participating Interest of each Contractor Party during the conduct of Petroleum Operations.
- 1.1.43 "Law on Investment" means the Law on Investment passed by the National Assembly of the Socialist of Vietnam on 29 November 2005, effective from 1 July 2006 and its subsequent amendments; the implementing guidelines and their subsequent amendments.
- 1.1.44 "LIBOR" means the London Interbank offered rate of interest for US Dollar deposits for a three (3) month term as published by the Wall Street Journal or the Financial Times of London for the day in question. Should a rate not be quoted for a relevant date, then the first subsequent quoted rate shall be used.
- 1.1.45 "Management Committee" means the management committee established pursuant to Chapter III.
- 1.1.46 "Market Price" means the price for Crude Oil lifted or consumed by the Contractor Parties at the Point of Delivery as determined for all purposes hereunder in accordance with Article 8.1.
- 1.1.47 "Natural Gas" means hydrocarbons in gaseous state produced from wells, including wet gas, dry gas, wellhead gas and residue gas after the extraction of liquid hydrocarbons from wet gas.
- 1.1.48 "Net Gas Production" means Natural Gas produced and saved from the Contract Area, measured and delivered at the Point of Delivery, and does not include any Natural Gas returned to the field or used or flared for the purpose of Petroleum Operations or normal waste during Petroleum Operations.
- 1.1.49 "Net Oil Production" means Crude Oil produced and saved from the Contract Area, measured and delivered at the Point of Delivery, and does not include any Crude Oil used for the purpose of Petroleum Operations or normal waste during Petroleum Operations.
- 1.1.50 "Oil Lifting Agreement" means the agreement providing for the lifting and delivery of Crude Oil produced in accordance with the Development Plan for the oil field, as provided in Article 8.5.
- 1.1.51 "Operator" means the Contractor Party or the entity appointed pursuant to Article 20.4 to represent the CONTRACTOR to carry out the Petroleum

Operations and to discharge the obligations under this Contract.

- 1.1.52 "Participating Interest" means the undivided percentage interest from time to time in this Contract for each of the Contractor Parties and all rights, interests, obligations and liabilities respectively held by each Contractor Party under this Contract.
- 1.1.53 "Parties" has the meaning ascribed to it in the first part of this Contract and/or their lawful successors and/or assignees.
- 1.1.54 "Party" has the meaning ascribed to it in the first part of this Contract and/or such party's lawful successors and/or assignees.
- 1.1.55 "Petroleum Law" means the Petroleum Law of Vietnam passed by the National Assembly of the Socialist Republic of Vietnam on 6 July 1993, effective from 1 September 1993 and its subsequent amendments; the implementing guidelines and their subsequent amendments.
- 1.1.56 "Petroleum" means crude oil, natural gas and hydrocarbons whether in natural gaseous, liquid, solid or semisolid state including coal gas and other similar substances associated with hydrocarbons except coal, shale, bitumen or other minerals from which oil can be extracted.
- 1.1.57 "Petroleum Operation Costs" means all expenditure made and incurred by the CONTRACTOR to carry out Petroleum Operations hereunder, determined in accordance with the accounting procedures as stated in Exhibit B and recovered in accordance with Articles 6.1.2, 6.2.2 and Article 11.2.2.
- 1.1.58 "Petroleum Operations" mean all Exploration Operations, Development Operations, Production Operations and Abandonment Operations, including all activities directly servicing such operations.
- 1.1.59 "Petroleum Production Regulations" means the Petroleum Production Regulations issued with Decision 84/2010/QĐ-TTg of the Prime Minister dated 15 December 2010 and its amendments.
- 1.1.60 "Point of Delivery" means the point at which Petroleum reaches the outlet of the loading flange of the oil tanker or storage facility used to lift or offtake Petroleum or such other points as may be agreed by the Parties.
- 1.1.61 "Production Operations" mean operations conducted by the CONTRACTOR for the purpose of producing Petroleum in the Contract Area, comprising the operation and maintenance of the necessary facilities and equipment; scheduling, controlling, measuring, testing and carrying out the flow; and gathering, treating, storing and dispatching Crude Oil, Associated Gas and Natural Gas from the Petroleum reservoir to the Point of Delivery.

- 1.1.62 "Production Schedule" means the summarized profile of Crude Oil output in Barrels per day or Natural Gas output in Cubic Metres per day as prepared by the CONTRACTOR and adopted by the Management Committee and approved by PETROVIETNAM, in accordance with the Work Program and Budget for Development Operations and Production Operations in each Development Area.
- 1.1.63 "Profit Gas" means the portion of Net Gas Production remaining after deducting Royalty Gas and Cost Recovery Gas pursuant to Article 6.2.
- 1.1.64 "Profit Oil" means the portion of Crude Oil remaining after deducting Royalty Oil and Cost Recovery Oil from Net Oil Production pursuant to Article 6.1.
- 1.1.65 "Quarter" means a period of three (3) consecutive calendar months commencing on 1 January, 1 April, 1 July and 1 October.
- 1.1.66 "Royalty Gas" means Net Gas Production allocated for the satisfaction of Royalty obligations pursuant to Article 6.2.1.
- 1.1.67 "Royalty" means the money collected in cash or in kind, at the option of the Government, for the right to produce Petroleum from the Contract Area, payable by the Contractor Parties in accordance with Articles 6.1.1 and 6.2.1.
- 1.1.68 "Royalty Oil" means Crude Oil allocated out of Net Oil Production for the satisfaction of Royalty obligations pursuant to Article 6.1.1.
- 1.1.69 "Senior Supervisory Personnel" means any supervisory employee of the CONTRACTOR who functions as officer, designated manager or supervisor responsible for, or in charge of on-site drilling, construction or production and related operations, or any other field operations and any employee of the CONTRACTOR who functions at a management level equivalent to or superior to the aforementioned manager or supervisor.
- 1.1.70 "Suspended Development Area" has the meaning ascribed to it in Article 4.6.
- 1.1.71 "US Dollar" or "USD" means the lawful currency of the United States of America.
- 1.1.72 "Vietnam Accounting Standard" (VAS) means the accounting principles generally used and accepted in accounting practice in Vietnam.
- 1.1.73 "Well" means a hole drilled into the earth for the purpose of exploration, appraisal and production of Petroleum.
- 1.1.74 "Wildcat Well" means a Well (whether a dry hole or a Discovery) drilled in the Contract Area for the purpose of finding a Petroleum accumulation in a prospect or prospects other than any which have been previously drilled by the CONTRACTOR and in accordance with the drilling plan approved by

PETROVIETNAM.

1.1.75 "Willful Misconduct" means any act or omission to act by any personnel of the CONTRACTOR which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences which such CONTRACTOR knew, or should have known, would have on the safety and property of another person or entity in connection with Petroleum Operations carried out, or to be carried out, under this Contract.

1.1.76 "Work Program and Budget" means a program itemizing the Petroleum Operations established under this Contract for each Year with respective estimated budget therefor as provided in Chapter IV.

1.1.77 "Year" means a period of twelve (12) consecutive months commencing on January 1 and ending on December 31 in accordance with the Gregorian calendar.

Article 1.2 Basic Principles of Contract

1.2.1 This Contract is a Petroleum Production Sharing Contract in accordance with the Petroleum Law and is an enforceable contract in accordance with the Law on Investment, the Petroleum Law, and other relevant legal regulations in Vietnam.

1.2.2 This Contract establishes the principles, terms and conditions under which the CONTRACTOR is granted the exclusive right to conduct Petroleum Operations aimed at exploring, appraising, developing and producing Petroleum in the Contract Area and other related activities including rights to export, sell or dispose petroleum under the Contract.

1.2.3 The CONTRACTOR has the obligation to carry out Petroleum Operations at its own expense in a safe and efficient manner and at its own risk in accordance with the provisions in this Contract, the law of Vietnam and Generally Accepted International Petroleum Industry Practices.

1.2.4 Petroleum Operation Costs shall be borne and recovered by the CONTRACTOR in accordance with the Contract.

Article 1.3

Participating Interests of the Contractor Parties on the Effective Date are as follows:

[.....]: [.....]%

[.....]: [.....]%

Chapter II

TERM, MINIMUM WORK COMMITMENTS

AND SURRENDER OF CONTRACT AREA

Article 2.1 Term

- 2.1.1 The term of this Contract is [#] Contract Years from the Effective Date and may be extended up to five (5) Years if mutually agreed by the Parties and approved by the Prime Minister. Subject to Articles 2.1.4 and 2.1.5 hereunder, the Exploration Period of this Contract shall be [#] Contract Years from the Effective Date, may be extended but not to exceed two (2) Years and will be divided into short phases: [#] Contract Year(s) for the first phase (“Phase One”) and [#] Year(s) for the second phase (“Phase Two”) and [#] Year(s) for the third phase (“Phase Three”). Decision to enter into Phase Two or Phase Three shall be at the option of the CONTRACTOR and such decision shall be notified to PETROVIETNAM no later than 15 Days prior to the end of Phase One or Phase Two respectively.
- 2.1.2 Subject to the provisions of Articles 2.1.4, 2.1.5 and 2.3.4(a), this Contract shall terminate if at the end of the Exploration Period no Commercial Discovery in the Contract Area has been declared.
- 2.1.3 Immediately upon determination of a Commercial Discovery in any portion of the Contract Area, the development of such Commercial Discovery shall be commenced in accordance with Chapter IV. In other portions of the Contract Area outside a Development Area or Development Areas, exploration may continue concurrently subject to the provisions of Articles 2.1.4, 2.1.5 and 2.3.
- 2.1.4 At least 90 Days prior to the end of any phases of the Exploration Period referred to in Article 2.1.1:
- (a) If the CONTRACTOR has made a Discovery in the Contract Area, where the term of any phase concerned is insufficient for the CONTRACTOR to appraise such Discovery, then the term of this phase shall be reasonably extended with the consent of PETROVIETNAM and the approval of the Ministry of Industry and Trade to enable the CONTRACTOR to make an appraisal of such Discovery.
 - (b) If an Exploration Well or Wells have been scheduled or are in the course of being drilled, then the term of any phase concerned shall be reasonably extended with the consent of PETROVIETNAM and the approval of the Ministry of Industry and Trade to allow the CONTRACTOR to complete the drilling and appraise the results thereof.

The extension as mentioned above shall not exceed 2 years.

- 2.1.5 Subject to the consent of PETROVIETNAM and the approval of the competent authorities upon the proposal submitted by the CONTRACTOR for an additional work program for Exploration Operations in the Contract Area, at the end of the Exploration Period, such Exploration Period shall be extended for a reasonable period to allow the CONTRACTOR to carry out such additional work program.
- 2.1.6 Should the Exploration Period be extended for the purpose of appraisal operations pursuant to Article 2.1.4 or in the circumstances set out in Article 2.1.5, such period of extension shall be included in the maximum extension of the Exploration Period as regulated in Article 2.1.1 and the Contract term shall be extended for a period equivalent to the period for which the Exploration Period was extended.
- 2.1.7 In the event of Force Majeure or other exceptional circumstances, the Parties may agree on the suspension method for the implementation of certain rights and obligations in the Contract and such method is subject to the approval of the Prime Minister.
- 2.1.8. In case for reasons of national defense and security, the Prime Minister shall consider and decide on the extension of the Exploration Period in the Contract. At least 90 days prior to the end of the Exploration Period or at least 01 year before the date of termination of the Contract, the CONTRACTOR shall send the extension request to PETROVIETNAM for submission to the competent authority for assessment, and reporting to the Prime Minister for consideration and decision.

Article 2.2 Minimum work and financial commitments

- 2.2.1 The CONTRACTOR shall commence Petroleum Operations hereunder not later than thirty (30) Days after PETROVIETNAM’s approval of the Work Program and Budget.
- 2.2.2 The CONTRACTOR shall carry out the following minimum work commitment and minimum financial commitment:

(In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister)

Phase One:

<i>Work</i>	<i>Minimum work commitment</i>	<i>Minimum financial commitment (USD)</i>

<i>Total</i>		

Phase Two:

<i>Work</i>	<i>Minimum work commitment</i>	<i>Minimum financial commitment (USD)</i>
<i>Total</i>		

Phase Three:

<i>Work</i>	<i>Minimum work commitment</i>	<i>Minimum financial commitment (USD)</i>
<i>Total</i>		

Where the CONTRACTOR has exceeded the minimum work commitment for each phase, such excess work shall be allowed to be credited against the minimum work of a similar nature for the following phase if and when the CONTRACTOR decides to opt into the subsequent phase.

2.2.3 Minimum financial commitments referred in Article 2.2.2 are only for the purpose of guidance with respect to the carrying out of the exploration program in any phase concerned. However, in the event that the CONTRACTOR does not complete the minimum work commitment in any phase concerned, the CONTRACTOR must pay to PETROVIETNAM a sum equivalent to the value of any outstanding minimum work commitment that has not been fulfilled within ninety (90) Days from the end of such phase.

2.2.4 If the CONTRACTOR has completed the minimum work commitments at a cost less than the minimum financial commitments set out in Article 2.2.2 hereto, the CONTRACTOR shall be deemed to have satisfied its financial obligations and

shall have no obligation to pay PETROVIETNAM all or any portion of the amount by which such minimum financial commitments exceed actual expenditure made in carrying out such minimum work commitments.

- 2.2.5 For the avoidance of misunderstanding, additional work programs during the period of extension of the Exploration Period as specified in Article 2.1.5 or in the period in which it is permitted to retain a part of the Contract Area as specified in Article 2.3.4(a)(ii) or in the period of temporary suspension of the obligation to surrender the area, shall be considered as the minimum work commitment for the relevant term of extension or retention or temporary postponement. If the CONTRACTOR fails to complete the amount of the work commitment corresponding to the period of the permitted extension, retention or postponement as mentioned above, then Article 2.2.3 shall apply mutatis mutandis.

Article 2.3 Surrender of Areas

- 2.3.1 If the CONTRACTOR elects to enter Phase Two, before or by the end of Phase One plus any extension thereof, the CONTRACTOR shall surrender no less than twenty per cent (20%) of the Contract Area. If the CONTRACTOR elects to enter Phase Three, if applicable, before or by the end of Phase Two plus any extension thereof, the CONTRACTOR shall surrender no less than an additional twenty per cent (20%) of the Contract Area.

In the event the CONTRACTOR elects not to enter Phase Two before or by the end of Phase One or elects not to enter Phase Three, if applicable, before or by the end of Phase Two, the CONTRACTOR shall be relieved of its work commitment defined respectively for the next phase.

- 2.3.2 Any parts of the Contract Area to be surrendered under Article 2.3.1 hereof shall not cover any Development Area, Suspended Development Area that has been made by the CONTRACTOR.
- 2.3.3 At any time earlier than the time provided in Article 2.3.1, with thirty (30) Day prior written notice to PETROVIETNAM, the CONTRACTOR has the right to surrender an acceptable portion of the Contract Area, in accordance with Article 2.3.5, and such portion shall then be credited against that portion of the Contract Area which the CONTRACTOR is next required to surrender under the provisions of Articles 2.3.1 and 2.3.4. Such surrender shall not relieve the CONTRACTOR of any outstanding obligations and/or liabilities arising from Petroleum Operations pertaining to the portion of the Contract Area concerned.
- 2.3.4 (a) Without prejudice to the provisions of Articles 2.1.4 and 2.1.5 hereof, notwithstanding Article 3.1, before or by the end of the Exploration Period plus any extension thereof, the CONTRACTOR shall surrender all remaining parts of the Contract Area excluding the following as the

CONTRACTOR may determine:

- (i) All Development Areas and all Suspended Development Areas as designated in Article 4.6; or
 - (ii) If the CONTRACTOR wishes to retain any portion of the Contract Area outside a Development Area or Suspended Development Area (except any portion that has been subject to or awarded to another contractor) which has previously been surrendered or cannot be retained by the CONTRACTOR pursuant to Article 2.3.4(a)(i), then the CONTRACTOR shall at least ninety (90) Days prior to the end of such Exploration Period or another time-limit subject to PETROVIETNAM's approval submit to PETROVIETNAM an additional Work Program and Budget for Petroleum Operations setting forth the portion of the area which it wishes to retain and as belonging to the initial Contract Area; and additional Exploration Operations which the CONTRACTOR proposes to carry out in respect of such portion and the budget estimated by the CONTRACTOR within which such operations will be completed. PETROVIETNAM shall submit such additional work program and budget to the Prime Minister for considering and permitting the CONTRACTOR to retain the aforesaid area together with the additional Work Program and Budget.
- (b) The CONTRACTOR shall carry out Exploration Operations in accordance with such approved additional Work Program and Budget pursuant to Article 2.3.4(a)(ii) including the amendments thereof (if any) mutually agreed to by the CONTRACTOR and PETROVIETNAM.
- (c) If as a result of such Exploration Operations pursuant to Article 2.3.4(b):
- (i) any new Commercial Discovery is made, a Development Area for such Commercial Discovery shall be justifiably established for the purposes of this Contract;
 - (ii) any existing Commercial Discovery in the Contract Area is determined to extend beyond the Development Area originally established in respect thereof, such initial Development Area shall be justifiably adjusted by the mutual agreement of the Parties;
 - (iii) any new Discovery of Natural Gas is made, the Development Area for such Discovery may in accordance with Article 4.6 be designated as a Suspended Development Area.

The CONTRACTOR shall, upon completion of the evaluation of the results of the work program and the establishment of any new Development Area or the adjustment of any existing Development Area resulting therefrom or the establishment of any new Suspended Development Area, relinquish all remaining parts of the Contract Area not within the new or adjusted Development Area(s) or new Suspended Development Areas.

- 2.3.5 The CONTRACTOR shall notify PETROVIETNAM in advance of the date of surrender of the portion(s) to be surrendered. The CONTRACTOR and PETROVIETNAM shall consult with each other regarding the shape and size of each individual portion of the Contract Area being surrendered. Such portions shall each be of sufficient size and geometrically convenient shape to enable petroleum operations to be conducted thereon. Before any surrender or prior to the termination of this Contract, the CONTRACTOR shall, at PETROVIETNAM's request, remove from the Contract Area being surrendered all equipment or facilities installed or constructed by the CONTRACTOR which is no longer necessary for the conduct of Petroleum Operations.

Chapter III

MANAGEMENT COMMITTEE

Article 3.1

Within thirty (30) Days from the Effective Date, the Parties shall set up a Management Committee under this Contract. The Management Committee shall be responsible for assisting PETROVIETNAM and the CONTRACTOR to supervise and monitor Petroleum Operations in the Contract Area pursuant to approved Work Programs and Budgets and in accordance with this Contract. The Management Committee shall have the rights and obligations as follows:

- Adopting and confirming the implementation of the annual Work Program and Budget, including amendments and supplements (if any);
- Approving the bidding processes to choose subcontractors;
- Adopting appraisal plans proposed by the CONTRACTOR;
- Adopting the Evaluation Report on overall in place Petroleum reserves of the Discovery submitted by CONTRACTOR;
- Reviewing and adopting the outline Development Plan to submit to PETROVIETNAM or competent authorities for approval;
- Approving the Development Plan for PETROVIETNAM's consideration and submission to the Prime Minister for approval;

- Approving the Abandonment Plan for PETROVIETNAM's consideration and for submission to the Ministry Industry and Trade for approval;
- Adopting the annual Production Schedule for PETROVIETNAM's approval;
- Adopting the Operator's proposal on surrender of the Contract Area;
- Establishing necessary sub-committees upon requests and pursuant to the provisions of this Contract;
- Deciding other issues under the authority of Management Committee in accordance with this Contract.

Article 3.2

The Management Committee shall supervise and monitor the accounting for costs, expenses and expenditure and maintenance of books for the Petroleum Operations in accordance with the provisions of this Contract and the Accounting Procedures.

Article 3.3

The Management Committee shall not engage in any business or activity beyond the performance of the above functions, duties.

Article 3.4

The Management Committee shall consist of [#] members, [#] of whom shall be designated by PETROVIETNAM and the other [#] by the CONTRACTOR. The number of members comprising the Management Committee may be increased or decreased from time to time as mutually agreed by the Parties. The CONTRACTOR shall designate one of its members as Chairman for the meetings before declaration of the first Commercial Discovery and PETROVIETNAM shall designate one of its members as Chairman for the meetings of the Management Committee thereafter. Each member shall have one (1) vote. Meetings of the Management Committee shall require a quorum of [#] members, at least [#] of whom shall be the representatives of each Party. Any member who is unable to attend any meeting of the Management Committee may be represented and voted for by another member or other person pursuant to a written and signed proxy from such absent member. Except as provided in Article 3.8 of this Chapter, the decisions of the Management Committee shall be taken by unanimous vote of the members present and the authorised representatives.

Article 3.5

The Management Committee shall meet at least once a Year unless otherwise agreed. Either Party may call a meeting of the Management Committee at any time by a written notice to the Chairman specifying the purpose of the meeting. The Chairman shall thereupon call such meeting within thirty (30) Days of receipt of the aforesaid

notification, or any shorter period of not less than seven (7) Days as requested by the Party requesting to call the meeting if a thirty (30) Day interval would substantially prejudice the matter to be discussed.

Article 3.6

In the event Management Committee agrees that any matter may be decided without holding a meeting, Management Committee members may at any time cast their respective vote on the matter via facsimile or any other means as they may agree upon which should be sent to the Operator. The Operator shall, upon receipt of all the votes, duly inform all the Parties of the decision arrived at. Such decision shall be deemed to be the decision of the Management Committee and shall be binding upon the Parties in the same manner as if the votes were cast at a meeting. The Operator shall keep a written record of each such vote. If any member of Management Committee does not give written notice of its decision within the time limits, such issue shall be deemed to be approved by that member.

Article 3.7

Representatives of each Party attending a Management Committee meeting may be accompanied by a reasonable number of advisors. Such advisors shall not be entitled to vote at the meeting.

Article 3.8

All exploration and appraisal matters before declaration of the first Commercial Discovery shall be decided by the Management Committee on the basis of a majority vote or as the Parties may otherwise agree.

Article 3.9

All reasonable per diem expenses incurred by each member and his/her advisor(s) in attending Management Committee meetings shall be borne by the CONTRACTOR and be considered as recoverable Petroleum Operation Cost.

Chapter IV

WORK PROGRAMS AND BUDGETS

Article 4.1

Within sixty (60) Days of the Effective Date and thereafter at least ninety (90) Days prior to the beginning of each Year or at such other times as may otherwise be mutually agreed by the Parties, the CONTRACTOR shall prepare and submit an annual Work Program and Budget for the Contract Area in accordance with Articles 4.4, 4.7 and Article 4.8.

Article 4.2

If the CONTRACTOR determines that a Discovery has been made, the CONTRACTOR shall notify the Management Committee and PETROVIETNAM as soon as practicable.

Within ninety (90) Days after such notice, the CONTRACTOR shall submit to the Management Committee an appraisal plan for such Discovery. The Management Committee shall review and adopt the proposed appraisal plan submitted by the CONTRACTOR within thirty (30) Days of receipt. Within ten (10) Days after the Management Committee's adoption of the appraisal plan, the CONTRACTOR shall submit such appraisal plan to PETROVIETNAM for the final approval. PETROVIETNAM shall review and approve such appraisal plan within thirty (30) Days of receipt of the submission.

The CONTRACTOR shall immediately implement the appraisal plan approved by PETROVIETNAM. Within ninety (90) Days, or another period as approved by PETROVIETNAM, after completion of such appraisal plan, the CONTRACTOR shall submit to the Management Committee and PETROVIETNAM an evaluation report on overall in place Petroleum reserves of the Discovery as appraised.

Together with the submission of the aforementioned evaluation report on overall in place Petroleum reserves, the CONTRACTOR shall submit a written declaration about the Discovery to the Management Committee and PETROVIETNAM which indicates one of the following:

- (a) The Discovery is commercial; or
- (b) The Discovery is not commercial.

Where the Discovery is in the nature of a commercial discovery, the date on which the CONTRACTOR submits a notice to the Management Committee and PETROVIETNAM about such Discovery shall be the date of declaration of the Commercial Discovery. The CONTRACTOR must provide its proposal on designation of the Development Area, consistent with the provisions in this Contract and Generally Accepted International Petroleum Industry Practices, for the declared Discovery in the corresponding appraisal report on overall in place Petroleum reserves. The Management Committee shall consider and adopt the appraisal report on overall in place Petroleum reserves of such Discovery as submitted by the CONTRACTOR within thirty (30) Days from receipt of such document. Within ten (10) Days after the Management Committee has adopted such report, the CONTRACTOR shall submit the appraisal report on overall in place Petroleum reserves to PETROVIETNAM for the latter to consider and submit to the Prime Minister for consideration and approval in accordance with applicable regulations on management of reserves.

Article 4.3

Within one hundred and eighty (180) Days or other time-limit approved by PETROVIETNAM from the date of approval of the appraisal report on overall in place Petroleum reserves with respect to any Commercial Discovery within the Contract Area, the CONTRACTOR must submit an official and complete outline Development Plan for such Commercial Discovery to the Management Committee.

Such outline Development Plan shall comprise a preliminary feasibility study on development options at the time of preparation of the plan and all relevant information then available on technical, economic, commercial and market matters.

Within thirty (30) Days after the receipt of the outline Development Plan, the Management Committee shall consider or subject to any amendments thereto which it requires, the Management Committee shall adopt the outline Development Plan. If the Management Committee does not provide a written document adopting the outline Development Plan within the aforesaid thirty (30) Days, such outline Development Plan shall be deemed to have been adopted.

Within ten (10) Days after the Management Committee's adoption of the outline plan, the CONTRACTOR shall submit the outline Development Plan to the competent authority for their consideration and approval, subject to any amendments thereto which PETROVIETNAM or the competent authority may wish to make. Within sixty (60) Days from the date on which the CONTRACTOR submitted the plan or sixty (60) Days from the date of receipt of the plan as amended at the request of PETROVIETNAM or competent authority (if any), as the case may be, PETROVIETNAM or the competent authority shall consider and approve such outline Development Plan. If PETROVIETNAM or competent authority fails to provide a written approval for the outline plan within the aforesaid sixty (60) Days, this outline Development Plan shall be deemed to have been approved.

Within twelve (12) months or other time-limit as approved by PETROVIETNAM from the date of approval of the outline Development Plan, the CONTRACTOR shall submit to the Management Committee a Development Plan for the Commercial Discovery. The Development Plan shall be formulated on the basis of the options selected in the approved outline Development Plan with the objective of maximizing development and production, and shall include but not be limited to the following main contents:

- (a) Details and scope of the Development Area for such Commercial Discovery;
- (b) Results of a study of the special geological characteristics of the field;
- (c) Data and analysis of the composition and nature of fluids and beds, the Petroleum production volumes, and the Petroleum recovery coefficient;
- (d) Study of a field simulation model, field technology and production equipment;
- (e) Information about production technology and feasibility;

- (f) Technology for drilling and completion of wells; statistics on principles and technical regulations applicable during the drilling process for production;
- (g) Description of the system of works and equipment to be used for production;
- (h) Data and analysis on composition and nature of the environment;
- (i) Plans on treating, disposing of or burying waste;
- (j) Proposed plans on: protection of natural resources and the environment; safe operation and dealing with any breakdowns; solutions on preventing and dealing with any environmental incident and cleaning up the field aimed at environmental recuperation once production has finished;
- (k) Plan on personnel; recruitment and training of Vietnamese staff, and a plan on replacement of foreign employees consistent with Chapter X of this Contract;
- (l) Plan on use of Vietnamese materials and services for Petroleum Operations in accordance with Chapter X of this Contract;
- (m) Total investment capital and economic effectiveness of the project;
- (n) Evaluation of level of technical and financial risks of the project;
- (o) Schedule for implementation of the project;
- (p) Plan on use of Associated Gas in the event of development of a petroleum field with Associated Gas;
- (q) Other information as the Management Committee may request.

Within thirty (30) Days after submission by the CONTRACTOR or thirty (30) Days from receipt of the Development Plan amended as requested by the Management Committee, as the case may be, the Management Committee shall consider, adopt such development plan. If the CONTRACTOR does not receive a response from the Management Committee within thirty (30) Days then the Development Plan will be deemed to have been adopted.

Within ten (10) Days after the Development Plan is adopted by the Management Committee, the CONTRACTOR must submit the adopted plan to PETROVIETNAM. Within six (6) months after submission by the CONTRACTOR to PETROVIETNAM and subject to any amendments or supplements requested, the CONTRACTOR shall, together with PETROVIETNAM, attempt to complete the Development Plan for submission to the Prime Minister for consideration and approval.

Article 4.4

No later than ninety (90) Days prior to the beginning of each Year or such other date as

may be agreed upon, the CONTRACTOR shall submit to the Management Committee a Work Program and Budget for the succeeding Year including one or both of the followings:

- (a) Exploration Operations and appraisal;
- (b) Updated Development Plan of the Commercial Discovery.

Within sixty (60) Days prior to the first Commercial Production and to the beginning of each subsequent Year, the CONTRACTOR shall submit to the Management Committee for adoption and PETROVIETNAM for approval an annual Production Schedule which is based on the production plan proposed in the Development Plan and updated information obtained during the conduct of Development Operations and Production Operations and which shall be in accordance with Generally Accepted International Petroleum Industry Practices. The CONTRACTOR may at any time propose revisions to the field Development Plan in accordance with the Petroleum Operation Regulations. The procedures for approving an amended Development Plan shall be the same as those set out in Article 4.3 for approval of the field Development Plan.

Article 4.5

In respect of subsequent Development Areas, the CONTRACTOR shall follow the same procedures mutatis mutandis, as set out in Articles 4.3 and 4.4.

Article 4.6

If the CONTRACTOR determines that there is a significant volume of Natural Gas in the Contract Area, then the CONTRACTOR must immediately notify PETROVIETNAM about such Discovery and must conduct the appraisal work in accordance with Article 4.2 and an appraisal of the commercial nature of such Discovery. The CONTRACTOR must notify PETROVIETNAM of the results of such appraisal and if in the CONTRACTOR's sole opinion such result shows:

- (a) That commercial development of the volume of Natural Gas discovered is feasible. The CONTRACTOR must provide an undertaking for the early exploitation of such Commercial Discovery. The Parties shall use their best endeavours to find a gas market and the CONTRACTOR shall sign with PETROVIETNAM (or a third party as agreed by the Parties) a binding Gas Purchase and Sale Agreement based on a duration and minimum volume agreed by the Parties. The CONTRACTOR must develop such Discovery in accordance with the provisions stipulated in Articles 4.3 to 4.4 in order to meet the demand of the Gas Purchase and Sale Agreement; or
- (b) That the Natural Gas Discovery is not commercially viable at the time the CONTRACTOR discovers it, but pursuant to study results such Discovery may become commercially viable for specific reasons such as that there are

additional reserves; that the Natural Gas or Coal Gas market is capable of improvement; or because of Petroleum developmental and operational techniques; or because of new gas utilization technology; or because it is possible to share operational and development costs in accordance with a joint development venture or so forth, then the Contract Area encompassing such Discovery shall be deemed to be a Suspended Development Area for the purposes of this Contract. In accordance with the Petroleum Law, the CONTRACTOR may retain the aforementioned Suspended Development Area with an additional work volume in order to determine the potential of such Discovery as may be required, subject to approval from the Prime Minister.

Article 4.7

Annual Work Programs and Budgets and Production Schedules shall be adopted by the Management Committee within thirty (30) Days of the CONTRACTOR's submission. Within ten (10) Days after the Management Committee's adoption, the CONTRACTOR shall submit the same to PETROVIETNAM for its approval. PETROVIETNAM shall consider and approve within thirty (30) Days of receipt of additional amended information pursuant to a request for amendment. The CONTRACTOR shall carry out the approved Work Programs and Budgets and is not obliged to obtain any further consents or approvals for amounts additional to that already approved by the Management Committee and PETROVIETNAM for the relevant Year which do not exceed ten percent (10%) of any budgeted item in the relevant Budget, always provided that the total additional amounts so expended do not exceed five percent (5%) of the total Budget approved for the relevant year.

Article 4.8

The procedures for approval of any amended Work Program and Budget shall apply as stipulated in Article 4.7 above *mutatis mutandis*.

Article 4.9

If the CONTRACTOR wants to carry out early production, the CONTRACTOR shall submit for PETROVIETNAM's consideration and for the Ministry of Industry and Trade to approve the early program and Production Plan in accordance with the Petroleum Law.

Article 4.10

PETROVIETNAM from time to time may issue detailed procedures and guidelines for the purpose of implementing provisions of this Chapter.

Chapter V

GENERAL RIGHTS AND OBLIGATIONS OF THE PARTIES

Article 5.1 CONTRACTOR

5.1.1 Each Contractor Party shall have the rights and obligations:

- (a) For the purpose of Petroleum Operations, to enjoy all incentives and encouragements provided in this Contract, the Investment Certificate, the Law on Investment, the Petroleum Law and other relevant legal instruments of Vietnam;
- (b) To contribute capital for Petroleum Operations in accordance with the approved Work Programs and Budgets at the capital contribution ratio agreed in Article 1.4;
- (c) To own, lift, sell or otherwise dispose of, except as provided in Chapter XVII hereof, the portion of Petroleum owned by it in accordance with this Contract including Cost Recovery Oil, Cost Recovery Gas and its share of Profit Oil and Profit Gas and each Foreign Party shall have the right to retain abroad the net turnover therefrom.

5.1.2 Rights and obligations of the CONTRACTOR:

In addition to the rights and obligations provided in Article 5.1.1, the CONTRACTOR shall have the following rights and obligations:

- (a) To comply with Vietnamese laws;
- (b) To submit the accounting procedures, bidding process for the Management Committee's consideration and approval prior to the Management Committee's first meeting;
- (c) To conduct Petroleum Operations and other activities associated therewith, and furnish all technical aid and personnel and to advance all expenditure and committed financial commitment required for the performance of such Petroleum Operations and other activities under the approved Work Programs and Budgets;
- (d) To prepare and submit to the Management Committee and PETROVIETNAM the annual Work Programs and Budgets; and execute them diligently in accordance with Generally Accepted International Petroleum Industry Practice once such Work Programs and Budgets are approved;
- (dd) To be responsible for the procurement, purchase or lease of all services, materials, equipment and supplies and entering into sub-contracts, service contracts or supply contracts required for the performance of Petroleum Operations under the approved Work Programs and Budgets. In the procurement, purchase or lease of such services, materials,

equipment and supplies, the CONTRACTOR shall adhere to the following guidelines:

- (i) Annually, the CONTRACTOR must prepare an overall tendering plan on purchase and/or lease of services, materials, equipment and supplies and submit the same to PETROVIETNAM for approval. Division into tender packages must be based on the technical nature, ensuring completeness and an appropriate size of tender packages. The CONTRACTOR must not divide tender packages into smaller ones in order to avoid the necessity for approval from PETROVIETNAM in accordance with Article 5.1.2(dd)(iii).
- (ii) In respect of a contract the value of which the CONTRACTOR estimates to be less than [#] US Dollar (...USD) for Exploration and Appraisal Operations, and less than [#] US Dollar (...USD) for Development, Production and Abandonment Operations [subject to negotiation], the CONTRACTOR shall be entitled to award such contract, provided that such operations are in the approved Work Program and Budget.
- (iii) In respect of a contract the value of which the CONTRACTOR estimates to be equal to or in excess of the value provided in Article 5.1.2(dd)(ii), the CONTRACTOR shall submit the contract to international tender except where the CONTRACTOR provides reasonable grounds proving that tendering would be disadvantageous for practical operations or for progress reasons or would adversely impact on commercial interests and approved by PETROVIETNAM. PETROVIETNAM shall consider and approve within ten (10) Business Days of the receipt and shall not reject unreasonably. In the event of submission of the contract to an international tender, the CONTRACTOR shall:
 - (iii) (i) Before inviting tenders, inform PETROVIETNAM of its decision to call for an international tender and shall supply a list of individuals and/or organizations to be invited to tender for PETROVIETNAM's consideration and approval within five (5) Business Days from the receipt of such list which approval shall not be unreasonably rejected;
 - (iii) (ii) Accept PETROVIETNAM's proposal on addition or deletion of one or more individuals and/or organizations to the bidding invitation list, provided that PETROVIETNAM shall provide reasonable justification

for such addition or deletion;

- (iii) (iii) Submit to PETROVIETNAM a tendering plan (comprising but not limited to the name of the tender package and its price, funding sources, form of selection of contractor, tendering method, time-limit for selection of contractor, form of contract and term for contract implementation), tender invitation documents (comprising but not limited to technical requirements, financial, commercial requirements; and criteria for assessing tenders) for PETROVIETNAM's consideration and approval prior to inviting tenders. PETROVIETNAM shall consider and approve within ten (10) Business Days from the date when PETROVIETNAM receives the full set of the documentation and shall not reject unreasonably. During such period, if PETROVIETNAM fails to respond in writing, it would be deemed as an approval;
- (iii) (iv) PETROVIETNAM must notify the CONTRACTOR of its approval or other opinion about the overall tendering plan, the tendering plan and the tender invitation documents of the CONTRACTOR within ten (10) Business Days from receipt by PETROVIETNAM of a complete and valid file without any unreasonable rejection. During this period, if PETROVIETNAM has no fails to respond in writing, it would be deemed as an approval;
- (iii) (v) Submit to PETROVIETNAM an appraisal report and recommend the award of the contract to the selected person or organization (together with the tender received) for PETROVIETNAM's consideration and approval. The CONTRACTOR shall be responsible to explain or clarify any matters (if any) as requested by PETROVIETNAM in the data submitted by the CONTRACTOR. PETROVIETNAM must notify the CONTRACTOR of its approval or other recommendation regarding the award of the contract within ten (10) Business Days from receipt by PETROVIETNAM of a complete and valid file without any unreasonable rejection;
- (iii) (vi) Preferentially use Vietnamese materials, equipment and services based on a competitive basis regarding price, quality and time of delivery; the CONTRACTOR must

provide details of the criteria for using Vietnamese services in its tender invitation documents;

(iii) (vii) Provide PETROVIETNAM with copies of sub-contracts entered into under Article 5.1.2(dd)(iii) within ten (10) Business Days after such contracts are executed.

(iii)(viii) The aforesaid process shall be applied mutatis mutandis to Contractor's selection process in other circumstances .

(e) To submit to the competent State authority and to PETROVIETNAM an environmental impact assessment report on Petroleum Operations in accordance with the laws of Vietnam.

To provide essential solutions for protection of navigation, fishing and the environment; on prevention and proper control of environmental pollution of the sea, rivers and streams and land consistent with the insurance program and the environmental, safety and occupational health operational plan adopted by the Management Committee; and to advise PETROVIETNAM and other agencies concerned in accordance with instructions from PETROVIETNAM of such solutions. In the event where the necessary solutions have in fact been implemented as advised but environmental pollution nevertheless occurs, then the CONTRACTOR is obliged to take all effective measures for minimizing the effect of pollution, remedy the consequences and pay appropriate compensation for such consequences in accordance with the laws of Vietnam, the CONTRACTOR may use the services and resources of local, regional and international oil spill response centres in this regard.

(f) To have title to all assets acquired for and used in Petroleum Operations until such assets become the property of PETROVIETNAM in accordance with the procedure set out in Article 14.1; to retain control of all leased property brought into Vietnam in accordance with Article 14.2 and to freely remove, free of taxes, such leased property from Vietnam in accordance with Vietnamese regulations and procedures for import and export;

(g) The CONTRACTOR and each sub-contractor shall have the right to import into Vietnam in accordance with Vietnamese customs regulations all materials, equipment and services required for the Petroleum Operations and to re-export the same or any unused portion thereof excluding materials and equipment charged to Petroleum Operation Costs, in accordance with the laws of Vietnam;

(h) At any time, to have the right of ingress to and egress from the Contract Area and to access the equipment and facilities used for the purpose of

Petroleum Operations, wherever located within the Contract Area;

- (i) To have access to and the right to use all available geological, geophysical, well, production, environmental and other data and information in respect of the Contract Area held by PETROVIETNAM, except for data and information in the category of the State's secrets which must be approved by the competent authorities;
- (j) Subject to reasonable approval from PETROVIETNAM, to have access to and the right to refer to all available geological, geophysical, well, production, environmental and other data and information held by PETROVIETNAM now or in the future relating to the areas adjacent to the Contract Area, on condition that such areas are not the subject of a contractual arrangement by PETROVIETNAM with third parties. In relation to documents of adjacent areas for which PETROVIETNAM has contractual arrangements with third parties, PETROVIETNAM will use its best endeavours to obtain such third party's consent for disclosure of the relevant data and information where possible;
- (k) To submit to PETROVIETNAM data and study reports on processing results, tests and data analyses, and original samples from the Contract Area, including but not limited to analysis documents being geological, geophysical, geochemical, drilling, Well, production, and technical design performed by the CONTRACTOR or its sub-contractors. Within forty five (45) Days from completion of each aforementioned process, test or analysis, the CONTRACTOR shall deliver to PETROVIETNAM a set of original data and at least fifty per cent (50%) of the original data obtained from such activities in accordance with Generally Accepted International Petroleum Industry Practices and a maximum fifty per cent (50%) of the remaining original data may be performed, as applicable, by the CONTRACTOR outside of Vietnam, and provided further that the CONTRACTOR may retain copies of such original data and possession of a maximum fifty per cent (50%) of the samples as required for operational purposes and in such case PETROVIETNAM shall at all times have access to such data and samples retained by the CONTRACTOR. The CONTRACTOR shall provide copies of data on request by PETROVIETNAM and the cost of such copying shall be deemed recoverable Petroleum Operation Costs. The CONTRACTOR shall deliver to PETROVIETNAM all data and samples promptly after such data and samples are no longer required for the Petroleum Operations or after the part of the Contract Area respecting such data and samples is surrendered;
- (l) Expatriate staff of the CONTRACTOR working in Vietnam shall be allowed to import and re-export free of tax a reasonable amount of goods

for their personal use in accordance with Vietnamese regulations on import and export;

- (m) To have the right to open and use (an) account(s), to convert currencies, import and export currencies during the performance of the Petroleum Operations in accordance with Vietnamese laws on foreign exchange control, account's opening and usage. The CONTRACTOR shall register with the State Bank of Vietnam for offshore account opening;
- (n) To withhold and pay income tax for Vietnamese and expatriate staff, and personnel employed by the CONTRACTOR in connection with the Petroleum Operations pursuant to Vietnamese laws;
- (o) To provide PETROVIETNAM with the following Reports and information:
 - (i) Daily seismic operations report during seismic operations;
 - (ii) Daily geological, testing and drilling report during drilling operations;
 - (iii) Weekly report on the conduct of Development Operations;
 - (iv) Monthly report on Petroleum Operations within seven (7) Business Days following the end of each month;
 - (v) Annual report on Petroleum Operations within thirty (30) Business Days following the end of each Year;
 - (vi) Overall report within thirty (30) Business Days following the completion of seismic, drilling, geological study, sample analysis operations; within ninety (90) Business Days following the completion of Development Operations or other important operations;
 - (vii) Financial reports and statements as specified in the Accounting Procedures;
 - (viii) Reports on reserves, Appraisal Plans, Development and Production Plans.

The CONTRACTOR must supply to the Management Committee, PETROVIETNAM or the State administrative authority for oil and gas any other report on request;

- (p) To advise its foreign personnel and sub-contractors to abide by Vietnamese laws and local customs; and to inform such employees and

sub-contractors of relevant provisions of this Contract which are applicable to them;

- (q) To take measures that its foreign sub-contractors working in Vietnam pay all applicable taxes in accordance with Vietnamese laws. The amount of such taxes paid by the CONTRACTOR or included in fees payable to sub-contractors under the terms of the applicable contract shall be regarded as Petroleum Operation Costs for the purposes of recovery;
- (r) If it encounters, in the course of the Petroleum Operations, any abnormal material including but not limited to deposits of valuable hard minerals, to notify and deliver samples of same to PETROVIETNAM;
- (s) To facilitate at the CONTRACTOR's cost up to [#] US Dollar for each Contract Year for representatives nominated by PETROVIETNAM to supervise Petroleum Operations. The costs incurred shall be deemed as recoverable Petroleum Operation Costs;
- (t) To have the right, subject to the approval of competent Vietnamese authorities, to construct, install, operate and maintain pipelines, cables, production and processing plants, power stations, communication, transportation, navigation and other essential facilities for Petroleum Operations and to use such works and equipment free of charge;
- (u) Subject to the approval of the competent Vietnamese authorities, to have the right to use existing harbours, airports, waterways, roads and other facilities in Vietnam upon payment of fees in accordance with the laws of Vietnam;

The use of roads, airports, harbours, waterways and other traffic and transportation facilities constructed by the CONTRACTOR shall be free of any taxes or other charges. Such facilities shall be used by the CONTRACTOR for the transportation and export of Petroleum and for other activities under this Contract. The CONTRACTOR shall make available for public use by the local community the roads constructed and maintained by the CONTRACTOR, except such roads as the CONTRACTOR may, with approval of the relevant Vietnamese authorities and PETROVIETNAM's assistance, declare to be for its exclusive use. The local community shall have the right of access and reasonable public use at their own risk of transportation infrastructure constructed by the CONTRACTOR, provided that the use of such facilities does not hinder Petroleum Operations;

- (v) To have the right, subject to the approval of the competent Vietnamese authorities, with PETROVIETNAM's assistance, to access and make use

of internal waters, territorial waters, exclusive economic zone, continental shelf and land areas which are unrestricted in Vietnam for the purpose of Petroleum Operations;

- (x) To have the right to remove from Vietnam data and samples of Petroleum, water, formation fluids and rock samples including but not limited to cuttings, cores and sidewall cores obtained from the Contract Area and other related unitized areas under Article 18.2 for examination, analysis or processing outside Vietnam, to the extent required for Petroleum Operations in accordance with Vietnamese laws;
- (y) In any case at all, when there is any change on information relating to any of the Contractor Parties (as listed in Exhibit C attached herewith), the Contractor shall notify to PETROVIETNAM in writing within sixty (60) Days from the date such change is officially certified and the CONTRACTOR must complete all necessary legal procedures in order to be issued with an amended Investment Certificate for this Contract (where necessary) in accordance with applicable Vietnamese laws.

Article 5.2 PETROVIETNAM

5.2.1 Rights of PETROVIETNAM:

- (a) To have the right, at all reasonable times and at its own risk, to have access to the Contract Area, to check and inspect Petroleum Operations including inspection of data and files relevant to the Petroleum Operations and facilities used for the Petroleum Operations after giving the CONTRACTOR an advance written notice of the date on which such access is required and the names of the representatives to whom access is to be given, provided such access does not interfere with the performance of Petroleum Operations;
- (b) At all times, to retain title to all original data and samples, including but not limited to all geological, geophysical, geochemical, Well, production, technology and other data and samples obtained from the Contract Area or compiled by the CONTRACTOR as a result of the Petroleum Operations as well as other interpretative and derivative data;
- (c) Subject to appropriate arrangements with the CONTRACTOR, to have the right to use the assets purchased by the CONTRACTOR for Petroleum Operations in order to service the personal objectives of PETROVIETNAM, provided that such use does not interfere with Petroleum Operations of the CONTRACTOR;
- (d) To have title and the right during the term hereof to lift, sell or otherwise dispose of its portion of Profit Oil and Profit Gas, and to be authorized

by the Government to lift, sell or otherwise dispose of Royalty Crude Oil and Royalty Natural Gas;

- (e) From time to time, to issue detailed procedures and guidance for implementation of the articles of this Contract in conformity with the provisions of this Chapter V.

5.2.2 PETROVIETNAM will offer its assistance to the CONTRACTOR to deal with competent Vietnamese authorities during the conduct of Petroleum Operations. PETROVIETNAM shall assist the CONTRACTOR, upon request by the CONTRACTOR, on condition that the CONTRACTOR supplies complete data which is necessary, to:

- (a) obtain office space, lease personal accommodation, transportation and communications facilities as may be required for Petroleum Operations at reasonable rates;
- (b) obtain approvals and licenses required to open, maintain and operate bank accounts in Vietnam and abroad, and to proceed with the formalities of foreign currency exchange;
- (c) proceed with the formalities of customs clearance and obtain permission to send abroad documents, data, specimens and samples for examination, analysis or processing;
- (d) obtain local facilities, services, materials, equipment and supplies (either produced by Vietnam or which are available in Vietnam) at an assured quality, competitive price and reasonable term for provision of such services; immigration and emigration visas and work permits; transportation, security protection; customs and quarantine services; medical services and rights-of-way and rights-of-use to authorized representatives, managers or employees and dependents of the CONTRACTOR and sub-contractors; establish maritime exclusion zones around the facilities or installations for use for the Petroleum Operations; and recruit Vietnamese personnel as the CONTRACTOR's employees for the purposes of Petroleum Operations;

Charges applicable for the use of facilities and services for the provision of materials, equipment, supplies of personnel, personal visas, permits or security protection and other rights requested by the CONTRACTOR hereunder and actually delivered or rendered by PETROVIETNAM or by any Vietnamese Government authority shall be the same applicable rates which are charged to other foreign companies in Vietnam in accordance with applicable regulations of Vietnam;

- (e) Except where otherwise stipulated in Chapter XVII of this Contract,

proceed with necessary formalities in order to allow the CONTRACTOR to be able to export its entitlement to Petroleum hereunder and retain abroad revenue obtained therefrom.

Expenses incurred in advance by PETROVIETNAM at the CONTRACTOR's request by way of assistance as provided in this Article 5.2.2 shall be reimbursed to PETROVIETNAM by the CONTRACTOR within thirty (30) Days of receipt of a valid file (invoice and relevant explanatory data) and shall be deemed as recoverable Petroleum Operation Costs.

Chapter VI

ALLOCATION OF PETROLEUM

Article 6.1 Crude Oil Allocation

The amount of Net Oil Production in each Quarter shall be lifted by the Parties in accordance with the Oil Lifting Agreement established in accordance with Article 8.5 and shall be divided and allocated in the following manner:

6.1.1 Allocation for Royalty Oil

- (a) Royalty Oil shall be allocated out of Net Oil Production per incremental tranches of total Net Oil Production in each taxable period calculated by reference to the average daily rate of Net Oil Production from the entire Contract Area, ascertained as follows:

[In accordance with the fundamental economic – technical – commercial conditions approved by the Prime Minister]

<i>Daily average of Net Oil Production per quarter in Contract Area (in Barrels per actual day of production)</i>	<i>Royalty Oil (% Net Oil Production in accordance with the laws)</i>

- (b) Subject to Article 6.1.1(c), each Contractor Party shall:
 - (i) be entitled to lift, in accordance with the Oil Lifting Agreement, its share of estimated Royalty Oil in proportion to its Participating Interest during each Quarter;
 - (ii) pay retrospectively, in accordance with the royalty regulations,

provisional Royalty received from monthly Crude Oil on a cargo by cargo basis at the rates as specified in Article 6.1.1(a) in respect of the cargo in question based on the prices received at, or netted back to, the Point of Delivery by that Party during the relevant month as a result of sales or other disposals of Crude Oil obtained pursuant to this Contract;

- (iii) pay retrospectively, in accordance with the royalty regulations, final Royalty actually received from Crude Oil based on the price received at, or netted back to, the Point of Delivery by that Party during the Quarter with appropriate reconciliation on a cargo by cargo basis for its share of Royalty Oil in proportion to its Participating Interest lifted and sold or otherwise disposed of hereunder Crude Oil obtained pursuant to this Contract;
- (c) The Government may, by notice in writing exercised through PETROVIETNAM and given to the CONTRACTOR not less than three (3) months prior to the commencement of each Year, elect to lift and take in kind at the Point of Delivery all or part of the Royalty Oil which is estimated to be available for lifting during that Year based on the Production Schedule for that Year approved by PETROVIETNAM. The Royalty Oil so specified shall be lifted by the Government in each Quarter of that Year in accordance with the Oil Lifting Agreement. If Royalty Oil is delivered in kind to the Government, the CONTRACTOR shall have no liability to pay Royalty in respect of that Royalty Oil.
- (d) If the Government exercises its election under Article 6.1.1(c), PETROVIETNAM in its role as representative of the Government may request and enter into an agreement with the CONTRACTOR or any Foreign Party, whereby the CONTRACTOR or such Contractor Party shall either (i) lift and sell on PETROVIETNAM's behalf as agent or (ii) purchase as principal client and lift all or any part of the Government's entitlement to Royalty Oil in kind at a price to be agreed and in accordance with the customary and prevailing terms and conditions applied to the agent or purchaser.

6.1.2 Allocation for Cost Recovery Oil

- (a) Cost Recovery Oil shall be allocated out of Net Oil Production for cost recovery by the CONTRACTOR of Petroleum Operation Costs (without interest) during each Quarter provided that in no Quarter shall the amount allocated to Cost Recovery Oil exceed [#] percent (...%) of Net Oil Production in that Quarter. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister].*

- (b) Subject to Articles 6.1.2(a) and 6.1.2(d), each Contractor Party shall be entitled to lift in each Quarter its share of estimated Cost Recovery Oil in accordance with the Oil Lifting Agreement and recover its proportionate share of Petroleum Operation Costs paid or expressly provided for under this Contract up to and including that Quarter without interest from the sale or other disposal of its share of Cost Recovery Oil actually lifted under the terms of the Oil Lifting Agreement during that Quarter.
- (c) Petroleum Operation Costs shall be recovered from the applicable Cost Recovery Oil on a first-in-first-out basis. Petroleum Operation Costs which are not recovered in a Quarter may be carried forward to the next succeeding Quarters without interest until fully recovered or the termination of the Contract, whichever occurs earlier.
- (d) The Petroleum Operation Costs accounting books shall be revised in each Quarter after the applicable value of the Market Price actually received is finally determined and appropriate adjustments are made for that Quarter.

6.1.3 Allocation for Profit Oil

- (a) After allocation of Royalty Oil and Cost Recovery Oil, the remainder of Net Oil Production shall be regarded as Profit Oil and shall be divided between PETROVIETNAM and the CONTRACTOR as follows:

[In accordance with the bidding results with respect to the fundamental economic – technical - commercial conditions approved by the Prime Minister]

<i>Daily average of Net Oil Production per Quarter in Contract Area (in Barrels per actual day of production)</i>	<i>Profit Oil (percentage)</i>	
	<i>PETROVIETNAM</i>	<i>CONTRACTOR</i>

- (b) Each Party shall be entitled to lift, in accordance with the Oil Lifting Agreement, its share of estimated Profit Oil during a Quarter.

6.1.4 Allocation Method

The allocation of Royalty Oil, Cost Recovery Oil and Profit Oil out of Net Oil Production shall be made during each Quarter and shall be calculated on a preliminary basis at the time of lifting, using the estimated quantity of Net Oil Production available for lifting for that Quarter based on the approved Production Schedule for that Quarter and adjusted on a final basis after the end of the Year.

Article 6.2 Natural Gas Allocation

6.2.1 Allocation for Royalty Gas

- (a) Royalty Gas shall be allocated out of Net Gas Production per incremental tranches of total production in each taxable period calculated by reference to the average daily rate of Net Gas Production from the entire Contract Area, ascertained as follows:

[In accordance with the bidding results with respect to the fundamental economic – technical - commercial conditions approved by the Prime Minister]

<i>Net Gas Production per Quarter in Contract Area (in million m³ per actual day of production)</i>	<i>Royalty Gas (% of Net Gas Production in accordance with the laws)</i>	

- (b) It is agreed by the Parties that the provisions of Articles 6.1.1(b) and (c) shall apply mutatis mutandis to Natural Gas.

For avoidance of misunderstanding, the CONTRACTOR may utilize Natural Gas and Associated Gas, at no Royalty burdens, for the conduct of the Petroleum Operations in accordance with Generally Accepted International Petroleum Industry Practices, including but not limited to:

- (i) Use in facilities for production and processing and in assisting works;
- (ii) Facilitate or enhance Crude Oil production;
- (iii) Effect pressure maintenance by secondary or tertiary recovery processes;
- (iv) Process in order to extract Crude Oil;

- (v) Recycle; or
- (vi) Flare, in the absence of other economical solutions, subject to approval of the Ministry of Industry and Trade in the case of Associated Gas. In emergency cases, in accordance to Petroleum Production Regulations, the CONTRACTOR may flare Associated Gas but immediately thereafter must report such decision to flare to the Ministry of Industry and Trade and to PETROVIETNAM.

6.2.2 Allocation for Cost Recovery Gas

- (a) Cost Recovery Gas shall be allocated out of Net Gas Production for cost recovery by the CONTRACTOR of Petroleum Operation Costs (without interest) during each Quarter provided that in no Quarter shall the amount allocated to Cost Recovery Gas exceed [#] per cent (...%) of Net Gas Production in that Quarter. *[In accordance with the bidding results with respect to fundamental economic – technical – commercial conditions approved by the Prime Minister]*.
- (b) It is agreed by the Parties that the provisions of Article 6.1.2(b), (c) and (d) shall apply mutatis mutandis to Natural Gas.

6.2.3 Allocation for Profit Gas

- (a) After allocation of Royalty Gas and Cost Recovery Gas, the remainder of Net Gas Production shall be regarded as Profit Gas and shall be divided between PETROVIETNAM and the CONTRACTOR as follows:

[In accordance with the bidding results with respect to the fundamental economic – technical - commercial conditions approved by the Prime Minister]

<i>Daily average of Net Gas Production per Quarter in Contract Area (in million m³ per actual day of production)</i>	<i>Profit Oil (percentage)</i>	
	<i>PETROVIETNAM</i>	<i>CONTRACTOR</i>

- (b) It is agreed by the Parties that the provisions of Article 6.1.3(b) shall apply mutatis mutandis to Natural Gas.

6.2.4 Allocation

The allocation of Royalty Gas, Cost Recovery Gas and Profit Gas out of Net Gas Production shall be made during each Quarter and shall be calculated on a preliminary basis at the time of gas lifting, using the estimated quantity of Net Gas Production available for lifting and consuming for that Quarter based on the approved Production Schedule for that Quarter and adjusted on a final basis after the end of that Year.

Chapter VII

TAXES, FEES AND CHARGES

Article 7.1

The Contractor Parties shall be the entities liable to pay tax in accordance with this Contract and must comply with all regulations on tax applicable to organizations and individuals conducting petroleum exploration and production operations in Vietnam, and shall be responsible for completing returns declaring tax, paying tax, and keeping books and relevant reports. The provisional tax assessment, tax payment, currency of tax payment and tax finalization shall be in accordance with prevailing Vietnamese tax laws.

Article 7.2

Each Contractor Party shall be liable to pay its royalties tax in accordance with the provisions in Articles 6.1.1 and 6.2.1.

Article 7.3

Each Contractor Party shall be liable to pay its corporate income tax at the rate of [#] per cent (... %) on taxable income earned in accordance with the laws of Vietnam on tax. *[In accordance with the fundamental economic – technical – commercial conditions approved by the Prime Minister]*

Article 7.4

Each Contractor Party shall, in accordance with the applicable law, pay export duty on the net Crude Oil lifted and exported outside Vietnam, except for Crude Oil for Royalty payment, at the tax rate of [#] per cent (... %). *[In accordance with the fundamental economic – technical – commercial conditions approved by the Prime Minister]*

Each Contractor Party shall, in accordance with the applicable law, pay export duty on the portion of net Natural Gas lifted and exported outside Vietnam, except for Natural Gas for Royalty payment, at the tax rate of [#] per cent (... %). *[In accordance with the fundamental economic – technical – commercial conditions approved by the Prime Minister]*

The aforementioned taxes shall not be recoverable costs but shall be tax deductible for the purpose of corporate income tax assessment.

Article 7.5

Each Contractor Party shall pay corporate income tax on income generated from an assignment in accordance with Article 12.2 and other relevant charges as stipulated in the applicable laws of Vietnam.

Article 7.6

Each Contractor Party shall pay Value Added Tax (VAT) in accordance with the applicable VAT law of Vietnam.

Article 7.7

Each Contractor Party shall pay taxes/charges for environmental protection when producing Crude Oil, Natural Gas in accordance with the applicable law of Vietnam.

Article 7.8

Each Contractor Party shall pay a surcharge on its share of Profit Oil when Crude Oil prices increase, in accordance with the laws of Vietnam effective as at the time such income arises.

Article 7.9

Each Contractor Party shall pay other types of taxes, land lease tax and other fees and charges in accordance with the applicable regulations of Vietnam. Neither Contractor Party is required to pay rental for lease of water surface.

Article 7.10

Should Vietnamese tax laws provide for more favourable tax rates or treatment for the petroleum industry, the CONTRACTOR shall, with the assistance of PETROVIETNAM and approval from the competent governmental authorities, be subject to application of such favourable tax rates and treatment.

Chapter VIII

VALUATION, MEASUREMENT AND HANDLING OF PETROLEUM

Article 8.1 Valuation of Petroleum

8.1.1 The value of Crude Oil for all purposes under this Contract in any Quarter shall be the Market Price. All Contractor Parties shall use their best efforts to obtain the highest possible Market Price. The Market Price shall be denominated in US Dollar and calculated in each Quarter as follows:

- (a) For all Crude Oil sales pursuant to Arm's Length Transactions, the Market Price shall be the actual price in US Dollar received by each

Party during that Quarter from each sale with delivery on the basis of Free on Board (F.O.B.) or Free into Pipeline (F.I.P.) at Point of Delivery or, where sold on any other basis, as netted back to the equivalent F.O.B./F.I.P. at Point of Delivery;

- (b) For Crude Oil sales pursuant to a non-Arm's Length Transaction or in relation to Crude Oil retained by a Contractor Party, such Contractor Party shall, unless otherwise agreed, enter into discussions with PETROVIETNAM for the purpose of agreeing the basis for calculating the F.O.B. Market Price in US Dollar for each sale of Crude Oil to be sold or exported during that Quarter prior to the commencement of the Quarter in question. The Parties shall determine the Market Price in US Dollar in accordance with the following principles:
 - (i) by reference to the arithmetic average price quoted over the Bill of Lading Date Spread in the Oil Publication for the F.O.B. sale of the relevant Crude Oil produced from the Contract Area with appropriate adjustments or if the Parties in question do not agree on the Oil Publication, or if such Oil Publication is agreed but no such price is quoted; then
 - (ii) by reference to the arithmetic average of the current market F.O.B. selling price quoted over the Bill of Lading Date Spread during that Quarter for a representative crude or a basket of two (2) or three (3) representative crudes reported in Platt's Crude Oil Marketwire which crude or crudes at the time of calculation are actively traded in the Asia Pacific region and are of nearest comparable grade, gravity, quantity, and quality to the Crude Oil and adjusted for differences in location, quality, terminal facilities at port of loading, credit terms, yield and other pertinent factors that affect costs to buyers, after appropriate adjustments are made for the costs and expenses set out in Article 8.1.1(a), but in connection with such determination of Market Price no account shall be taken of government to government sales or national oil company to national oil company sales or barter sales. The Contractor Party shall notify PETROVIETNAM in writing of the valuations of Crude Oil pursuant to this Article 8.1.1(b)(ii).
- (c) For purposes of provisionally determining a weighted average Market Price in US Dollar required under Article 8.1.3, the weighted average Market Price shall be calculated by determining the average of the F.O.B. equivalent selling prices for all cargoes lifted from the Point of Delivery for the Quarter preceding the previous Quarter ascertained in accordance with this Article 8.1.1;

- (d) In the event that a Contractor Party has sold or otherwise disposed of Crude Oil in a non-Arm's Length Transaction to an Affiliate, it shall be deemed to have actually received the Market Price for that Crude Oil thirty (30) Days after the Bill of Lading Date.
- (e) For the purposes of this Article 8.1.1:
 - (i) "Arm's Length Transaction" means a sale on the Vietnamese market and on the international market in freely convertible currency between a willing and unrelated seller and buyer, but excluding a sale by a Party to its Affiliate, sales between governments or government owned entities, transactions involving exchange or barter, and generally sales which are not at free international market prices;
 - (ii) "Bill of Lading Date" means the date appearing on the face of the bill of lading issued for a shipment of Crude Oil from the Point of Delivery;
 - (iii) "Bill of Lading Date Spread" means the period from ten (10) Days prior to the Bill of Lading Date to ten (10) Days after the Bill of Lading Date;
 - (iv) "F.O.B." has the meaning as defined in INCOTERMS 2010 as amended from time to time;
 - (v) "Oil Publication" means an oil industry publication or wire service generally accepted internationally and which contains reports of the current market F.O.B., selling price mutually agreed and accepted by the Parties in question.

8.1.2 If after two (2) requests from PETROVIETNAM, a Contractor Party consistently and significantly undersells its allocated share of Crude Oil hereunder (the "Underselling Party"), PETROVIETNAM may request discussions with the Underselling Party to agree on appropriate revisions to the applicable Market Price for the applicable period (being no longer than six (6) months before the request is made), taking into consideration the actual net price received F.O.B. by PETROVIETNAM for Crude Oil sales made by PETROVIETNAM from the Contract Area for that period, the weighted average Market Price actually received by the other Parties for that period and the market conditions prevailing at the time. If PETROVIETNAM and the Underselling Party cannot reach agreement on the appropriate revisions to be made to the applicable Market Price for the applicable period within forty five (45) Days of receipt of written notice given by PETROVIETNAM to the Underselling Party, the matter shall be referred to an Expert hereunder for resolution. The Expert

shall make the determination on the value of the Market Price for the applicable period in accordance with the principles contained in the preceding Article 8.1.1.

8.1.3 Pending the determination of the value of the Market Price of Crude Oil pursuant to the preceding Article 8.1.2 for a given period, the weighted average Market Price in US Dollar received by CONTRACTOR and PETROVIETNAM (excluding the Underselling Party) for the applicable period shall be provisionally applied to the Underselling Party until the applicable Market Price for that period is finally determined. Any adjustment to such provisional Market Price and payment, if necessary, shall be made within thirty (30) Days after the applicable Market Price is finally determined.

8.1.4 If PETROVIETNAM does not accept a Contractor Party's Market Price valuations of Crude Oil under Article 8.1.1 and PETROVIETNAM and such Contractor Party cannot reach agreement on such valuations within forty-five (45) Days of receipt of written notice by PETROVIETNAM of such Contractor Party's valuations, the matter shall be referred to an Expert hereunder for resolution. The Expert shall make the determination in accordance with the principles contained in Article 8.1.1.

8.1.5 Each Contractor Party shall promptly advise PETROVIETNAM in writing in accordance with the Accounting Procedure of full details of all sales of Crude Oil lifted in accordance with the Oil Lifting Agreement.

Article 8.2 Valuation of Natural Gas and Associated Gas

8.2.1 The price of Natural Gas shall be determined on the basis of an agreed price between the seller and purchaser (including but not limited to the price of condensate created from the gas), consistent with the law of Vietnam, taking into account the time of price calculation, the market, quality, quantity of gas and other relevant factors.

8.2.2 Associated Gas shall be valued in accordance with provisions of laws and customs of Vietnam.

Article 8.3 Measurement of Petroleum

8.3.1 For all measurement of Petroleum required for the purposes of this Contract, the CONTRACTOR shall employ appropriate methods and equipment in accordance with Generally Accepted International Petroleum Industry Practice. The Government and PETROVIETNAM may appoint a permanent representative who shall have the right to observe such measurements and to examine and test, at their sole risk and expense, whatever equipment may be used therefor. Such representative shall comply with all necessary and usual safeguards for the prevention of fire and other accidents and shall make all

examinations and tests at such times and in such manners as will cause the minimum interference with the Petroleum Operations.

- 8.3.2 If upon examination or testing, any equipment shall be found to be out of order, the CONTRACTOR shall cause the same to be put in order within a reasonable time, and if upon such examination or testing, any error discovered in any such equipment, shall be deemed to have existed for a period of seven (7) Days prior to the discovery thereof, or since the date of the last examination or testing of such equipment, whichever period is shorter, and all consequential adjustments shall be made to any payments or deliveries of Petroleum affected by such error.
- 8.3.3 If any measuring equipment needs to be adjusted, repaired or replaced, then the CONTRACTOR shall give prior reasonable notice in writing to the authorized persons representing PETROVIETNAM and the Government to be present during such adjustment, repair or replacement.

Article 8.4 Production Schedules

- 8.4.1 The annual Production Schedule submitted to the Management Committee for adoption and to PETROVIETNAM for final approval shall comprise but not be limited to: the CONTRACTOR's estimated Production Schedule showing the expected production, expressed in Barrels per Day or Cubic Meters per Day, the production and grade of Petroleum of each type during the relevant Year in accordance with the maximum efficient rate for production of each Commercial Discovery determined in the Development Plan and in accordance with General Accepted International Petroleum Industry Practices.
- 8.4.2 The CONTRACTOR shall use reasonable efforts to ensure that the quantity and level of each grade of Petroleum in any Year shall approximate, as closely as possible, to the quantities set for such period in the approved Production Schedule referred to in Article 8.4.1.
- 8.4.3 Following the commencement of regular lifting, the CONTRACTOR shall prepare and furnish to PETROVIETNAM not later than forty-five (45) Days prior to the beginning of each Quarter, a quarterly Production Schedule showing:
- (a) Net Oil Production and Net Gas Production during the ensuing Quarter, expressed in Barrels per Day or Cubic Meters per Day and level of each grade pursuant to the adopted Work Program and Budget and approved Production Schedule; and
 - (b) Estimate of the quantity, grades and rates of Net Oil Production and Net Gas Production which will be available for lifting and/or sale from the Contract Area, including Royalty Oil, Cost Recovery Oil, Profit Oil and Royalty Gas, Cost Recovery Gas and Profit Gas.

Article 8.5 Oil Lifting and Gas Consumption

8.5.1 Principles for Oil Lifting and Gas Consumption

- (a) Pursuant to the method of allocation specified in Chapter VI, PETROVIETNAM, each Contractor Party and the Government (if the Government elects to take and lift Royalty Oil in kind) shall have the right to lift an aggregate amount of Crude Oil for every cargo lifted by it consisting of:
 - (i) in the case of PETROVIETNAM and each Contractor Party, Royalty Oil (if applicable), Cost Recovery Oil (if applicable) and Profit Oil;
 - (ii) in the case of the Government, Royalty Oil if taken in kind.
- (b) Each Party's entitlement in the sale of Natural Gas allocated in accordance with Article 6.2 shall be delivered in accordance with the Gas Purchase and Sale Agreement.
- (c) The Parties' nomination of Crude Oil shall be adjusted at the end of each Quarter by increasing the nomination of an Underlifter at the commencement of the next Quarter by the amount of its underlifting at the end of the previous Quarter and decreasing the nomination of an Overlifter at the commencement of the next Quarter by the amount of the overlifting at the end of the previous Quarter in accordance with the Oil Lifting Agreement.

For purposes of this Article 8.5.1(c), a Party which during the Quarter lifted less than its entitlement from the Contract Area shall be an "Underlifter" and a Party which during the Quarter lifted in excess of its entitlement shall be an "Overlifter."

- (d) Each lifting of Crude Oil shall be deemed to take place at the Bill of Lading Date as defined in Article 8.1.1(e)(ii).

8.5.2 Within twenty one (21) Days after the end of each Quarter, the Operator shall prepare and furnish to PETROVIETNAM and the Contractor Parties a report setting out the amount, type and grade of Crude Oil or volume of Natural Gas produced from the Contract Area, the entitlements of each Contractor Party and PETROVIETNAM, the liftings made by the Parties by reference to the relevant Bill of Lading Date as defined in Article 8.1.1(e)(ii) or volume of Natural Gas produced, which are delivered from the Contract Area to each Contractor Party and PETROVIETNAM, and the resulting overlift or underlift position of each Contractor Party and PETROVIETNAM at the commencement and at the end of the Quarter.

8.5.3 The Management Committee shall review and adopt a Oil Lifting Agreement and/or Purchase and Sale Agreement for Natural Gas or Coal Gas (if applicable) as the case may be, but in all cases the agreements must be adopted no later than ninety (90) Days for Crude Oil or one hundred and eighty (180) Days for Natural Gas and Coal Gas prior to the date of commissioning the field or mine for operation as proposed in the approved Development Plan.

The Oil Lifting Agreement shall be purposed to avoid interruption to the production of Petroleum and to the desirability of each tankship sailing from the loading facilities with an optimum standard cargo range as determined by the Operator of Crude Oil in a timely manner in order to avoid production curtailments due to constraints on Crude Oil storage and minimize demurrage incurred. The Oil Lifting Agreement shall provide for matters such as tanker scheduling, terminaling, nominations, procedures and a detailed method for balancing out any final overlift/underlift positions which may occur consistent with the terms of this Article 8.5.

8.5.4 Basic contents of the Oil Lifting Agreement or Natural Gas Purchase and Sale Agreement

(a) The Oil Lifting Agreement or Natural Gas Purchase and Sale Agreement shall also provide that:

(i) the Operator shall be the coordinator for lifting oil and selling/consuming gas;

(ii) the Operator shall establish minimum operational safety and environmental standards for lifting oil or selling/consuming gas in accordance with the Generally Accepted International Petroleum Industry Practices;

(iii) PETROVIETNAM and each Contractor Party and the Government (if the Government elects to take and lift Royalty Oil in kind) shall be entitled and obliged to take and receive at the Point of Delivery and separately or jointly dispose of its/their share of Crude Oil in kind;

(iv) title to and risk in Petroleum shall be passed to the Party entitled to receive such Petroleum at the Point of Delivery;

(v) expenses in relation to the sales of Crude Oil shall be borne by Contractor Parties or Parties, as the case may be, and shall not be recoverable.

(b) When necessary and upon request by any Party, the Management Committee shall review, revise and supplement the provisions of the Oil

Chapter IX

BONUSES AND DATA FEE

Article 9.1

The CONTRACTOR shall pay to PETROVIETNAM a sum of money being a signature bonus of [#] US Dollar (... USD) within thirty (30) Days after the Effective Date of this Contract. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

Article 9.2

The CONTRACTOR shall pay to PETROVIETNAM the sum of [#] US Dollar (... USD) within thirty (30) Days after the date on which the CONTRACTOR declares the first Commercial Discovery in the Contract Area. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

Article 9.3

The CONTRACTOR shall pay to PETROVIETNAM the sum of [#] US Dollar (... USD) within thirty (30) Days from the First Production Date in the Contract Area. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

Article 9.4

The CONTRACTOR shall pay to PETROVIETNAM a lump sum amount of bonus for the various levels of increased production (if applicable) within thirty (30) Days after daily production from the Contract Area initially reaches the average level in the equivalent production levels set out in the following table after a consecutive period of thirty (30) Days applicable respectively to Crude Oil and Natural Gas: *[In accordance with the bidding results with respect to the fundamental technical - economic - commercial conditions approved by the Prime Minister]*

(a) Applicable to Crude Oil:

<i>Daily average of Net Oil Production per Quarter in Contract Area (in Barrels per actual day of production)</i>	<i>Bonus</i>
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(b) Applicable to Natural Gas/Coal Gas:

<i>Daily average of Net Gas Production per Quarter in Contract Area (in million m³ per actual day of production)</i>	<i>Bonus</i>

Article 9.5

Data fee (if applicable): The CONTRACTOR shall pay data fee to PETROVIETNAM in a sum of [#] US Dollar (... USD) for access to all data and information relating to the Contract Area and held by PETROVIETNAM and shall have the right to use such data and information during the term of this Contract provided that ownership of such data remains vested in PETROVIETNAM. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

Article 9.6

The amounts paid to PETROVIETNAM in accordance with the provisions from Article 9.1 to Article 9.5 shall not be recoverable costs, and shall not be tax deductible for the purpose of corporate income tax assessment.

Chapter X

TRAINING, EMPLOYMENT AND SERVICES

Article 10.1 Training

10.1.1 The CONTRACTOR shall commit to pay PETROVIETNAM the amount of [#] US Dollar (... USD) per Contract Year prior to the first Commercial Discovery and the amount of [#] US Dollar (... USD) per Contract Year thereafter for the purpose of training PETROVIETNAM’s managerial staff and personnel. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

10.1.2 Payment of the training expenditure shall be made by the CONTRACTOR to training institutions agreed by the Parties or designated by PETROVIETNAM. Upon request of PETROVIETNAM, the CONTRACTOR shall pay

PETROVIETNAM or shall carry forward to the next Contract Year any remaining balance of the annual training expenditure commitment. Any training expenditure in a Contract Year in excess of the amount set forth in Article 10.1.1 shall be carried forward to and shall be deducted from the commitment defined in Article 10.1.1 for the following Contract Year(s).

10.1.3 The CONTRACTOR shall commit to pay PETROVIETNAM an amount of money equivalent to [#] per cent (... %) of the annual Petroleum Operation Costs from the first oil/gas production point of time or the amount of [#] US Dollars (USD ...) for each Contract Year for the Petroleum Scientific Research and Technology Development Fund. *[In accordance with the bidding results with respect to the fundamental technical – economic - commercial conditions approved by the Prime Minister]*

10.1.4 The items payable to PETROVIETNAM pursuant to Articles 10.1.1 and 10.1.3 above shall not be deemed as recoverable Petroleum Operation Costs and shall not be tax deductible for the purpose of corporate income tax assessment.

Article 10.2 Employment and Services

10.2.1 In the annual Work Program and Budget, the CONTRACTOR shall prepare an employment program including but not limited to recruitment of local employees, training for Vietnamese personnel, schedule and rates of replacing foreign employees by local employees.

The CONTRACTOR must implement the staff recruitment plan in accordance with the approved plan.

10.2.2 The CONTRACTOR shall make priority use of services of Vietnamese companies in the conduct of Petroleum Operations on the principle that such services are competitive in terms of price, quality, schedule and availability.

Chapter XI

ACCOUNTING AND AUDITS

Article 11.1 Accounting

11.1.1. The CONTRACTOR, through the Operator, shall comply with the Vietnamese Accounting Standards and Vietnamese rules and regulations on accounting.

11.1.2 The CONTRACTOR, through the Operator, shall record all petroleum operations costs as well as revenues received from the sale of crude oil or natural gas in accordance with Vietnamese Accounting Standards and Vietnamese rules and regulations on accounting.

Article 11.2 Audits

11.2.1 The Management Committee shall select an independent auditing company legally operating in Vietnam to conduct audits of annual financial reports and statements of the CONTRACTOR in accordance with Vietnamese law and regulations. The costs paid for such independent auditing service shall be borne by the CONTRACTOR and shall be deemed Petroleum Operation Costs.

11.2.2 (a) PETROVIETNAM has the right at any time, on condition that PETROVIETNAM bears the costs and at its own risk, to provide at least thirty (30) Days in advance a written notice to the CONTRACTOR in order to access and audit the books and take copies of original data and source vouchers of the CONTRACTOR by their internal auditors or third party auditors; provided, however, that such an audit shall not be conducted more than once a Year. Such audit must be completed within twelve (12) months of such request;

(b) Any expenses in the Financial Statements which are not accepted by the auditors of PETROVIETNAM at the time of auditing will be provided in writing (audit conclusion) within sixty (60) Days after the audit completion with specified reasons;

If the audit conclusion is not issued within such sixty (60) Days, the books and Financial Statements of the CONTRACTOR shall be deemed to be correct for all purposes.

(c) If the CONTRACTOR does not provide objections to the items in the audit conclusion within sixty (60) Days from the date of its receipt, then the audit conclusion of PETROVIETNAM shall be final and binding on the Parties. If within the sixty (60) Day time-limit referred to above, the CONTRACTOR does provide objections, then PETROVIETNAM and the CONTRACTOR shall attempt to amicably settle the matter and reach an agreement. If within one hundred and eighty (180) Days from the date of receipt of the written objections referred to above, the Parties fail to reach an agreement, then such dispute shall be resolved by arbitration pursuant to Article 15.1;

(d) In order to avoid any misunderstanding, any expenses excluded by PETROVIETNAM or pending in the audit conclusion shall be non-recoverable until the disputes are settled in accordance with Article 11.2.2(c).

Chapter XII

PARTICIPATION OF PETROVIETNAM AND ASSIGNMENT

Article 12.1 Participation of PETROVIETNAM

12.1.1 Within ninety (90) Days of the CONTRACTOR's declaration of the first Commercial Discovery, PETROVIETNAM has the option to hold a Participating Interest of up to [#] per cent (... %) in the total rights and obligations of the CONTRACTOR under this Contract (hereinafter referred to as "PETROVIETNAM's Participating Interest"). Such option shall be extinguished if PETROVIETNAM does not give the CONTRACTOR a written notice of intention to participate within the aforesaid ninety (90) Days following the CONTRACTOR's declaration of the first Commercial Discovery (hereinafter referred to as the "Commencement Date"). Depending on the decision of PETROVIETNAM, PETROVIETNAM's Participating Interest may be managed and directly implemented by PETROVIETNAM or by one of its Affiliates.

If PETROVIETNAM exercises its option, then PETROVIETNAM or its Affiliate as the case may be and the Parties shall conduct the necessary procedures in order to amend the Investment Certificate and the Contractor Parties shall consider (accordingly) and adopt a Joint Operating Agreement.

12.1.2 PETROVIETNAM or its Affiliate's share of all expenditure corresponding to the participation of PETROVIETNAM or its Affiliate, incurred by the CONTRACTOR during performance of this Contract from the Effective Date up to the Commencement Date shall be borne by the CONTRACTOR. If PETROVIETNAM gives the notice of intention to participate referred to in Article 12.1.1, the CONTRACTOR shall be reimbursed of all such expenditure paid in advance in accordance with the following provisions:

- (a) As to PETROVIETNAM or its Affiliate's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) from the Effective Date up to the Commencement Date, the CONTRACTOR has the right to take [#] per cent (... %) of the share of expenditure of PETROVIETNAM or its Affiliate in Cost Recovery Oil and/or Cost Recovery Gas belonging to the CONTRACTOR until the CONTRACTOR has fully recovered without interest the above share of expenditure;
- (b) As to PETROVIETNAM or its Affiliate's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) from the Commencement Date up to and including the date of PETROVIETNAM's notice of intention to participate, PETROVIETNAM or its Affiliate as the case may be shall make a lump sum payment to the Operator of all the above expenditure within thirty (30) Days of the date on which the Operator on behalf of the

CONTRACTOR sends a request for payment of money;

- (c) As to PETROVIETNAM or its Affiliate's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) after the date of PETROVIETNAM's notice of intention to participate, PETROVIETNAM or its Affiliate shall make payment therefor, on a current cash call basis, in accordance with the provisions of the Joint Operating Agreement;
- (d) The Parties undertake that PETROVIETNAM shall have no financial obligations under the provisions of this Chapter if there is no declaration of Commercial Discovery in the Contract Area.

12.1.3. In case PETROVIETNAM's Affiliate participates in the consortium of contractors from the execution of the Contract, other CONTRACTOR in such consortium shall be responsible to bear the capital burden for PETROVIETNAM's Affiliate. Portion and method of capital burden bearing as well as methods of cost recovery relating to the capital burden bearing will be agreed by the Parties in the Contract.

Article 12.2 Assignment

12.2.1 Each Contractor Party shall have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, interests and obligations under this Contract to any of its Affiliates with a written notice to PETROVIETNAM. The above sale, transfer, conveyance or other disposal shall require approval by the Prime Minister and shall take effect in accordance with the amended Investment Certificate.

12.2.2. Subject to the pre-emptive right first of PETROVIETNAM in accordance with the Petroleum Law, and then of other Contractor Parties under the Joint Operating Agreement based on the assignment conditions as agreed between the Contractor Party who has intention of assignment and the third party(ies) (the potential assignees must not be Affiliate of the Assignor), each Contractor Party shall have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, interests and obligations under this Contract to third party(ies) with approval of the Prime Minister. PETROVIETNAM shall send a written notice to the Contractor Party who has intention of assignment on the decision regarding the pre-emptive right first within one hundred and twenty (120) Days or a different period of time as agreed between relevant parties, of receipt of notice of assignment intention and executed assignment agreement by such Contractor Party and the third party(ies). If the Contractor Party who has intention of assignment receives no notice from PETROVIETNAM within such

one hundred and twenty (120) Days, it is considered that PETROVIETNAM has waived its pre-emptive right first.

12.2.3 In accordance with Articles 12.2.1 and 12.2.2, the potential Assignee must:

- (a) have adequate technical and financial capability in order to discharge its obligations pursuant to this Contract;
- (b) agree to and comply with the Participating Interest which is assigned and with all clauses and provisions of this Contract; and
- (c) at the request of and subject to the consent from PETROVIETNAM, provide PETROVIETNAM with a guarantee from the parent company or credit institutions corresponding with the Participating Interest of the assignee.

12.2.3 For the purpose of Article 12.2, change in ownership or change in control of a Contractor Party (except for cases of restructuring, internal financial arrangement of such Contractor Party or consolidation of the Contractor Party's parent company) will be considered as assignment under this Contract.

Chapter XIII

PAYMENTS, CURRENCY AND EXCHANGE

Article 13.1 Payments

13.1.1 In accordance with applicable foreign exchange regulations of Vietnam, any payments due from one Party to another, or from a Contractor Party to the Operator, under this Contract shall be made in US Dollar or such other freely convertible currency or currencies as may be acceptable from time to time to the recipient Party or the Operator, at a bank and bank account to be designated by such recipient Party or the Operator.

Notwithstanding Article 5.1.2(m), the Operator must open a joint account at banks authorized to operate in Vietnam in order to service the objective of capital contribution.

13.1.2 Except where otherwise provided in this Contract or in the Accounting Procedures, any payments required to be made pursuant to this Contract shall be made within thirty (30) Days following the end of the month in which the obligation to make such payment occurs.

Article 13.2 Currency and exchange

13.2.1 The CONTRACTOR and the Operator shall, under the terms of this Contract and in accordance with the applicable Vietnamese foreign exchange regulations,

have the following rights:

- (a) to make any payments, to maintain and operate bank accounts in any currency within Vietnam and to freely convert any of their funds into the currency of Vietnam or any other available foreign currency at the rate of exchange of a Commercial Bank in which the exchange transactions are to be made and to freely retain or dispose of any funds and currencies currently held by the CONTRACTOR and Operator;
- (b) to make any payments, to maintain and operate bank accounts in any foreign currency outside Vietnam and to freely retain, convert or dispose of any funds held by them, provided that in the case of opening bank accounts in foreign currency outside Vietnam the CONTRACTOR must register with the State Bank of Vietnam;
- (c) to freely remit out of Vietnam their income in foreign currencies from the sale of Petroleum belonging to their cost recovery, profit and other allowable [lawful] income received in the course of Petroleum Operations on condition that the CONTRACTOR fully discharges financial obligations in accordance with the law of Vietnam;
- (d) to freely exchange such foreign currencies referred to in Article 13.2.1(c) into other currencies;
- (e) to freely maintain and operate accounts in its books or records; and
- (f) to freely retain abroad or dispose of such funds arising from or related to this Contract in Vietnam on condition that the CONTRACTOR fully discharges financial obligations in accordance with the law of Vietnam.

13.2.2 The CONTRACTOR shall, in the exercise and performance of its rights and obligations under this Contract, have the right to pay abroad in any currency, expenses incurred for purchase of supplies, equipment and services and other payments related to the Petroleum Operations. The CONTRACTOR, the Operator and foreign sub-contractors and their expatriate employees shall be entitled to receive the whole or any part of their payments outside Vietnam, provided that they shall be required to bring into or leave in Vietnam sufficient freely convertible currencies to meet payment of expenses, including personal income tax for expatriate employees working in Vietnam.

13.2.3 In respect of all other matters relating to foreign exchange and the remittance of funds abroad arising in any way out of their connection with this Contract, the CONTRACTOR and the Operator (and their expatriate employees) and sub-contractors (and their expatriate employees) shall be entitled to receive treatment no less favourable to them than that normally accorded to any other foreign company or person doing business in Vietnam.

Chapter XIV

TITLE TO ASSETS, LEASED ASSETS AND ABANDONMENT

Article 14.1 Ownership of Assets

14.1.1 Subject to Article 14.3, title to assets of the CONTRACTOR used for Petroleum Operations in the Contract Area and charged to Petroleum Operation Costs shall be transferred automatically to PETROVIETNAM when the total cost of such assets has been fully recovered by the CONTRACTOR under Articles 6.1.2 and 6.2.2 or at the termination date of the Contract, whichever is the earlier. Notwithstanding the above provisions, the CONTRACTOR has the exclusive right to use free of charge the above assets so long as they are needed for the Petroleum Operations under the Contract.

Regarding assets jointly used for a number of petroleum contracts, when this Contract terminates then such assets shall be dealt with in accordance with guidelines of PETROVIETNAM consistent with Article 5.2.1(e).

14.1.2 The CONTRACTOR shall transfer any of such costs recovered assets which are no longer needed for Petroleum Operations to PETROVIETNAM and if PETROVIETNAM does not want such transferred assets, the CONTRACTOR may dispose of them on behalf of PETROVIETNAM. All net proceeds from the sale or other disposal of these assets will be paid to PETROVIETNAM in accordance with Vietnamese laws.

14.1.3 The CONTRACTOR may dispose of any assets which have not been fully cost recovered but which are no longer needed for Petroleum Operations, subject to PETROVIETNAM's approval. All net proceeds from the disposal of these assets will be credited to Petroleum Operation Costs.

Article 14.2 Leased Assets

14.2.1 The provisions of Article 14.1 shall not apply to any assets used for the Petroleum Operations which are rented or leased to the CONTRACTOR or Operator or rented or leased or owned by sub-contractors or any other person performing services for the CONTRACTOR or Operator.

14.2.2 The CONTRACTOR, Operator or sub-contractors and any other person performing services for the CONTRACTOR or Operator shall retain control of, and freely import and re-export all leased assets used for Petroleum Operations under this Contract.

14.2.3 Rental payments incurred by the CONTRACTOR or Operator for assets used in Petroleum Operations shall be regarded as Petroleum Operation Costs.

Article 14.3 Abandonment

14.3.1 Any artificial islands, installations, structures, facilities or wells constructed or drilled by the CONTRACTOR for the purposes of this Contract must be abandoned during the term of the Contract or upon termination of the Contract as provided in Chapter XVI, the CONTRACTOR shall, upon written request from PETROVIETNAM, carry out the abandonment of such islands, installations, structures, facilities or wells, whether by way of plugging, demolition, removal, dismantling, conversion, placement on temporary or permanent care and maintenance or other bases in accordance with relevant regulations of Vietnam and in conformity with Generally Accepted International Petroleum Industry Practices.

14.3.2 CONTRACTOR shall, no later than nine (09) months from the First Production Date in respect of each oil field or gas field, submit to the Management Committee an Abandonment Plan which shall be carried out upon completion of production of the relevant oil field or gas field for approval. The Management Committee shall review the Abandonment Plan prepared and submitted by the CONTRACTOR as regulated hereunder. Subject to any amendments made in accordance with Generally Accepted International Petroleum Industry Practices, the Management Committee shall adopt such Abandonment Plan within thirty (30) Days of the submission by the CONTRACTOR. The Abandonment Plan shall include, but not limited to, the primary provisions as follows:

- (a) Introduction to the Abandonment Plan for fixed installations, equipment and facilities;
- (b) Summary of contents of the Abandonment Plan for fixed installations, equipment and facilities; and solutions for implementing the same;
- (c) List of the various installations, equipment and facilities which need to be abandoned;
- (d) Detailed description of the items of works required to be done;
- (dd) Options for implementing the abandonment work;
- (e) Items on environmental safety and protection;
- (g) Abandonment of pipelines;
- (h) Disposal of rubbish;
- (k) Total abandonment expenses;
- (l) Schedule for implementation;
- (m) Project management and inspection regime;

(n) Results of support study.

No later than eleven (11) months since the First Production Date, the Abandonment Plan as adopted by the Management Committee shall be sent to PETROVIETNAM for review and submission to Ministry of Industry and Trade for assessment and approval.

14.3.3 Notwithstanding approval of the Abandonment Plan, no later than twelve (12) months from the First Production Date, the CONTRACTOR, via the Operator, must temporarily establish a fund ensuring financial obligations for Abandonment Operations in accordance with the plan on fields abandonment within the approved field/fields Development Plan. Establishment of such fund shall be amended or supplemented in accordance with the approved Abandonment Plan and in accordance with relevant regulations of the law of Vietnam. All expenses incurred and borne by the CONTRACTOR for Abandonment Operations in accordance with the approved Abandonment Plan shall be Petroleum Operation Costs for the purpose of cost recovery.

Chapter XV

ARBITRATION, SOVEREIGN IMMUNITY AND EXPERT DETERMINATION

Article 15.1 Arbitration

15.1.1 The Parties shall endeavour to settle, through negotiations, differences and disputes related to or arising under this Contract.

15.1.2 Except with respect to disputes referred to an Expert as provided in Article 15.3 below, in the event such differences or disputes cannot be settled through negotiations by the Parties within ninety (90) Days of any Party's issuance of notice of a dispute, such differences or disputes shall be decided by an arbitration tribunal. The Parties on either side of the dispute shall each appoint an arbitrator. The two arbitrators so appointed shall appoint a third arbitrator by mutual agreement who shall act as chairman of the tribunal. In the event the two Party-appointed arbitrators cannot agree to the appointment of a third arbitrator within thirty (30) Days of the appointment of the second of the appointed arbitrators, then the chairman of the tribunal shall be appointed by the Vietnam/ International Arbitration Centre [#] (depending on the agreement). The arbitration shall be conducted in [#] (English or Vietnamese) in accordance with the Rules of Arbitration of [#] (depending on the agreement). The place of arbitration shall be in [#]. Any award of the arbitration tribunal shall be final and binding on the Parties.

The arbitration costs relating to settlement of the dispute among the Parties to the Contract shall be borne by the Party which failed in the tribunal.

The arbitration costs relating to settlement of the dispute between the Parties to the Contract and a third party shall be included as recoverable Petroleum Operation Cost.

Article 15.2 Sovereign Immunity

The Parties hereby agree that all of the transactions contemplated by this Contract shall constitute commercial activities. To the extent that a Party may be entitled in any jurisdiction whatsoever to claim for itself or any of its agencies, instrumentalities, properties or assets, immunity, whether characterized as sovereign or otherwise, or as arising from an act of state or sovereignty, from suit, execution, counter-claim, attachment or other legal process of any nature whatsoever, it hereby expressly and irrevocably waives such immunity and hereby agrees not to claim or permit to be claimed on its behalf or on behalf of any of its agencies or affiliates any such immunity. Without limiting the generality of the foregoing, each of the Parties hereby expressly waives any right to claim immunity under the law of Vietnam or in any other jurisdiction in the world.

Article 15.3 Expert Determination

Any technical dispute, controversy or claim regarding the use of Generally Accepted International Petroleum Industry Practices or any dispute relating to technical differences regarding quantities, measurements and the valuation of Crude Oil or Natural Gas under this Contract or any determination of a dispute as specifically referred to in this Contract, or any other matter expressly provided for in this Contract that may be forwarded to the Expert for determination which the Parties cannot settle amicably within a reasonable time, shall be referred for determination by an Expert (as agreed upon by the Parties). The Expert shall make his determination in accordance with the provisions contained in this Contract. Representatives of the Parties shall have the right to consult with the Expert and furnish him with data and information, provided that the Expert may impose reasonable limitations on this right. The Expert shall be free to evaluate the extent to which any data, information or other evidence is substantiated or pertinent. The determination of the Expert shall be final and binding upon the Parties. The Expert shall also determine the allocation of the Expert costs to be borne by each of the Parties which cost shall be included as recoverable Petroleum Operation Cost. If the Parties disagree as to whether a dispute, controversy or claim concerns essentially technical matters, and they have failed to resolve their dispute within sixty (60) Days, such dispute shall be finally settled by Arbitration in accordance with Article 15.1.

Chapter XVI

TERMINATION AND DEFAULT

Article 16.1 Termination

16.1.1 Without prejudice to the provisions of Article 16.2, the CONTRACTOR may, if there are circumstances that do not warrant continuation of the Petroleum Operations and after consultation with PETROVIETNAM, at any time, give a ninety (90) Day prior written notice to PETROVIETNAM regarding the intention to relinquish its rights and be relieved of its obligations pursuant to this Contract, except such rights and outstanding obligations as have accrued in the period prior to such relinquishment as well as other continuing rights and obligations as may be contemplated under this Contract.

If the CONTRACTOR requests termination of the Contract in accordance with provisions of this Contract, the CONTRACTOR must fully discharge the obligations and responsibilities in accordance with this Contract and the Petroleum Law. Termination of this Contract shall be effective on the day recorded in the decision on termination of the Contract issued by the Ministry of Industry and Trade.

16.1.2 Without prejudice to the provisions of Article 16.2 hereunder, PETROVIETNAM has the right to terminate the Contract by a ninety (90) Day prior written notice to the CONTRACTOR without any compensation for CONTRACTOR's loss in the following cases:

- (a) If the CONTRACTOR fails to conduct Development Operations in accordance with the approved Development Plan within twelve (12) months from the date of such approval or ceases the Development Operations in accordance with the approved schedule recorded in the Development Plan within six (6) consecutive months, unless such cessation is caused by (i) a Force Majeure stipulated in Chapter XIX, (ii) decision of the competent authorities; or (iii) approval from PETROVIETNAM;
 - (b) If the CONTRACTOR commences exploiting a field twelve (12) months later than the approved schedule or ceases the Production Operations within three (3) consecutive months, except for cessation (i) with a prior approval from PETROVIETNAM; (ii) pursuant to a decision of the competent authorities; (iii) for reasons of Force Majeure;
 - (c) If one Contractor Party goes bankrupt, becomes insolvent or is dissolved, on condition that the aforementioned notice is only effective if the remaining Contractor Parties are unable to bear the rights and obligations of such insolvent or dissolved Party under this Contract and the Contractor Parties must notify such decision to PETROVIETNAM within the aforementioned ninety (90) Day period.
- (ii) If all Contractor Parties jointly go bankrupt, become insolvent or are

dissolved.

Article 16.2 Default

16.2.1. Where either Party (the “Defaulting Party”) is in material breach of any of its obligations under this Contract, the other Party (the “Non-Defaulting Party”) may give notice to the Defaulting Party requiring the Defaulting Party to remedy such breach. Where the Defaulting Party fails to remedy such breach or to commence and diligently pursue the remedy of such breach within thirty (30) Days of the date on which the notice of breach is delivered by the Non-Defaulting Party and the Defaulting Party received such notice, the Non-Defaulting Party may, at any time after the expiration of the aforesaid thirty (30) Day period, terminate this Contract by a notice of termination delivered to the Defaulting Party. If a dispute arises between the Parties as to whether a Party is in material breach of any of its obligations under this Contract or whether a Party is entitled to terminate this Contract pursuant to the provisions of this Article, either Party may require that the dispute be submitted for arbitration pursuant to Article 15.1 of this Contract.

16.2.2. For the purposes of Article 16.2.1, a Party shall be deemed to be in material breach under this Contract on the occurrence of any of the following circumstances:

- (a) Failure to perform, in accordance with the provisions of this Contract, any capital call or other payment within thirty (30) Days from the due date of such payments;
- (b) Failure to perform or comply with any significant obligation which must be discharged and failure to comply with this Contract, where such failure or non-compliance seriously impacts on the implementation or economic, commercial objectives of this Contract, if such failure to perform still remains not to be remedied within thirty (30) Days of receipt of a notice from the Non-Defaulting Party. However, on condition that such failure to perform can be remedied (as decided by the Non-Defaulting Party) but not within such thirty (30) Day period, then it shall not be deemed to be a material breach if the Defaulting Party speedily commences and carefully takes action to complete the remedy of such breach and completes such remedy within ninety (90) Days of the aforesaid notice.

Chapter XVII

DOMESTIC CONSUMPTION

Article 17.1

Crude Oil produced from the Contract Area must be prioritized for sale on the Vietnamese market at the request of the Government on the basis of the approved annual production plan. The CONTRACTOR and PETROVIETNAM will consult with each other regarding the annual plan on purchase of Crude Oil.

In emergency cases, at the request of the Vietnamese Government, PETROVIETNAM may require the CONTRACTOR by a written notice given thirty (30) Days in advance to sell Crude Oil to PETROVIETNAM for an amount exceeding the agreed plan. Such Petroleum shall be supplied from the portion of Net Oil Production to which the CONTRACTOR is entitled to own under this Contract.

Article 17.2

If the CONTRACTOR supplies Crude Oil for domestic consumption, the price paid to the CONTRACTOR shall be calculated on the basis of the international competitive price in accordance with Article 8.1.1 and paid in USD or any other freely convertible currencies mutually agreed by the Parties and such payment shall be freely remitted overseas. Payment in respect of such supplies shall be made within thirty (30) Days of the date of delivery of the relevant Crude Oil.

Article 17.3

Upon request of the Vietnamese Government, the CONTRACTOR has the obligation to sell the portion of Natural Gas which it owns on the Vietnamese market on the basis of agreements in projects for development and production of gas.

Chapter XVIII

STABILIZATION AND UNITIZATION

Article 18.1 Stabilization

18.1.1 The Parties base their relations hereunder on the principles of mutual goodwill, good faith and mutual benefit and respect for the investment guarantees and other rights accorded to investors in accordance with Vietnamese law.

18.1.2 The Government and PETROVIETNAM shall take all steps necessary to ensure that during the term of this Contract all rights and obligations regarding tax stipulated in Articles 7.2, 7.3 and 7.4 shall be applicable to each of the Contractor Parties.

18.1.3 If after the Effective Date, existing laws are amended or annulled or new laws and regulation(s) are introduced in Vietnam, or there is application of changes of regulations of a law; or a licence is cancelled, or the conditions therefore are revised adversely affecting the rights and obligations regarding tax stipulated in

Articles 7.2, 7.3 and 7.4, then immediately upon notice from the CONTRACTOR, the Parties shall consult with each other and make such changes to this Contract as are necessary both to maintain the CONTRACTOR's rights, benefits and interests hereunder, including the CONTRACTOR's share of Profit Oil or Profit Gas, as at the Effective Date and to ensure that any revenue or income or profit, including any one or more of the foregoing, derived or to be derived to the CONTRACTOR under this Contract, will not in any way be diminished in comparison to that which was originally contemplated as a result of such changes of law or annulment thereof or as a result of such changes, cancellation of approvals or licenses.

Article 18.2 Unitization

- 18.2.1 If any proven accumulation of Petroleum extends beyond the Contract Area into one or more adjacent areas held by one or more contractors, PETROVIETNAM and the CONTRACTOR and other relevant contractors in the adjacent areas must reach agreement on the most efficient approach for jointly appraising the accumulation and agree on possible joint development, production, storage, transportation of Petroleum from such accumulation and on the manner in which the costs and revenue deriving therefrom shall be equitably apportioned. Depending on each case but no later than eighteen (18) months from the date of the appraisal report on overall in place Petroleum Reserves of the Discovery as approved by the Prime Minister in accordance with the methods and procedures stipulated mutatis mutandis in Article 4.2 of this Contract, the CONTRACTOR shall receive the adopting document for such agreement(s) from PETROVIETNAM and submit the same to the Prime Minister for approval in accordance with applicable regulations. The unitized areas shall be regulated by the corresponding contract and the unitization agreement.
- 18.2.2 If any proven accumulation of Petroleum extends beyond the Contract Area into another adjacent contract area currently administrated by another country, then the CONTRACTOR and other concerned contractors in such adjacent areas must negotiate in order to reach agreement on unitization for the purpose of joint appraisal, development and production such accumulation of Petroleum by a method generally agreed in the Petroleum Industry, whereas the costs and revenue arising shall be shared at an equitable ratio. Such agreement on unitization must be approved by the Government of Vietnam and the country concerned. The unitized areas shall be regulated by the corresponding contract and the unitization agreement.
- 18.2.3 If any proven accumulation of Petroleum extends beyond the Contract Area into another adjacent area that is at that time not subject to any agreements executed between PETROVIETNAM and a third party, and is considered "open", then the CONTRACTOR shall be entitled to define, with seismic data and other possible technical solutions available at that time and approved by PETROVIETNAM,

the limits of such accumulation. The CONTRACTOR and PETROVIETNAM shall endeavour to reach a supplementary agreement to the boundary of the Contract Area to include all of the newly discovered accumulation and any such agreement must be considered and approved by the Prime Minister. The aforementioned modification shall be limited to the specific area defined as the vertical and horizontal productive limits of the newly discovered accumulation or field.

Chapter XIX

FORCE MAJEURE

Article 19.1 Events of Force Majeure

None of the Parties shall be liable to any other Parties for delay or failure to perform caused by an event of Force Majeure to the extent such delay or failure was not attributable to the fault or negligence of the Party seeking protection under this Chapter XIX. As used herein, an event of Force Majeure shall mean an event which is objective and unforeseeable beyond the reasonable control of the Parties and unavoidable, including but not limited to, natural disasters such as fire, explosion, flood or earthquake, and other events such as war, blockade or embargo, occupation, civil war, civil disturbance, sabotage or other civil disorder, strike or other labour disturbances, or any applicable law which is proclaimed and issued and which has the effect of disrupting, obstructing or preventing the performance of Petroleum Operations. For avoidance of misunderstanding, lack of funds shall not constitute Force Majeure.

Article 19.2 Effect and Notice

19.2.1 Should an event of Force Majeure occur and prevent any Party from the timely performance of its obligations hereunder, but excluding any financial shortage, the Party whose performance is affected shall be excused from such performance until the cessation of the event of Force Majeure in question.

19.2.2 The Party claiming an event of Force Majeure is obliged to immediately notify the other Parties in writing regarding the existence of an event of Force Majeure. The notification given hereunder shall contain information regarding the nature of the circumstances and, to the extent possible, an estimation of how the Party's performance will be affected as well as an estimate as to when the Party's performance under the Contract will be resumed.

19.2.3 Upon the occurrence of an event of Force Majeure, the time of fulfillment of the related obligations under this Contract shall be postponed for the duration of such circumstances and the period of restoration of such event of Force Majeure.

19.2.4 The Party claiming an event of Force Majeure, with due regard for the provisions of this Contract, shall use all reasonable efforts to remove the causes

of non-performance and shall complete its performance as promptly as possible.

19.2.5 Upon the cessation of the event of Force Majeure, the Party affected shall promptly notify the other Parties in writing. Such notification shall state the time deemed necessary for the fulfillment of obligations under this Contract. Should the Party affected fails to make or unduly delay making such notification, such Party shall compensate any losses suffered by the other Parties as a direct result of such failed or delayed notification.

Chapter XX

OTHER PROVISIONS

Article 20.1 Notices

Any notice required or given by any Party, to the others, shall be deemed to have been validly served when delivered personally, or sent by recognized courier service or fax to the following addresses:

To: VIETNAM OIL AND GAS GROUP

18 Lang Ha, Ba Dinh District, Hanoi

The Socialist Republic of Vietnam

Attention: General Director

Telephone: +84 4 38 252526

Fax: +84 4 38 265942

To: CONTRACTOR

Address:

Attention:

Telephone:

Fax:

Any Party may substitute or change such address by a prior written notice thereof to the other Parties.

Article 20.2 Applicable Law

This Contract shall be construed and governed by the legislation of the Socialist Republic of Vietnam. In the absence of a specific Vietnamese law governing any matter that may be raised, the relevant provisions of foreign legislation (the Parties may agree

and specify in the Contract) or Generally Accepted International Petroleum Industry Practices shall apply, provided that such provisions of foreign legislation and Generally Accepted International Petroleum Industry Practices are not contrary to fundamental principles of Vietnamese laws.

Article 20.3 Insurance

Annually, the CONTRACTOR shall propose to the Management Committee a program of insurance for Petroleum Operations in compliance with Vietnamese laws and Generally Accepted International Petroleum Industry Practices.

When adopted by the Management Committee, the CONTRACTOR shall be responsible for obtaining and maintaining such insurance, insurance from an insurer with insurance capability and experience within the Petroleum sector and currently operating in Vietnam in conformity with the Law on Insurance Business of Vietnam and international treaties of which Vietnam is a member shall be prioritized.

The said insurance program and terms in compliance with Vietnamese law and Generally Accepted International Petroleum Industry Practices shall cover loss or damage to all wells, assets and equipments used in Petroleum Operations, including but not limited to pollution and third party's liability.

Article 20.4 Operator

20.4.1 [#] (*In accordance with the bidding result approved by the Prime Minister*) is the appointed and accepted Operator in accordance with the clauses and conditions of this Contract and the Joint Operating Agreement (if any). Appointment of any successor Operator must comply with this Contract and the Joint Operating Agreement (if any) and shall be subject to approval from PETROVIETNAM and competent authorities of Vietnam.

20.4.2 The Operator shall be appointed to represent the CONTRACTOR in fulfilling the tax obligations, carrying out work and discharging obligations in accordance with this Contract. The Parties may also make an additional confirmation that in emergency circumstances or abnormal circumstances requiring immediate operations then any Party may also take any action which it considers appropriate or necessary in order to protect its interests and those of its staff and immediately notify the same to the other Party and any expenses arising in relation to that event shall be deemed to be Petroleum Operation Costs for the purposes of cost recovery in accordance with Articles 6.1.2 and 6.2.2 and shall be subject to audit result stipulated in Article 11.2.

20.4.3 For the purpose of Petroleum Operations in accordance with this Contract, the Operator shall establish an operating office in Vietnam as specifically stipulated in the Investment Certificate within ninety (90) Days or another period agreed by the Parties as from the Effective Date. However, the Operator may also

jointly use the office of its Affiliate in Vietnam (if any). The expenses of the office shall be correspondingly shared in accordance with principles approved by the Management Committee.

20.4.4 If a Contractor Party provides an official letter requesting withdrawal from this Contract (the 'Withdrawing Party'), then the remaining Contractor Parties will have the pre-emptive right to receive the Participating Interest of such Withdrawing Party and must ensure that there is no adverse impact on the committed obligations stipulated in this Contract. No later than twelve (12) months from the date of receipt of a notice from the Withdrawing Party, the concerned Parties must complete all legal procedures to make a submission to the Prime Minister for approval of such withdrawal and receipt. If the Contractor Parties are unable to reach agreement on the relevant legal instruments within twelve (12) months from the date on which the Withdrawing Party provides such official letter on withdrawal, then the CONTRACTOR must report to PETROVIETNAM to resolve the matter or to declare termination of the Contract. If the remaining Contractor Parties do not wish to receive the Participating Interest of the Withdrawing Party, PETROVIETNAM reserves the right to terminate this Contract with a notice to the CONTRACTOR ninety (90) Days in advance without compensation for any loss of the CONTRACTOR.

Article 20.5 Relationship and Liabilities

20.5.1 The rights, duties, obligations and liabilities of the Parties under this Contract shall be individual, not joint and several. Each individual Party shall not be jointly liable and severally responsible for the payment of any amount due by any of the other Parties by reason of the Petroleum Operations carried out under this Contract. Each Contractor Party shall be individually responsible for its respective Participating Interest of the obligations as set forth in the Contract, and shall only be liable to the extent of its respective Participating Interest of any claims, damages, judgments or award as set forth in this Contract.

20.5.2 The CONTRACTOR shall be liable to PETROVIETNAM or any third party for any loss or damage, including environmental pollution, arising from Petroleum Operations caused by Willful Misconduct, omission to act and negligence. Under no circumstances shall the CONTRACTOR be liable for consequential losses or damage.

Article 20.6 Confidentiality

20.6.1 Except as otherwise specified hereunder, this Contract and all information acquired or received by any Party under this Contract shall be kept confidential.

20.6.2 Notwithstanding the provisions of Article 20.6.1 above, the Parties may use any such Confidential Information for the purpose of preparing and publishing any reports and returns required by law.

20.6.3 PETROVIETNAM may publish any information of a geological, scientific or technical nature which relates to a surrendered area at any time after the surrender.

20.6.4 PETROVIETNAM may disclose Confidential Information as is required by its financing institutions or consultants without a prior written consent of the CONTRACTOR.

20.6.5 The CONTRACTOR shall not disclose to third parties Confidential Information without the consent of PETROVIETNAM, which consent shall not be unreasonably withheld except in the following cases:

- (a) to such extent as may be required to be disclosed to any authority having jurisdiction by law or by the regulations of any securities exchange;
- (b) to its Affiliate, technical consultants, any financing institution from which the CONTRACTOR is seeking finance for the purposes of carrying out its obligations hereunder, and to a potential assignee of an interest in this Contract, on condition that the CONTRACTOR must obtain a confidentiality undertaking from the recipient prior to disclosing such information and must provide such signed confidentiality undertaking to PETROVIETNAM; and
- (c) to sub-contractors, to the extent necessary for the relevant Petroleum Operations, on condition that the CONTRACTOR obtains a confidentiality undertaking from such sub-contractor prior to disclosing the information.

20.6.6 The foregoing provisions of this Article 20.6 shall continue in force after termination of this Contract for five (5) Years.

Article 20.7 Other agreements (*as negotiated*).

Chapter XXI

IMPLEMENTATION PROVISIONS

Article 21.1 Effectiveness

This Contract shall come into effect on and as of the Effective Date.

Article 21.2 Entirety

This Contract constitutes the entire agreement among the Parties with respect to the subject matter hereof. No amendment or modification of this Contract shall be valid unless the amendment or modification is made in writing and signed by the duly authorized representatives of the Parties. No prior agreement involving the Parties shall

be considered incorporated herein unless specifically incorporated by reference.

Article 21.3 Amendments and Supplements

Amendments of and supplements to this Contract must be agreed by the Parties and approved by the Prime Minister in accordance with the provisions of Vietnamese laws.

Article 21.4 Conflict

In the event of a conflict between the provisions of this Contract and its Exhibits, the provisions of this Contract shall prevail.

Article 21.5 Waiver

No waiver of any breach of this Contract by a Party shall be effective unless made in writing and signed by a duly authorized representative of such Party. Any such waiver shall not affect the rights of the Parties with respect to any other breach.

Article 21.6 Severance of provisions

If any provision of this Contract shall become invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of the rest of this Contract. The rest of this Contract shall remain in full force and effect as if such invalid or unenforceable provision had not been made a part of this Contract.

Article 21.7 Publicity

The Parties shall cooperate in developing joint publicity statements to be released at an agreed time. After the Effective Date, all public announcements about the Petroleum Operations shall be issued via the CONTRACTOR with the approval of PETROVIETNAM.

Article 21.8 Original text

This Contract shall be executed in [#] originals: [#] in the Vietnamese language and [#] in the English language and both versions shall be of equal validity and be given full force and effect.

Article 21.9

The Operator is permitted to use English in transaction documents and in recording books of account, which however must be translated into Vietnamese at the specific request of state authorities of Vietnam.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Contract, as of the day and year first above written.

VIETNAM OIL AND GAS GROUP

By: _____

Name: _____

Title: _____

CONTRACTOR

By: _____

Name: _____

Title: _____