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----- **FEDERATIVE REPUBLIC OF BRAZIL** -----

----- **MINING AND ENERGY MINISTRY** -----

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Republic of Brazil] -----

PRODUCTION SHARING CONTRACT FOR EXPLORATION AND

PRODUCTION OF OIL AND NATURAL GAS -----

----- **LIBRA_P1** -----

----- **N° 48610.011150/2013-10** -----

----- **EXECUTED BY AND BETWEEN** -----

----- The Ministry of Mining and Energy - MME -----

The Brazilian National Agency of Petroleum, Natural
Gas and Biofuels - ANP -----

----- Pré-Sal Petróleo S.A. - PPSA -----

----- AND -----

----- Petróleo Brasileiro S.A. - PETROBRAS -----

----- Shell Brasil Petróleo Ltda. -----

----- Total E&P do Brasil Ltda. -----

----- CNODC Brasil Petróleo e Gás Ltda. -----

----- CNOOC Petroleum Brasil Ltda. -----

----- BRAZIL -----

----- 2013 -----

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PRODUCTION SHARING CONTRACT FOR THE EXPLORATION AND

PRODUCTION OF OIL AND NATURAL GAS -----

executed by and between: -----

as Contracting Party, -----

The **FEDERATION**, exercising its power as provided

in article 177, §1° of the Brazilian Federal Constitution, through the **MINISTRY OF MINING AND ENERGY - MME**. as provided by Statute no. 12.351 of December 22nd 2010, enrolled in the Corporate Taxpayer Registry (CNPJ/MF) under no. 37.115.383/0001-53, headquartered at Esplanada dos Ministérios, Bloco "U", CEP 70065-900, Brasília, Distrito Federal, herein represented by the Federal Minister of Mining and Energy, Edison Lobão; -----
----- as Regulator and Surveyor. -----

The **BRAZILIAN NATIONAL AGENCY OF PETROLEUM, NATURAL GAS AND BIOFUELS ANP**, special autarky created by Statute no. 9.478 of August 06th 1997, part of Brazilian Indirect Federal Administration, connected to the Ministry of Mining and Energy,

headquartered at SGAN Quadra 603, Módulo I, 3rd
floor, in the city of Brasília, DF and main office
at Avenida Rio Branco, no. 65, in the city of Rio
de Janeiro, herein represented by its General
Manager, Magda Maria de Regina Chambriard; -----
as Managing Party. -----
Empresa Brasileira de Administração de Petróleo e
Gás Natural S.A. - -----

PRÉ-SAL PETRÓLEO S.A. (PPSA), company organized
and existing under the laws of Brazil,
headquartered at ST SBN Quadra 2, Bloco F, Sala
1505, Asa Norte, Brasília, DF and main office at
Avenida Rio Branco, no. 65, 21° andar, Centro, Rio
de Janeiro, RJ, CEP 20090-004, enrolled in the
Corporate Taxpayer Registry (CNPJ/MF) under no.
18.738.727/0001-36 as managing party of this

Contract under the terms of Statute no. 12.304 of
August 2nd 2010, herein represented by its

President, Oswaldo Antunes Pedrosa Júnior, and as

Contractors: -----

PETRÓLEO BRASILEIRO S.A. - PETROBRAS, company

organized and existing under the laws of Brazil,

headquartered at Avenida República do Chile, n°

65, Centro, Rio de Janeiro, RJ, CEP 20031-912,

enrolled in the Corporate Taxpayer Registry

(CNPJ/MF) under no. 33.000.167/0001-01, herein

represented by its President, Maria das Graças

Silva Foster; -----

SHELL BRASIL PETROLEO LTDA., company organized and

existing under the laws of Brazil, headquartered at

Avenida das Américas, n° 4200, Bloco 5, salas 101,

401, 501, 601 e 701 e Bloco -----

6. salas 101, 201, 301, 401, 501 e 601, Barra da
Tijuca, Rio de Janeiro, RJ. CEP 22640-102,
enrolled in the Corporate Taxpayer Registry
(CNPJ/MF) under no. 10.456.016/0001-67, herein
represented by its Executive Director, André Lopes
de Araújo; -----

TOTAL E&P DO BRASIL LTDA., company organized and
existing under the laws of Brazil, headquartered at
Avenida República do Chile, nº 500, 19º andar,
Centro. Rio de Janeiro, RJ, CEP 20031- -----
170, enrolled in the Corporate Taxpayer Registry
(CNPJ/MF) under no. 02.461.767/0001-43, herein
represented by its General Director, Denis Jacques
Henry Pailuat de Besset; -----

CNODC BRASIL PETRÓLEO E GÁS LTDA., company
organized and existing under the laws of Brazil,

headquartered at Avenida Rio Branco. n° 14, 13°
andar (parte), Centro, Rio de Janeiro, RJ, CEP
20090-000, enrolled in the Corporate Taxpayer
Registry (CNPJ/MF) under no. 19.233.194/0001-01,
herein represented by its Attorney-in-fact, Bo
Qiliang; -----
and -----

CNOOC PETROLEUM BRASIL LTDA company organized and
existing under the laws of Brazil, headquartered at
Rua Teixeira de Freitas, n° 31, 8° andar (parte),
Centro, Rio de Janeiro, RJ, CEP 20021- 350,
enrolled in the Corporate Taxpayer Registry
(CNPJ/MF) under no. 19.246.634/0001-57, herein
represented by its Attorney-in-fact, Stieng Jianbo.

----- **WHEREAS** -----

Under the terms of article 20. items V and IX. of the Constitution of the Federative Republic of Brazil (Federal Constitution) and under the terms of article 3 of Statute no. 9.478/1997, the Petroleum and Natural Gas Deposits existing in Brazilian territory, in Brazilian territorial waters and in the Brazilian exclusive economic zone belong to the Federation; -----

Under the terms of article 177, item I, of the Brazilian Federal Constitution and of article 4 of Statute no. 9.478/1997, the Federation holds the monopoly on the Exploration and Extraction of Oil and Natural Gas Deposits within the Brazilian territory, within the Brazilian territorial waters and within the Brazilian exclusive economic zone; -

Under the terms of paragraph one of article 177 of

the Brazilian Federal Constitution, the Federation may contract Governmental or private companies organized and existing under the laws of Brazil, headquartered and managed in Brazil for the performance of Exploration and Production of Oil and Natural Gas; -----

Under the terms of article 3 of Statute no. 12.351/2010, the Exploration and Production of Oil and Natural Gas and in the Pre-Salt and in Strategic Areas shall be performed by Contractors elected by the Federation under the "Production Sharing" policy; -----

Under the terms of article 11 of Statute no. 12.351/2010 and or article 8 of Statute no. 9.478/1997, ANP is responsible for the regulation and surveillance of the activities performed under

the Production Sharing policy; -----

Under the terms of article 21 of Statute no.

9.478/1997, all rights for Exploration and

Production of Oil and Natural Gas in Brazilian

territory, in Brazilian territorial waters and in

Brazilian exclusive economic zone belong to the

Federation, which shall be administered by ANP,

except where the competencies of other entities, as

expressly provided by law, may prevail; -----

Under the terms of article 8 of Statute no.

12.351/2010, The Ministry of Mining and Energy -

MME, representative of the Federation, shall

execute the Production Sharing Contract with the

Contractors according to the provisions of the

Statute; -----

Under the terms of articles 8 and 45 of Statute

no. 12.351/2010 and of article 2 of Statute no. 12.304/2010, the Managing Party, which represents the interests of the Federation, is responsible for the management of the Production Sharing Contracts executed by the MME and for the management of merchantability contracts regarding Oil and Natural Gas allocated to the Federation; --

Under the terms of item II of article 42 of Statute no. 12.351/2010, the Contractor has paid the signature bonus in the amount provided in Annex V - Governmental Revenues. -----

The Federation, represented by MME., and the Contractor have executed this Production Sharing Contract for the Exploration and Production of Oil and Natural Gas for the Area identified in Annex I - Contract Area, according to the following

clauses and conditions. -----

----- **CHAPTER I - GENERAL PROVISIONS** -----

----- **CLAUSE ONE - DEFINITIONS** -----

Legal Definitions -----

1.1 The definitions contained in article 6 of Statute no. 9.478/1997, in article 2 of Statute no. 12.351/2010 and in article 3 of Decree no.

2.705/1998 shall be incorporated in this Contract and, consequently, shall be valid for all purposes whenever they are used, whether in the singular or plural. -----

1.2 For the purposes of management, regulation and monitoring of this Contract, the E&P Catalog published by ANP in its website shall be a valid support. -----

Contract Definitions -----

1.3 Also for the purposes of this Contract, the definitions contained in this paragraph shall also be valid whenever the following words or expressions are used, whether in the singular or plural: -----

1.3.1 **Production Supply Agreement:** agreement executed between the Co-Venturers to regulate the supply of Oil and Natural Gas volumes produced to the original owners. -----

1.3.2 **Production Individualization Agreement:** agreement executed between the holders of the right to Exploration and Production after the Certificate of Merchantability for a unified Development and Production of Deposits extending beyond the Contract Area, as provided in Statute no. 12.351/2010 and in Applicable Laws. -----

1.3.3 **Affiliate:** any company controlled or controlling another company, as provided in articles 1.098 through 1.100 of the Brazilian Civil Code, as well as the companies directly or indirectly controlled by it. -----

1.3.4 **Contract Area:** Area with its superficial projection delimited by the polygon defined in Annex I - Contract Area herein, or by the parts of the Area that remain valid under this Contract after partial returns. -----

1.3.5 **Development Area:** any part of the Contract Area kept for Development under the terms of paragraph 15.3. -----

1.3.6 **Authorization to Spend:** authorization made by the Operator and submitted to the Operational Committee as provided in paragraphs 3.32 to 3.39

of Annex XI - Consortium Rules - in order to allow for the expenditures required for the Exploration and Production of the Contract Area.? -----

1.3.7 **Evaluation:** group of Operations with the purpose of verifying the merchantability of a Discovery or group of Discoveries regarding Oil and Natural Gas in the Contract Area. -----

1.3.8 **Well Evaluation:** wire logging activities and formation tests performed between the End of Drilling and the Conclusion of the Well, which when associated with other previous activities performed in the well, shall allow for the verification of the occurrence of zones of interest in order to occasionally present the Discovery Evaluation Plan. -----

1.3.9 **Field:** shall bear the same meaning as Oil

Field or Natural Gas Field, defined in Statute no.
9.478/1997. -----

1.3.10 **E&P Catalog:** set of documents containing
guidelines, procedures and forms with the purpose
of assisting the relationship between the Co-
Venturers and ANP. -----

1.3.11 **Assignment:** sale, disposal, transfer or any
other form of transmitting through any means, in
whole or in part, the indivisible rights and
obligations of the Contractor under this Contract.

1.3.12 **Operational Committee:** administrative
entity of the Consortium, composed of the Managing
Party's representatives as well as of all other
Co-Venturers under the form of Section I -
Operational Committee of Annex XI - Consortium
Regulations herein. -----

1.3.13 **Commitment of Individualization of**

Production: instrument executed after the Certificate of Merchantability, formalizing the allocation of Production in a Deposit, which expands beyond the Contract Area, with rights to Exploration and Production belonging to the same Co-Venturers. -----

1.3.14 **Well Conclusion:** start of the demobilization process in the drilling rig after the End of Well Drilling and Evaluation. -----

1.3.15 **Consortium:** consortium formed by the Managing Party, by Petrobras and, when applicable, by other companies, under the terms of articles 19 through 26 of Statute no. 12.351/2010. -----

1.3.16 **Co-Venturers:** members of the Consortium. ---

1.3.17 **Contractor:** Consortium members, excluding

the Managing Party. -----

1.3.18 **Contract:** main body of text of this document and its Annexes. -----

1.3.19 **Consortium Contract:** contractual instrument executed between the Managing Party and the Contractors under the terms of Annex X Consortium Contract. -----

1.3.20 **Certificate of Merchantability:** formal notification in writing by the Co-Venturers to ANP where one or more Deposits are declared as Commercial Discoveries in the Contract Area, as provided in the terms of Clause Thirteen - Merchantability Certificate. -----

1.3.21 **Discovery:** Any occurrence of Oil, Natural Gas, minerals and any other natural resources in the Contract Area, regardless of the quantity,

quality or merchantability, verified by at least two detection and evaluation methods. -----

1.3.22 **Expenses Quanlified as Research,**

Development and Innovation: expenses regarding research and development and innovation which have the purpose of promoting the development of the Oil, Natural Gas and Biofuels sector according to the provisions of Clause Seven - Expenses Qualified as Research and Development and Innovation. -----

1.3.23 **Flow:** activities targeted at ensuring the movement of the fluids produced in a Reservoir from their separation up to underwater terminals or processing and treatment facilities or condensation units. -----

1.3.24 **Development Stage:** contractual stage

initiated after approval by ANP of the Development Plan, which overlaps the Production Phase whenever well, equipment and facility investments are required for the Production of Oil and Natural Gas according with the Best Practices of the Oil Industry. -----

1.3.25 **First Oil Extraction:** date when the first Oil and Natural gas volume measurement is performed in one of the Production Measuring Points, every module of the Development Stage. ----

1.3.26 **Exploration Phase:** contractual period when the Exploration and Evaluation shall occur. -----

1.3.27 **Production Phase:** contract period when Development and Production shall occur. -----

1.3.28 **Brazilian Supplier:** any manufacturer or supplier of goods or services produced in Brazil

through companies organized and existing under the Brazilian laws or companies that use goods manufactured in Brazil under special tax policies and tax incentives applicable to the Oil and Natural Gas Industry. -----

1.3.29 **Applicable Laws:** all statutes, decrees, regulations, resolutions, directives, normative guidelines or any other normative instructions or instruments which may influence the Parties and other signatories or the activities regarding the Exploration, Evaluation, Development and Production of Oil and Natural Gas, as well as the deactivation of facilities. -----

1.3.30 **Best Practices in Petroleum Industry:** practices and procedures generally employed in the Petroleum Industry worldwide by prudent and

diligent Companies under conditions and circumstances similar to those experienced regarding relevant aspects of the Operations, specially aiming at ensuring: (a) the application of the best techniques currently used in the world regarding Exploration and Production activities; (b) conservation of oil and gas resources, which implies in the use of proper methods and processes for the maximization of the recovery of hydrocarbons in a technical, economic and environmentally sustainable manner, with control of the reduction of deposits and minimization of the losses at the surface; (c) operational safety, which demands the use of methods and processes that ensure the safety of operations, contributing to the prevention of incidents: (d) preservation

of the environment and respect to local populations, which demands the use of technologies and procedures associated with the prevention and mitigation of environmental damages, as well as with the control and environmental monitoring of the Oil and Natural Gas Exploration and Production Operations. -----

1.3.31 **Development Stage Module:** individualized module composed of facilities and infrastructure for the Production of Oil and Natural Gas of one or more Deposits of a certain Field, according to the Development Plan approved by ANP. -----

1.3.32 **New Reservoir:** occurrence of new accumulations of Oil and Natural Gas in areas different from areas currently producing or being evaluated. -----

1.3.33 **Operations:** any Exploration, Evaluation, Development, Production, Deactivation or Abandonment activities performed in sequence collectively or individually by the Co-Venturers for the purposes of this Contract. -----

1.3.34 **Operations with Exclusive Risks:** Operations performed without the participation of all Contractors, under the terms of the Operations with Exclusive Risks in Annex XI - Consortium Rules. -----

1.3.35 **Emergency Operations:** Operations that require immediate action aiming at preserving oil resources and other natural resources and at protecting human life, properties and the environment. -----

1.3.36 **Part:** The Federation, or the Contractor. ---

1.3.37 **Parties:** The Federation and the Contractor.

1.3.38 **Discovery Evaluation Plan:** document

specifying the work program and the necessary

investments for the Evaluation of a Discovery or

group of Discoveries regarding Oil and Natural Gas

in the Contract Area, under the terms of Clause

Twelve - Discovery and Evaluation. -----

1.3.39 **Development Plan:** document specifying the

work program and the necessary investments for the

Development of a Discovery or group of Discoveries

regarding Oil and Natural Gas in the Contract

Area. -----

1.3.40 **Exploration Plan:** document containing the

description and the physical-financial plan of all

exploratory activities to be performed in the

Contract Area during the Exploration Phase, and

shall necessarily include the Minimal Exploration
Program. -----

1.3.41 **No Loss No Gain Principle:** principle to be
practiced by the Co-Venturers consisting in the
Operator not making profits or suffering losses in
relation to the other Contractors, during
operations on behalf of the Consortium, according
to the Best Practices in the Oil Industry. -----

1.3.42 **Production:** Coordinated Operations for
extraction of Oil and Natural Gas as provided in
the conditions contained in Statute no. 9.478/97,
or the volume of Oil and Natural Gas produced, as
applicable in each case. -----

1.3.43 **Annual Production Program:** program for
calculating the expected Production and transport
of Oil, Natural Gas, water, special fluids and

wastes from the Production process of each Field. -

1.3.44 **Annual Work and Budget Program:** the program specifies the group of activities to be performed during a calendar year, as well as the details of the investments required for the performance of such activities. -----

1.3.45 **Facility Deactivation Program:** program that specifies the group of well abandonment operations, including its decommissioning and withdrawal from operations, removal and proper final disposal of the fixtures and recovery of the areas where such fixtures used to be. -----

1.3.46 **Minimal Exploration Program:** the work program provided in Annex II - Minimal Exploration Program, to be performed necessarily during the Exploration Phase. -----

1.3.47 **Final Discovery Evaluation Report:** document that describes the group of operations put in place for the Evaluation of the Discovery of Oil and Natural Gas, the results of such Evaluation, and occasionally the area intended for Development. -----

1.3.48 **End of Drilling:** the moment when the well drill bit advance stops completely. -----

1.3.49 **Long Term Testing:** well testing performed during the Exploration Phase with the exclusive purpose of obtaining data and information for knowledge of Reservoirs, with total flow time higher than 72 (seventy two) hours. -----

1.3.50 **Production Gross Value:** monetary amount in Reais of the Monitorized Production Volume, calculated under the terms provided in Annex VII -

Procedures for calculation of the Cost Oil and the
Excess in Oil. -----

----- **CLAUSE TWO - OBJECT** -----

Operations -----

2.1 The purpose of this Contract is the
performance in the Contract Area, at the
Contractor's own risk, of: -----

2.1.1 Operations for Exploration provided in the
Minimal Exploration Program or extensions to the
Program, under the terms of an Exploration plan
approved by ANP; -----

2.1.2 Evaluation of Discovery in case a Discovery
is made at the Co-Venturer's discretion under the
terms of a Discovery Evaluation Plan approved by
ANP; -----

2.1.3 Oil and Natural Gas Production Operations

when the merchantability of the Discovery in the Contract Area is verified by the Co-Venturers, under the terms of an ANP-approved Development Plan. -----

Exclusiveness and Costs -----

2.2 The Contractor has the exclusive right to perform Operations in the Contract Area. For that reason, the Contractor agrees to afford the investments and bear the necessary expenses, including the proper equipment, machines, personnel, services and technology. -----

2.3 If one or more Commercial Discoveries are made in the Contract Area, it/they can be attributed a Cost Oil in case of any occasional expenses occurred in the Contract Area. -----

Losses, Risks and Responsibility Associated to the

Execution of Operations -----

2.4 The Contractor agrees to be held joint and severally responsible for any losses and damages caused directly or indirectly to third parties, to the Contracting Party, to ANP or to the Managing Party as a result of the execution of Operations, and further agrees to reimburse the aforementioned parties in any legal action, request, claim, suit, audit, inspection, investigation or controversy of any nature, as well as for any indemnities, compensations, penalties, fines or liabilities of any kind that are related or consecutive to such losses and damages. -----

2.5 The Contractor shall bear all losses it may suffer, including losses due to Act of God or Force Majeure, accidents or weather events that

may hinder the Exploration and Production of Oil
and Natural Gas in the Contract Area. -----

2.6 The Contractor shall have no right to any
payment, reimbursement, refund, compensation or
indemnity in case of failure during exploration or
lack of merchantability in occasional Discoveries
in the Contract Area. -----

2.7 The Federation, the Managing Party and ANP
shall not take any risks or operational losses,
nor shall they be responsible for the costs,
investments and damages related to the performance
of Operations and its consequences, except for the
Federation in the provision expressed in the
single paragraph of art. 6 of Law No. 12.351/2010.

Ownership of Oil and/or Natural Gas -----

2.8 Under the terms of article 20. items V and IX.

of the Constitution of the Federative Republic of Brazil (Federal Constitution), the Petroleum and Natural Gas Deposits existing in Brazilian territory, in Brazilian territorial waters and in the Brazilian exclusive economic zone belong to the Federation; -----

2.8.1 In case of a Commercial Discovery the Contractor may own the original volume corresponding to the Oil Cost and the Royalties owed and paid, as well as for the part of the Excess in Oil to the extent, conditions and terms provided in the Bid Rules and in this Contract; the location of the Measurement Point and of the Sharing Point being irrelevant for these purposes.

Other Natural Resources -----

2.9 The Co-Venturers shall not use, whether

totally or partially, of any other natural resources that may exist in the Contract Area other than Oil and Natural Gas, except when duly authorized according to the Applicable Laws. -----

2.9.1 A possible Discovery of natural resources other than Oil and Natural Gas shall be notified to ANP within 72 (seventy two) hours. -----

2.9.2 The Co-Venturers shall comply with the instructions and allow for the execution of any relevant actions requested by ANP or by other competent authorities. -----

2.9.3 While such instructions have not yet been presented, the Co-Venturers shall refrain from performing any actions that might pose any risks to the natural resources discovered. -----

2.9.4 The Co-Venturers shall not be obliged to

suspend their activities, except when they represent a risk to the newfound natural resources or to the Operations. -----

----- **CLAUSE THREE - CONTRACT AREA** -----

Identification -----

3.1 The Operations shall be performed exclusively in the Contract Area, described and delimited in Annex I - Contract Area. -----

Returns -----

3.2 Besides the Obligatory returns regarding the remaining areas of one or more Discovery Evaluation Plans or from one or more Development Areas, the Co-Venturers may, at any time during the Exploration Phase, make voluntary returns of areas integrating the Contract Area. -----

3.2.1 The returns shall not exempt the Co-

Venturers of their obligation to fulfill the
Minimal Exploration Program. -----

3.2.2 After the Exploration Phase has been
Completed, the Co-Venturers may only retain the
Development Areas in the Contract Area. -----

Return due to Contract termination -----

3.3 The termination of this Contract for any cause
or reason shall obligate all Co-Venturers to
immediately return all the Contract Area to the
Federation. -----

Return Conditions -----

3.4 Any return of areas or Fields integrating the
Contract Area and any return of goods shall be
peremptory, without penalties of any kind to the
Contracting Party, to the Managing Party or to ANP,
under the terms of articles 29, item XV, and

32, §§ 1° and 2°, of Statute n.° 12.351/2010. -----

Use of the Returned Areas by the Federation -----

3.5 The Federation may use the returned areas at its own discretion since the date they are returned, including for purposes of new Biddings. -

Data Surveys in Non-Exclusive Bases -----

3.6 ANP may at its own discretion authorize third parties to perform Geology, Geochemistry and other similar services in the Contract Area for the purpose of technical data surveying for commercialization in non-exclusive bases under the terms of article 8°, item III or Statute no.

9.478/1997. -----

3.6.1 The performance of the aforementioned services shall not affect the normal course of the Operations, except in exceptional situations

approved by ANP. -----

3.6.2 The Co-Venturers shall have no obligation regarding the performance of such services. -----

----- **CLAUSE FOUR - TERM** -----

Term -----

4.1 This Contract shall be valid for 35 (thirty five) years, and shall be in force since date of its execution, and shall be divided into two distinct phases, namely: -----

(a) Exploration Phase - for the entire Contract Area - with expected duration provided in Annex II - Minimal Exploration Program, and -----

(b) Production Phase - for each Field - with duration defined in paragraph 14.1.? -----

----- **CHAPTER II - PRODUCTION SHARING POLICY** -----

----- **CLAUSE FIVE - RECOUP OF COST OIL** -----

Right to Cost Oil -----

5.1 Exceptionally, in cases of Commercial Discoveries, the Contractor shall have the right to receive, in Cost Oil, a share of the Oil and Natural Gas Production within the deadlines, criteria and conditions provided in Annex VII - Procedures for Calculation of the Cost Oil and Excess in Oil. -----

Cost Oil Calculation -----

5.2 The expenses to be recouped by the Contractor in Cost Oil shall be those necessarily approved by the Operational Committee and acknowledged by the Managing Party under the terms of this Contract, in compliance with the methods and procedures defined in Annex VII - Procedures for Calculation of the Cost Oil and Excess in Oil. -----

About the Cost Oil -----

5.3 The expenses approved by the Operational Committee and later recognized by the Managing Party as Cost Oil shall be recorded in an exclusive account, the balance of which shall be controlled by the Managing Party. -----

5.3.1 The balance of the Cost Oil account, if positive, represents credit for the Contractor. ---

5.4 The Contractor may recoup the Cost Oil described in paragraph 5.3 monthly while observing the limit of 50% (fifty percent) of the Gross Production Value in the first two years of Production and 30% (thirty percent) of the Gross Production Value in the following years for each Module of the Development Stage. -----

5.4.1 After the start of Production, if the

expenses recorded as Cost Oil are not recouped within 2 (two) years since the date they were calculated as Contractor credit, the limit provided in this paragraph shall be extended in the next period to up to 50% (fifty percent) until the expenses are recovered. -----

5.5 The calculation, approval and recoup of the Cost Oil shall be managed by the Managing Party, which shall also manage the Cost Oil account mentioned by paragraph 5.3. -----

5.6 There shall be no updating or financial adjustment of the balance of the Cost Oil account.

5.7 In case of a positive balance in the Cost Oil account at the end of the contract shall not entitle the Contractors to any indemnities or compensations. -----

----- **CLAUSE SIX - ROYALTIES** -----

6.1 The Royalties provided in item I of article 42 of Statute no. 12.351/2010 constitute a financial compensation paid monthly by the Contractor for the Production of Oil and Natural Gas regarding each Field since the month the Production starts.

6.2 The amount of the Royalties owed each month regarding each Field shall be calculated by multiplying the equivalent of 15% (fifteen percent) of the Total Volume of Oil and Natural Gas Produced of a Field during that month, considering all relevant reference prices defined in the formula provided in Annex VII - Procedures for Calculation of Cost Oil and Excess in Oil. ----

6.3 The Contractor shall be entitled to the Production volume corresponding the Royalties owed

after they are paid. Compensations in currency shall be forbidden under any circumstances. -----

6.4 The Contractor may make the payment of the Royalties in advance with basis on the expected Production for the following month. -----

6.4.1 In such case, any occasional differences shall be offset the following month. -----

6.5 The Contractor shall not be exempt from the payment of the Royalties for the Production of Oil and Natural Gas in Long Term Tests. -----

CLAUSE SEVEN - EXPENSES QUALIFIED AS RESEARCH AND DEVELOPMENT AND INNOVATION -----

7.1 The Contractor shall allocate resources for research and development and innovation activities in areas of interest and in subjects that are relevant for the Oil, Natural Gas and Biofuels

sector in an amount of at least 1.0% (one percent) of the Annual Gross Oil and Natural Gas Production Value. -----

7.1.1 The value mentioned in this paragraph shall be considered for each Field from the Contract Area. -----

7.1.2 The deadline for application of the aforementioned resources by the Contractor is the June 30th of the year following the Gross Product Value calculation. -----

7,1.3 The Contractor shall provide ANP with a complete report stating the Expenses Qualified as Research, Development and Innovation made within the deadlines and conditions provided in Applicable Laws. -----

7.2 At least 50% (fifty percent) of the resources

provided in paragraph 7.1 shall be used for the payment of joint activities in collaboration with universities or research and development institutions accredited by ANP for the performance of activities and projects approved by ANP in relevant subjects or priority areas defined under the terms of paragraph 7.4. -----

7.2.1 The aforementioned payment may also be made to product suppliers and service providers in Brazil, regardless of whether they are related to the Operations of this Contract or otherwise, in order to obtain products or processes with technological innovation that shall result in the development and qualification of Brazilian Suppliers, aiming at increasing the capacity of the industries for purposes of Local Content. -----

7.3 At least 10% (ten percent) of the resources provided in paragraph 7. shall be used to sponsor research and development and innovation activities that result in products or processes with technological innovation, in collaboration with Brazilian Suppliers, in order to increase the capacity of the industries for purposes of Local Content. -----

7.4 A Technical-Scientific Committee shall create and announce a list of priority areas, activities and projects of interest and relevant subjects for research and development and innovation for the Oil, Natural Gas and Biofuels Industry every year, as well as guidelines for the application of the resources originated from the obligations provided in paragraphs 7.2 and 7.3. by the Contractor. -----

7.4.1 Expenses Qualified as Research and Development and Innovation as provided in paragraphs 7.2 and 7.3 may be calculated as recoverable in Cost Oil up to the amount equivalent to 1.0% (one percent) of the Annual Gross Production Value of Oil and Natural Gas. ----

7.4.2 The Expenses mentioned in paragraphs 7.2 and 7.3 may not be used in activities performed in facilities owned by the Contractor or by its Affiliates. -----

7.5 The remainder of the resources provided in paragraph 7.1 may be used in research, development and innovation activities, in research subjects or projects defined by the Contractor. -----

7.5.1 The resources mentioned in this clause may be spent in facilities owned by the Contractor or

by its Affiliates, provided that they are located in Brazil or spent with companies headquartered in Brazil, whether involved in the Operations of this Contract or otherwise. -----

7.5.2 The resources mentioned in this clause shall not be deemed recoupable in Cost Oil. -----

7.6 Any occasional Expenses Qualified as Research and Development and Innovation performed by the Contractor that are higher than 1.0% (one percent) of the Gross Production Value may be compensated to the benefit of the Contractor, with the presentation of documentation and evidence being made later during the Contract. -----

7.7 If the Contractor does not fully use the resources mentioned in paragraph 7.1 by June 30th of a given year, the outstanding amounts shall be

paid during the following year added by 20% (twenty percent). -----

----- **CLAUSE EIGHT - TAXES** -----

Tax Policy -----

8.1 Income taxes and taxes on acquisitions that generate credits redeemable by the Contractor do not integrate the Cost Oil. -----

8.2 Credits redeemable by the Contractor shall be non accumulable and are intended for the recovery of the tax burden mentioned in the previous stage, except for credits to be cancelled according to the Applicable Laws. -----

8.3 The Contractor is responsible for presenting the amount of taxes owed and paid and of non redeemable credits to integrate the Cost Oil. -----

Certificates and Evidence of Compliance -----

8.4 When required by the Contracting Party or by ANP, the Contractor shall present the originals or authorized authenticated copies of all certificates, records, authorizations, evidence of enrolment in taxpayer registries, evidence or tax compliance, evidence of compliance with social security obligations required by law, enrolment in professional entities or associations and any other similar documents or certificates. -----

--- CLAUSE NINE - SHARING OF THE EXCESS IN OIL ---

Sharing of the Excess in Oil -----

9.1 the Contracting Party and the Contractor shall, monthly, share the volume of Oil and Natural Gas produced in the Contract Area corresponding to the Excess in Oil. -----

9.2 The part of the Excess in Oil to be owned by

the Contracting Party varies according to the average price of Brent Blend Crude Oil and the average daily Production of Oil in active wells in the Field that are considered for the calculation period of the Excess in Oil according to the table below. -----

9.2.1 The Oil price shall be the monthly average of the daily prices of Brent Dated, rating published daily by Platt's Crude Oil Marketwire.

9.2.2 The volume of Natural Gas produced shall be shared at the same percentage applied to the sharing of volume of Oil. -----

9.2.3 Wells with Oil Production restricted by technical and operational matters and with Production below the average of other wells in the Field shall not be considered for the calculation

of the average production. -----

Average daily production of Oil from active wells (bbl/d)						
Dt		0	4.001	6.001	8.001	10.001
	até	4,000	6,000	8,000	10000	12,000

Price Brent(US\$bbl)	0	60	9,93%	25.80%	32.03%	35.32%	37.39%
	60.01	80	15,20%	28.80%	34.14%	36.95%	38.73%
	80,01	100	22,21%	32.79%	36.94%	39.13%	40.51%
	100.01	120	26.67%	35.33%	38.73%	40.52%	41.65%
	120,01	140	29.70%	37.09%	39.96%	41.48%	42.44%
	140,01	160	32.03%	38.38%	40.87%	42.18%	43.01%
	>160,01		35.71%	40.47%	42.34%	43.33%	43.95%

12.001	14.001	16.001	18.001	20.001	22.001	>24.001
14.000	16000	18.000	20.000	22.000	24.000	
39.09%	40.17%	40,79%	41.36%	41,88%	42,34%	42,76%
40.19%	41.11%	41.65%	42.13%	42.57%	42.97%	43.33%
41.K%	42.36%	42,78%	43.16%	43.50%	43,81%	44.09%
42.58%	43.16<%	43.51%	43.82%	44.10%	44.35%	44,58%
43.22%	43.72%	44.01%	44.27%	44.51%	44,72%	44.91%
43.69%	44.12%	44.37%	44.60%	44,81%	44,99%	45.16%

44.46%	44.78%	44.97%	45.14%	45.30%	45,38%	45.56%
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9.3 The measurement and use of the volume of Oil and Natural Gas corresponding to the Excess in Oil shall be in compliance with the guidelines of Annex VII - Procedures for Calculation of the Cost Oil and Excess in Oil, and the guidelines of Clause Seventeen - Measurement and Use of the Production Shared. -----

Excess in Oil Calculation Chart -----

9.4 During the Production Phase or during the performance of Long term Tests in the Evaluation stage, the Contractor shall send the Excess in Oil Calculation Chart to the Managing Party according to the conditions provided in Annex VII - Procedures for Calculation of Cost Oil and Excess in Oil, as requested and as often as has been

defined by the Managing Party. -----

Price Updating -----

9.5 The prices shown at the table in paragraph 9.2 shall be updated according to the following formula:

Price_{updated} = Price_{base} * (I_m/I_o) ----- Whereas: --

----- Price_{updated}
= Updated price, in American dollars; --- Price_{base} =

Price included in the bid rules, in American dollars;

----- I_m = "Consumer

Prices Index" number as published by the U.S.

Department of Labor, Bureau of Labor Statistics

related to the month of the price update: -----

----- I_o = "Consumer

Prices Index" number as published by the U.S.

Department of Labor. Bureau of Labor

Statistics related to the month the Contract was executed. -----

9.5.1 The first updating of the prices in the bid rules shall be made in the previous month of the First Oil Extraction, with the last published index number. -----

9.5.2 The following updates shall be done every 36 (thirty six) months since the month of the last update. -----

9.5.3 For the calculations defined in this paragraph, 3 (three) exact decimal digits are to be used, and the digits from the fourth digit onward shall be negligible. -----

9.5.4 Updated prices shall be rounded to the closest integer. -----

9.5.5 The table with the updated prices shall be

used the month following the publication of the
index numbers needed for the calculations. -----

9.5.6 If the Consumer Prices Index becomes void or
is terminated, another official index shall be
selected to replace it. If none is available, other
Index elected by the Contracting Party with similar
function shall be used. -----

----- **CHAPTER III EXPLORATION** -----

----- **CLAUSE TEN - EXPLORATION PHASE** -----

Duration -----

10.1 The Exploration Phase will start on the date
the Contract is executed and shall continue for 4
(four) years. -----

10.1.1 The Exploration Phase shall be a single and
continuous period of time. -----

10.2 The Exploration Phase may be extended at the

Contracting Party's discretion, upon ANP's advice
or in other instances provided herein. -----

10.2.1 The Co-Venturers may be required to perform
additional exploration activities in the Minimal
Exploration Program if an extension of the
Exploration Phase is granted. -----

10.2.2 The Co-Venturers shall propose a revision of
the Exploration Plan at least 120 (one hundred and
twenty) days before the end of the Exploration
Phase in order to describe and justify the
additional exploration activities in the Minimal
Exploration Program required by ANP for an
extension of the Exploration Phase. -----

10.2.3 ANP shall evaluate and comment on the
proposal or on the suggestions presented by the Co-
Venturers within 60 (sixty) days. -----

10.2.4 If the revision of the Exploration Plan described in paragraph 10.2.2 is not approved, the Exploration Phase shall finish without the proposed extension. -----

10.2.5 After the proposal for the performance of additional exploration activities in the Minimal Exploration Program have been approved with the extension of the duration of the Exploration Phase, the Contractor shall present the related financial guaranties as provided in Clause Eleven - Financial Guaranty of Exploration Activities. ---

10.3 The Co-Venturers may end the Exploration Phase at any moment after notifying ANP. -----

Exploration Plan -----

10.4 The Operational Committee shall be responsible for the Exploration Plan and its

revisions, which the Co-Venturers may submit for
analysis and approval by ANP. -----

10.5 The Exploration Plan shall include all
exploration activities to be performed in the
Contract Area for the duration of Contract term
and shall necessarily consider the compliance with
Local Content. -----

10.5.1 The Minimal Exploration Program shall be
included in the Exploration Plan. -----

10.6 ANP shall be responsible for analyzing and
approving the Exploration Plan and its revisions. -

10.7 The Exploration Plan shall be created and
sent to ANP according to the procedures and
criteria established in Annex VI - General
Instructions for the Exploration Plan and in
Applicable Laws. -----

10.8 The Co-Venturers shall have 120 (one hundred and twenty) days since the date the Operational Committee is organized to send the Exploration Plan to ANP. -----

10.9 ANP shall have up to 60 (sixty) days since the reception of the Exploration Plan to approve it or to require the Co-Venturers to make justified modifications. If ANP requires such modifications, the Co-Venturers shall present them within 60 (sixty) days since the date of the requirement, ad continuum. In such period, the performance of the Exploration activities already in place may be interrupted if reasonably required by ANP. -----

10.10 After the performance of the tasks of the Exploration Plan, the Co-Venturers may finish the

Exploration Phase, upon notification in writing to ANP, only having right to retain occasional areas for Discovery Evaluation or Development, in which case all other areas shall be returned immediately to ANP. -----

10.10.1 If no Discoveries that would justify investments in Discovery Evaluation have occurred, the Co-Venturers shall return the entire Contract Area. -----

Minimal Exploration Program -----

10.11 During the Exploration Phase, the Co-Venturers shall perform the Minimal Exploration Program completely, as provided in Annex II - Minimal Exploration Program -----

10.11.1 For purposes of compliance with the Minimal Exploration Program, drilled wells must

meet the stratigraphic objective at sufficient depth so as to establish its Oil and Natural Gas potential, as defined in Annex II - Minimal Exploration Program. ANP may accept other stratigraphic objectives with Foresights, upon presentation of a technical justification. -----

10.11.2 For purposes of compliance with the Minimal Exploration Program, proprietary and non-proprietary data may be used, while considering only data surveyed within the Contract Area. -----

10.11.3 For purposes of compliance with the Minimal Exploration Program, only surveys that meet the criteria established in Annex II Minimal Exploration Program may be accepted, the data of which are to be delivered according to the procedures and requirements established by ANP. ---

10.12 A partial or complete failure to fulfill the Minimal Exploration Program implies in the termination of the Contract with cause, without loss of the use of the financial guaranties for the exploratory activities and without loss of the applicable sanctions. -----

10.12.1 An exception to the aforementioned provision are the Development Areas occasionally kept by the Co-Venturers. -----

10.13 For the acquisition of proprietary data, the Co-Venturers may hire data survey companies (EAD) provided that the requirements in the regulatory standards made by ANP are met, and that such companies are duly registered and regulated within the Agency. -----

10.14 For purposes of compliance with the Minimal

Exploration Program, only data within the acquisition and format requirements defined in the technical standards established by the Agency shall be considered. -----

Options after the End of the Exploration Phase ----

10.15 After the Exploration Phase is finished and the activities related to the Minimal Exploration Program are performed, the Co-Venturers may: -----

a) Retain area(s) under Development or under Discovery Evaluation. -----

b) Return the Contract Area completely. -----

Extension of the Exploration Phase -----

10.16 The Exploration Phase may be extended in the following cases: -----

i. If at the end of the Exploration Phase the Co-Venturers have started the drilling of the last

well provided in the Exploration Plan without having completed the Evaluation of the Well. The Exploration Phase shall be extended until the date the Well is concluded. with 60 (sixty) additional days to present the proposal for the Discovery Evaluation Plan. -----

a. The hypothesis presented in item (i) shall be notified to ANP by the Co-Venturers until the Exploration Phase is over. -----

ii. If the Co-Venturers make a Discovery during the Exploration Phase in a date when it is not possible to perform a Discovery evaluation before the end of this phase, the Exploration Phase may be extended, at ANP's discretion, for any period necessary for the performance of the Evaluation and possibly for the issuance of Aa Certificate of

Merchantability following a Discovery Evaluation

Plan approved by ANP. -----

a. The extension mentioned in item (ii) is
exclusively limited to the area covered by the

Discovery Evaluation Plan Approved by ANP. -----

b. As a condition for the Exploration Phase to be
extended as provided in item (ii) of paragraph

10.15, the time between the notification of

Discovery mentioned in paragraph 12.1 and the

presentation of the Discovery Evaluation Plan

proposal by the Co-Venturers to ANP shall not be

greater than 6 (six) months, except in exceptional

cases previously authorized by the Contracting

party, after advice by ANP is given. -----

Return of the Contract Area in Exploration Phase --

10.17 Within 60 (sixty) days after the end of the

Exploration Phase, the Co-Venturers shall send an Area return plan to ANP, elaborated according to Applicable Laws. -----

10.18 The delivery of the area returning plan does not imply in any kind of acknowledgement or quittance by ANP nor does it imply that Co-Venturers are exempt from being in compliance with the Minimal Exploration Program. -----

CLAUSE ELEVEN - FINANCIAL GUARANTY OF EXPLORATION

ACTIVITIES -----

Financial Guaranty -----

11.1 Until the date of execution of the Contract, the Contractor must provide financial guaranties for the Minimal Exploration Program. -----

11.2 If ANP approves the performance of additional activities for the Minimal Exploration Program

with due extension of the Exploration Phase, as provided in paragraph 10.2.1, the Contractor shall provide financial guaranties that correspond to the estimated value of such activities. -----

Form of the Financial Guaranties -----

11.3 The Contractor may provide ANP with the following instruments as a financial guaranty of the Minimal Exploration Program: -----

- a) Irrevocable Letter of Credit; -----
- b) Performance Bond; or -----
- c) Oil Pledge Contract. -----

11.4 The financial guaranties shall be in compliance with the form indicated in the Bid Rules. -----

11.5 The financial guaranties shall be valid for a minimum period of 180 (one hundred and eighty)

days since the date expected for the end of the
Exploration Phase. -----

11.5.1 The financial guaranties shall be renewed,
whenever necessary, so as to cover a minimum period
of 180 (one hundred and eighty) days. -----

11.5.2 In case of suspension of the Exploration
Phase, the updating or renewal of the financial
guaranties shall cover a minimum term of 1 (one)
year. -----

Reduction of the Guaranteed Value -----

11.6 Considering the extend of the activities
performed by the Co-Venturers regarding the Minimal
Exploration Program, the Co-Venturers may
request ANP for a reduction of the financial
guaranty. -----

11.6.1 The reduction of the financial guaranty of

the Minimal Exploration Program may not occur in
less than 3 (three) months from the previous
reduction. -----

11.6.2 The reduction of the value of the financial
guarantee of the Minimal Exploration Program shall
not be inferior to a converted value equivalent to
20% (twenty percent) of the total exploration
activities. -----

11.6.3 The drilling operations may only imply in a
reduction in the value of the financial guaranties
of the Minimal Exploration Program when: -----

- a) The well has reached its stratigraphic
objective; -----
 - b) The well has been finished; and -----
 - c) Data and information compliance with ANP
standards is confirmed. -----
-

11.6.4 Seismic and geochemical data survey operations or operations involving potential methods may only imply in a reduction of the value of the financial guaranties for the Minimal Exploration Program to the extent they are delivered to ANP and their compliance with ANP's standards is confirmed. -----

11.6.5 The financial guaranties for the Minimal Exploration Program shall be returned to the Contractor after ANP issues the Minimal Exploration Program Completion Certificate. -----

11.6.6 If there are no pending matters, ANP shall issue the Minimal Exploration Program Completion Certificate within thirty days of its completion. -

11.7 If the Contractor does not provide the proper financial guaranties, the Contract shall be

terminated with cause, except for any occasional
Development Areas being kept. -----

Readjustment and Updating of Financial Guaranties -

11.8 ANP may readjust the estimated value of the
guaranty documents of the Minimal Exploration
Program presented by the Contractor, provided that
there are reasonable causes to do so. -----

11.8.1 ANP shall notify the Contractor in order to
update the value of the guaranties presented,
providing reasonable explanation for the
adjustment. -----

11.8.2 The Contractor shall update its financial
guaranties to ANP within 60 (sixty) days after
receiving the notification mentioned in the
previous paragraph. -----

11.8.3 ANP shall not make readjustments in

intervals shorter than 1 (one) year.? -----

Execution of the Financial Guaranties -----

11.9 If the Co-Venturers fail to fulfill the Minimal Exploration Program, ANP shall enforce the execution of the financial guaranties. -----

11.9.1 The financial guaranties do not exempt the Co-Venturers of their obligation to fulfill their Contractual duties. -----

11.9.2 The execution of the financial guaranties does not preclude ANP's right to seek and apply other reasonable remedies. -----

11.9.3 The execution of the financial guaranties implies in the termination of this Contract with cause, with the exception of occasional Development Areas being kept. -----

11.9.4 The execution of the financial guaranties

may be replaced by a financial contribution of the same value, and the provisions of paragraph 11 shall also apply in these circumstances.9.3. -----

---- **CLAUSE TWELVE - DISCOVERY AND EVALUATION** ----

Notification of Discovery -----

12.1 Any Discovery of Oil or Natural Gas in the Contract Area shall be notified by the Co-Venturers to ANP in writing as confidential information within 72 (seventy two) hours. -----

12.1.1 The Discovery notification shall include all relevant data and information available. -----

Evaluation, Discovery Evaluation Plan and Final

Discovery Evaluation Report -----

12.2 The Co-Venturers may, at their discretion, evaluate an Oil and Natural Gas Discovery at any time during the Exploration Phase. -----

12.2.1 The Discovery Evaluation shall be done during the Exploration Phase -----

12.3 If the Co-Venturers decide to evaluate the Discovery, they shall submit a Discovery Evaluation Plan to ANP for its approval. -----

12.4 Within 60 (sixty) days after receiving the Discovery Evaluation Plan, ANP shall approve it or present reasons why the Co-Venturers shall make modifications. -----

12.4.1 The Co-Venturers shall have a maximum of 30 (thirty) days after the aforementioned notification to present the modifications to ANP, repeating the procedure above. -----

12.4.2 Occasional modifications suggested by the Co-Venturers shall be notified formally and in writing to ANP. The procedure defined in this

paragraph shall also apply to such modifications. -

12.5 The Final Discovery Evaluation Report

submitted by the Co-Venturers to ANP shall present and justify an occasional proposal of retention of the Development Area of the Commercial Discovery.

12.6 The Co-Venturers shall be authorized to start the Discovery Evaluation Plan after it is approved or authorized by ANP. -----

Evaluation of New Reservoir -----

12.7 The Co-Venturers may evaluate an Oil and Natural Gas Discovery in a New Reservoir at any moment during the Contract provided that the procedure defined in this Clause is followed, mutata mutandis. -----

Discovery Evaluation through Long Term Testing ----

12.8 If the Discovery Evaluation Plan includes the

performance of Long Term Tests, the Co-Venturers shall request a specific authorization from ANP in order to perform them. -----

12.9 When a Discovery Evaluation is to be performed through Long Term Testing, the corresponding Production shall be shared under the terms of this Contract, without considering the recoup of the Cost Oil. -----

12.9.1 The Cost Oil related to the Long Term Tests may only be recouped in the Production Phase. -----

12.10 The performance of the Long Term Testing without reinjection of the Natural Gas shall be limited to a period of 180 (one hundred and eighty) days, except in special instances, at ANP's discretion. -----

-- CLAUSE THIRTEEN - MERCHANTABILITY CERTIFICATE --

Co-Venturers' Option -----

13.1 Before the Exploration Phase is finished, the Co-Venturers may, at their own discretion, make a Discovery Merchantability Certificate through notification to ANP, provided that the Discovery Evaluation Plan is approved by ANP. -----

13.1.1 On behalf of the Operational Committee, the Co-Venturers shall take all necessary measures to notify the Merchantability Certificate to ANP. ----

13.1.2 If the Final Discovery Evaluation Report has not yet been presented to ANP, it shall be attached to the Merchantability Certificate.? -----

13.1.3 The Merchantability Certificate shall only be valid after the approval of the Final Discovery Evaluation Report by ANP.- -----

Return of the Discovery Area -----

13.2 Failure to present the Merchantability Certificate within the term provided in the Contract implies in the termination of the Contract with cause regarding the area retained for Evaluation of the Discovery. -----

Continuation of Exploration and/or Evaluation -----

13.3 The issuance of one or more Merchantability Certificates by the Operational Committee does not exempt the Co-Venturers from their obligation to fulfill the Minimal Exploration Program. -----

----- CHAPTER IV - DEVELOPMENT AND PRODUCTION -----

----- CLAUSE FOURTEEN - PRODUCTION PHASE -----

Start and Duration -----

14.1 The Production Phase of each Field shall start on the date the Co-Venturers present the Merchantability Certificate to ANP and it shall be

effective for the term of this Contract. -----

Return of Fields -----

14.2 After the Production Phase is completed, the Field shall be returned to the Federation. -----

14.3 For each Field in the Contract Area, at least 36 (thirty six) months before the final date of the term of the Contract or the before the estimated depletion of the commercially extractable volumes, whichever occurs first, the Co-Venturers shall notify and submit a report to the Contracting Party and to ANP containing information about: -----

- a) Mechanical status of the wells; -----
 - b) flow lines; -----
 - c) production maps; -----
 - d) equipment and other assets; -----
-

- e) estimated additional Production; -----
- f) Field depletion estimative; -----
- g) valid contracts with suppliers; and -----
- h) other relevant information. -----

14.4 At least 180 (one hundred and eighty) days before the Production is completed, the Co-Venturers shall submit a Facility Deactivation Program to ANP, which shall describe in details all actions necessary to deactivate the Facilities. ---

14.5 Within 60 (sixty) days after receiving the Facility Deactivation Program, ANP shall approve it or request the Co-Venturers to make any modifications ANP deems reasonable. -----

14.5.1 If ANP requests modifications, the Co-Venturers shall have 60 (sixty) days after

receiving the notification to present said
modifications, repeating the procedure described in
this paragraph. -----

14.6 ANP may determine that the Co-Venturers shall
not perform the decommissioning of certain wells
or the deactivation or removal of certain
facilities and equipment. -----

14.6.1 ANP shall be responsible for such wells,
facilities and equipment after the withdrawal of
the Co-Venturers. -----

14.7 The start of the Facility Deactivation
Program may not occur within 180 (one hundred and
eighty) days since the date it is presented,
except when expressly authorized by ANP. -----

-14.8 The termination of this Contract in a
certain Development Area or Field may only occur

after the Facility Deactivation Program approved by ANP is completed, and the respective area is returned. -----

14.9 If the Facility Deactivation Program indicates an estimated additional Production surpassing the Contract term and if the Contracting Party, advised by ANP, requests actions to guarantee the continuity of the Production Operations, the Co-Venturers shall propose an operational continuity plan to the Operational Committee. -----

14.9.1 The operational continuity plan shall include: -----

(a) the assignment of contracts with suppliers of the Co-Venturers: -----

(b) the possibility of acquiring goods with

service lives greater than the term of the

Contract. -----

----- **CLAUSE FIFTEEN - DEVELOPMENT PLAN** -----

Content -----

15.1 The Development Plan shall include: -----

a) the distribution of the Production; -----

b) the control of declines in reserves; -----

c) the minimization of Natural Gas burning and
greenhouse gas emissions to the atmosphere; -----

d) Natural Gas reinjection or recycling system,
provided that the Natural Gas may only be used in
flares for safety, emergency and commissioning
reasons, as provided in Applicable Laws; and -----

e) the proper treatment of contaminants and natural
resources resulting from Production activities,
thereby preventing their disposal in

the environment. -----

Term -----

15.2 The Development Plan shall be presented by the Co-Venturers to ANP within 180 (one hundred and eighty) days after the Merchantability Certificate. -----

Development Area -----

15.3 The Development Area shall include all Deposits with active production. -----

15.3.1 The contours of the Development Area shall be defined according to the data and information obtained during the performance of the Exploration Phase and the Discovery Evaluation stage, and according to the Best Practices in the Petroleum Industry. -----

15.3.2 The Development Area shall be involved by a

single-lined area determined according to the
Applicable Laws and shall include, along with the
entire Deposits, a technical safety area around it
with at most 1 (one) kilometer in width, except in
special instances, at ANP's discretion. -----

15.3.3 During the Development Stage, the Co-
Venturers may formally request ANP in writing for a
modification of the Development Area in order to
include other parts of the Contract Area in it,
provided that: -----

a) It is confirmed that one or more Deposits are
outside the boundaries of the Development Area. ---

b) The parts to be included had not been returned
by the Co-Venturers as provided in this Contract. -

15.4 The Development Area to be retained shall be
the area provided in the Final Report of the

Discovery Evaluation Plan approved by ANP. -----

15.5 In the Development Area, the Co-Venturers shall retain only the area of the Field, and return the remaining areas to ANP. -----

15.5.1 The area of each Field provided in paragraph 15.5 shall be involved by a closed polygonal lined drawn according to the Applicable Laws. -----

Approval and Performance of the Development Plan --

15.6 ANP shall approve it or request any modifications ANP deems reasonable to be made by the Co-Venturers within 180 (one hundred and eighty) days since the Development Plan is received by ANP. -----

15.6.1 If ANP does not issue any notification in said period, the Development Plan shall be deemed

approved. -----

15.6.2 If ANP requests modifications, the Co-Venturers shall have 60 (sixty) days to present them to ANP since the date the notification was received, repeating the procedure provided in this paragraph. -----

15.6.3 Considering the provisions in this paragraph, the refusal of a Development Plan by ANP implies in the termination of the Contract with cause regarding said Development Area. -----

15.6.4 A delay in the delivery of the Development Plan by the Co-Venturers implies in the application of the sanctions provided in Clause Twenty Nine - Accounting and Audit and of sanctions provided in Applicable Laws. -----

(a) If the failure to deliver the Development Plan

in the term established in this paragraph is confirmed, ANP shall notify the Co-Venturers to present them within 10 (ten) days. At the end of said period, the Contract shall be terminated with cause regarding the respective Development Area. --

15.7 Until the Development Plan is approved, the Co-Venturers may only perform services or Operations in the area of the Field upon prior approval by ANP. -----

15.7.1 The anticipation of the Production shall be reasonably and formally requested in writing in a letter that includes the precepts of conservation of petroleum resources, assurance of operational safety and environmental preservation. -----

15.8 During the Production Phase, the Co-Venturers shall perform all Operations in the area of the

Field according to the Development Plan. -----

15.9 Any New Oil and Natural Gas Reservoir

Discovered shall be notified by the Co-Venturers to ANP confidentially, formally and in writing within 72 (seventy two) hours. The notification shall include all relevant data and information available. -----

15.9.1 If the Co-Venturers are interested in including the Newly Discovered Reservoir in the Field, they shall submit a Discovery Evaluation Plan for ANP's approval. -----

15.10 The Commercial Discovery shall only be included in the Field Production system after the approval of the Final Discovery Evaluation Report and of the review of the Field Development Plan by ANP, except if expressly authorized by ANP. -----

Revisions and Modifications -----

15.10 The Development Plan shall be revised or modified under the following circumstances: -----

a) due to requirement by ANP or to a request made by the Co-Venturers if the Development Plan is no longer in compliance with the Applicable Laws and with the Best Practices in the Petroleum Industry; and -----

b) due to a request by the Co-Venturers when changes occur in the technical or economic conditions in relation to the original conditions when the Development Plan was created. -----

15.10.1 The Co-Venturers shall create a formal, well-founded request in writing for the revision or modification of the Development Plan. -----

15.11 The revisions of the Development Plan shall

apply, mutatis mutandis, to the provisions of paragraph 15.6, including the non-approval of the revisions by ANP. -----

Buildings, Facilities and Equipment -----

15.12 The Co-Venturers shall be responsible for all buildings, facilities and for the supply of equipment for the extraction, treatment, retrieval, storage, measurement and transference of the Production. -----

15.12.1 The determination, by the Co-Venturers, of the actions described in this paragraph, including actions regarding the supply of necessary resources shall be necessary for the validation of the merchantability and for the Development of the Discoveries. -----

CLAUSE SIXTEEN - PRODUCTION START DATE AND ANNUAL

PRODUCTION PROGRAMS -----

Production Start Date -----

16.1 The Production start date for each Field shall occur by 5 (five) years since the date for presentation of the Merchantability Certificate, which can be extended at the Contracting Party's discretion, advised by ANP. -----

16.1.1 The Co-Venturers shall keep ANP informed of the estimated dates for the start of Production in each Field. -----

16.1.2 The Co-Venturers shall notify ANP of the Production start date within 24 (twenty four) hours after it occurs. -----

16.1.3 The Production of the Field may only start when the Natural Gas Reinjection or Recycling system is operational. -----

Annual Production Program -----

16.2 The Annual Production Program shall include explanations for any occasional variation equal to or higher than 10% (ten percent) of the total annual Production informed in comparison with the value estimated in the Development Plan. -----

16.3 By October 31st of each calendar year, the Co-Venturers shall deliver the Annual Production Program of the following year to ANP, for each Field. -----

16.4 The Annual Production Program regarding the calendar year when the Production starts shall be delivered by the Co-Venturers to ANP 60 (sixty) days in advance of the aforementioned Production start date. -----

16.5 If ANP approves the continuity of the

Production without interruption after a Long Term Test, the revision of the Annual Production Program shall be presented at least 60 (sixty) days in advance of the end of the Test. -----

Approval of the Annual Production Program -----

16.6 ANP shall approve the Annual Production Program or request any modifications deemed necessary to be made by the Co-Venturers within 30 (thirty) days after receiving the Annual Production Program. -----

16.6.1 If ANP requests any modifications, the Co-Venturers shall present the Annual Production Program including said modifications. -----

(a) The Program shall be presented within 30 (thirty) days since the date of the request. -----

16.6.2 If the Co-Venturers disagree on the

proposed modifications, they may discuss them with ANP in order to adjust the modifications to be implemented in the Annual Production Program. -----

16.7 If, at the start date of the period mentioned in a certain Annual Production Program, ANP and the Co-Venturers are conflicting about the application provided in paragraph 16.6, the Production level to be used in any month until a final solution for the conflict shall be the lowest one among the Production levels proposed by the Co-Venturers and by the ANP. -----

Revision -----

16.8 ANP and the Co-Venturers may agree on the revision of an Annual Production Program underway, provided that the revision meets the standards provided in paragraphs 16.2 through 16.5. -----

16.8.1 When the revision is proposed by ANP, the Co-Venturers shall discuss it with ANP within 30 (thirty) days since the notification is received, in order to present a revised Annual Production Program. -----

Authorized Variation -----

16.9 The volume produced in each Field every month cannot suffer variations higher than 15% (fifteen percent) in relation to the estimated Production volume for the current month of the Annual Production Program. -----

16.9.1 Variations higher than said percentage that occur due to technical reasons, Act of God, Force Majeure or similar causes are permissible, upon evaluation to be made by ANP. -----

16.10 The Co-Venturers shall present a formal,

written explanation to ANP by the 15th (fifteenth)
day of the following month. -----

Temporary Suspension of Production -----

16.11 The Co-Venturers may request ANP to approve,
upon prior express notification, a Suspension in
Production of a Field for a maximum period of one
year, except in emergencies, Act of God, Force
Majeure or similar causes, in which cases the
Suspension shall be notified immediately. -----

16.12 ANP shall evaluate the request within 60
(sixty) days or request explanations from the Co-
Venturers. -----

16.12.1 The time for the evaluation shall be
renewed for an equal period. -----

16.13 The Suspension of the Production shall not
imply in the suspension of the Contract term. -----

CLAUSE SEVENTEEN - MEASUREMENT AND USE OF THE

PRODUCTION SHARES -----

Measurement -----

17.1 Since the Production start date of each Field, the Co-Venturers shall regularly and periodically measure the volume and quality of the Oil and Natural Gas produced at the Measurement Point. The measuring methods, equipment and instruments to be used shall be those provided in the respective Development Plan and according to Applicable Laws. -----

Sharing Point -----

17.2 The Oil and Natural Gas Sharing Points shall be defined during the design of each Module of the Development Stage and shall represent the location where the Consortium will physically supply the

portion of Production corresponding to each Co-Venturer or its specific representative. -----

17.3 Any volume difference occasionally occurring between the Measurement Point and the Sharing Point shall be considered as an operational loss under the Contractor's exclusive responsibility, with no rights to recoup in Cost Oil, except as provided in clause 17.9. -----

Monthly Reports -----

17.4 The Co-Venturers shall present a monthly Production report to ANP for each Field. -----

17.4.1 The report shall be presented by the 15th (fifteenth) day of each month, since the month following the Production start date of each Field.

Use of Production -----

17.5 The ownership of the Oil and Natural Gas

Volumes measured under the terms of paragraph 17.1 shall be given to the Contractor at the Production Sharing Point. -----

17.6 Considering the provisions of paragraph 17.8, the Contractor has the right to use the Oil and Natural Gas received by the Contractor at its own discretion. -----

17.7 The use of the Oil and Natural Gas volume produced must be in compliance with the guidelines of Annex VII - Procedures for Calculation of the Cost Oil and Excess in Oil, and in compliance with the Agreement on Use of the Produced Volumes, to be executed between the Co-Venturers before the start of production. -----

17.7.1 During the period when the aforementioned agreement has not been executed, the principles

defined in Annex XI - Consortium Rules shall be applicable. -----

National Market Supply -----

17.8 In emergency situations that may risk the Brazilian National supply of Oil, Natural Gas and Petroleum Products, ANP may request the Contractor to limit the export of these hydrocarbons. -----

17.8.1 Emergency situations shall be instituted with a decree by the President of Brazil. -----

17.8.2 The portion of the Production with limited export shall be directed to supplying the Brazilian market or filling strategic stocks for the Nation.

----- 17.8.3 ANP shall formally notify the Contractor as to the limit on exports at least 30 (thirty) days in advance. -----

17.8.4 The portion of Production on which the free use restriction is instituted shall consider, for each month, each Contractor's share on the national Production of Oil and Natural Gas regarding the previous month. -----

Consumption during Operations -----

17.9 The Co-Venturers may use Oil and Natural Gas produced in the Contract Area as fuel during the Operations, provided that the Co-Venturers use reasonable quantities. -----

17.9.1 The Co-Venturers shall inform ANP formally, in details and in writing about the quantity of Oil and Natural Gas consumed in the Operations and the purpose of their use. -----

17.9.2 The Co-Venturers shall include such information in the monthly Production reports. ----

17.9.3 The Oil and Natural Gas volumes consumed in Operations shall be calculated for purposes of calculation of the royalties provided in Clause Six - Royalties. -----

Test Production -----

17.10 The results, gross data and the interpretations of the formation tests or Long Duration Tests during the performance of the Operations in this Contract shall be informed to ANOP immediately after the Tests are completed. ---

17.10.1 The information shall also include the Oil, Natural Gas and water volumes produced. -----

17.10.2 Regarding the Long Duration Tests, the information shall be sent to ANP in compliance with the periodicity defined in the approved Discovery Evaluation Plans. -----

17.11 The Production and transportation resulting from Long Term Tests shall be notified through the monthly Production report. -----

17.11.1 The volume of Oil and Natural Gas obtained during these tests shall be entirely considered as Excess in Oil. -----

17.11.2 The Cost Oil related to the Long Term Tests shall be recouped in the Production Phase. --

17.11.3 The Contractor shall not be exempt from the payment of the Royalties due to the Production obtained during the testing period. -----

17.12 The Contractor's ownership of the Production volume regarding the Royalties owed and paid during Long Term Tests shall take place during the Production Phase. -----

Oil and Natural Gas losses and burning of Natural

Gas -----

17.13 Any losses of Oil or Natural Gas occurred under the Contractor's responsibility, as well as any burning of Natural Gas, shall be discounted from the portion of the Excess in Oil owned by the Contractor after the Sharing of the Production. ---

CLAUSE EIGHTEEN - INDIVIDUALIZATION OF THE PRODUCTION -----

Procedure -----

18.1 The procedure for Individualization of the Production of Oil and Natural Gas shall be put in place whenever the Deposit is found to surpass the Contract Area. -----

18.2 The Agreement for Individualization of the Production and the Commitment for Individualization of the Production shall be

created according to the provisions of Applicable
Laws, as in article 34 of Statute No. 12.351/2010.

----- CHAPTER V - PERFORMANCE OF THE OPERATIONS -----

CLAUSE NINETEEN - PERFORMANCE BY THE CO-VENTURERS

Diligence during Operations -----

19.1 The Co-Venturers shall plan, prepare, perform
and control Operations in a diligent, efficient and
proper manner, observing the provisions of this
Contract, not performing any action that
constitutes or may constitute a violation of the
economic order. -----

19.2 The Co-Venturers shall, in all Operations: ---

a) adopt the necessary measures to preserve the oil
resources and other natural resources and the
protection of human lives, of property and of the
environment, under the terms of Clause Twenty Six

- Operational Safety and Environment. Clause Twenty Six - Operational Safety and Environment --- b) observe the relevant standards and technical, scientific and safety procedures, including those regarding the recovery of fluids, in order to properly share the Production and to control the decline of reserves; and -----

c) employ more advanced technical experiments and technologies, including any which may improve the economic yield and the Production of Deposits, whenever deemed appropriate and economically feasible, at ANP's discretion. -----

Licenses, Authorizations and Permits -----

19.3 The Co-Venturers shall obtain all licenses, authorizations and permits required under the terms of the Applicable Laws. -----

19.3.1 If such licenses, authorizations and permits require the making of agreements with third parties, the transaction and the execution of said agreements are under the exclusive responsibility of the Co-Venturers, even though the Contracting Party and ANP may provide assistance as described in paragraph 20.4. -----

19.4 The Contractor shall be liable for any violation of the rights regarding materials and operational processes protected by trademarks, patents or other similar rights, being exclusively responsible for the payment of any obligations, fees, indemnities or other expenses arising as a result of said infraction, including legal fees. --

Free Access to the Contract Area -----

19.5 During the term of this Contract, the Co-

Venturers shall have free access to the Contract Area and to the facilities built in it. -----

Drilling and Abandonment of Wells -----

19.6 The Co-Venturers shall formally notify ANP in writing before the start of the drilling of any well in the Contract Area. -----

19.6.1 Along with the notification, the Co-Venturers shall present ANP with a work program containing detailed information about the expected drilling operations, equipment and materials to be used. -----

19.7 The Co-Venturers may suspend the drilling of a well and decommission it before meeting the expected stratigraphic objective, provided that the Applicable Laws and the Best Practices in the Petroleum Industry are observed. -----

19.7.1 If the well is part of the Minimal Exploratory Program and does not meet the stratigraphic objective established in Annex II - Minimal Exploratory Program, the drilling shall not be calculated for purposes of compliance with the Minimal Exploratory Program, unless determined otherwise by ANP at its discretion. -----

Additional Work Programs -----

19.8 The Co-Venturers may propose the performance of additional work at any moment in the Contract Area, which shall be included in the Exploration Plan. -----

Acquisition of Data out of the Contract Area -----

19.9 Upon formal written requirement to the Co-Venturers, ANP may authorize the acquisition of geological, geochemical and geophysical data

outside the boundaries of the Contract Area. -----

19.10 Activities performed outside the boundaries of the Contract Area shall not be considered for purposes of fulfillment of the Minimal Exploration Program, but may be considered for Cost Oil. -----

19.11 The data acquired outside the boundaries of the Contract Area shall be classified as public data immediately after their acquisition. -----

19.12 The data and studies acquired and/or performed by the Co-Venturers and mentioned in paragraph 19.9 shall observe the criteria established by the regulatory standards edited by ANP and shall be stored in the Exploration and Production Database - ANP's BDEP. -----

CLAUSE TWENTY - CONTROL OF OPERATIONS AND

ASSISTANCE BY ANP AND BY THE CONTRACTING PARTY -----

Monitoring and Surveillance by ANP -----

20.1 Through direct agreement made with Federal entities, with the Brazilian States or with the Federal District of Brazil, ANP shall monitor and survey the Operations permanently. -----

20.1.1 No actions or omissions during monitoring and surveillance shall exempt the Contractor's responsibility for the "lawful fulfillment of obligations" -----

Monitoring by the Contracting Party -----

20.2 The Contracting Party may monitor the Operations at any moment. -----

Access and Control -----

20.3 The Contracting Party and ANP shall have free access to the Contract Area and to the Operations in course, to the equipment and facilities, and to

all records, studies and technical data available.

20.3.1 The Co-Venturers shall provide the Contracting Party's representatives and ANP with transportation, food and accommodation at the relevant locations in equal conditions as those provided to their own personnel. -----

Assistance to the Contractor -----

20.4 The Contracting Party and ANP, when required, may provide assistance to the Co-Venturers in obtaining the licenses, authorizations, permits and rights defined in paragraph 19.3. -----

Exemption of responsibility from the Contracting Party and ANP -----

20.5 The Contractor is fully responsible for the performance of the Operations at its own risk, and any assistance requested from and occasionally

provided by the Contracting Party or by ANP shall not constitute any grounds for claims. -----

CLAUSE TWENTY ONE - ANNUAL WORK PROGRAM AND BUDGET

Relationship between the Content and other Plans

and Programs -----

21.1 The Annual Work Programs and Budget shall strictly match other plans and work and investment programs previously required and approved. -----

Terms -----

21.2 The Co-Venturers shall present ANP with the Annual Work Program and Budget by October 31st (thirty first) of each year. -----

21.2.1 The first Annual Work Program and Budget shall cover the remainder of the current year and shall be presented by the Co-Venturers within 60 (sixty) days since the date of execution of this

Contract. -----

21.2.2 If there are less than 90 (ninety) days for the end of the first year, the first Annual Work Program and Budget shall also include the following year separately. -----

Revisions and Modifications -----

21.3 ANP shall approve or request modifications from the Co-Venturers within 30 (thirty) days since the Annual Work Program and Budget is received. -----

21.3.1 If ANP requests said modifications, the Co-Venturers shall present the Annual Work Program and Budget again after having included the requested modifications within 30 (thirty) days since the request is made, thereby repeating the process provided in this paragraph 21.3. -----

--- CLAUSE TWENTY SECOND - DATA AND INFORMATION ---

Data and Information provided by the Co-Venturers -

22.1 The Co-Venturers shall keep ANP informed about the status, results and schedules of the Operations. -----

22.1.1 The Co-Venturers shall send copies of geological, geochemical, geophysical reports, including interpretations, well and test data, as well as any reports or other documents, provided in specific regulations and obtained as a result of the Operations and of this Contract, that contain necessary information for the characterization of the status of the operations and of the geological knowledge of the Contract Area. -----

22.1.2 Under the terms of article 22 of Statute

no. 9.478/197, the technical files consisting of the information and data regarding Brazilian sedimentary basins are an integral part of the national oil resources. Therefore, such data and information, including those regarding the geology, geophysics and geochemistry of the Contract Area shall be delivered by the Co- Venturers to the ANP administration. -----

22.1.3 ANP shall enforce the compliance of the confidentiality periods as provided by Applicable Laws. -----

22.2 The quality of the copies and other media of the data and information defined in this paragraph shall maintain complete fidelity and equal conditions as of the originals, including regarding color, size, legibility, readability,

compatibility and other relevant characteristics. -

Processing or Analysis in Foreign Countries -----

22.3 The Co-Venturers may send samples of rocks and fluids or geological, geophysical and geochemical data to foreign countries. -----

22.3.1 Such delivery shall only be permissible in order to analyze, test or process the data. -----

22.3.2 Such delivery requires prior express authorization by ANP. -----

22.3.3 The Co-Venturers shall issue a formal, written request to ANP containing, regarding the samples or data: -----

a) the reason why such delivery of data to foreign countries is necessary -----

b) detailed information of the data, and reference to similar data kept in Brazil; -----

- c) detailed information about the analyses, tests and processes the data will be subject to, especially regarding destructive tests, if any; --
- d) data about the recipient institution; -----
- e) expected date for completion of the analyses, tests and processing; and -----
- f) expected date of return to Brazil, when applicable. -----

22.3.4 The Co-Venturers shall: -----

- a) keep a copy of the information or data or sample equivalent in Brazilian territory; -----
 - b) return the samples, information or data to Brazil after the analyses, tests or processing have been completed; and -----
 - c) supply ANP with the results obtained during the analyses, tests and processing completed,
-

observing the terms provided in Applicable Laws. --

----- **CLAUSE TWENTY THREE - ASSETS** -----

Assets, Equipment, Facilities and Materials -----

23.1 The Co-Venturers shall provide, acquire, rent, lease, or however else obtain all assets, whether movable or immovable, including facilities, buildings, systems, equipment, machinery, materials and consumables necessary for the performance of the Operations. -----

23.1.1 The acquisitions, rents, leases or otherwise may be performed in Brazil or in foreign countries, in accordance with the Applicable Laws. **Facilities or Equipment outside the Contract Area**

23.2 ANP may authorize the positioning or construction of facilities or equipment in locations outside the Contract Area in order to

complement or optimize the logistic structure of
the Operations. -----

23.2.1 The Co-Venturers shall issue ANP a detailed,
formal request in writing regarding the positioning
of facilities or equipment outside the boundaries
of the Contract Area. -----

23.2.2 The information shall include technical and
economic aspects, as well as the project for
positioning or construction, as applicable. -----

Return of Areas -----

23.3 If pre-existing wells or infrastructures are
used, the Contractor shall be responsible for them
as provided in the Contract and in Applicable Laws.

23.4 If a Field is used, the plan for deactivation
and decommissioning and the mechanisms to supply

the necessary funds shall be included in the relevant Development Plan and periodically revised throughout the Production Phase. -----

23.4.1 The cost of deactivation and decommissioning Operations for a Field shall consider permanent well decommissioning activities and removal of lines and facilities, as well as the rehabilitation of areas. -----

Guaranties for Deactivation and Decommissioning ---

23.5 The Contractor shall provide a deactivation and Decommissioning guaranty through an insurance, letter of credit, securities or other guaranties acceptable to ANP. -----

23.6 The value of the deactivation and decommissioning guaranty of a Field shall be revised upon a request by the Contractor or by

ANP, whenever unexpected events modify the cost of
deactivation and decommissioning Operations. -----

23.7 ANP may audit the accounting procedures used
by the Co-Venturers. -----

23.8 If the deactivation and decommissioning
guaranty consists of security funds, all funds
regarding the Operations required for the
deactivation and decommissioning of the Field shall
be directed to the benefit of the Federation. -----

23.9 The provision of guaranties for the
deactivation and decommissioning activities does
not exempt the Co-Venturers from performing all
necessary Operations for the deactivation and
decommissioning of the Field. -----

Assets to be Transferred -----

23.10 The general policy for the assets used by the Co-Venturers during the performance of the Operations of this Contract is the transfer of said assets to the Federation. -----

23.11 Under the terms of articles 29 item XV and 32, §§ 1 and 2 of Statute no. 12.351/2010, any and all movable or immovable assets, whether main or accessory, which constitute the Contract Area and that at the Contracting Party's discretion upon counseling by ANP are deemed necessary in order to allow the continuity of the Operations or which use is deemed as a public interest shall be transferred to and owned by the Contracting Party and managed by ANP if the Contract is terminated or portion of the Contract Area are returned. -----

23.11.1 Assets under lease or charter contracts

with terms shorter than the duration of this
Contract shall not be transferred to and owned by
the Contracting Party nor managed by ANP. -----

23.11.2 Assets with terms surpassing the duration
of this Contract shall include a clause allowing
for the assignment or novation to a new Party in
the lease or charter contract in order to ensure
the continuity of the Operations, as provided in
paragraph 14.9. -----

23.12 If there is sharing of assets for the
Operations between two or more Fields at a single
Contract Area, the Co-Venturers may retain said
assets until the end of Operations. -----

Removal of non-transferred Assets -----

23.13 Assets not to be transferred - including
mountable assets - shall be removed and disposed

of in an appropriate manner by the Co-Venturers. --

CLAUSE TWENTY FOUR - PERSONNEL, SERVICES AND

SUBCONTRACTS -----

Personnel -----

24.1 The Contractor, whether directly or otherwise,
shall hire all workforce required for the
performance of the Operations at its own risk,
being the sole employer of said workforce. -----

24.1.1 Hiring may be performed in Brazil or in
foreign countries, following the Contractor's
selective criteria, in accordance with the
Applicable Laws, including the obligation to meet a
minimal percentage of Brazilian employees. -----

24.2 The Contractor shall be solely responsible for
the duties regarding the entry, stay and departure
of foreign personnel in Brazil and

abroad. -----

24.3 The Contractor shall be in compliance with Applicable Laws regarding the maintenance and dismissal of employees, occupational accidents and industrial safety, being solely responsible for the withdrawal and payment of social security funds, severance/labor-related taxes and other relevant related fees in Brazilian laws. -----

24.4 The Contractor shall ensure the proper feeding and accommodation of its personnel on duty or commuting, considering quantities, quality, hygiene conditions, safety and health assistance provided in Applicable Laws. -----

24.5 The Contractor may remove or replace any technicians or team members at any time due to improper conduct, technical deficiency or bad

health conditions. -----

Services -----

24.6 Contracting of services may be performed in Brazil or in foreign countries, in accordance with the Applicable Laws, including the obligation to meet a minimal percentage of Brazilian employees. -

24.7 If any Affiliates are hired, the provision of services, the prices, the quality and other terms agreed upon must be competitive and compatible with the practices of the market, observing the provisions of Clause Twenty - Control of Operations and Assistance by ANP and by the Contracting Party.

24.8 The Contractor shall enforce the provisions of this Contract and of Applicable Laws in agreements made with subcontractors and suppliers.

24.9 The Contractor shall be solely and objectively liable for any activities of its subcontractors which result in damages or losses to ANP or to the Federation. -----

24.10 The Contractor shall update any logs and records of the services defined in paragraphs 24.1 and 24.6, in accordance with Applicable Laws. -----

----- **CLAUSE TWENTY FIVE - LOCAL CONTENT** -----

Contractor's Commitment to the Local Content -----

25.1 The Contractor shall: -----

25.1.1 Observe the Local Content defined in Annex IX - Commitment to the Local Content. -----

25.1.2 Preference to hiring Brazilian Suppliers, whenever their offers present more favorable or equivalent price, term and quality conditions in relation to non-Brazilian suppliers. -----

25.2 The acquisition or hiring processes for assets and services related to the fulfillment of this Contract shall: -----

a) include Brazilian suppliers among the suppliers invited to preset proposals; -----

b) provide contracting specifications also in Portuguese language; and -----

c) accept equivalent specifications, provided that the Best Practices in the Petroleum Industry are observed. -----

25.2.1 The acquisition of goods and services supplied by Affiliates is also subject to the specifications of this Clause. -----

Calculation of the Local Content -----

25.3 For calculation purposes, the Local Content of the goods and services shall be expressed in

percentages of the goods or services acquired or
hired. -----

25.3.1 The Local Content of the goods and services
shall be confirmed by ANP through the presentation
of the relevant Local Content Certificates. -----

25.3.2 Goods and services with Local Content below
10% (ten percent) shall be considered as foreign in
the calculation of the Local Content for the
fulfillment of contractual obligations. -----

25.3.3 Notwithstanding the aforementioned
paragraph, the Local Content regarding the
acquisition of drill bits, maritime projects to
obtain seismic survey data and drill rig charters
are admissible, even if the Local Content is lower
than 10% (ten percent). -----

25.4 The Local Content of Long Term Tests shall

not be calculated in the Local Content for the
Exploration Phase. -----

25.5 In order to determine the Local Content, the
monetary values related to the acquisition of goods
and services shall be converted to the month and
year when the specifications of this Clause are
confirmed to be met, such conversion to be made
through the General Prices Index of the Market
(IGP-M) of Fundação Getúlio Vargas. ----- 25.6

The milestones for the calculation of the Local
Content by ANP shall be: ----- a)
the completion of the Exploration phase; and --- b)
the completion of the Development Stage for
purposes of Local Content. -----

Development Stage for purposes of Local Content ---

25.7 For purposes of calculation of the Local

Content, the Development Stage shall start on the date for the presentation of the Merchantability Certificate and shall end, for each Module of the Development Stage, upon the first among the following occurrences: -----

a) five years have passed since the First Oil Extraction; -----

b) the waiver of the Development of the Module of the Development Stage; or -----

c) the investments provided in the Development Plan have been made. -----

Exemption from the Local Content Obligation -----

25.8 ANP may exceptionally exempt the Contractor from the obligation to meet the Local Content percentages for the hiring of certain goods or services, upon notification to the Contractor,

when: -----

a) there is no Brazilian Supplier for an asset or service; -----

b) all proposals received from Brazilian Suppliers offer excessively long delivery periods in comparison with non-Brazilian counterparts; -----

c) all proposals received from Brazilian Suppliers offer excessively expensive delivery price in comparison with non-Brazilian counterparts; -----

d) a certain technology is replaced by another, to which there is no offer for Local Content. In such case, the exemption from Local Content obligations applies only to the goods and services replaced with the new technology. -----

25.8.1 The exemption of the Local Content obligations is not extended to the global Local

Content percentages, therefore not resulting in any reduction in the global Local Content values. -

25.8.2 The request shall be made in details and presented to ANP during the phase or stage when the exemption is intended to be obtained. -----

25.8.3 If ANP grants the exemption defined in this paragraph due to the conditions presented in items "a", "b", "c" or "d", the Contractor is required to evidence the conditions presented for the exemption. -----

25.8.4 The exemption from the obligation to fulfill the Local Content does not apply to basic engineering and finishing engineering items. -----

Adjustments to Committed Local Content -----

25.9 The Contractor may request ANP for an adjustment to the Local Content that the

Contractor has committed to. -----

25.9.1 The request for reduction of the Local Content shall be made upon the budget headings of the Local Content table, considering the Local Content related to other budget headings. -----

25.9.2 The adjustments on a certain Local Content item does not extend to the global Local Content. -

25.9.3 The request shall be made formally, in details and presented in writing to ANP during the phase or stage when the exemption is intended to be obtained. -----

25.9.4 Items associated to basic engineering and finishing engineering may not be revised. -----

Surplus in Local Content -----

25.10 If the Contractor surpasses the Local Content it had originally committed to, whether

during the Exploration Phase, including Long Term Tests, or for a Module in the Development Stage, the value in excess, in Brazilian Reais, may be transferred to Modules of the Development Stage to be implemented later. -----

25.11 The surplus Local Content transferred may not be used to obtain items and sub-items related to basic engineering and finishing engineering. ---

25.12 The value of the investment in excess regarding Local Content originated from items and sub-items related to basic engineering and finishing engineering shall be transferred multiplied by 2 (two). -----

25.13 The transfer of surplus Local Content shall be directed to the Modules of the Development Stage according to its implementation order. -----

25.14 The transfer of the surplus Local Content

values: -----

a) requires prior authorization from ANP; -----

b) must be related to specific items indicated by
the Contractor upon the transfer request; and -----

c) does not exempt the Contractor from observing
the global Local Content percentages. -----

Fine for Failure to Observe the Local Content -----

25.15 Failure to comply with the Local Content
shall constitute the application of a fine upon the
Contractor. -----

25.15.1 The cost of the fine shall be calculated
with basis on the monetary value not met, Thereby
applying the following percentages: -----

a) If the non-compliance with the Local Content is
equal or higher than 65% (sixty five percent):

$\frac{NR}{V25}$, where NR is the Local Content Not Met; and -

b) If the non-compliance with the Local Content is equal or lower than 65% (sixty five percent): 60% (sixty percent). -----

25.16 If more than one item for the Local Content has failed to reach the committed percentages, the value of the fine shall be the sum of the fines for each item. -----

25.17 For the non-compliance with the global Local Content and with items specified in Annex IX - Local Content Commitment, the value of the fine to be applied to the items shall be offset against the value of the fine applied for non-compliance with the global Local Content. -----

25.18 For the non-compliance with the Local Content for items and related sub-items, as

provided in Annex IX - Local Content Commitment,
the value of the fine to be applied to sub-items
shall be offset against the value of the fine
applied for non-compliance with the Local Content
of items. -----

CLAUSE TWENTY SIX - OPERATIONAL SAFETY AND

ENVIRONMENT -----

Environmental Control -----

26.1 The Co-Venturers shall provide a safety and
environment management system that applies the Best
Practices in Petroleum Industry and observes the
Applicable Laws. -----

26.2 The Co-Venturers shall, without limitation: --

a) ensure an ecological balance for the
environment; -----

b) minimize the occurrence of impacts and/or

damages to the environment; -----

c) ensure the safety of Operations in order to
protect human life and the environment; -----

d) ensure the protection of Brazilian cultural and
historical heritage; -----

e) repair damaged environment according to the
technical requests made by competent environmental
institutions. -----

26.3 If there is the need for a Public Hearing, as
a result of an environmental license obtained with
a competent institution, the Co-Venturers shall
send a copy of the studies to ANP in order to
obtain the licenses before the date of the Hearing.

26.4 The Co-Venturers shall present ANP with copies
of the environmental licenses and of their

updates within 30 (thirty) days after they are obtained, or in a shorter period if so required, in order to allow for the making of an authorization that would need such documents. -----

26.5 The Co-Venturers shall notify ANP and the competent authorities immediately of any occurrence resulting from an accidental fact or action which involves risks or damages to the environment or to human health, material losses, damages to own or third party properties, fatalities or serious injuries to own or third party personnel or non-scheduled suspensions in the Operations. -----

26.6 The Co-Venturers shall immediately inform the competent authorities about the occurrence of any spill or loss of Oil and Natural Gas and other

incidents to the competent authorities and notify
the measures taken to solve the problem. -----

26.6.1 During the term of this Contract, the Co-
Venturers shall send a report of the greenhouse gas
emissions to the Contracting Party and to ANP by
May 31st of each year, detailing the use of said
gases by type of source. -----

26.6.2 The Co-Venturers shall present ANP and other
competent institutions with a contingency plan
related to accidents with Oil, Petroleum products
and Natural Gas spills. -----

26.6.3 The Co-Venturers agree to perform an
environmental audit of the entire extraction and
distribution process for Oil and Natural Gas -----
from the Contract Area, issuing the results to the
Contracting Party, to ANP and to other competent

institutions. -----

----- **CLAUSE TWENTY SEVEN - INSURANCES** -----

Insurances -----

27.1 The Contractor shall provide and ensure the validity of insurance coverage for all cases required by Applicable laws during the term of this Contract, without loss to the Contractor's responsibilities in this Contract. -----

27.1.1 The coverage of said insurances shall include: -----

- a) Assets; -----
 - b) Personnel; -----
 - c) Extraordinary expenses during well operations; -
 - d) Cleaning after accident; -----
 - e) Decontamination after accident; and -----
 - f) Third party liability for environmental
-

damages. -----

27.1.2 The Contractor shall include the Contracting Party and ANP as beneficiaries of the policies, when applicable, without loss to the right of the Contracting Party and of ANP to a full reimbursement of the losses and damages exceeding any occasional indemnity received from the insurance. -----

27.2 Self-coverage is allowed, provided that it is authorized by ANP. -----

27.3 Insurance through Affiliates is permissible provided that it is from a company authorized by the Private Insurance Superintendency (SUSEP) to perform Insurance activities and previously authorized by ANP. -----

27.4 The policies and global insurance programs

for the Contractor shall be used for the purposes
of this Clause, provided that they are previously
authorized by ANP. -----

----- **CHAPTER VI - GENERAL PROVISIONS** -----

----- **CLAUSE TWENTY EIGHT - CURRENCY** -----

Currency -----

28.1 The currency for all purposes in this Contract
shall be the Brazilian Real. -----

---- **CLAUSE TWENTY NINE - ACCOUNTING AND AUDIT** ----

Accounting -----

29.1 According to Applicable Laws, the Contractor
shall: -----

a) keep all documents, books, papers, records and
other registries; -----

b) keep evidence documents required for the
calculation of the Local Content and of the

Governmental and Third Party shares included in the
accounting data; -----

c) write any applicable entries; and -----

d) present accounting and financial statements. ---

29.1.1 Provide ANP with a quarterly report on
quarterly costs with Exploration, Development and
Production and a local investment report regarding
Exploration and Development under the terms of
Applicable Laws. -----

Audit -----

29.2 The Managing Party and ANP shall perform the
accounting and financial audits for this Contract
and the audits on -----
calculation statements for Government Shares, under
the terms of article 4, ----- items
"d" and "e" of Statute no. 12.304/2010, and

article 43, item VII of Statute no. 9.478/1997. ---

29.2.1 The audits may be performed directly or
through agreements with third parties. -----

29.2.2 The performance of audits shall be notified
30 (thirty) days in advance. -----

29.2.3 The Managing Party and ANP shall have full
access to the documents, books, papers, records and
other registries, including contracts and
agreements made by the Contracting Party related to
the acquisition of goods and services for
Operations regarding the last five years. -----

29.2.4 The Contractor is responsible for any
information occasionally disclosed to third
parties. -----

29.2.5 The Contractor shall make the relevant Local
Content Certificates available for ANP, as

well as any contracts, tax documents and other
evidence related to the goods or services acquired
for 10 (ten) years. -----

29.2.6 Failure to perform an audit shall not exempt
the Contractor's responsibility for the lawful
fulfillment of obligations. -----

CLAUSE THIRTY - ASSIGNMENT OF RIGHTS AND

OBLIGATIONS -----

Assignment -----

30.1 The Contract Area may be assigned, upon prior
approval by the Contracting Party and counseling by
ANP. -----

30.1.1 The Assignment may result in the
modification of the Consortium or in the division
of the Contract Area. -----

30.1.2 In any Assignment, the right of preference

to other Contractors must be observed, as provided
in Annex XI - Consortium Rules of the Contract. ---

30.1.3 Any Contractor may withdraw from the
Consortium under the terms of Annex XI - Consortium
Rules, without losses for the other Contractors. --

30.2 An Assignment policy shall apply in the
following situations: -----

a) Merger, spin-off, absorption of company
integrating the Consortium; -----

b) Direct or indirect modification of corporate
constitution implying in the transfer of the
control of shares from the Contractor or from the
majority of its share capital; or -----

c) Withdrawal as provided under the terms of Annex
XI - Consortium Rules. -----

30.3 Assignments of rights and obligations shall only apply to companies that meet the technical, legal and economic requirements determined by the Contracting Party, advised by ANP. -----

30.4 Petrobras may only assign the portion of its rights and obligations which is at a higher percentage than of its minimum obligatory share. --

Indivisible Rights and Obligations -----

30.5 The Assignment of a Contract Area in part or in full shall always be an indivisible assignment of rights and obligations of the Contractor, considering the joint and several liability between the assignor and the assignee, under the terms of Applicable Laws and of the provisions of paragraph

30.4. -----

Partial Assignment of Areas in the Exploration

Phase -----

30.6 If the Contracting Party, advised by ANP, authorizes an Assignment of rights and obligations that will result in the division of a Contract Area, the area to be assigned and the remaining area shall be involved by a single polygonal line drawn according to the criteria established by ANP.

30.6.1 The resulting areas shall be independent from each other for all purposes, including the calculation of Governmental Revenue. -----

30.6.2 ANP may determine an additional Minimal Exploration Program for the areas being divided. --
Assignment of Areas in the Production Phase -----

30.7 Assignment of rights and obligations of part of a Field is not permissible, except as an

alternative to an Individualization Agreement, at the Contracting Party's discretion, advised by ANP.

30.8 The Consortium shall always contain a maximum of 7 (seven) members. -----

Required Documents -----

30.9 The requests for Assignment of rights and obligations shall be issued to ANP, which will analyze the relevant documents and issue a declaration to the Contracting Party. -----

30.10 Documents that evidence the assignor compliance with technical, legal and economic requirements of the Contracting Party, advised by ANP, shall not be requested when the assignor has previously been qualified in this Contract, provided that the documents are up-to-date. -----

**Invalidity of the Assignment of Rights and
Obligations and Requirement for Prior Express**

Approval -----

30.11 Any Assignment of rights and obligations not
in compliance with this Clause shall be void. -----

30.11.1 The Assignment of this Contract without
prior express approval by the Contracting Party,
advised by ANP, shall be considered void and
constitutes a violation with possible application
of sanctions provided in this Clause and in Clause
Thirty One - Relative Default and Penalties of this
Contract and in Applicable Laws. -----

Assignment Approval -----

30.12 ANP shall issue a declaration to the
Contracting Party about a proposed Assignment
within 90 (ninety) days since the request is

received. -----

30.12.1 ANP may request modifications or require additional documents to support the analysis. -----

30.12.2 Said modifications or requirements shall be performed within 30 (thirty) days since the request by ANP is made, thereby applying the term provided in paragraph 30.12 after all requested documents have been presented. -----

30.12.3 After the ANP declaration is received, the Contracting Party shall make a decision about the Assignment request within 60 (sixty) days. -----

30.12.4 The process of Assignment of rights and obligations shall be invalidated if ANP requirements are not met within the specified period. -----

30.13 Within 30 (thirty) days after the approval

of the Assignment of rights and obligations, the Contractor shall issue duly signed copies of the Consortium Contract or of the Contract amendment Agreement to ANP or otherwise the publication of the invalidation certificate at a competent company registration entity. -----

30.14 The approval of the Assignment of rights and obligations of a certain Contract Area by the Contracting Party, advised by ANP, shall only occur if the assignee and assignor are in compliance with the Government Revenues and conditioned to fulfill other obligations for ANP, except in the instance provided in paragraph 32.4.2. -----

Assignment Approval -----

30.15 Upon approval of the Assignment of rights

and obligations by the Contracting Party, advised by ANP, the Contract shall be amended in order to make the Amendment effective, except as provided in paragraph 30.17. -----

30.16 The Co-Venturers shall execute the amendment that shall formalize the new Consortium agreement within 30 (thirty) days since the Assignment approval date. -----

30.16.1 The amendment executed by the Parties shall be effective since the publication of its copy in the Official Federal Bulletin. -----

New Production Sharing Contract -----

30.17 If a division of the Contract Area provided in paragraph 30.6 is made, a new Production Sharing Contract shall be executed for each new area after the division, while maintaining the

same obligations, programs and schedules of the original Contract. -----

30.18 After the approval of the Assignment of rights and obligations, the Contracting Party shall assemble ANP and the Co-Venturers to execute the new Production Sharing Contracts within 30 (thirty) days. -----

30.19 The new Production Sharing Contracts executed by the Parties shall be effective since the publication of its copy in the Official Federal Bulletin. -----

CLAUSE THIRTY ONE - RELATIVE DEFAULT AND PENALTIES

Legal and Contractual Sanctions -----

31.1 If the Contractor is in default of its contractual obligations or if it completes its duties in different places, terms or way than as

was agreed upon, shall consider the application of specific sanctions against the Contractor, without prejudice to the liability for occasional losses and damages caused by the default. -----

31.2 A Failure to fulfill the Applicable Laws shall constitute grounds for legal and administrative sanctions to be applied against the Contractor, without prejudice to the application of contractual sanctions provided in paragraph 31.1. -----

CLAUSE THIRTY TWO - TERMINATION AND END OF THE

CONTRACT -----

Termination with Cause -----

32.1 This Contract may be terminated with cause in the following situations: -----

- i. the term provided in Clause Four - Term is
-

surpassed. -----

ii. the Exploration Phase ends without the Minimal Exploration Program having been met. -----

iii. at the end of the Exploration Phase if no Commercial Discoveries occur. -----

iv. if the Contractor decides to withdraw from the Contract during the Exploration Phase. -----

v. The Co-Venturers refuse totally or partially to execute the Production Individualization Agreement, upon decision by ANP. -----

vi. in all other situations provided in the Contract. -----

Termination by mutual agreement between the parties: Termination -----

32.2 This Contract may be terminated at any moment upon mutual agreement between the Parties, without

prejudice to the obligations established in Clause
Ten - Exploration Phase. -----

Termination during the Production Phase -----

32.3 The Co-Venturers may terminate this Contract
at any time during the Production Phase,
withdrawing from any Fields upon notification
issued to the Contracting Party. -----

32.3.1 The Co-Venturers shall not stop or suspend
the Production committed in the Production Programs
for the relevant Fields for the minimum period of
180 (one hundred and eighty) days since the date
the notification to terminate the Contract was
sent. -----

Termination due to complete default: Dissolution

32.4 This Contract may be dissolved in the
following cases: -----

(a) Co-Venturer's failure to fulfill contractual obligations within the terms established by ANP, not included in a termination with cause situation;

(b) Contractor's (other than the Operator) bankruptcy; -----

(c) Contractor's (other than the Operator) requirement for a reorganization plan (Chapter 11 bankruptcy). -----

32.4.1 In order to dissolve the Contract, the term provided in item "a" cannot be shorter than 90 (ninety) days, except in extreme cases or in the option of the sanctions provided in paragraph 32.9.

32.4.2 The dissolution shall be effective only regarding the Contractor in default, and said

Contractor may transfer its rights and obligations in this Contract to other Contractors according to the terms of Clause Thirty - Assignment of Rights and Obligations. -----

32.4.3 In any of the situations provided in item "b", a 90 (ninety) days term shall be given since the date of said events in order for the Contractor to assign its rights and obligations.

32.5 The dissolution shall be effective only regarding the Contractor in default, and said Contractor may transfer its rights and obligations in this Contract. -----

32.5.1 If no Assignment is made regarding the Contractor in default, the Contracting Party, advised by ANP, shall dissolve the Contract with the Contractor in default without prejudice to the

rights and obligations of other Contractors. -----

32.6 The dissolution of this Contract as provided in paragraph 32.4 shall be done after the verification of absolute failure of the Contractor to comply with the administrative process, despite being given powers for its own defense. -----

Consequences of the Dissolution -----

32.7 After this Contract is dissolved by the Contracting Party, advised by ANP, the Contractor shall be responsible for any losses and damages resulting from its default and from the dissolution, thereby bearing all applicable indemnities and remedies. -----

32.8 Under any termination or dissolution circumstances provided in this Clause Thirty Two - Extinction and Dissolution of the Contract, the

Contractor shall have no right to reimbursements. -

Option for Sanctions -----

32.9 The Contracting Party shall not dissolve this Contract and shall propose the application of the sanctions provided in Clause Thirty One - Relative Default and Penalties when: -----

(a) the default by the Co-Venturers in this Contract is not deemed as a material breach at the Contracting Party's discretion, advised by ANP. --

(b) there is confirmation that there were diligent actions in order to correct the defaulted time. ---

CLAUSE THIRTEEN - ACT OF GOD, FORCE MAJEURE AND SIMILAR CAUSES -----

Total or partial exemption -----

33.1 The Parties may only be exempt from the fulfillment of the obligations committed in this

Contract in the occurrence of an Act of God, Force Majeure and similar causes that could justify the default as in the administration office occurrence, the prince occurrence and unexpected interference.

33.1.1 The exemption of the defaulting Co-Venturers obligations shall occur in consideration of the of obligations in this Contract which fulfillment became impossible due to the occurrence of an Act of God, Force Majeure or similar causes confirmed by the Contracting Party, advised by ANP.

33.1.2 The Contracting Party's decision of acknowledging the occurrence of an Act of God, Force Majeure or similar causes shall include the portion of the Contract to be exempted or

extended. -----

33.1.3 The acknowledgement of the occurrence of an Act of God, Force Majeure or similar causes does not exempt the Contractor from the payment of Governmental Revenues. -----

33.2 Upon the occurrence of events deemed as Act of God, Force Majeure or similar causes, the affected Party shall notify the other Party immediately, formally and in writing, specifying the circumstances, causes and consequences. Likewise, the end of said events shall also be notified. ----

Modification, Suspension and Termination of the

Contract -----

33.3 After the end of the Act of God, Force Majeure or similar causes, the Co-Venturers shall

fulfill the previously affected and exempted obligations, with an extended period for fulfillment of such obligations for a period equivalent to the duration of the event. -----

33.3.1 Depending on the degree and seriousness of the effects of the Act of God, Force Majeure or similar causes, the Parties may agree to amend the Contract or terminate it. -----

33.3.2 Depending on the degree and seriousness of the effects of the Act of God, Force Majeure or similar causes, the Contracting Party, advised by ANP, may suspend the course of the contract term regarding the affected portion of the Contract. ---

Environmental License -----

33.4 The Contracting Party, advised by ANP, may suspend the Contract term upon the occurrence of a

confirmed delay in the process for obtaining a license due to exclusive fault by the competent environmental entities. -----

33.4.1 The lack of issuance by competent environmental authorities of a license required for the performance of exploration activities due to stricter regulations and criteria for licensing established after the Contract was executed may constitute grounds for a contract termination without any rights for indemnities for the Co-Venturers. -----

Losses -----

33.5 The Contractor shall bear all losses from events such as Act of God, Force Majeure or similar causes. -----

----- **CLAUSE THIRTY FOUR - CONFIDENTIALITY** -----

Co-Venturers' obligations -----

34.1 All data and information acquired, processed, produced, developed or otherwise obtained as a result of the Operations and of the Contract shall be strictly confidential and, therefore, shall not be disclosed by the Co-Venturers without prior formal written consent by ANP, except: -----

a) if the data and information are or become public through third parties authorized to disclose them;

b) if there is the need to disclose said data and information due to a legal requirement or court demand; -----

c) if the disclosure is performed according to the regulations and limits imposed by the stock market where the Contractor's shares are being



negotiated; -----

d) if the data and information are disclosed to an
Affiliate, consultant or hired agent; -----

e) if the disclosure is required by a financial
institution or by an Insurance company; -----

f) if the disclosure is directed to a possible
assignee in good faith, to an Affiliate or a
consultant; and -----

g) if the disclosure is directed to an Assignee or
Contractor of other Oil and Natural Gas Exploration
and Production regime, or otherwise its Affiliate
or a consultant in order to execute a Production
Individualization Agreement. -----

34.1.1 Under the circumstances provided in items
"d", "e", "f" and "g", the disclosure of data and
information shall be limited to a prior formal

confidentiality agreement in writing. -----

(a) The agreement shall provide that the latter shall observe the provisions of paragraph 34.1 and, in case of a violation, shall be subject to the provisions of Clause Thirty One - Relative Default and Penalties, although without the benefit of the exceptions provided in Items (a) through (f) in paragraph 34.1 for disclosure of data and information without prior consent of the Contracting Party. -----

34.1.2 The latter shall not have the benefit of the exceptions provided in items "a" through "g" regarding the disclosure of data and information without prior consent of the Contracting Party. ---

34.1.3 Under the circumstances provided in items "a" through "g", the Co-Venturers shall issue a

notification to the Contractor within 30 (thirty) days since the disclosure. -----

(a) The notification shall include the data and/or information disclosed, the reasons for the disclosure and a list of third parties that had access to such data and/or information. -----

(b) Under the circumstances provided in items "a" through "g", a notification shall be issued including also a copy of the confidentiality agreement also mentioned in 34.1.1. -----

34.2 The provisions of paragraph 34.1 shall remain effective and shall survive the end of this Contract. -----

Contracting Party's and ANP's Commitment -----

34.3 The Contracting Party and ANP agree to not disclose any data and information obtained for the

Operations and regarding the portions retained by
the Co-Venturers. -----

34.3.1 Such provision shall not apply if the
disclosure is required for the fulfillment of
applicable legal provisions or in order to enable
the purposes to which it was originally intended. -

**CLAUSE THIRTY FIVE - NOTIFICATIONS, REQUESTS,
COMMUNICATION AND REPORTS -----**

**Notifications, Requests, Plans, Programs, Reports
and other Information -----**

35.1 Notifications, requests, plans, programs,
reports or any other information provided in this
Contract shall be formally written and delivered
personally, with a protocol, or delivered by mail
or courier, with proof of reception. -----

35.1.1 The acts and communications regarding this

Contract shall be written in Portuguese language,
except for the initial drilling report and the ----
initial incident report, if signed by a legal
representative of the Co-Venturers or by an
attorney with specific powers. -----

Address -----

35.2 The addresses of the recipients are provided
in Annex VIII - Address. -----

35.2.1 In case of a change in address, the
recipients agree to notify the other recipients
about the new address at least 30 (thirty) days
before the address is changed. -----

Term and Effectiveness -----

35.3 Notifications resulting from this Contract
shall be considered valid and effective since the
date they are received. -----

Modifications of the Bylaws -----

35.4 The Co-Venturers shall notify ANP within 30 (thirty) days after the execution of new bylaws or articles of association by issuing copies of said documents, of the documents regarding the election of their current administrator or evidence of their current board. -----

----- CLAUSE THIRTY SIX - APPLICABLE LAWS -----

Applicable Laws -----

36.1 This Contract shall be interpreted and governed according to the Brazilian laws. -----

Amicable Solutions -----

36.2 The Parties and all signatories of this Contract agree to make all reasonable efforts in order to solve any disputes arising out of this Contract in good faith. -----

36.2.1 The Parties and other signatories may mutually request an independent consultant, provided that such agreement is made formally and in writing, in order to obtain a complete solution to end the dispute. -----

36.2.2 If such agreement is made, the arbitration may only occur after the issuance of a declaration by the consultant. -----

Suspension of Activities -----

36.3 ANP shall decide on the whether or not to suspend the activities affected by the dispute. ---

36.3.1 The basis of the decision shall consider the need to avoid any nature of personal risks or risks to materials, especially regarding the Operations.

Arbitration -----



36.4 If one of the Parties or signatories deems impossible any condition for an amicable solution of the dispute or controversy, said Party or signatory may submit the dispute or controversy to an arbitration process ad hoc, using the current regulations as a parameter (Arbitration Rules by the United Nations Commission on International Trade law - UNCITRAL and in accordance with the following precepts: -----

a) The choice of arbitration shall follow the principles established in the Regulations of the UNCITRAL Arbitration. -----

b) Three arbiters shall be chosen. Each stakeholder shall elect an arbiter. The two elected arbiters shall indicate the third one, who shall be the chairman. -----

c) Upon agreement of the stakeholders, a single
arbiter may be elected in circumstances that do not
involve great amounts. -----

d) The city of Rio de Janeiro, Brazil, shall be the
venue for the arbitration process and jurisdiction
for enforcement of the sentence. ----- e) The

language to be used during the arbitration process
is Portuguese. The stakeholders may, however,
instruct the process to create records or documents
in any other language the arbiters so decide,
without the need for an official translation. -----

----- f) All costs
necessary for the installation and development of
the arbitration process such as attorneys' fees and
consultancy fees shall be exclusively bore by the
Contractor. The

Contracting Party shall reimburse said values if so
sentenced by the arbiters. -----

g) The arbiters shall render a decision with basis
on Brazilian laws. -----

h) The sentence shall be final and binding. Any
values owed by the Contracting Party or by ANP
shall be paid off through a judiciary bond, except
in cases of administrative acknowledgement of the
request. -----

i) If precautionary or incidental measures or
otherwise other provisional measures are required
before the arbitration takes place, the stakeholder
may request them directly from the Legal Power with
basis on Applicable Laws. -----

36.5 The stakeholders may mutually agree to take
the arbitration process to the International

Arbitration Court of the International Chamber of
Commerce or to other recognized Arbitration Chamber
with good reputation, in accordance with the
precepts established in items (b) through (i) of
paragraph 36.4. -----

36.5.1 If the dispute or controversy exclusively
involves Public Administration figures, the matter
may be submitted to the Conciliation and
Arbitration Chamber of the Federal Administration -
CCAF of the Main Federal Law Office in Brazil ---

Venue -----

36.6 For the provisions of item (f) of paragraph
36.4 and for matters not related to property
rights, under the terms of Statute no. 9.307/1996,
the Parties elect the Brazilian Federal Justice
Section of Brasília, Federal District. Brazil, as

the only competent venue, expressly waiving the option of any other, however privileged it may be.

Performance of the Contract -----

36.7 The Contractor shall maintain valid licenses and qualifications required in the bidding during the entire performance of the Contract, in compliance with all commitments made. -----

Continued Applicability -----

36.8 The provisions of this Clause shall remain effective and shall survive the end of this Contract. -----

----- CLAUSE THIRTY SEVEN - MISCELLANEOUS -----

Modifications and Amendments -----

37.1 The omission or tolerance by any of the Parties in the enforcement of provisions of this Contract, and the acceptance of a different

performance than the performance provided herein shall not constitute a novation nor shall limit the rights of said Party if, subsequently, said Party imposes the compliance of such provisions or requires performance as contractually established.

37.2 Any modifications or amendments to this Contract shall be made with strict observance of the Applicable Laws, only being valid if executed formally in writing by the representatives of the Parties. -----

Headings -----

37.3 The headings of the paragraphs, clauses and chapters used in this Contract were used only for purposes of identification and reference, but shall not be deemed to modify the interpretation of the rights and obligations of the Parties. -----

Publicity -----

37.4 The Contracting Party shall announce the whole text or copy of the terms of this Contract in the Official Bulletin of the Federation in order to validate it erga omnes. In witness whereof, the Parties execute this Contract in 08 (eight) counterparts with equal form and content, and for the same purposes, at the presence of the witnesses indicated below. ----- Brasília, December 2nd, 2013. -----

[Document bears signature] -----

Ministry of Mining and Energy - MME -----

Edison Lobão -----

Minister -----

[Document bears signature] -----

National Agency for Petroleum, Natural Gas and

Biofuels - ANP -----

Magda Maria de Regina Chambriard -----

General Manager -----

[Document bears signature] -----

Pré-Sal Petróleo S.A. - PPSA -----

Oswaldo Antunes Pedrosa Júnior -----

President -----

[Document bears signature] -----

Petróleo Brasileiro S.A. - PETROBRAS -----

Maria das Graças Silva Foster -----

President -----

[Document bears signature] -----

Shell Brasil Petróleo Ltda. -----

André Lopes de Araújo -----

President Director -----

[Document bears signature] -----

Total E&P do Brasil Ltda. -----

Denis Jacques Henry Palluat de Besset -----

General Manager -----

[Document bears signature] -----

CNODC Petroleo-Petróleo e Ltda. -----

Bo Qiliang -----

Attorney in fact -----

[Document bears signature] -----

CNOOC Petroleum Brasil Ltda. -----

Sheng Jianbo -----

Attorney in fact -----

Witnesses: -----

[Document bears signature] -----

Name: Helder Queiroz Pinto Junior -----

Individual Taxpayer Registry No. (CPF):

870.165.917-00 -----

[Document bears signature] -----

Name: Marco Antônio Martins Almeida -----

Individual Taxpayer Registry No. (CPF):

221.163.621-72 -----

----- **ANNEX I - CONTRACT AREA** -----

Cartographic Parameters used for the Coordinates --

* Geographic system -----

* Datum: SAD-69 -----

* Point - Latitude - Longitude -----

1 - 24 30 0.000 S - 42 22 30.000 W -----

2 - 24 30 0.000 S - 41 56 15.000 W -----

3 - 24 35 0.000 S - 41 56 15.000 W -----

4 - 24 35 0.000 S - 41 48 45.000 W -----
 5 - 24 50 0.000 S - 41 48 45.000 W -----
 6 - 24 50 0.000 S - 42 0 0.000 W -----
 7 - 24 45 0.000 S - 42 0 0.000 W -----
 8 - 24 45 0.000 S - 42 15 0.000 W -----
 9 - 24 42 30.000 S - 42 15 0.000 W -----
 10 - 24 42 30.000 S - 42 18 45.000 W -----
 11 - 24 40 0.000 S - 42 18 45.000 W -----
 12 - 24 40 0.000 S - 42 22 30.000 W -----
 13 - 24 30 0.000 S - 42 22 30.000 W -----

----- ANNEX II - MINIMAL EXPLORATION PROGRAM -----

Minimal Exploration Program and Financial

Guaranties -----

Area Designation	Area (km ²)					Value of the Financial Guaranty of the First Period (R\$)
		Exploration Well	Exploration Well Minimum Depth of well (age)	2D Seismic Survey (km)	3D Seismic Survey (km ²) ¹	



Libra	1.547,76	2 wells and 1 Long Term Test	Fm. Itapema (Barremiano/ Eoaptiano)	-	1.547,00	610.903.087,00
Value of the Guaranty per activity (in full)		Six hundred and ten million, nine hundred and three thousand eighty seven Reais				

Exploration Phase -----

Duration of the Exploration Phase (years)
4 (four) years

1. For the purposes of the fulfillment of the Minimal Exploration Program, the time between the date of the purchase of the datum and the completion date for the data acquisition campaign shall be at most 5 (five) years. The Co-Venturers may replace 5 linear km of non-exclusive 2D seismic surveys for 1 km² of non-exclusive 3D seismic surveys. -----

ANNEX III - FINANCIAL GUARANTY REGARDING

EXPLORATION ACTIVITIES -----

Financial guaranties for the Minimal Exploration Program shall be offered as irrevocable letters of credit, financial insurance, oil pledge contract and as provided in the Bid Rules for the Area of this Production Sharing Contract. -----

Copies of delivered financial guaranties regarding the Minimal Exploration Program are found below. --

----- ANNEX IV - PERFORMANCE WARRANTY -----

Copy of documents delivered as warranties of performance, as provided in the Bid Rules, when applicable, are found below. -----

----- ANNEX V - GOVERNMENTAL REVENUES -----

Under the terms of Statute no. 12.351/2010, the Contractor shall pay for the following Governmental Revenues: -----

a) Signature bonuses paid by the Contractor,
according to the bidding rules, with the prices
below: -----

Signature bonus paid by the Contractor		
Área (Km ^²)	Value paid (R\$)	Value paid (in full)
1,547.76	15,000,000,000.00	Fifteen billion Reais
Total paid in the Contract	15,000,000,000.00	Fifteen billion Reais

b) Royalties at the amount corresponding to 15%
(fifteen percent) of the Total Oil and Natural Gas
Production Volume obtained in the Contract Area. --

**ANNEX VI - GENERAL INSTRUCTIONS FOR THE EXPLORATION
PLAN -----**

1. GENERAL INFORMATION -----

1.1 The General Information for the Exploration
Plan determine the objective, content and the

procedures for -----

its presentation to the National Agency for
Petroleum, Natural Gas and Biofuels - ANP -----

1.1.1. The Exploration Plan shall include at least
the Minimal Exploration Program. -----

1.1.2 The performance of activities of the Minimal
Exploration Program may be started before the
approval of the Exploration Plan, provided that ANP
is notified in advance. -----

1.1.3 The first Exploration Plan shall be presented
by the Co-Venturers at most 120 (one hundred and
twenty) days after the date established in the
Contract for organizing an Operational Committee. -

1.1.4 If the Co-Venturers are interested in
performing additional exploratory activities

beyond the Minimal Exploration Program, the Co-Venturers shall present ANP with a revised Exploration Plan 120 (one hundred and twenty) days before the beginning of said activities. -----

1.1.5. The additional activities shall start after the approval of the Exploration Plan. -----

1.1.6. At ANP's discretion, ANP may authorize the start of the additional activities before the approval of the Exploration Plan. -----

1.1.7 ANP shall approve or request modifications from the Co-Venturers within 60 (sixty) days since Exploration Plan is received. If ANP requests such modifications, the Co-Venturers shall present them within 60 (sixty) days after receiving said requests, thereby repeating the procedure defined in this paragraph. The performance of Exploration

activities underway shall be suspended if
reasonably required by ANP. / -----

2. OBJECTIVE -----

2.1. The Exploration Plan shall: -----

- a) be created according to the instructions
contained in this Annex for its approval; -----
- b) contain detailed and complete information so as
to enable its approval; and -----
- c) allow ANP to understand, monitor and survey the
exploration activities contained in it. -----

3. CONTENT OF THE EXPLORATION PLAN -----

3.1. The Exploration Plan shall contain: -----

the names of the Co-Venturers; the name of the
Operating Party, the identification of the Contract
Area; the name of the sedimentary Basin; the number
of the Contract; -----

a schedule of exploration activities for the Exploration Plan and the budgets expected each year with basis on attached spreadsheet; and ----- The estimated minimum percentage to be hired as Local Content. -----

I. An executive summary encompassing the geological background of the Contract Area (including a map for localization) and the description of the exploration activities expected, presenting justifications; -----

3.2. The approval of the Exploration Plan by ANP does not imply in the automatic recoup of the resources expected in it. -----

4. MODIFICATIONS TO THE EXPLORATION PLAN -----

4.1 Any modification to the Exploration Plan shall be notified formally to ANP and shall include

technical justifications for it. -----

4.2. ANP shall have 60 days to evaluate and approve the modifications proposed for the Exploration Plan. -----

4.3. ANP may request any complementary information ANP deems relevant at any time, and may also require an oral presentation of the Exploration Plan and of its revisions. -----

4.4 Modifications to the Exploration Plan do not exempt the Co-Venturers of completely fulfilling the Minimal Exploration Program. -----

4.5. The approval of the Report on Completion of the Exploration Plan by ANP does not imply in the automatic recoup of the resources included in it. -

Table 01: Template of the Exploration Plan

Spreadsheet -----

DESCRIPTION		Unit	ACTIVITIES –EXPLORATION PLAN				
1- SURVEYS			First	Second	Third	Fourth	
1.1.- GEOPHYSICAL							
1.1.1 - GRAVIMETRY							
DATA ACQUISITION		km					
PROCESSING		mh					
INTERPRETATION		mh					
1.1.2-MAGNETOMETRY							
DATA ACQUISITION		km					
PROCESSING		mh					
INTERPRETATION		mh					
1.1.3- MARINE SEISMIC DATA ACQUISITION	2D	DATA ACQUISITION	km				
		PROCESSING	mh				
		INTERPRETATION	mh				
	3D	DATA ACQUISITION	km ²				
		PROCESSING	mh				
		INTERPRETATION	mh				
1.1.4- LAND SEISMIC DATA ACQUISITION	2D	DATA ACQUISITION	km				
		PROCESSING	mh				
		INTERPRETATION	mh				
	3D	DATA	km ²				

		ACQUISITION							
		PROCESSING	mh						
		INTERPRETATION	mh						

1.1.5- ELECTRO-MAGNETIC							
DATA ACQUISITION		Km/Receptor					

BUDGET- EXPLORATION PLAN (Thousands of R\$)								Estimate - Local Content
	First	Second	Third	Fourth				

PROCESSING	mh				
INTERPRETATION	mh				
1.2- GEOCHEMICAL (Specific)					
DATA ACQUISITION					
PROCESSING	mh				
INTERPRETATION	mh				
1.3- OTHER SURVEYS (Specify)					
DATA ACQUISITION					
PROCESSING	mh				
INTERPRETATION	mh				

--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--

Units

7.1.1- Environmental Licensing									
--------------------------------------	--	--	--	--	--	--	--	--	--

BUDGET- EXPLORATION PLAN (Thousands of R\$)						Estimate - Local Content
YEAR						
First	Second	Third	Fourth	Fifth	Sixth	

Exploration Plan SPREADSHEET NOTES -----

HEADER: YEAR: Indicate the year when the program will be performed; Contract Area: Indicate the area in which the program will be performed:

BASIN/STATE: Indicate the Sedimentary Basin and Federation State in which the area is located;

OPERATOR: Indicate the name of Contract Area

Operator: CONTRACT No.: Indicate the contract

number; DATE OF ISSUE: Indicate the date when the document will be delivered to Brazilian Oil Agency (ANP). -----

DESCRIPTION OF ITEMS: -----

1. SURVEYS: 1.1.-GEOPHYSICAL SURVEYS: Surveys required for land or marine data acquisition through Gravimetric, Magnetometric and Seismic methods. The measurement units for those tasks are the following: Gravimetric: km, Magnetometric: km, Seismic 2D - km. Seismic 3D - km²; 1.2-GEOCHEMICAL SURVEYS: Surveys required for land or marine geochemical data acquisition, in surface or under surface (0/7 Slick, Piston Core, etc.). The field regarding the measurement unit of those tasks

shall be filled according to the type of task performed; 1.3-OTHER SURVEYS refer to any other type of survey not specified in other items, such as: GPR (Ground Penetrated Radar), VSP (Vertical Seismic Profile), etc. The units shall match each type of survey: OF ACQUISITION: When any of the surveys mentioned above are non-exclusive, such specification shall be placed in parenthesis beside the type of survey. -----

2. PROCESSING: Indicate the processing of data from geophysical, geological and geochemical surveys performed during the reference year or in previous years. The type of processing or reprocessing performed must be specified. The measurement unit for processing or reprocessing shall be kilometer or square kilometer. -----

3. INTERPRETATION: It refers to interpretation of geophysical, geological and geochemical data already processed or reprocessed. The measurement unit for interpretation shall be man-hour (mh). ---

4. STUDIES: 4.1-GEOPHYSICAL - 4.2-GEOLOGICAL - 4.3-GEOCHEMICAL: Indicate if there is an estimate of any type of geophysical, geological and geochemical study, such as, for example: AVO, Seismic and Petrophysical Modeling, Cutterhead or Core Analysis, Oil Analysis, etc. If there is any, it must be specified. As this is a very broad item, the unit shall be filled in accordance with the type of study performed. -----

5. OTHERS: This item shall be used to specify any other type of service (PHYSICAL) which is not specified in previous items. -----

Administration fees, expenditures with supporting staff, indirect costs, etc., must NOT be included in this item. -----

6. ENVIRONMENT: Environmental Licensing: Indicate the number of licenses that will be obtained with the environmental body in order to develop the exploration activities. -----

7. WELL: DRILLING: Indicate the number of wells that will be drilled, indicating the estimated depth in parenthesis; - EVALUATION OF WELL: Indicate the number, types and petrophysical analyses; indicate the number and types of loggings and the number and type of formation tests. -----

----- EXPLORATION

PLAN BUDGET: The BUDGET must have the investments required to perform the EXPLORATION

PLAN. The spreadsheet values must be specified in Brazilian Reais (R\$). The exchange rate, for purposes of converting Dollar to Real, must be the one from the last business day immediately before the month of delivery of obtained data and information. USE THE SALES QUOTATION FROM CENTRAL BANK OF BRAZIL. -----

LOCAL CONTENT OF EXPLORATION PLAN shall have the estimate, in percentage, of local content of goods and services to be procured, directly or indirectly, by the Contractor, related to investments regarding the Exploration Operations in Contract Area. -----

ANNEX VII - PROCEDURES FOR CALCULATION OF COST OIL AND EXCESS IN OIL -----

----- SECTION I " PRELIMINARY PROVISIONS -----

1.1 This annex establishes the procedures for calculation of Cost Oil and Excess in Oil, defined in sub-items II and III of article 2 of Law 12351/2010. -----

1.2 The Federation shall not incur any operating losses, and the volume from the Oil, Natural Gas and other fluid hydrocarbon Production share of the Federation is fixed in Measuring Point. -----

1.3 If there is more than one Declaration of Commerciality, the Cost Oil account balance must be prorated between the respective Fields, as deliberated by the Managing Company. -----

1.3.1 The Cost Oil of Production Phase shall be calculated regarding each Field within the Contract Area. -----

1.3.2 The Excess in Oil of Production Phase shall

be calculated regarding each Field within the
Contract Area. -----

1.4 Expenses regarding facilities and equipment
shared with Fields that are not related to this
Contract, and which appropriation may not be
directly performed, shall be prorated according to
the following criteria: -----

1.4.1 Expenses with Exploration activities: per
area of each contract; -----

1.4.2 Expenses related to production units,
production collection systems and flow systems:
production volume of the Field handled by the
facility; -----

1.4.3 Other expenses shall be prorated by the
inspected production volume of each Field. -----

SECTION II - CALCULATION OF GROSS PRODUCTION VALUE -

Gross Production Value -----

2.1 The Gross Production Value from which the Excess in Oil is defined shall be calculated for each Field or, when applicable, for each Development Stage Module, in accordance with the following formula: -----

$$----- VBP_m = VPF_{pm} \cdot PR_{pm} + VPF_{gm} \cdot PRP_{gm} -----$$

where: -----

VBP_m = Gross Production Value of month "m"; -----

VPF_{p,m} = Inspected Oil Production Volume for month m , in cubic meters. -----

PR_{p,m} = Reference Oil Price in month "m"; -----

VPF_{g,m} = Inspected Natural Gas Production Volume for month m , in cubic meters. -----

PR_{g,m} = Reference Gas Natural Price produced in month "m"; -----

Reference Oil Prices -----

2.2 The Reference Price to be applied every month to the Oil produced in each Field during the referred month, in standard measuring condition, shall be equal to the weighted average of selling prices practiced by each Co-Venturer, in normal market conditions, or to its minimum price established by ANP, whichever is higher. -----

2.2.2 The minimum oil price shall be calculated through a methodology established in Ordinance ANP No. 206, of August 30th, 2000. -----

2.3 The selling prices shall be net of taxes on sale and, in case of aboard oil, free on board. ---

2.4 Until the fifth business day of each month, from the month after the one when the Oil Production of each Field starts, each Contractor

shall inform the Managing Company and ANP the sold quantities, the selling prices in previous month, and the weighted average value referred to in paragraph 2.2 of this Annex, in addition to tax invoices evidencing the sales. -----

2.5 Oil selling prices, when expressed in foreign currency, shall be converted to national currency by the monthly average value of official daily exchange rates for buying foreign currency, fixed by the Central Bank of Brazil for the month when the sale occurred. -----

2.6 ANP shall publish, every month, a consolidation of oil minimum price extracted from each field in the previous month. -----

Reference Natural Gas Prices -----

2.7 The price to be applied in each month to

Natural Gas produced during the referred month, in each field, in standard measuring condition, shall be equal to the weighted average of selling prices of Natural Gas, net of taxes on sale, agreed in selling contracts of Natural Gas produced in Field, deducting the fees regarding the transport of Natural Gas to delivery points and to buyers, when applicable. -----

2.8 Until the fifth business day of each month, from the month after the one when the Natural Gas Production of each Field starts, each Contractor shall inform the Managing Company and ANP, regarding the previous month, the sold quantities, the selling prices, the expenses of transportation of produced Natural Gas, and the calculated value of Natural Gas Reference Price. -----

2.9 Natural Gas selling prices, when expressed in foreign currency, shall be converted to national currency by the monthly average value of official daily exchange rates for buying foreign currency, fixed by the Central Bank of Brazil for the month when the sale occurred. -----

2.10 If there is no selling contracts for Natural Gas produced in the Field, the price to be applied to Natural Gas shall be calculated by the methodology established in Resolution ANP No. 40, of December 18th, 2009. -----

2.11 If Co-Venturers fail to present the information required by ANP in order to fix the Natural Gas Reference Price, or when the selling prices informed do not reflect the normal conditions of national market, the Natural Gas

Reference Price of each Field shall be fixed by ANP based on Resolution ANP No. 40, of December 18th, 2009. -----

----- **SECTION III - COST OIL CALCULATION** -----

General Provisions for Cost Oil -----

3.1 The Cost Oil comprises the expenses incurred by the Contractors of Contract Area, approved in Operational Committee, and recognized by the Managing Company, regarding the activities of: ----

3.1.1 Exploration and Evaluation; -----

3.1.2 Development; -----

3.1.3 Production; -----

3.1.4 Decommissioning of facilities; and -----

3.1.5 Research, Development and Innovation

contracted under the terms of paragraphs 7.2 and

7.3 of Clause Seven - Expenses Qualified as

Research, Development and Innovation of the
Contract. -----

3.3 Provided that they are related to activities
listed in paragraph 3.1, the following expenses,
among others, may be recognized as Cost Oil: -----

3.2.1 Acquisition of inputs consumed in Operations;

3.2.2 Rental, chartering and leasing of goods and
equipment used in Operations; -----

3.2.3 Acquisition, processing and interpretation of
geological, geophysical and geochemical data; --

3.2.4 Value of goods incorporated to fixed assets
acquired and used in Operations; -----

3.2.5 Conservation, maintenance and repair of
goods, facilities and replacement of goods or
equipment lost by the Contractor when performing

the Operations, complying with the Best Practices
of Oil Industry, except for the provisions in
paragraph 3.14.10; -----
3.2.6 Acquisition and maintenance of insurances
approved by the Operational Committee; -----
3.2.7 Operations of vessels and airships; -----
3.2.8 Inspection, storage, handling and transport
of materials and equipment; and -----
3.2.9 Obtaining permissions, easements and
expropriation of properties and the like. -----
3.2.10 Personnel directly related to Contract
activities, namely: salaries, wages, charges,
bonuses, rewards, holidays, Christmas bonus, FGTS,
medical insurance, life insurance, public and/or
private social security contributions, and other
taxes on payroll, housing allowance,

transportation allowance; -----

(a) Expenses mentioned in caput of this clause shall be suitable through indication of hours of Operator s personnel, and based on the average cost per employee calculated to each category and work hours, and revised every year. -----

(b) During the Managing Company s audit process, the Operator shall provide the evidence that the average value exclusively matches the incurred costs, not including any element of profit or duplication of cost, and the Operator must present the calculation notes regarding each cost, in details and form defined by the Managing Company. -

3.2.11 Training approved by Operational Committee.

3.2.12 It will also be recoverable the costs incurred by the Operator that (i) are not easily

identified, (ii) are not directly related to Operations. Such expenses are estimated by the following percentages of Cost Oil: -----

(a) Regarding the expenses in Exploration Phase; --

(i) 3% (three percent) when expenses range from 0 to R\$ 5 million; -----

(ii) 2% (two percent) when expenses range from 5 to R\$ 15 million; -----

(iii) 1% (one percent) when expenses are above R\$ 15 million; -----

(a) Regarding the expenses in Production Phase:

(i) 1 % of expenses of Production Phase. -----

Exploration and Evaluation Activities -----

3.3 Exploration and Evaluation activities include:

3.3.1 Survey, processing, reprocessing and interpretation of geological, geophysical and

geochemical data; -----

3.3.2 Drilling, completion and abandonment of
exploratory wells; -----

3.3.3 Execution of formation and production wells
for Evaluation of Discovery; and -----

3.3.4 Implementation of facilities used for support
the purposes above, including civil engineering
services and works. -----

Development Activities -----

3.4 Development activities include: -----

3.4.1 Studies and designs for implementation of
facilities; -----

3.4.2 Drilling and completion of production and
injection wells; and -----

3.4.3 Installation of equipment and vessels for
extraction, collection, treatment, storage and

transfer of oil and natural gas. -----

a) Such facilities comprise: offshore platforms, pipelines, oil and natural gas treatment units, equipment and facilities for measurement of inspected production, wellhead equipment, production pipes, flow lines, tanks and other facilities exclusively aimed at extraction, as well as oil and gas pipelines directly connected to production flow, and their respective compression and pumping stations. -----

b) Secondary distribution legs not intended to production flow must not be considered as Development activity. -----

Production Activities -----

3.5 Production activities include: -----

3.5.1 Routine production operations, comprising

the Oil and Natural Gas Production, both by natural and artificial lifting, treatment, compression, control, measurement, testing, collection, storage, and transfer of oil, natural gas or both; and -----

3.5.2 Interventions in production and injection wells, and maintenance and repair of production equipment and facilities in general. -----

Facility Decommissioning Activities -----

3.6 Costs intended for decommissioning of facilities shall be deemed as recoverable in Cost Oil, in each month. -----

3.7 Expenses with abandonment and environmental recovery comprise the expenditures with plugging, cementing, and other operations required to safe closing of wells, as well as the disconnection and

removal of lines, and removal of stationary and floating production units. -----

3.8 If a fund is formed for the abandonment obligations, the occasional positive balance of the account or investment fund to which the previous item refers, at the end of the Contract, shall be returned to the Federation. -----

Rental, Chartering and Leasing -----

3.9 It shall be deemed as recoverable in Cost Oil the expenses with rentals and charters, as well as considerations paid or credited by the renter Contractor due to a leasing contract. -----

3.10 When calculating the Cost Oil, the expenses with rentals, charters and leasing shall only be accounted in the period the good or right was used in field. -----

Payments to Affiliated Companies -----

3.11 If the expenses made by the Contractor in transactions with Affiliated legal entities exceed the prices practiced in national and international markets, for the same goods and services, in free competition conditions, in order to determine the allowable value for recognition in Cost Oil, it shall be applied one of the methods in Applicable Law, especially those described in article 18 of Law No. 9430/1996 or other law that may replace it.

3.12 If the values calculated according to applicable methods are above those effectively disbursed, contained in respective documents, the inclusion in Cost Oil is limited to the latter amount. -----

3.13 If more than one method to define price is used, the lowest calculated value shall be considered for inclusion in Cost Price, observing the provisions of the previous paragraph. -----

Items Not Included in Cost Oil -----

3.14 The following items shall not be considered as Cost Oil: -----

3.14.1 Royalties. -----

3.14.2 Signature bonus. -----

3.14.3 Commercial royalties paid to Affiliates. ---

3.14.4 Additional information obtained under paragraph Annex XI - Consortium Rules. -----

3.14.5 Economic charges and loan and financing amortizations. -----

3.14.6 Research, Development and Innovation contracted under the terms of paragraph 7.5 of

Clause Seven - Expenses Qualified as Research,
Development and Innovation of the Contract. -----

3.14.7 Expenses with fixed assets which are not
directly related to activities provided in
paragraph 3.1 of this Annex. -----

3.14.8 Expenses related with judicial and
extrajudicial costs, conciliations, arbitrations,
examinations, attorney s fees, any other values
resulting from loss, and damages resulting from
judicial or arbitral award, even if only merely
ratifying a court or an out-of-court agreement. ---

3.14.9 Fines, sanctions and penalties of whatsoever
nature. -----

3.14.10 Expenses with replacement of goods,
equipment and inputs that were lost, damaged, or
disenbled due to Acts of God, force majeure or

similar causes, and third party factor, as well as bad faith, lack of ability, negligence or imprudence of the Operator, its agents, contractors, affiliated or associated personnel. --

3.14.11 Taxes on profit, as well as taxes that burden acquisitions and generate useful credits to the Contractor. -----

3.14.12 Expenses with commercialization or transport of Oil and Natural Gas, except for all expenses related to Production Flow. -----

3.14.13 Items covered by percentage defined in paragraph 3.2.12. -----

3.14.14 Useful tax credits to Contractors, resulting from non-accumulation intended for recovery of tax burden from previous stage, except for credits that must be nullified or reversed. ---

----- **SECTION IV - REGISTRATION OF ASSETS** -----

4.1 The Contractor must keep a registry of all its assets used in activities listed in paragraph 3.1 with the Managing Company. -----

4.1.1 The content of such registry shall be defined by the Managing Company through the Management System of Production Sharing Expenses - SGPP. -----

----- **SECTION V - REGISTRATION OF CONTRACTS** -----

5.1 The Contractor must keep, with the Managing Company, a registry of all its contracts executed - for meeting the Operations of this contract. -----

5.1.1 The content of such registry shall be defined by the Managing Company through the SGPP. -

----- **SECTION VII - SYSTEMIZATION OF COST OIL** -----

6.1 The Cost Oil control shall be made by an

information system managed and created by the
Managing Company and fed by the Operator, to be
called Management System of Production Sharing
Expenses - SGPP. -----

6.2 That system must also be used for management of
compliance with Local Content by the Contractor. --

6.3 The Operator must feed the SGPP in the form,
detail, and frequency determined by the Managing
Company, with all expenses incurred in the
immediately previous period. -----

6.3.1 The frequency mentioned in the caput must be,
at least, monthly. -----

6.4 Until the 25th (twenty-fifth) day of the month
after the entries, the Operator must feed the SGPP
with the mentioned entries. -----

6.5 The monetary data fed to SGPP by the Operator
must be in national currency. -----

6.6 To convert foreign currencies, the official
exchange rates for purchase fixed by the Central
Bank of Brazil in the day of the expenditure must
be used. -----

6.7 The Managing Company shall have 15 days,
counted from the receipt of the consolidated data
base, to request additional information to
Operator. -----

6.7.1 Entries not questioned by the Managing
Company in the 15-day term shall be deemed as Cost
Oil. -----

6.7.2 After receiving the requested information,
the Managing Company shall have 15 days to express
its non-agreement through a detailed report. -----

6.7.3 The non-agreement with clarifications shall result in non-recognition of expenses as Cost Oil.

6.7.4 If the Managing Company does not express it within 15 days, it shall imply in recognition of expenses as Cost Oil. -----

6.7.5 Contractors may request the revision of the Managing Company s decision. -----

6.8 At any moment, the Managing Company may request additional information about expenses already recognized as Cost Oil. -----

6.8.1 The Operator shall have 30 days, counted from the receipt of request, to provide the due clarifications. -----

6.8.2 Failure to provide the requested clarification within term shall result in the reversal of expenses previously recognized as Cost

Oil. -----

6.8.3 The non-agreement of the Managing Company with clarifications shall result in the reversal of expenses previously recognized as Cost Oil. ----

6.9 Acts of the Managing Company recognizing or not any expenses shall only be definitive after the prescribed term or it is checked by an audit. -

6.10 The Operator must keep available for the Managing Company and for ANP, for a term of 10 (ten) years after the termination of the Contract, all records evidencing the values fed into the system. -----

Calculation of Excess in Oil of Federation -----

6.11 The Operator must feed the SGPP monthly, until the fifth business day of each month, with the following data regarding the previous month,

among others: -----

6.11.1 The Production Volume; -----

6.11.2 The Reference prices of oil and natural gas;

6.11.3 The values of Royalties effectively

collected; -----

6.11.4 The production of each production well,
highlighting wells with restricted production, and

6.11.5 The average daily productivity of wells in
Contract Area, as well as the specification of
production wells, excluding wells with production
restricted by technical and operating reasons not
compatible with the Best Practices of Industry, and
below the average production of other wells. --

6.12 Until the last business day of each month, the
Managing Company, through the SGPP, shall

forward to the Contractors the Report on

Calculation of Excess in Oil of Federation of the

m month, containing the following information: --

1. CO_{m-1} = accumulated balance of Cost Oil account

until the end of the previous month. -----

2. ROY_{m-1} = total of royalties collected by the

Contractors in the previous month. -----

3. VBP_{m-1} = Gross Production Value of the previous

month. -----

4. EO_{m-1} = Excess in Oil. equivalent to: -----

----- $VBP_{m-1} - ROY_{m-1} - \text{LESSER } [CO_{m-1}; NN\% * VBP_{m-1}]$ -----

5. Ali_{m-1} = aliquot of share of Excess in Oil,

calculated basing on table of paragraph 9.2,

regarding the previous month. -----

6. NN = monthly limit for recovery of Cost Oil. ---

7. EOU_{m-1} = Excess in Oil of Federation = $Ali_{m-1} *$

EO_{m-1} -----

8. Partilha_{m+1}= percentage of oil produced in m+1

month to be delivered to contractor in order to

negotiate the Federation's oil, equivalent to: ----

----- EO_{m-1}/ VPB_{m-1} -----

6.13 Every month, the oil produced in Contract Area

shall be shared in the ratio defined in Report on

Excess in Oil of Federation of the previous month,

and this rule must be considered in the agreement

of production availability to be executed between

the Co-Venturers. -----

----- **ANNEX VIII- LOCATION** -----

Ministry of Mining and Energy " MME -----

Esplanada dos Ministérios Bloco U - Zona Cívica,

Brasília. DF. Brazil -----

CEP 70.065-900 -----

Pré-Sal Petróleo S.A. -----

ST SBN Quadra 2, Bloco F, Sala 1505. Asa Norte

Brasília, DF. Brazil -----

CEP 70.041-906 -----

Petróleo Brasileiro S.A - PETROBRAS -----

Avenida República Chile, 65, Centro, Rio de

Janeiro, RJ, Brazil, -----

CEP 20031-912 -----

Shell Brasil Petróleo Ltda. -----

Avenida das Américas, 4200, Bloco 5, salas 101,

401, 501, 601 e 701 e Bloco 6, salas 101, 201, 301,

401, 501 e 601, Barra da Tijuca ----- Rio

de Janeiro, RJ, Brazil ----- CEP

22640-102 -----

Total E&P do Brasil Ltda. -----

Avenida República do Chile, 500, 19° andar,

Centro, Rio de Janeiro, Brazil -----

CEP 20031-170 -----

CNODC Brasil Petróleo e Gás Ltda. -----

Avenida Rio Branco, 14,13° andar (parte), Centro -

Rio de Janeiro, RJ, Brazil -----

CEP 20090-000 -----

CNOOC Petroleum Brasil Ltda. -----

Rua Teixeira de Freitas, 31. 8° andar (parte).

Centro -----

Rio de Janeiro, RJ, Brazil -----

CEP 20021-350 -----

----- **ANNEX IX - LOCAL CONTENT COMMITMENT** -----

The Contractor undertakes to comply with the

following minimum percentage of Local Content in

acquisition or hiring of goods and services

intended to meet the objective of this Contract: --

3 Exploration Phase			
Sub-system	Item	Minimum local content of item (%)	Minimum Local Content — Exploration Phase (%)
Operational Support	Logistic Support (Offshore/Air/Base) (note 1)	50	37
Geology and Geophysics	Data Acquisition	5	
	Interpretation and Processing	85	
Drilling, Evaluation and Completion	Drilling rig	29	
	Drilling + Completion (note 2)	45	
	Auxiliary Systems (note 3)	54	
Long Term Test (TLD)	(note 4)	15	

Production Development Stage - modules with first oil until 2021			
Sub-system	Item	Minimum local content of item (%)	Minimum Local Content – modules of Development Stage (%)
	Drilling rig	50	55
Drilling, Evaluation and Completion	Logistic Support (Offshore/Air/Base) (note 1)	50	
	Christmas Tree	70	
	Drilling + Completion (note 2)	37	
	Auxiliary Systems (note 3)	58	
Production	Flowlines Flexible	40	

	Rigid	80
	Basic Engineering	90
	Detailed Engineering	90
	Management, Construction and Assembly	34
	Flexible Production/Injection Lines (Flowlines, Risers)	56
	Rigid Production/Injection Lines	50
	Manifolds	70
	Subsea Control System	2D
	Umbilicals	55

Collect System			
UEP	Shell	Basic Engineering	90
		Detailed Engineering	90
		Management	90
		Construction and Assembly	75
		Commissioning	90
		Systems and Equipment	40
		Naval Systems	50
		Materials	80
	Plants (note 5)	Basic Engineering	90
		Detailed Engineering	90
		Management	90
		Construction and	75

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Assembly	

Systems and Equip. (note 5.1)	57
-------------------------------	----

	Materials	80

Basic Engineering	90
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Installation and Integration of Modules	Management	80
--	------------	----

Construction and Assembly	75
------------------------------	----

Naval Assets	10
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Commissioning	75
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	Materials	75

Mooring

Pre-instal. and
Hook up of
Lines

40

	Mooring Systems	85	
--	-----------------	----	--

Production Development Stage — modules with first oil from 2022 on			
Sub-system	Item	Minimum local content of item (%)	Minimum local content — Modules of Development Stage (%)
Drilling, Evaluation and Completion	Drilling rig	65	59
	Logistic Support (Offshore/Air/Base) (note 1)	60	
	Christmas Tree	70	
	Drilling + Completion (note 2)	37	

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	Auxiliary Systems (note 3)		58
Production Collect System	Flowlines	Flexible	40
		Rigid	80
	Basic Engineering		90
	Detailed Engineering		90
	Management, Construction and Assembly		34
	Flexible Production/Injection Lines (Flowlines, Risers)		56
	Rigid Production/Injection Lines		50
	Manifolds		70
	Subsea Control System		20
	Umbilicals		55
UEP	Shell	Basic Engineering	90
		Detailed Engineering	90
		Management	90
		Construction and Assembly	80
		Commissioning	90
		Systems and Equipment	40
		Naval Systems	50
		Materials	80
	Plants (note 5)	Basic Engineering	90
		Detailed Engineering	90

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	Management	90
	Construction and Assembly	80
	Commissioning	90
	Systems and Equip. (note 5.2)	58
	Materials	80
Installation and Integration of Modules	Basic Engineering	90
	Detailed Engineering	90
	Management	85
	Construction and Assembly	80
	Naval Assets	10
	Commissioning	80
	Materials	75
Mooring	Pre-instal. and Hook up of Lines	50
	Mooring Systems	85

Notes -----

(1) In the composition of local content measured for logistic support, in Exploration Phase and Production Development Stage, the following

specific content must be considered: -----

Sub-items	Exploratory Phase	Production Development Stage until 2021	Production Development Stage from 2022 on
Offshore Support	50	50	50
Air Support	50	50	50
Onshore Support	80	80	80

(2) In the composition of local content measured for drilling, evaluation and completion, in Exploration Phase and Production Development Stage, the following specific content must be considered: -----

Sub-items	Exploratory Phase	Production Development Stage until 2021	Production Development Stage from 2022 on
Drills	5	5	5
Wellheads	60	60	60
Flow String	24	32	32

--	--	--	--

Well Equipment	50	50	50
Coating	73	73	73

(3) In the composition of auxiliary systems, the following sub-items must be considered: -----

Sub-items	Exploratory Phase	Production Development Stage until 2021	Production Development Stage from 2022 on
Field Instrumentation	40	40	40
Automation System	60	75	80
Fiscal Measurement System	60	60	60
Telecommunications System	40	40	40
Electrical System	70	70	70

(4) This item is highlighted in Exploration Phase, as both related investments and CL indexes must be treated separately from investments and indexes regarding the Exploration Phase. It covers the sum of expenses with chartering and operation of

production unit or rig, production services,
 materials and equipment used in wells for TLD (flow
 string, ANM, among others), production lines and
 risers, offloading, logistics supporting the
 production system, and services to incorporate
 acquired data. -----

(5) This item comprises: process plant, gas
 handling plant, and water injection plant. (5.1) --

Production Development Stage - modules with first oil until 2021		
Equipment		Minimum Local Content (%)
Boiler	Furnaces	80
	Tanks	83
	Pressure Vessels	70
Field Instrumentation		40
Static Mechanical	Filters	80
	Cathodic Protection	90
	Burners	14
	Valves (up to 24")	58
Rotary Mechanical	Pumps	70

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	Rotary Mechanical - Alternative Compressors	70
	Rotary Mechanical - Screw Compressors	70
	Rotary Mechanical - Diesel Engines (up to 600 hp)	65
	Rotary Mechanical - Gas Turbines	35
	Rotary Mechanical - Steam Turbines	80
Automation System		75
Fiscal System	Measurement System	60
Telecommunications Systems		40
Electrical System		70
Process Tower		75
Cooling Tower		85
Heat Exchangers		50

Production Development Stage - modules with first oil until 2022		
Equipment		Minimum Local Content (%)
Boiler	Furnaces	80
	Tanks	83
	Pressure Vessels	70
Field Instrumentation		40
Static Mechanical	Filters	80
	Cathodic Protection	90
	Burners	14

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	Valves (up to 24")	58
Rotary Mechanical	Pumps	70
	Rotary Mechanical - Alternative Compressors	70
	Rotary Mechanical - Screw Compressors	70
	Rotary Mechanical - Diesel Engines (up to 600 hp)	65
	Rotary Mechanical - Gas Turbines	35
	Rotary Mechanical - Steam Turbines	80
Automation System		80
Fiscal Measurement System		60
Telecommunications Systems		40
Electrical System		70
Process Tower		80
Cooling Tower		85
Heat Exchangers		55

----- ANNEX X - CONSORTIUM CONTRACT -----

----- ANNEX XI - CONSORTIUM RULES -----

ANNEX III - FINANCIAL GUARANTY REGARDING THE

EXPLORATION ACTIVITIES -----

[Letterhead document with logo: citi] -----

----- **IRREVOCABLE STAND-BY LETTER OF CREDIT** -----

----- Issued by BANCO CITIBANK S/A -----

Rio de Janeiro, 11/21/2013. -----

Date: 12/02/2013. -----

No.: 276770/13 -----

Starting Face Amount: R\$ 61,090,308.70 (sixty-one
million ninety thousand three hundred eight Reais
and seventy cents) -----

Brazilian Oil, Natural Gas and Biofuel Agency -----

Avenida Rio Branco, 65, 19° andar -----

20090-004 Rio de Janeiro -----

Brazil -----

Dear Sirs or Madams: -----

1. BANCO CITIBANK S/A, with main offices at the City of São Paulo, State of São Paulo, at Av. Paulista, 1,111, 2° andar (Parte), enrolled in C.N.P.J. under No. 33.479.023/0001-80, constituted under the laws of the Federative Republic of Brazil, the Issuer, hereby issues in favor of the Brazilian Oil, Natural Gas and Biofuel Agency - ANP, an Agency comprising the indirect Federal Public Administration of the Government of the Federative Republic of Brazil, The Irrevocable Stand-By Letter of Credit No. 276770/13, through which the Issuer authorizes ANP to draw, in a single operation, the Face Amount of R\$ 61,090,308.70 (sixty-one million ninety thousand three hundred eight Reais and seventy cents) upon presentation of a Payment Order and a Draft

Certificate (defined below) in a establishment of
the Issuer mentioned in Clause 5 of this Letter of
Credit, during the Drawing Period (as defined in
item 4, below). -----

2. This Letter of Credit was prepared in accordance
with the Production Sharing Contract No.

48610.011150/2013-10, regarding the area(s)

LIBRA_P1, to be executed in 12/02/2013, between ANP

and the Contractor(s) CNODC BRASIL PETRÓLEO E GÁS

LTDA, constituted under the laws of the Federative

Republic of Brazil. The capitalized terms used and

not defined herein (including the attached

documents) have the respective meanings set forth

in the Contract. ----- Insert

face amount of Letter of Credit ----- SAC

Citi 0800 979 2484 - Customer Service. -----

3. The starting Face Amount of the Letter of Credit is R\$ 61,090,308.707 (sixty-one million ninety thousand three hundred eight Reais and seventy cents), which may be reduced upon presentation from ANP, to the Issuer, of a Certificate (Reduction Certificate) as defined in Document 1, specifying a new and lower Face Amount. -----

4. The Face Amount of the Letter of Credit may be drawn by ANP, according to provision in Clause 5 of this Letter of Credit, at any Banking Day during the Drawing Period, starting at 10:00 AM and finishing at 4:00 PM, Rio de Janeiro s time, between 12/02/2013 and 05/31/2018' (the Draft Period). Banking Day is any day that is not Saturday, Sunday or a day in which commercial

banks in the city of Rio de Janeiro are authorized or obligated to close by a law, regulating standard or decree. -----

5. The drawing may only be done upon presentation, from ANP to the Issuer, of a Payment Order, as shown in Document 2 (Payment Order) and a Draft Certificate, prepared by ANP, as shown in Document 3 (Draft Certificate). The presentation of Payment Order and Draft Certificate must be done at the Issuer s establishment in the city of Rio de Janeiro, located at Rua da Assembleia, 100 - 3° andar - Centro CEP: 20011-000, or in other address in this city, designated by the Issuer to ANP, in notification made according to Clause 9 of this Letter of Credit. -----

6. Upon presentation of the Payment Order and

Draft Certificate by ANP, during the Drawing Period, at the establishment designated by the Issuer on Clause 5 of this Letter of Credit, the Issuer must pay the Face Amount, in Reais, according to the procedure established in draft certificate, and the issuer must make the payment until the business day immediately after the order presentation. -----

7. This Letter of Credit shall expire whenever the first of the following events takes place: (i) on 05/31/2018*, (ii) at the reduction of Face Amount of this Letter of Credit to zero, (iii) on the date the ANP presents to the Issuer a Certificate prepared by ANP in compliance with Document 4 (Completion Certificate), and (iv) at the irrevocable payment from the Issuer to ANP, as

defined in Clause 6 of this Letter of Credit, of the Face Amount through a suitable draw. However, any drawing performed correctly before the expiration of this Letter of Credit shall be honored by the Issuer. If the establishment designated by the Issuer in Clause 5 of this Letter of Credit is closed on the date defined in (i) of this Clause 7, the expiration date of this Letter of Credit and of the Drawing Period shall extend until the next Banking Day when the referred establishment is open. -----

¹For each Exploration Period, insert the date referring to 180 days after the last day of the given Exploration Period. For each Exploration Period, insert the date referring to 180 days after the last day of the given Exploration

Period. -----

8. Only ANP may draw this Letter of Credit, as well as exercise any rights defined herein. -----

9. All notices, demands, instructions, waivers, or other information to be provided regarding this Letter of Credit must be drawn up in Portuguese, and delivered by a carrier or courier, certified mail, or fax, and sent to the following addresses:

(i) To the Issuer: -----

BANCO CITIBANK S/A -----

Rua da Assembléia, 100 - 3° andar - Centro -----

CEP: 20011-000 -----

Rio de Janeiro - RJ - Brazil -----

(ii) To ANP: -----

Exploration Superintendence, Avenida Rio Branco,

65, 19° andar -----

20090-004 -----

Rio de Janeiro RJ -----

Brazil -----

Fax (21)21128419/0102 -----

The addresses and fax numbers for information

pursuant to this Letter of Credit may be amended by

the Issuer or ANP by notice given to the other at

least 15 banking days prior to the change. ----

10. This Letter of Credit establishes, in full and

unconditional terms, the obligation of the Issuer,

and that obligation shall not be changed or added

based on any document, instrument or agreement

mentioned herein, except for the Payment Order,

Draft Certificate and any Completion Certificate.

11. This Letter of Credit, in the terms and

conditions presented herein and for the purpose it

is intended, is a valid, legal and enforceable document in the market in which it is charged, and the Issuer may not give ANP claims of whatsoever nature which prevent its full and total execution.

Yours sincerely, -----

BANCO CITIBANK S/A -----

[Bears Signature] -----

Bruno Toledo -----

Global Banking -----

Document 1 -----

----- REDUCTION CERTIFICATE -----

In reference to the Irrevocable Stand-By Letter of Credit (Letter of Credit) No. *[insert number of Letter of Credit]*, dated *[insert data, in*

month/day/year form], -----

issued by [Insert Bank name] in favor of ANP. The capitalized terms from this point on not defined herein shall have the respective meanings set forth in the Letter of Credit. -----

The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certify that:

(i) The amount in Reais, specified below (a), is the allocable amount in Face Amount of the Letter of Credit to the works performed by Contractors regarding the Minimum Exploration Program until the date of this Certificate; and -----

(ii) The Face Amount of the Letter of Credit shall be reduced to a value equal to the Remaining Face Amount, specified below (b), effective from the date of this Certificate. -----

(a) Amount in Reais allocable to works in the
Program R\$ *[insert the amount]* -----

Minimum Exploration *[Face]* -----

(b) Remaining Face Amount R\$ *[insert Face Amount]* -

This Certificate has been duly executed by the
undersigned on *[insert date in the format
month/day/year]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

Document 2 -----

----- PAYMENT ORDER -----

Letter of Credit No. *[insert number of Letter of
Credit]* -----

----- Rio de Janeiro -RJ -----

Date: *[insert date in the format month/day/year]*. -

At sight -----

Pay BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY

the face amount of R\$ *[insert Face Amount]* (*[insert amount in full]* reais). -----

Draft according to Irrevocable Stand-By Letter of

Credit No. *[insert number of Letter of Credit]*

issued by *[Insert Bank name]* -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

To: *[Insert Issuer s name]* -----

Address: *[Insert Issuer s address]* -----

Document 3 -----

----- DRAFT CERTIFICATE -----

Reference is made to this Irrevocable Stand-By Letter of Credit (Letter of Credit) No. *[insert number of Letter of Credit]*, dated *[insert date in format month/day/year]*, issued by *[Insert Bank name]* in favor of Brazilian Oil, Natural Gas and Biofuel Agency (ANP). The capitalized terms used herein and not defined have the respective meanings set forth in the Letter of Credit. -----

The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certifies that (i) the Production Sharing Contract has finished without the fulfillment of the Minimum Exploration Program, or (ii) the Minimum Exploratory Program was not fulfilled by the Contractors from: *[insert date in format month/day/year, of the last day established for*

Exploration Period]; -----

The Payment of the Face Amount updated in Reais, on

this date, of the Letter of Credit No. [insert

number of Letter of Credit] must be made by the

Issuer to the following account: -----

[Insert details of ANP account in Rio de Janeiro] -

This Certificate has been duly executed by the

undersigned on [insert date in the format

month/day/year]. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY -----

[signature] -----

Name: [insert name] -----

Function: [insert function] -----

¹Insert the last day of the Exploration Period for

which the Letter of Credit was issued -----

Document 4 -----

----- COMPLETION CERTIFICATE -----

Reference is made to this Irrevocable Stand-By Letter of Credit (Letter of Credit) No. [insert number of Letter of Credit], dated [*insert date in format month/day/year*], issued by [*Insert Bank name*] in favor of the Brazilian Oil, Natural Gas and Biofuel Agency (ANP). The capitalized terms not defined herein shall have the respective meanings set forth in the Letter of Credit. -----

The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certify that:

(i) The amount allocated to the Letter of Credit, related to the full compliance with the Minimum Exploration Program, was completed by Contractor(s), or the Letter of Credit was duly replaced by another instrument of guaranty

accepted by ANP; and -----

(ii) The letter of Credit expires on the date of
this Certificate. -----

This Certificate has been duly executed by the
undersigned on [*insert date in the format*
month/day/year]. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----
[signature] -----

Name: [*insert name*] -----

Function: [*insert function*] -----

----- **IRREVOCABLE STAND-BY LETTER OF CREDIT** -----

----- Issued by BANCO CITIBANK S/A -----

Rio de Janeiro, 11/21/2013. -----

Date: 12/02/2013. -----

No.:276767/13 -----

Starting Face Amount: R\$ 61,090,308.70 (sixty-one

million ninety thousand three hundred eight Reais
and seventy cents) -----
Brazilian Oil, Natural Gas and Biofuel Agency
Avenida Rio Branco 65, 19° andar, 20090-004, Rio de
Janeiro, Brazil -----

Dear Sirs or Madams: -----

1. BANCO CITIBANK S/A, with main offices at the
City of São Paulo, State of São Paulo, at Av.
Paulista, 1,111, 2° andar (Parte), enrolled in
C.N.P.J. under No. 33.479.023/0001-80, constituted
under the laws of the Federative Republic of
Brazil, the Issuer , hereby issues in favor of the
Brazilian Oil, Natural Gas and Biofuel Agency -
ANP, an Agency comprising the indirect Federal
Public Administration of the Government of the
Federative Republic of Brazil, the Irrevocable

Stand-By Letter of Credit No. 276770/13, through which the Issuer authorizes ANP to draw, in a single drawing, the Face Amount of R\$ 61,090,308.701 (sixty-one million ninety thousand three hundred eight Reais and seventy cents) upon presentation of a Payment Order and a Draft Certificate (defined below) in a establishment of the Issuer mentioned in Clause 5 of this Letter of Credit, during the Drawing Period (as defined in item 4, below). -----

2. This Letter of Credit was prepared in accordance with the Production Sharing Contract No. 48610.011150/2013-10, regarding the area(s) LIBRA_P1, to be executed in 12/02/2013, between ANP and the Contractor(s) CNOOC BRASIL PETRÓLEO E GÁS LTDA, constituted under the laws of the

Federative Republic of Brazil. The capitalized terms used and not defined herein (including the attached documents) have the respective meanings set forth in the Contract. -----

1 Insert face amount of Letter of Credit -----

3. The starting Face Amount of the Letter of Credit is R\$ 61,090,308.707 (sixty-one million ninety thousand three hundred eight Reais and seventy cents), which may be reduced upon presentation from ANP, to the Issuer, of a Certificate (Reduction Certificate) as defined in Document 1, specifying a new and lower Face Amount. -----

4. The Face Amount of the Letter of Credit may be drawn by ANP, according to provision in Clause 5 of this Letter of Credit, at any Banking Day

during the Drawing Period, starting at 10:00 AM and finishing at 4:00 PM, Rio de Janeiro s time, between 12/02/2013 and 05/31/2018' (the Drawing Period). Banking Day is any day that is not Saturday, Sunday or a day in which commercial banks in the city of Rio de Janeiro are authorized or obligated to close by a law, regulating standard or decree. -----

5. The drawing may only be done upon presentation, from ANP to the Issuer, of a Payment Order, as shown in Document 2 (Payment Order) and a Draft Certificate, prepared by ANP, as shown in Document 3 (Draft Certificate). The presentation of Payment Order and Draft Certificate must be done at the Issuer s establishment in the city of Rio de Janeiro, located at Rua da Assembleia, 100 - 3°

andar - Centro CEP: 20011-000, or in other address
in this city, designated by the Issuer to ANP, in
notification made according to Clause 9 of this
Letter of Credit. -----

6. Upon presentation of the Payment Order and Draft
Certificate by ANP, during the Drawing Period, at
the establishment designated by the Issuer on
Clause 5 of this Letter of Credit, the Issuer must
pay the Face Amount, in Reais, according to the
procedure established in draft certificate, and the
issuer must make the payment until the business day
immediately after the order presentation. -----

7. This Letter of Credit shall expire whenever the
first of the following events takes place: (i) on
05/31/2018*, (ii) at the reduction of Face Amount

of this Letter of Credit to zero, (iii) on the date the ANP presents to the Issuer a Certificate prepared by ANP in compliance with Document 4 (Completion Certificate), and (iv) at the irrevocable payment from the Issuer to ANP, as defined in Clause 6 of this Letter of Credit, of the Face Amount through a suitable drawing. However, any drawing performed correctly before the expiration of this Letter of Credit shall be honored by the Issuer. If the establishment designated by the Issuer in Clause 5 of this Letter of Credit is closed on the date defined in (i) of this Clause 7, the expiration date of this Letter of Credit and of the Drawing Period shall extend until the next Banking Day when the referred establishment is open. -----

¹For each Exploration Period, insert the date referring to 180 days after the last day of the given Exploration Period. -----

¹For each Exploration Period, insert the date referring to 180 days after the last day of the given Exploration Period. -----

8. Only ANP may draw this Letter of Credit, as well as exercise any rights defined herein. -----

9. All notices, demands, instructions, waivers, or other information to be provided regarding this Letter of Credit must be drawn up in Portuguese, and delivered by a carrier or courier, certified mail, or fax, and sent to the following addresses:

(i) To the Issuer: -----

BANCO CITIBANK S/A -----

Rua da Assembléia, 100 - 3° andar - Centro -----

CEP: 20011-000 -----

Rio de Janeiro - RJ - Brazil -----

(ii) To ANP: -----

Exploration Superintendence -----

Avenida Rio Branco, 65,19° andar -----

20090-004 -----

Rio de Janeiro RJ -----

Brazil -----

Fax(21)21128419/0102 -----

The addresses and fax numbers for notices given pursuant to this Letter of Credit may be amended by the Issuer or ANP by notice given to the other at least 15 banking days prior to the change. ----

10. This Letter of Credit establishes, in full and unconditional terms, the obligation of the Issuer, and that obligation shall not be changed or added

based on any document, instrument or agreement mentioned herein, except for the Payment Order, Draft Certificate and any Completion Certificate.

11. This Letter of Credit, in the terms and conditions presented herein and for the purpose it is intended, is a valid, legal and enforceable document in the market in which it is charged, and the Issuer may not give ANP claims of whatsoever nature which prevent its full and total execution.

Yours sincerely, -----

BANCO CITIBANK S/A -----

[Bears Signature] -----

Nome: - Bruno Toledo -----

Function: - Global Banking -----



Document 1 -----

----- REDUCTION CERTIFICATE -----

Reference is made to the Irrevocable Stand-By
Letter of Credit (Letter of Credit) No. *[insert
number of Letter of Credit]*, dated *[insert data, in
month/day/year form]*, -----

issued by *[Insert Bank name]* in favor of ANP. The
capitalized terms from this point on not defined
herein shall have the respective meanings set forth
in the Letter of Credit. ----- The

undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certify that:

(i) The amount in Reais, specified below (a), is
the allocable amount in Face Amount of the Letter
of Credit to the works performed by Contractors
regarding the Minimum Exploration Program until

the date of this Certificate; and -----

(ii) The Face Amount of the Letter of Credit shall be reduced to a value equal to the Remaining Face Amount, specified below (b), effective from the date of this Certificate. -----

(a) Amount in Reais allocable to works in the Program R\$ *[insert the amount]* -----
Minimum Exploration *[Face]* -----

(b) Remaining Face Amount R\$ *[insert Face Amount]* -

This Certificate has been duly executed by the undersigned on *[insert date in the format month/day/year]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

Document 2 -----

----- PAYMENT ORDER -----

Letter of Credit No. *[insert number of Letter of
Credit]* -----

----- Rio de Janeiro -RJ -----

Date: *[insert date in the format month/day/year]*. -

At sight -----

Pay BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY

the face amount of R\$ *[insert Face Amount]* (*[insert
amount in full]* reais). ----- Draft

according to Irrevocable Stand-By Letter of Credit

No. *[insert number of Letter of Credit]* issued by

[Insert Bank name] ----- BRAZILIAN

OIL, NATURAL GAS AND BIOFUEL AGENCY -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

To: *[Insert Issuer s name]* -----

Address: *[Insert Issuer s address]* -----

Document 3 -----

----- DRAFT CERTIFICATE -----

Reference is made to this Irrevocable Stand-By

Letter of Credit (Letter of Credit) No. *[insert
number of Letter of Credit]*, dated *[insert date in
format month/day/year]*, issued by *[Insert Bank
name]* in favor of Brazilian Oil, Natural Gas and

Biofuel Agency (ANP). The capitalized terms used

herein and not defined have the respective

meanings set forth in the Letter of Credit. -----

The undersigned, duly authorized to execute this

Certificate on behalf of ANP, hereby certifies

that (i) the Production Sharing Contract has

finished without the fulfillment of the Minimum

Exploration Program, or (ii) the Minimum

Exploration Program was not fulfilled by the

Contractors from: *[insert date in format*

month/day/year, of the last day established for

Exploration Period]; -----

The Payment of the Face Amount updated in Reais, on

this date, of the Letter of Credit No. *[insert*

number of Letter of Credit] must be made by the

Issuer to the following account: -----

[Insert details of ANP account in Rio de Janeiro] -

This Certificate has been duly executed by the

undersigned on *[insert date in the format*

month/day/year]. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

Insert the last day of the Exploration Period for
which the Letter of Credit was issued -----

Document 4 -----

----- COMPLETION CERTIFICATE -----

Reference is made to this Irrevocable Stand-By
Letter of Credit (Letter of Credit) No. *[insert
number of Letter of Credit]*, dated *[insert date in
format month/day/year]*, issued by *[Insert Bank
name]* in favor of the Brazilian Oil, Natural Gas
and Biofuel Agency (ANP). The capitalized terms
not defined herein shall have the respective
meanings set forth in the Letter of Credit. -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certify that:

(i) The amount allocated to the Letter of Credit, related to the full compliance with the Minimum Exploration Program, was completed by Contractor(s), or the Letter of Credit was duly replaced by another instrument of guaranty accepted by ANP; and -----

(ii) The letter of Credit expires on the date of this Certificate. -----

This Certificate has been duly executed by the undersigned on *[insert date in the format month/day/year]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

THE BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY

- ANP -----

We forward, in attachment, the new digital policy of JMalucelli Seguradora S/A, a document with the same truthfulness of a printed policy, and the only difference is that the policy now is part of a digital certification process, using techniques and processes which ensure safety and legal value to electronic transactions. This policy definitely replaces the previous template, and follows the technological innovations already existing in the market, such as digital tax invoice, payment receipts through the internet, issuance of slips, etc. -----

JMalucelli Seguradora -----

TITLE: PERFORMANCE-GUARANTEE POLICY No. 02-0775-

0219795 -----

Electronic document digitally signed by: -----

[Bears Stamp of Alexandre Malucelli and João

Gilberto Possiede] -----

Electronic document digitally signed, according to

MP No. 2200-2/2001, which institutes the

Infrastructure of Public Brazilian Keys - ICP

Brazil, by the undersigned: Alexandre Malucelli

Certificate Serial No.:

751832325924242497103514670160971359621 -----

João Gilberto Possiede Certificate Serial No.:

50959184316876756411848892888339304997 -----

the PRESIDENT OF REPUBLIC, in the exercise of the

powers conferred by Art. 62 of Constitution,

adopts the following legally binding Provisional

Decree -----

Art. 1st - It is established the Infrastructure of
Brazilian Public Keys - ICP Brazil, in order to
ensure the authenticity, integrity and legal
validity of electronic documents, support
applications, and qualified applications which use
digital certificates, as well as the performance of
safe electronic transactions. -----

Policy No.: 02-0775-0219755 -----

Internal Control: 225264541 -----

Date of Publication: 11/21/2013 -----

The authenticity of this document, as well as of
the electronic file, may be checked on the website
www.jmalucelliseguradora.com.br. -----

Seven business days after the issuance of this
document, it may be checked under No.

054362013000207750219795000000 on Susep website:

www.susep.gov.br -----

[Bears Seal: PERFORMANCE-GUARANTEE] -----

[Bears Logotype JMalucelli Seguradora] -----

PERFORMANCE-GUARANTEE -----

Policy: 02-0775.0219795 -----

Internal Control: 225264541 -----

The authenticity of this document, as well as of
the electronic file, may be checked on the website
www.jmalucelliseguradora.com.br. -----

Seven business days after the issuance of this
document, it may be checked under No.

054362013000207750219795000000 on Susep website:

www.susep.gov.br -----

Call Center 0800 704 0301 Ombudsman 0800 643

0301 -----

J. Malucelli Seguradora, through this Performance-

Insurance policy, guarantees to the INSURED,

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY -

ANP, the fulfillment of the obligations of the

BENEFICIARY, PETRÓLEO BRASILEIRO S/A - PETROBRAS,

assumed through the SHARING CONTRACT FOR

PRODUCTION ACTIVITIES OF EXPLORATION AND

PRODUCTION OF OIL AND NATURAL GAS No.

48610.011150/2013-10 (the "PRODUCTION SHARING

CONTRACT), celebrated on December 02, 2013, as

defined in the object of this policy, referring to

Block Libra signed between ANP and PETRÓLEO

BRASILEIRO S/A - PETROBRAS, related to the BID

RULES FOR GRANTING OF THE PRODUCTION SHARING

CONTRACT FOR EXPLORATION AND PRODUCTION ACTIVITIES

FOR OIL AND NATURAL GAS - First Bidding of

Production Sharing/2013, object of this policy, in

the amount of R\$ 244,361,234.80 (two hundred

forty-four million three hundred sixty-one

thousand two hundred thirty-four Reais and eighty

cents), as the provisions in the clauses and

general conditions. -----

----- **STATEMENT OF GUARANTEE** -----

(Modality, amount and due date in the Production

Sharing Contract) -----

Modality	Insured Importance	Term	
		Start	End
Performer	R\$ 244,361,234.80	12/01/2013	06/01/2018

----- **OBJECT OF GUARANTEE** -----

Guarantee of Compensation, in the amount fixed in

the Policy, considering the reductions in guaranteed value, by breach of contract of the BENEFICIARY regarding their obligation to fully execute, within the Exploration Phase, the Minimum Program for such Exploration Phase as defined in ANNEX II - Minimum Exploration Program, of the PRODUCTION SHARING CONTRACT, and to do so spending the amounts that may be necessary, subject to the provisions of the Tenth Clause of the PRODUCTION SHARING CONTRACT No. 48610.011150/2013-10. The amount guaranteed by this policy is R\$ 244,361,234.80 (two hundred forty-four million three hundred sixty-one thousand two hundred thirty-four Reais and eighty cents) -----
This policy premium is R\$ 2,262,344.51 (two million two hundred sixty-two thousand three

hundred forty-four Reais and fifty-one cents) -----

It is an integral and inseparable part of the policy, the following documents that we have

restated: -----

- Document I - General Conditions as Susep Circular Letter No. 232/2003, 239/2003, 251/2004, 255/2004 and 256/2004; -----

- Document II - Policy - Model of Reduction Certificate. -----

- Document III of the Policy - Model of Notice of Default and indemnity Request. -----

BID RULES FOR HIRING ACTIVITIES OF EXPLORATION AND PRODUCTION OF OIL AND NATURAL GAS - 1st BIDDING FOR PRODUCTION SHARING/2013. -----

- Production Sharing Contract for Exploration and Production of Oil and Natural Gas No.

48610.011150/2013-10. -----

This policy is issued in accordance with the
Conditions in Susep Circular Letter No. 232/2003,
239/2003, 251/2004, 255/2004 and 256/2004. -----

The guarantee conditions contained on the back are
integral parts of this policy. Curitiba, November
21st, 2013. -----

Broker: 000001.0.0.020197-9 - PORTO DE CIMA
CORRETORA DE SEGUROS LTDA -----

----- **Document I - GENERAL CONDITIONS** -----

The General Conditions of this Guarantee are
governed by the terms contained in Susep Circular
Mail No. 232, of June 3rd, 2003, adapted to Susep
Circular Letter No. 239/2003, 251/2004, 255/2004
and 256/2004, reproduced below: -----
Susep Circular Letter No. 232, of June 3rd, 2003. -

1. Object -----

This insurance assures the faithful compliance of the obligations assumed by the insured under the main contract celebrated with the beneficiary, as per the terms of the policy. -----

2. Definitions -----

I. Performance-Guarantee: insurance that assures the faithful compliance of the obligations assumed by the insured under the main contract celebrated with the beneficiary, as per the terms of the policy. -----

II. Main Contract: the contractual document, its amendments and annexes that specify the obligations and rights of the beneficiary and of the insured. -----

III. Proposal: formal instrument of request for

insurance policy issuance, executed in accordance
with the legislation in force. -----

IV. Policy: document executed by the insurer that
formally represents the insurance-guarantee. -----

Endorsement: formal instrument, executed by t he
insurer that introduces modifications into the
policy of performance guarantee, upon express
request and agreement of the parties. -----

VI. General Conditions: the policy clauses of
general application to any modality of insurance-
guarantee. -----

VII. Special Conditions: the policy clauses that
specify the different kinds of insurance contract
and the provisions set forth in general
conditions. -----

VIII. Particular Conditions: those that make the

policy a particular one, discriminating the beneficiary, the insured, the insurance object, the insured amount and other characteristics applicable to a certain insurance Contract. -----

IX. Beneficiary: the creditor of the obligations assumed by the insured in the main contract. -----

X. Insured: the debtor of the obligations assumed by it in the main contract. -----

XI. Insurer: the surety insurance company, under the policy terms, for the compliance of the obligations assumed by the taker in the main contract. -----

XII. Premium: amount that is due to the insurer by the taker to obtain the insurance coverage. XIII.

Claim: the default of the obligations covered by the insurance. -----

XIV. Indemnity: the payment of direct damages
resulting from the default of the obligations
covered by the insurance. -----

3. Acceptance -----

3.1. The hiring/alteration of insurance contract
may only be done by a proposal signed by the
proponent, its representative or qualified
insurance broker. The written proposal must have
key elements to examination and risk acceptance. --

3.2 The insurer shall mandatorily provide the
proponent a protocol which identifies the proposal
it received, indicating date and time of receipt. -

3.3. The insurer shall have a term of fifteen (15)
days to express about the acceptance or rejection
of the proposal, counted from the date of its
receipt, either for new insurance or renewals, as

well as changes involving modification of risk. ---

3.3.1. If the insurance proponent is a natural person, the request of complementary documents for risk analysis and acceptance or change of proposal may be done only once during the term provided in item 3.3 above. -----

3.3.2 If the proponent is a legal entity, the request of complementary documents for risk analysis and acceptance or change of proposal may be done more than once during the term provided in item 3.3 above, as long as the Insurer indicates the reasons for requests of new elements, for evaluation, proposal or risk taxation. -----

3.3.3 In case of request for complementary documents, for risk analysis and acceptance or proposed change, the term of fifteen (15) days

provided in item 3.3 above is suspended, resuming
on the date the documentation is delivered. -----

3.4 If the proposal is refused, the Insurer shall
inform the fact to the proponent, in writing,
specifying the reasons for the refusal. -----

3.5. The lack of manifestation of the insurer, in
writing, within the referred term shall
characterize a tacit acceptance of the insurance. -

3.6. When the acceptance of proposal depends on
hiring or changing facultative reinsurance, the
term provided in item 3.3 above is suspended, until
the insurer issues a formal statement. -----

3.6.1. The Insurer, within the terms provided in
item 3.3 above, shall inform the proponent about
such possibility, in writing, highlighting the
resulting lack of coverage while it is suspended. -

3.6.2 In the hypothesis provided in item 3.6 above,
the charging of full or partial premium is
forbidden until the reinsurance coverage is fully
performed and the proposal acceptance is confirmed.

3.7. The issuance of policy or endorsement shall be
done within 15 (fifteen) days counted from the
proposal acceptance. -----

4. Guarantee Amount -----

4.1 The amount of this policy guarantee must be
understood as the maximum face amount that is
guaranteed under this policy. -----

4.2 When alterations of the amounts previously
established under the main Contract are made, the
guarantee amount shall accompany such
modifications. -----



4.3. For further modifications made in the main contract, by virtue of which it is necessary the modification of the contractual amount, the guarantee amount may be also modified, upon request to the insurer to issue a collection endorsement or restitution of premium relating to the increase or reduction of the guarantee amount and term. -----

4.4 The amount of this policy may be reduced, as provided in Clause Eleven of the Production Sharing Contract, upon issuance of Insured Amount Reduction Endorsement, issued by the Insurer, after presenting the Reduction Certificate, according to the model in Document II - Reduction Certificate, executed by the Beneficiary. -----

4.5 It is understood and agreed that any updates

to the Insured Amount must be requested in writing by the BENEFICIARY to the INSURED, which shall provide, with the INSURER, the updates through a Security Reinforcing Endorsement, with the respective premium charge. -----

4.6 The updates mentioned in item 4.5 may be requested by the BENEFICIARY when there are contract changes, including, among others: exchange rate and inflation variations, which modify the estimated costs for fulfilling the Exploratory Program insured by this policy. -----

5. Insurance Premium -----

5.1. The taker is in charge of the payment of the premium to the insurer. -----

5.2. It is understood and agreed that the insurance shall be in force, even when the premium

has not been paid on the agreed upon dates. -----

5.3 The insurance premium may be paid in one or more installments, upon agreement between the Beneficiary and the Insured. No charging of additional amounts is allowed for purposes of fractioning administrative costs, and the insured must have the option, when there are installments with interests, to anticipate the payment of any installment with consequent proportional reduction of agreed interests. -----

5.4. If the limit date for payment of premium at sight or of any of its installments coincides with a non-banking day, the payment may be performed on the first banking day. -----

5.5. The insurance company shall forward the billing document straight to the insured or its

representative, at least in 5 (five) business days
in advance regarding the respective due date. -----

6. Term of Duration -----

The term of duration of the insurance-guarantee
shall be equal to the term established in the main
contract, and the Insured shall make the premium
payment during all this term. -----

7. Expectation and Claim Characterization -----

7.1. When the insured s default is evidenced by
the beneficiary with respect to the obligations
covered by this policy, and when resulting invalid
the extrajudicial notification given to the
insured, the beneficiary shall have the right to
require the insurer to pay the due indemnity. -----

7.2. When giving the extrajudicial notification
upon the insured, the beneficiary shall,

simultaneously, inform the insurer the expectation of claim, by sending to it a copy of the extrajudicial notification, as well as documents that clearly point out the items non-complied in the agreement and the insured's answer, if any. ---

7.3. When evidencing the insured's default, the beneficiary shall inform the insurer by sending to it a notice similar to the model in Document III of the policy - Notice of Default and indemnity Request, as well as a copy of the administrative process with the decision that determines the execution of guarantee. -----

8. Indemnity -----

8.1. Being characterized the claim, the insurer shall indemnify the beneficiary up to this policy guarantee limit, pursuant to one of the forms

below, in accordance with what is agreed upon by
both parties: -----

I. executing, by third parties, the object of the
main Contract, so to continue and complete it,
under its entire responsibility; or -----

II. paying for the damages caused by the insured s
default. -----

8.2. The indemnity payment or the beginning of the
obligation compliance shall occur within up to 30
(thirty) days, counted from the date of delivery
of all documents listed by the insurer as
necessary to the claim characterization and
regulation. -----

8.2.1. Based on established and justifiable doubt,
the insurer may request complementary
documentation and/or information. -----

8.2.2. In case of request for documents referred to in item 8.2.1, the term of 30 (thirty) days provided is suspended, resuming on the business day after the requirements are met. -----

8.3. Being characterized the claim, the insurer shall indemnify the beneficiary in the amount of incurred losses. -----

8.3.1 Loss is the difference between the original amount provided in the Production Sharing Contract and the realized amount. -----

8.3.2. The indemnity payment shall take place in a maximum term of 30 (thirty) days counted from the date of delivery of documents mentioned in paragraph 8.2. -----

8.4. If the insurer decides for the noncharacterization of claim, it shall formally

notify the beneficiary, in writing, about its refusal for indemnity, also presenting the detailed reasons on which its conclusion was based. -----

9. Update of Amounts -----

9.1 Failure to pay pecuniary obligations of the Insurer, including the indemnity under Clause 8 of these General Conditions, within the term for payment of the respective obligation shall result in: -----

a) monetary update, from the due date of obligation; for indemnity, it is the date of claim characterization; and -----

b) incidence of late payment interest, calculated pro rata temporis , counted from the first day after the fixed due date. -----



9.2 The index used for monetary update shall be the reference index from Special System for Settlement and Custody - SELIC for government bonds, accrued monthly, or the index that replace it, being calculated based on the positive variation from the last index published before the payment due date and the one published right before its effective settlement. -----

9.3. Late payment interest, counted from the first day after the fixed due date of the obligation, shall be equal to one thirty-third per day of delay, limited to 20%, under terms of art. 37-A of Law No. 10552/02. -----

9.4. The payment of amounts relating to monetary updates and late payment interest shall be made regardless of judicial or extrajudicial

notifications, at once, with the other amounts payable in the contract. -----

10. SUBROGATION -----

10.1. Once the indemnity is paid or the compliance with the defaulting obligations is commenced by the insured, the insurer shall subrogate the beneficiary's rights against the insured or against third parties whose acts or facts have caused the claim. -----

10.2 Any act of the beneficiary that diminishes or extinguishes the rights referred to in this item, with prejudice to the insurer, is ineffective. ----

10.3. According to articles 347, I; 348 and 349 of Brazilian Civil Code, subrogation is governed by rules of Credit assignment, therefore, due to article 290 of Brazilian Civil Code, the INSURED

and its guarantors are hereby notified, stating they are aware of the subrogation (Assignment) performed by the BENEFICIARY (ANP) and the INSURER J. MALUCELLI SEGURADORA S/A. -----

11. Holding Harmless -----

11.1. The insurer shall be held harmless in relation to this policy if one or more of following events shall occur: I. Acts of God or force majeure, in accordance with the Brazilian Civil Code; ----- II.

Non-compliance with the insured s obligations arising from acts or facts that are the beneficiary s liability; -----

III. Alteration of the contractual obligations guaranteed by this policy that might have been agreed upon the beneficiary and the insured

without the previous approval of the insurer; -----

IV. Illicit malicious acts practiced by the beneficiary or by its legal representative. -----

V - If the beneficiary or its legal representative makes inaccurate statements or omits, in bad faith, circumstances under its knowledge that result in risk aggravation, insured's default, or that may have an influence in the proposal acceptance; -----

VI - If the Beneficiary intentionally aggravates the risk; -----

11.2. It is expressly excluded from the insurer's liability any and all fines that might have a punitive character, except if otherwise provided in the special conditions. -----

12. Concourse of Guarantees -----

In the event of two or more guarantees already existing and that each one of them covers the object of this insurance, the insurer shall be proportionally liable jointly with the other participants. -----

13. Extinction of the Guarantee -----

13.1. The guarantee granted by this insurance shall terminate: -----

I. when the object of the main Contract guaranteed by the policy is definitely executed upon a term or statement signed by the beneficiary or the policy return; -----

II. when the beneficiary and the insurer so agree;

III. with the indemnity payment; -----

IV. at the expiration of the duration period provided in the policy, except if otherwise

provided in the special conditions or when extended
by means of endorsement, if there is a modification
of the main Contract. -----

14. Disputes -----

14.1. The disputes arising from the application of
those conditions may be settled: -----

I. by arbitration; or -----

II. by legal proceedings. -----

14.2. 12.2. In the event of arbitration, the
commitment clause must be stated in the policy. ---

15. Lapse -----

15.1. The lapse terms are those determined by law.

16. Jurisdiction -----

16.1 The judicial matters between the insurer and
the beneficiary shall be processed in the city of
Rio de Janeiro. -----

17. FINAL PROVISIONS -----

17.1. The insurance acceptance is subjected to a risk analysis. -----

17.2. The term for policies and endorsements shall start and expiry within 24 hours from the dates indicated on them for those purposes. -----

17.3. The registration of this plan at Susep in not and indication, by the Agency, of incentive or recommendation to its commercialization. -----

17.4 Seven business days after the issuance of this document, it may be checked if the policy or endorsement was duly registered on Susep website - www.susep.gov.br. -----

17.5 The registration status of the insurance broker may be checked on the website www.susep.gov.br, through its Susep registration

number, full name, CNPJ or CPF. -----

17.6 This insurance is hired at first absolute risk. -----

17.7 The entire Brazilian territory is considered as the geographical scope of hired modalities, except when otherwise provided in Special Conditions and/or Specific Conditions of Policy.

17.8. Occasional charges for translation regarding the reimbursement of expenses performed abroad shall be full responsibility of the Insurance Company. -----

18 Notices -----

18.1. All notices, demands, instructions, waivers, or other information to be provided regarding this Insurance-Guarantee must be drawn up in Portuguese, and delivered by a carrier or courier,

certified mail, or fax, and sent to the following

addresses: -----

i) For the INSURER: -----

J. MALUCELLI SEGURADORA S/A -----

Rua Visconde de Nácar, 1441 - 15° Andar - Centro --

80410-201 -----

Curitiba -----

ii) to the BENEFICIARY: -----

Brazilian Oil, Natural Gas and Biofuel Agency -----

Exploration Superintendence -----

Avenida Rio Branco, 65, 19° andar -----

20090-004 -----

Rio de Janeiro - RJ -----

18.2. The addresses and fax numbers for notices

given pursuant to this Insurance-Guarantee policy

may be amended by the issuer or ANP by notice

given to the other at least 15 banking days prior
to the change. -----

19. Ratification -----

The provisions of the General Conditions that have
not been altered by the special conditions below
are fully ratified. -----

Curitiba, November 21st, 2013. -----

----- **SPECIAL CONDITIONS** -----

1. Specific Clause for Tenders and Contracts of
Indirect Execution of Works, Services and Purchase
of the Governmental Agencies, as well as for
Concessions and Permits of the Public Utility. ----

1.1 It is understood that this insurance
guarantees the faithful compliance with the
obligations of the Minimum Exploration Program
assumed in Production Sharing Contracts for oil

and natural gas exploration and production
activities. -----

1.2 The definitions under art. 6° of Law No. 8.666,
of June 21, 1993, and of art. 2 of Law No. 8.987,
of February 13, 1995 apply to this insurance. -----

1.3 For the purposes of this insurance it is also
defined: -----

I. Beneficiary: Brazilian Oil, Natural Gas and
Biofuel Agency -----

II. Insured: the bidding, contracted,
concessionaire or permitted company. -----

1.4 This policy guarantee is in force: -----

For the period set forth in the policy, with
expiration estimated for 100 days after the end of
the Exploration Phase, object of this policy. -----

1.5 Renewals are not assumed: they shall be formalized by the issuance of new policies, preceded by written notice of the insurer to the beneficiary and insured, within ninety days before the end of the policy term, stating its explicit intention of keeping the guarantee. -----

1.6 In addition to the hypothesis provided in clause 13 of the policy, the guarantee provided by this insurance will also expire with the complete fulfillment of the MINIMUM EXPLORATORY PROGRAM defined in ANNEX II - Minimum Exploratory Program of PRODUCTION SHARING CONTRACT mentioned in the policy. -----

2. In compliance with clause 7 of General Conditions, extrajudicial notification is understood as the official communication sent by

ANP to the insured, under the official
administrative process. -----

3. As a complement to Clause 6.4 of General
Conditions, the administrative decisions made
during the due administrative process are assumed
as valid, except when they are suspended or
nullified by standing administrative or court
authority. -----

4 As a complement to Clause 11.1, item V, it is
understood that is not ANP s responsibility to keep
the Insurer informed about occasional changes in
technical and social conditions of the Insured.
Such information shall be obtained directly by the
Insurer from the Insured, or by checking the
administrative processes of ANP, since there is no
legal dispute, or the Insured waives such secrecy.

The provisions of the general conditions that have not been altered by the present special conditions are fully ratified. -----

----- **PARTICULAR CONDITIONS** -----

This policy does not insure risks arising from other modalities of the Insurance-Guarantee, does not insure the payment of any fines or financial charges that are contractually established under the contract or under the amendments and, furthermore, does not insure the obligations concerning tax payments, labor liabilities of any nature, social security, indemnity to Third Parties, as well as it does not insure risks that are covered by other insurance fields. It is furthermore stated that losses and/or damages directly or indirectly caused by acts of terrorism

are not covered, notwithstanding its purpose that might be duly recognized as a threat to the public order by the competent authorities. This policy has the reinsurance coverage supplied by J. Malucelli Resseguradora S/A, CNPJ 09.594.758/0001- 70, duly authorized to operate by SUSEP through Ordinance 2942/06, published in Federal Gazette of 05/26/2008, granted by means of the Process no.

15414.001867/2008-53 -----

PREMIUM ACCOUNT -----

Insured: PETRÓLEO BRASILEIRO S/A - PETROBRAS -----

Beneficiary: BRAZILIAN OIL, NATURAL GAS AND

BIOFUEL AGENCY - ANP -----

Date of Issue: 11/21/2013 - Term Start: 12/01/2013

- End:06/01/2018 -----

Modality: Performer -----
Insured Amount - R\$ 244,361,234.80 -----
Net Premium - R\$ 2,262,344.51 -----
Fractioning Increment - R\$ 0.00 -----
Issuance Cost - R\$ 0.00 -----
I.O.F R\$ 0.00 -----
Total Premium - R\$ 2,262,344.51 -----
Susep: 000001.0.0.020197-9 - PORTO DE CIMA
CORRETORA DE SEGUROS LTDA -----

----- **PAYMENT CONDITIONS** -----

Installment: 1 -----
Due Date: 12/11/2013 -----
Booklet No.: 40489474 -----
Amount (R\$): 2,262,344.51 -----

* The Issuance Cost above refers to the Credit
Registration and Monitoring cost, and complies

with article 5 of Susep Circular Letter No. 401, of
02/25/2010, according to Technical Note approved by
Susep/Detec/Gesec/Dires Letter No. 1035/2007 -
Susep Process 15414.00662/98-40. São Paulo - SP -
11/21/2013 -----

RETURN OF DOCUMENT -----

If this document is returned before the end of term
expressed on it, fill out the fields below and send
it to the Insurer. -----

In compliance with Clause 11, sub-item I, of
General Conditions, we are performing the return of
document No. 02-0775-0219795. Place and Time -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY - ANP

Name: -----

ID: -----

Position: -----

----- **Document II - Reduction Certificate** -----

*[MODEL TO BE FILLED BY ANP IN CASE OF REDUCTION -
DO NOT FILL IN]* -----

Reference is made to the Insurance-Guarantee of the Performer (the Insurance-Guarantee), in *[insert city name]*, dated *[insert date in format Month/Day/Year]*, issued by *[Name of Issuer]* -----

The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certify that:

(i) The amount in Reais, specified below (a), is the allocable amount in Face Amount of the Letter of Credit to the works performed by Contractors regarding the Minimum Exploration Program until the date of this Certificate; and -----



(ii) The Face Amount of the Letter of Credit shall be reduced to a value equal to the Remaining Face Amount, specified below (b), effective from the date of this Certificate. -----

(a) Amount in Reais allocable to work in the Minimum Exploration Program *[insert face amount]*

(b) Remaining Face Amount R\$ *[insert face amount]* -

This Certificate has been duly executed by the undersigned on *[insert date in the format month/day/year]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

----- **Document II - Reduction Certificate** -----

[MODEL TO BE FILLED OUT BY ANP IN CASE OF

REDUCTION - DO NOT FILL IN] -----

Reference is made to the Insurance-Guarantee of the Performer (Insurance-Guarantee), in [insert city name], dated [insert date in format Month/Day/Year], issued by [Name of Issuer] -----

The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certify that:

(i) The amount in Reais, specified below (a), is the allocable amount in Face Amount of the Letter of Credit to the works performed by Contractors regarding the Minimum Exploration Program until the date of this Certificate; and -----

(ii) The Face Amount of the Letter of Credit shall be reduced to a value equal to the Remaining Face Amount, specified below (b), effective from the date of this Certificate. -----

(a) Amount in Dollars allocable to work in the
Minimum Exploratory Program *[insert Face Amount]* --

(b) Remaining Face Amount R\$ *[insert face amount]* -

This Certificate has been duly executed by the
undersigned on *[insert date in the format*

month/day/year]. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

Document III - Notice of Default and indemnity

Request -----

Policy No. *[insert number of policy]* -----

Rio de Janeiro -RJ -----

[insert payment order date, in format

month/day/year] -----

[MODEL TO BE FILLED OUT BY ANP IN CASE OF DRAFT -

DO NOT FILL IN] -----

At sight -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certifies that

(i) the Contract has finished without the

fulfillment of the Minimum Exploration Program, or

(ii) the Minimum Exploration Program was not

fulfilled by the Contractors from: *[insert date in*

format month/day/year, of the last day established

for Exploration Period]; -----

We request you to pay to the order of BRAZILIAN

OIL, NATURAL GAS AND BIOFUEL AGENCY the face amount

of R\$ *[Insert face amount]* (*[insert amount*

in full] Reais]. -----

Draft according to POLICY No. *[insert number of policy]* issued by *[Insert name of Insurer]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

To: *[Insert name of insurer]* -----

[Insert address of insurer] -----

Document III - Notice of Default and indemnity

Request -----

Policy No. *[insert number of policy]* -----

Rio de Janeiro -RJ -----

[insert payment order date, in format

month/day/year] -----

[MODEL TO BE FILLED OUT BY ANP IN CASE OF DRAFT -

DO NOT FILL IN] -----

At sight -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certifies that

(i) the Contract has finished without the
fulfillment of the Minimum Exploration Program, or
(ii) the Minimum Exploration Program was not
fulfilled by the Contractors from: *[insert date in
format month/day/year, of the last day established
for Exploration Period]*; -----

We request you to pay to the order of BRAZILIAN
OIL, NATURAL GAS AND BIOFUEL AGENCY the face amount
of R\$ *[Insert face amount]* (*[insert amount
in full]* Reais). -----

Draft according to POLICY No. *[insert number of
policy]* issued by *[Insert name of Insurer]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----

[signature] -----

Name: [insert name] -----

Function: [insert function] -----

To: [Insert name of insurer] -----

[Insert address of insurer] -----

----- **Document IV - Completion Certificate** -----

[MODEL TO BE FILLED IN BY THE ANP AT THE SIGNATURE
OF THE PRODUCTION SHARING CONTRACT BY THE BUSINESS
COMPANY DO NOT FILL IN] -----

Reference is made to the Policy [insert number of
policy], dated [insert date of issue in format
month/day/year], issued by [insert name of issuer].

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certify that:
The Minimum Exploration Program was completed by



the Contractors; and -----

The Contractor s obligations that were guaranteed
by the above mentioned Policy have terminated. ----

This Certificate has been duly executed by the
undersigned on *[insert date in the format
day/month/year]*. -----

BRAZILIAN OIL, NATURAL GAS AND BIOFUEL AGENCY ----
[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

IRREVOCABLE STAND-BY LETTER OF CREDIT Issued by
BANCO BNP PARIBAS BRASIL S.A. -----

Date: November 18th, 2013. -----

No.: GBNP-00464/13 -----

Starting Face Amount: R\$ 122,180,617.40 (One
hundred and twenty-two million, one hundred and

eighty thousand, six hundred seventeen dollars and
forty cents) -----

Brazilian Oil, Natural Gas and Biofuel Agency

Avenida Rio Branco 65,19, 19° andar, 20090-004,

Rio de Janeiro, Brazil -----

Dear Sirs or Madams: -----

1. **BANCO BNP PARIBAS BRASIL S.A.**, constituted
under the laws of the Federative Republic of
Brazil, the Issuer , hereby issues in favor of
the Brazilian Oil, Natural Gas and Biofuel Agency
- ANP, an Agency comprising the indirect Federal
Public Administration of the Government of the
Federative Republic of Brazil, the Irrevocable
Stand-By Letter of Credit No. GBNP-00464/13,
through which the Issuer authorizes ANP to draw,
in a single operation, the Face Amount of R\$

122,180,617.40 (One hundred and twenty-two million,
one hundred and eighty thousand, six hundred
seventeen dollars and forty cents) upon
presentation of a Payment Order and a Draft
Certificate (defined below) in a establishment of
the Issuer mentioned in Clause 5 of this Letter of
Credit, during the Drawing Period (as defined in
item 4, below). -----

2. This Letter of Credit was prepared in accordance
with the Production Sharing Contract No.
48610.011150/2013-10, regarding the area(s)

LIBRA_P1, to be executed in 12/02/2013, between ANP
and the Contractor(s) **TOTAL E&P DO BRASIL LTDA**,
constituted under the laws of the Federative
Republic of Brazil. The capitalized terms used and
not defined herein (including the attached

documents) have the respective meanings set forth
in the Contract. -----

3. The starting Face Amount of the Letter of Credit
is R\$ 122,180,617.40 (One hundred and twenty-two
million, one hundred and eighty thousand, six
hundred seventeen dollars and forty cents), which
may be reduced upon presentation from ANP, to the
Issuer, of a Certificate (Reduction Certificate) as
defined in Document 1, specifying a new and lower
Face Amount. -----

The Face Amount of the Letter of Credit may be
drawn by ANP, according to provision in Clause 5 of
this Letter of Credit, at any Banking Day during
the Drawing Period, starting at 10:00 AM and
finishing at 4:00 PM, Rio de Janeiro s time,
between December 2nd, 2013 and May 31st, 2018 (the

Drawing Period). Banking Day is any day that is not Saturday, Sunday or a day in which commercial banks in the city of Rio de Janeiro are authorized or obligated to close by a law, regulating standard or decree. -----

5. The drawing may only be done upon presentation, from ANP to the Issuer, of a Payment Order, as shown in Document 2 (Payment Order) and a Draft Certificate, prepared by ANP, as shown in Document 3 (Draft Certificate). Presentation of a Payment Order and Draft Certificate must be made at the Issuer s establishment in Rio de Janeiro located at Avenida Rio Branco, 01, 10° andar, gr. 1002, or in other address in this city designated by the issuer to the ANP by notice given in accordance with Clause 9 of this Letter of Credit. -----

6. Upon presentation of the Payment Order and Draft Certificate by ANP, during the Drawing Period, at the establishment designated by the Issuer on Clause 5 of this Letter of Credit, the Issuer must pay the Face Amount, in Reais, according to the procedure established in draft certificate, and the issuer must make the payment until the business day immediately after the order presentation. -----

7. This Letter of Credit shall expire whenever the first of the following events takes place: (i) on 06/15/2018, (ii) at the reduction of Face Amount of this Letter of Credit to zero, (iii) on the date the ANP presents to the Issuer a Certificate prepared by ANP in compliance with Document 4 (Completion Certificate), and (iv) at the

irrevocable payment from the Issuer to ANP, as defined in Clause 6 of this Letter of Credit, of the Face Amount through a suitable drawing.

However, any drawing performed correctly before the expiration of this Letter of Credit shall be honored by the Issuer. If the establishment designated by the Issuer in Clause 5 of this Letter of Credit is closed on the date defined in (i) of this Clause 7, the expiration date of this Letter of Credit and of the Drawing Period shall extend until the next Banking Day when the referred establishment is open. -----

8. Only ANP may draw this Letter of Credit, as well as exercise any rights defined herein. -----

9. All notices, demands, instructions, waivers, or other information to be provided regarding this

Letter of Credit must be drawn up in Portuguese,
and delivered by a carrier or courier, certified
mail, or fax, and sent to the following addresses:

(i) To the Issuer: -----

Banco BNP Paribas Brasil S.A. -----

Departamento Jurídico -----

Avenida Rio Branco, 01 -10º andar- gr. 1002 -----

20090-003 -----

Rio de Janeiro, RJ -----

Brazil -----

Fax: 21-2516-4141 -----

(ii) To ANP: -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro-RJ -----

Brazil -----

Fax (21)21128419/ 0102 -----

The addresses and fax numbers for notices given pursuant to this Letter of Credit may be amended by the Issuer or ANP by notice given to the other at least 15 banking days prior to the change. ----

10. This Letter of Credit sets forth, in full and unconditional, obligation of the Issuer and such obligation shall not in any way be changed or amended by reference to any document, instrument or agreement mentioned herein, unless the Payment Order, the Proof of and any Certificate of Conclusion. -----

11. This letter of credit on the terms and conditions set forth herein and for the purpose intended, is a valid, legal and binding document

in the square of its collection and the issuer can not oppose the NPA claim of any nature that prevents their full and complete implementation. --

Sincerely, -----

BANCO BNP PARIBAS BRASIL S.A -----

Name: -----

Function: -----

[Document bears stamp of: Bruno Toledo] -----

[Document bears stamp of: Bruno Barreto] -----

----- CERTIFICATE OF REDUCTION -----

In reference to the Letter of Credit Irrevocable Standby (Letter of Credit), N GBNP- 00464/13, dated 18.11.2013, issued by BANCO BNP PARIBAS BRAZIL S.A., on behalf of ANP, capitalized terms

from this point and not defined herein have the
respective meanings set forth in the Letter of
Credit. -----

The undersigned, duly authorized to sign this
certificate on behalf of ANP, hereby certifies
that: -----

(i) The amount in Reais, specified below (a)
allocable corresponds to the Face Amount of the
Letter of Credit of the work performed by
contractors in relation to the Minimum Exploration
Program to the date of this certificate, and -----

(ii) The Nominal Value of the Letter of Credit
shall be reduced to an amount equal to the Nominal
Value Remaining specified below (b), effective as
of the date of this certificate. -----

(a) Amount in Reais allocable to work in the

Minimum Exploratory Program *[insert nominal Value]*

b) Nominal Amount Remaining - *[insert nominal Value]* -----

This certificate has been duly executed by the undersigned on *[insert date in the format day/month/year]* -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

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----- PAYMENT ORDER -----

----- Letter of Credit No. 6BNP 00464/13 -----



----- Rio de Janeiro-RJ -----

----- Date: 01/18/2013 -----

In Cash -----

Pay NATIONAL AGÊNCIA NACIONAL DO PETRÓLEO, GÁS

NATURAL E BIOCOMBUSTÍVEIS the nominal value of R\$

[insert Nominal Value] {[insert amount in words]

reais). -----

Booty as letter of credit in guarantee for

irrevocable No GBNP-0046V13 issued by BANCO BNP

PARIBAS BRASIL S.A. -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E

BIOCOMBUSTÍVEIS -----

[signature] -----

Name: *[insert name]* -----

Function: *[Insert function]* -----

To: **BANCO BNP PARIBAS BRASIL S.A.** -----

Address: Avenida Rio Branco, No. 01, 10th floor,
gr. 1002 -----
20090-003 -----
Rio de Janeiro, RJ -----
Brazil -----

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Document 3 -----

----- **PROOF OF BOOTY** -----

It refers to this Letter of Credit in Guarantee of
Irrevocable (Letter of Credit) No. GBNP-00464/13,
dated 11.18.2013, issued by **BANCO BNP PARIBAS**

BRASIL S.A., on behalf of Agência Nacional do
Petróleo, Gás Natural e Biocombustíveis (ANP). The
capitalized terms used herein and not defined have

the respective meanings set forth in the Letter of
Credit. -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certifies that
(i) the Production Sharing Contract has finished
without the fulfillment of the Minimum Exploratory
Program (ii) the Minimum Exploratory Program was
not fulfilled by the Contractors from: *[insert date
in format day/month/year, of the last day
established for period of operation]*; ----- The

payment of the Nominal Value updated in Reais, on
this date, of the Letter of Credit No. GBNP-

00464/13 must be made by the Issuer to the

following account: -----

[enter ANP account details in Rio de Janeiro] -----

This Certificate has been duly executed by the

undersigned on *[insert date in the format
day/month/year]* -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E
BIOCOMBUSTÍVEIS -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

Insert the last day of the Period of exploration
for which the Letter of Credit was issued -----

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----- CERTIFICATE OF CONCLUSION -----

It refers to the irrevocable letter of credit in
guarantee (letter of credit) No. GBNP-00464/13
dated to 11/18/2013, issued by **BANCO BNP PARIBAS**

BRASIL S.A., on behalf of Agência Nacional do
Petróleo, Gás Natural e Biocombustíveis (ANP). The
capitalized terms not defined herein shall have the
respective meanings set forth in the Letter of
Credit. -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certify that:

(i) The amount allocated to the Letter of Credit,
related to the full compliance with the Minimum
Exploratory Program, was completed by
Contractor(s), or Letter of Credit was duly
replaced by another instrument of guarantee
accepted by ANP, and -----

(ii) The letter of Credit expires on the date of
this Certificate. -----

This Certificate has been duly executed by the

undersigned on *[insert date in the format
day/month/year]*. -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E
BIOCOMBUSTÍVEIS -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

[Letterhead document with logo: BTGPactual] -----

Policy N.º 024372013000107750000059 -----

MINSURANCE WARRANTY TO FULFILLMENT OF THE MINIMUM
EXPLORATORY PROGRAM -----

BTG FACTUAL SEGURADORA S.A., CNPJ (national
register of corporate taxpayers) 15.437.885/0001-
68, with its headquarters at Avenida Brigadeiro

Faria Lima, No. 3,477 - 14th Floor - São Paulo /
SP, through this policy of insurance warranty,
ensures to the BENEFICIARY AGÊNCIA NACIONAL DO
PETRÓLEO. NATURAL GAS AND BIOFUELS - ANP the
fulfillment of the obligations of the Borrower.
SHELL BRAZIL OIL Ltd., CNPJ (national register of
corporate taxpayers) 10.456.016/0001-67, with its
headquarters at Avenida das Américas. 4,200, Block
5 - Barra da Tijuca - Rio de Janeiro / RJ, assumed
by SHARING CONTRACT FOR PRODUCTION ACTIVITIES OF
EXPLORATION AND PRODUCTION OF OIL AND NATURAL GAS
No. 48610.011150/2013-10 (the "PRODUCTION SHARING
CONTRACT-), to be celebrated on December 2, 2013,
as defined in the object of this policy, referring
to Block LIBRA_P1 signed between ANP and Petróleo
Brasileiro S.A., Shell Brasil Petróleo Ltd., Total

E&P do Brasil Ltd., CNODC Brasil Petróleo e Gás and CNOOC Petroleum Brasil Ltd. related to the BID INVITATION FOR GRANTING OF THE PRODUCTION SHARING CONTRACT FOR EXPLORATION AND PRODUCTION ACTIVITIES FOR OIL AND NATURAL GAS - First Bidding of Production Sharing/2013, object of this policy, in the amount of R\$ 122,180,617.40 (One hundred and twenty-two million, one hundred and eighty thousand, six hundred seventeen dollars and forty cents), as the provisions in the clauses and general conditions: -----

----- **DESCRIPTION OF WARRANTY** -----
 (Modality, value and due date in the Production Sharing Contract) -----

Modality	Insured Amount	Term	
		Beginning	End



Executor	RS 122.180.617,40	12/01/2013	06/02/2018
----------	----------------------	------------	------------

----- **OBJECT OF WARRANTY** -----

Warranty of compensation, in the amount fixed in the Policy, considering the reductions in guaranteed value, by breach of contract of the TAKER regarding their obligation to fully execute, within the Exploration Phase, the Minimum Program for such Exploratory Phase as defined in Annex II - Minimum Exploratory Program, of the PRODUCTION SHARING CONTRACT, and to do so spending the amounts that may be necessary, subject to the provisions of the Tenth Clause of the PRODUCTION SHARING CONTRACT No. 48610.011150/2013-10. -----

The value guarantee by this policy is R\$ 122,180,617.40 (One hundred and twenty-two million, one hundred and eighty thousand, six

hundred seventeen dollars and forty cents) -----

This policy premium is R\$ 2,201,259.56 (two million, two hundred and one thousand two hundred and fifty nine reais and fifty-six cents). -----

It is an integral and inseparable part of the policy, the following documents that we have restated: -----

[Document bears a sign in the bottom of the page] -

- Document I - General Conditions as Susep Circular Mail No. 232/2003, 239/2003, 251/2004, 255/2004 and 256/2004; -----

- Document II - Policy - Model of Reduction Certificate; -----

- Document III of the Policy - Model of Notice of

Breach of Contract and Indemnity Request; -----

• BID INVITATION FOR HIRING ACTIVITIES OF
EXPLORATION AND PRODUCTION OF OIL AND NATURAL GAS -

1st BIDDING FOR PRODUCTION SHARING/2013. -----

- Production Sharing Contract for Exploration and
Production of Oil and Natural Gas No.

48610.011150/2013-10. -----

This policy is issued in accordance with the

Conditions of Susep Circulars No 232/2003,

239/2003, 251/2004, 255/2004 and 256/2004. -----

Its is an integral part of this policy, the

conditions of warranty set out overleaf. -----

SAO PAULO, NOVEMBER 19, 2013 -----

AV BRIGADEIRO FARIA UMA. 3477 14th FLOOR - CEP

M538-133 - ITAJM - SÃO PAULO - SP - Tels (11) 3383-

2000 - Fm (11) 3383-2001 SAC 0800-7722-827 -

BENEFICIARY: NATIONAL AGENCY OF OIL, NATURAL GAS

AND BIOFUELS - ANP TAKER: SHELL BRASIL PETRÓLEO

Ltd. -----

----- **Document I - GENERAL CONDITIONS** -----

The Terms of this Warranty shall be governed by the terms contained in SUSEP Circular No. 232 dated 03 June, 2003 adapted to Susep Circulars No. 239/2003, 251/2004, 255/2004 and 256/2004 reproduced below: -

----- **SUSEP Circular 232, of June 3, 2003.** -----

1. Object -----

This insurance guarantees the faithful performance of the obligations of the borrower under the Main contract, made with the beneficiary, as the terms of the policy. -----

2. Definitions -----

I. Insurance-Warranty: insurance that guarantees the faithful compliance with the obligations assumed by the borrower in the main contract, under the terms of the policy. -----

II. Main Contract: the contractual document, its amendments and ANNEXES, that specify the obligations and rights of the beneficiary and the borrower. -----

III. Proposal: formal instrument for the issue of insurance policy, made in accordance with the legislation in force. -----

IV. Policy: document, signed by the insurer, which formally represents the insurance bond. -----

V. Endorsement: formal instrument, signed by the insurer, making changes in the insurance bond policy, upon express request and consent of the

parties. -----

VI. General Conditions: clauses, of the policy, of
general applicability to any insurance bond
modality -----

VII. Special Conditions: the policy clauses specify
the different modalities of coverage of the
Insurance contract and change the provisions
set forth in the general conditions. -----

VIII. Particular Conditions: those that
particularize the policy, distinguishing the
beneficiary, the borrower, the insurance object,
the beneficiary amount and other characteristics
applicable to a particular Contract of insurance.

IX. Beneficiary: lender of the borrower's
obligations assumed in the Main contract. -----

X. Borrower: debtor of obligations assumed by

himself in the Main contract. -----

XI. Insurance Company: the surety insurance company, under the policy, of the fulfillment of the borrower s obligations in the main contract.

XII. Award: due importance, by the borrower, to get the insurance coverage. -----

XIII. Loss: the default of the obligations covered by insurance. -----

XIV. Compensation: payment of direct damages resulting from the default of the obligations covered by insurance. -----

3. Acceptance -----

3.1. Hiring/modification of the insurance contract shall be made only upon a proposal signed by the applicant, his agent or an enabled insurance broker. The written proposal should contain the

essentials elements to the examination and
acceptance of risk. -----

3.2. The insurer shall provide, obligatorily, to
the applicant, a protocol which identifies the
proposed that was delivered to it, indicating the
date and time of receipt. -----

3.3. The insurer shall have a term of fifteen (15)
days to appear on the acceptance or rejection of
the proposal, the date of its receipt, either for
new insurance or renewals, as well as changes
involving modification of risk. -----

3.3.1. If the insurance applicant is an
individual, the request for additional documents,
for review and acceptance of the risk, or the
proposed change, will be made only once, during the
period specified in item 3.3. above. -----

3.3.2. If the applicant is a legal entity, the request for additional documents, may occurs more than once, during the period specified in item 3.3 above, since the Insurer indicates the grounds of action of new elements, to the proposal evaluation or assessment of risk. -----

3.3.3. In case of request for additional documents, for review and acceptance of the risk, or the proposed change, the period of 15 (fifteen) days specified in item 3.3. above shall be suspended, returning from the date on which the person submits the documentation. -----

3.4. If no offer is accepted, the Insurer shall communicate such fact, in writing, to the applicant, specifying the reasons for refusal. ----

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3.5. The absence of manifestation, in writing, of the insurer, in the above said period, will imply the tacit acceptance of insurance. -----

3.6. In cases that the acceptance of the proposal depends on hiring or alteration of facultative reinsurance, the period specified in item 3.3. above shall be suspended until the reinsurer is formally manifested. -----

3.6.1. The Insurer, in the terms set out in item 3.3 above, shall inform, in writing, to the applicant, such an eventuality, highlighting the resulting lack of coverage as long as the suspension. -----

3.6.2. As provided in item 3.6. above, it is

forbidden to charge full or partial award, until it is fully implemented the reinsurance coverage and confirmed the acceptance of the proposal. -----

3.7. The execution of the policy or endorsement shall be made within 15 (fifteen) days from the date of acceptance of the proposal. -----

4. Warranty Value -----

4.1. The value of warranty of this policy must be understood as the maximum nominal amount secured by it. -----

4.2. When alterations of values previously established in the main contract are made, the value of warranty shall accompany such changes.

4.3. To further modifications made in the Main contract, under which the modification of the contract value becomes necessary, the value of

warranty may also be modified, upon request of the insurer of an issuance of endorsement of recovery or refund of award relating to the increase or decrease of the value of warranty and the term. ---

4.4. The value of this policy may be reduced, as provided in Section XI of the Production Sharing Agreement, upon the issuance of Endorsement Reduction Beneficiary, issued by the Insurer, after submission of Reduction Certificate, as in model of Document II - Proof of Reduction, made by the Insured. -----

4.5. It is understood and agreed that any updates to the value of the Beneficiary shall be requested in writing by the BENEFICIARY to the BORROWER, which together will provide to the INSURER the updates through Endorsement of Bond with the

respective INSURANCE COMPANY award collection. ----

4.6. The updates referred in paragraph 4.5 may be requested by BENEFICIARY when circumstantial changes occur, including but not limited to currency and inflation variations, which modify the expected costs to the fulfillment of the Exploratory Program guaranteed by this policy. ---

5. Premium of Insurance -----

5.1. The borrower is responsible for paying the award to the insurer. -----

5.2. It is understood and agreed that the insurance will remain in force even when the borrower has not been paid the award in the agreed upon dates. -----

5.3. The insurance award may be paid in cash or in portions by agreement between insurer and

borrower, not being permitted charging any additional value, by way of administrative cost fractionation, should be guaranteed to the borrower, if any portion payment with financial interest, the ability to prepay any of the portions, with a corresponding reduction of the agreed financials interests. -----

5.4. If the date for payment of award in cash or any of its portions match a day where is no bank day, payment can be made on the first business day on which is banking day. -----

5.5. The insurance company will send the billing document directly to the borrower or his representative, subject to minimum notice of five (5) working days prior to the date of maturity. ---

6. Term -----

The term of insurance coverage shall be equivalent to the term established in the Main contract, the borrower must pay the award for all this period. --

7. Expectation and Loss Characterization -----

7.1. When it is evidenced by the beneficiary default of the borrower in relation to the obligations covered by this policy, and when unsuccessful result extrajudicial notification to the borrower, the insured shall be entitled to require, of the insurer, the compensation owed. ---

7.2. Executing the extrajudicial notification to the borrower, the beneficiary shall, simultaneously, communicate he insurer the expectation of loss, by sending a copy of extrajudicial notification and documentation clearly indicating the items not completed in the

Contract, with the borrower s answer, if there is
any. -----

7.3. Noting the default of the borrower, the
beneficiary must notify the insurer, by sending a
notice pursuant to the Model Document III of the
policy - Notice of Default and Compensation
Request and a copy of the administrative process
decisively determining the execution of warranty.

8. Compensation -----

8.1. Characterized the loss, the insurer will
compensate the beneficiary, up to the limit of
this policy guarantee, according to one of the
forms below, as is agreed by both parties: -----

I. executing, by a third party, the object of the
Main contract, to give it continuity and conclude,
under its full responsibility, or -----

II. paying for the damages caused by the default of the borrower. -----

8.2. The indemnity payment, or beginning of performance of the obligation, must occur within 30 (thirty) days, counted from the date of delivery of all documents listed by the insurer as necessary to characterize and to regulation of the loss. -----

8.2.1. Based in a real and justifiable doubt, the insurer may request documentation and/or additional information. -----

8.2.2. In case of request referred in item 8.2.1. Documents, within thirty (30) days shall be suspended, restarting your score from the working day following that on which the requirements are fully met. -----

8.3. Characterized the loss, the insurer will
compensate the beneficiary in the amount of damage
incurred. -----

8.3.1 Damage is the difference between the
original value in the provisions of the Production
Sharing Contract and the amount realized. -----

8.3.2. The payment of compensation should take
place within 30 (thirty) days, counted from
the date of delivery of the documents mentioned in
paragraph 8.2. -----

8.4. If the insurer does not complete the
characterization of the loss, it will formally
notify the beneficiary, in writing, of its denial
of compensation, stating the reasons that
supported its conclusion in detail. -----

9. Update of Values -----

9.1. Non-payment of financial obligations of the Insurer, including the compensation pursuant to Section 8 of these General Conditions, the deadline for payment of the obligation will result in: -----

- a) monetary restatement, from the date of payment of the obligation, in the case of compensation, the date characterization of the loss, and -----
- b) incidence of interest on arrears calculated pro rata temporis , starting from the first following the end of the deadline day. -----

9.2. The Index used for monetary restatement will be the reference rate of Special System for Settlement and Custody - SELIC for federal titles, accumulated monthly or securities index that may replace it, which is calculated based on the

positive variation accrued between the last index published before date of payment obligation and that published immediately preceding the date of the actual settlement. -----

9.3. The revolving interest, counted from the first day after the expiration of the term fixed for payment of the duty, will be equivalent to thirty-three hundredths percent, per day of delay, limited to 20% pursuant to art. 37-A of Law No.

10.522/02. -----

9.4. The payment of amounts related to monetary correction and interest shall be made independent of any judicial or extrajudicial, at once, together with the other amounts owed under the contract. -----

10. SUBROGATION -----

10.1. Pay compensation or the compliance with the obligations of the borrower defaulting, the insurance will be subrogate in the rights of the beneficiary against the borrower, or third parties whose acts or facts have caused the loss. -----

10.2. It is ineffective any act of the beneficiary that diminishes or extinguishes, to the damage of the insurer, the rights to which this item refers.

10.3. Under articles 347.1, 348 and 349 of the Brazilian Civil Code, the subrogation is governed by the rules of the credit assignment, thus, under Article 290 of the Brazilian Civil Code, the Borrower and its remaining guarantors reported this instrument, stating that they are aware of subrogation (Assignment) held by BENEFICIARY (ANP) to SEGURADORA BTG Pactual Seguradora S.A. -----

11. Holding Harmless -----

11.1. The insurer shall be exempt from liability in relation to this policy in the event of one or more of the following cases; -----

I. Acts of God or force majeure, pursuant of the Brazilian Civil Code. -----

II. Non-compliance of the obligations of the borrower arising from acts or facts of liability of the beneficiary; -----

III. Amendment of contractual obligations guaranteed by this policy, as agreed between the beneficiary and the borrower, without prior approval of the insurer. -----

IV. Malicious torts committed by the beneficiary or his legal representative. -----

V. The beneficiary or his legal representative

makes misstatements or omitted in bad faith
circumstances of his knowledge that constitute
aggravation risk of default by the borrower or
that may influence the acceptance of the offer; ---

VI. If the beneficiary intentionally increases the
risk; -----

11.2 Excluded expressly the responsibility of the
insurer, any and all fines that have a punitive
character, unless otherwise provided in the special
conditions. -----

12. Competition of Warranties -----

In the event of two or more guarantees already
existing and that each one of them covers the
object of this insurance, the insurer shall be
proportionally liable jointly with the other
participants. -----

13. End of Warranty -----

13.1. The guarantee granted by this insurance

shall terminate: -----

I. when the object of the main Contract guaranteed by the policy is definitely executed upon a term or statement signed by the beneficiary or the policy return; -----

II. when the beneficiary and the insurer so agree;

III. with the indemnity payment; -----

IV. at the expiration of the duration period provided in the policy, except if otherwise

provided in the special conditions or when

extended by means of endorsement, if there is a

modification of the main Contract. -----

14. Disputes -----

14.1. The disputes arising from the application of

those conditions may be settled: -----

I. by arbitration, or -----

II. by legal proceedings. -----

14.2. In the event of arbitration, the commitment
clause must be stated in the policy. -----

15. Prescription -----

15.1. The lapse terms are those determined by law.

16. Jurisdiction -----

16.1. The judicial matters between the insurer and
the beneficiary shall be processed in the city of
Rio de Janeiro. -----

17. FINAL PROVISIONS -----

17.1. The insurance acceptance is subjected to a
risk analysis. -----

17.2. The term for policies and endorsements shall
start and expiry within 24 hours from the dates

indicated on them for those purposes. -----

17.3 The registration of this plan at Susep in not
and indication, by the Agency, of incentive or
recommendation to its commercialization. -----

17.4. Seven business days after the issuance of
this document, it may be checked if the policy or
endorsement was duly registered on Susep website -
www.susep.gov.br. -----

17.5. The registration status of the insurance
broker may be checked on the website
www.susep.gov.br, through its Susep registration
number, full name, CNPJ or CPF. -----

17.6. This insurance is contracted at first ever
risk. -----

17.7. The entire Brazilian territory is considered
as the geographical scope of hired modalities,

except when otherwise provided in Special
Conditions and/or Specific Conditions of Policy. --

17.8. Occasional charges for translation regarding
the reimbursement of expenses performed abroad
shall be full responsibility of the Insurance
Company. -----

18. Notifications -----

18.1. All notices, demands, instructions, waivers,
or other information to be provided regarding this
Insurance-Guarantee must be drawn up in Portuguese,
and delivered by a carrier or courier, certified
mail, or fax, and sent to the following addresses:

i) For the INSURER: -----

SEGURADORA BTG Pactual Seguradora S.A. -----

Avenida Brigadeiro Faria Lima 3477, 14th floor - --

04538-133 -----

SAO PAULO -----

ii) to the BENEFICIARY: -----

Agência Nacional do Petróleo, Gás Natural e

Biocombustíveis -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro - RJ -----

18.2. The addresses and fax numbers for notices given pursuant to this Insurance-Guarantee policy may be amended by the issuer or ANP by notice given to the other at least 15 banking days prior to the change. -----

19. Ratification -----

The provisions of the General Conditions that have

not been altered by the special conditions below
are fully ratified. -----

SÃO PAULO, NOVEMBER 19, 2013 -----

----- **SPECIAL CONDITIONS** -----

1. Specific Clause for Tenders and Contracts of
Indirect Execution of Works, Services and Purchase
of the Governmental Agencies, as well as for
Concessions and Permits of the Public Utility. ----

1.1 It is understood that this insurance
guarantees the faithful compliance with the
obligations of the Minimum Exploration Program
assumed in Production Sharing Contracts for oil
and natural gas exploration and production
activities. -----

1.2 The definitions under art. 6° of Law No.
8.666, of June 21, 1993, and of art. 2 of Law No.

8.987, of February 13, 1995 apply to this
insurance. -----

1.3 For the purposes of this insurance it is also
defined: -----

I. Beneficiary: Agência Nacional do Petróleo, Gás
Natural e Biocombustíveis; -----

II. Borrower: the bidding, contracted,
concessionaire or permitted company. -----

1.4 This policy guarantee is in force: -----

For the period set forth in the policy, with
expiration estimated for 180 days after the end of
the Exploration Phase, object of this policy. -----

1.5 Renewals are not assumed: they shall be
formalized by the issuance of new policies,
preceded by written notice of the insurer to the
beneficiary and insured, within ninety days before

the end of the policy term, stating its explicit intention of keeping the guarantee. -----

1.6 In addition to the hypothesis provided in clause 13 of the policy, the guarantee provided by this insurance will also expire with the complete fulfillment of the MINIMUM EXPLORATORY PROGRAM defined in ANNEX II - Minimum Exploratory Program of PRODUCTION SHARING CONTRACT mentioned in the policy. -----

2. In compliance with clause 7 of General Conditions, extrajudicial notification is understood as the official communication sent by ANP to the insured, under the official administrative process. -----

3. As a complement to Clause 6.4 of General Conditions, the administrative decisions made

during the due administrative process are assumed as valid, except when they are suspended or nullified by standing administrative or court authority. -----

4. As a complement to Clause 11.1, item V, it is understood that is not ANP s responsibility to keep the Insurer informed about occasional changes in technical and social conditions of the Insured.

Such information shall be obtained directly by the Insurer from the Insured, or by checking the administrative processes of ANP, since there is no legal dispute, or the Insured waives such secrecy.

The provisions of the general conditions that have not been altered by the present special conditions are fully ratified. -----

Ratification -----

The provisions of the General Conditions that have not been altered by the special conditions below are fully ratified. -----

----- **SPECIAL CONDITIONS** -----

This policy does not insure risks arising from other modalities of the Insurance-Guarantee, does not insure the payment of any fines or financial charges that are contractually established under the contract or under the amendments and, furthermore, does not insure the obligations concerning tax payments, labor liabilities of any nature, social security, Indemnity to Third Parties, as well as it does not insure risks that are covered by other insurance fields. -----

It is furthermore stated that losses and/or damages directly or indirectly caused by acts of

terrorism are not covered, notwithstanding its purpose that might be duly recognized as a threat to the public order by the competent authorities.

This policy has the reinsurance coverage supplied by RB Brasil Re,allow, from side to side process

N° 1604/2013 -----

[Document bears a sign in the bottom of the page] -

----- Document II Certificate OF Reduction -----

[MODEL TO BE FILLED OUT BY ANP IN CASE OF

REDUCTION - DO NOT FILL IN] -----

Reference is made to the Insurance-warranty of the

Performer (Insurance-Warranty), in *[insert city*

name], dated *[insert date in format*

Month/Day/Year], issued by *[Name of Issuer] -----*



The undersigned, duly authorized to execute this Certificate on behalf of ANP, hereby certify that:

(i) The amount in Reais, specified below (a), is the allocable amount in Nominal Value of the Letter of Credit to the works performed by Contractors regarding the Minimum Exploration Program until the date of this Certificate; and ---

(ii) The Nominal Value of the Policy shall be reduced to a value equal to the Remaining Nominal Value, specified below (b), effective from the date of this Certificate. -----

(a) Amount in Reais allocable to work in the Minimum Exploratory Program [*insert Nominal Value*]

(b) Remaining Nominal Value R\$ [*insert Nominal Value*] -----

This Certificate has been duly executed by the

undersigned on *[insert date in the format
month/day/year]*. -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E
BIOCOMBUSTÍVEIS -----

[signature] -----

Name: *[insert name]* -----

Function: *[insert function]* -----

[Document bears a sign in the bottom of the page] -

Document III - Notice of Default and indemnity

Request -----

Draft according to POLICY No. *[insert number of
policy]* issued by *[Insert name of Insurer]*. -----

*[insert payment order date, in format
month/day/year]* -----

[MODEL TO BE FILLED OUT BY ANP IN CASE OF DRAFT -

DO NOT FILL IN] -----

In Cash -----

The undersigned, duly authorized to execute this
Certificate on behalf of ANP, hereby certifies that

(i) the Contract has finished without the
fulfillment of the Minimum Exploration Program, or

(ii) the Minimum Exploration Program was not
fulfilled by the Contractors from: *[insert date in
format month/day/year, of the last day established
for Exploration Period]*; -----

Pay AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E
BIOCOMBUSTÍVEIS the nominal value of R\$ *[insert
Face Amount]* (*[insert amount in full]* reais). -----

Draft according to POLICY No. *[insert number of
policy]* issued by *[Insert name of Insurer]*. -----

AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E

BIOCOMBUSTÍVEIS -----

[signature] -----

Name: [insert name] -----

Function: [insert function] -----

To: [Insert name of insurer] -----

[insert address of insurer] -----

[Document bears a sign in the bottom of the page] -

----- Document IV - Completion Certificate -----

[MODEL TO BE FILLED IN BY THE ANP AT THE SIGNATURE

OF THE PRODUCTION SHARING CONTRACT BY THE BUSINESS

COMPANY - DO NOT FILL IN] -----

Reference is made to the Policy [insert number of

policy], dated [insert date of issue in format

month/day/year], issued by [insert name of issuer].

----- The

undersigned, duly authorized to execute this

Certificate on behalf of ANP, hereby certify that:

The Minimum Exploration Program was completed by

the Contractors; and -----

The Contractor s obligations that were guaranteed

by the above mentioned Policy have terminated. ----

This Certificate has been duly executed by the

undersigned on [insert date in the format

month/day/year]. -----

AGÊNCIA NACIONAL DO PETRÓLEO. NATURAL GAS AND

BIOFUEL -----

[signature] -----

Name: [insert name] -----

Function: [insert function] -----

----- **ANNEX IV-PERFORMANCE GUARANTEE** -----

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[Document bears two stamps in the bottom of the page] -----

----- **PERFORMANCE GUARANTEE** -----

[Document bears a stamp in top of the page] -----

This Guarantee of Performance refers to the
Production Sharing Contract no. 48610.011150/2013-
10, Area LIBRA_P1, signed between the National
Agency of Petroleum, Natural Gas and Biofuel - ANP
and CNOOC Petroleum Brasil Ltda. ("Guaranteed"), a
limited liability company incorporated in
accordance with the Brazilian laws. -----

With reference to the obligations arising from the Contract, or related to it, assumed by the Guaranteed, or that may t>e imposed to it, CNOOC International Limited C'Guarantor"), a limited liability company incorporated in accordance with the laws of the British Virgin Islands, an Affiliate of the Guaranteed, fully agrees with the provisions numbered below: -----

1. The terms written in capital letters and not defined here shall have their meanings established in the Contract. -----

2. The Guarantor declares to ANP that: (i) it is incorporated in accordance with the laws of its jurisdiction; (ii) it has all the shareholding powers and legal representation to sign, submit and fulfill this Guarantee; (iii) this Guarantee

represents the legal obligations validly assumed by the Guarantor and performed against it in accordance with its terms; (iv) governmental approvals for the fulfillment, presentation and compliance of this Guarantee are not necessary, except those that have already been obtained and are now in force; and (v) the fulfillment, presentation and compliance with this Guarantee by the Guarantor does not breach any device of existing law or regulation to which it is subject, as well as any provision of corporate documents of the Guarantor or of any agreements or contracts it is part of. -----

3. The Guarantor herein ensures ANP, in unconditional nature, as main debtor, the due and timely compliance of all guaranteed obligations

because of the Contract or any related to it. -----

4. If the Guaranteed does not fulfill, in any aspect, its obligations in the Contract or breach, somehow, the provisions contained in it, the Guarantor commits itself, upon official notification, in writing, to achieve any measure necessary for the faithful compliance with the obligations assumed in the above mentioned contractual document, assuming the responsibility for any losses, damages, claims, costs and expenses resulting from the failure in the operations carried out by the Guaranteed or by the breach of the Contract by it. Any initiatives of ANP for direct accountability of the Guaranteed, at any time, do not invalidate the obligations of the Guarantor under this Guarantee. -----

5. This Guarantee is unconditional and will have the force and effect until all obligations of the Guaranteed in the contract, or in connection with it, are totally and irrevocably met and extinct, notwithstanding (a) any amendment or termination of the Contract, (b) any term extension, another tolerance or concession made by ANP, or (c) any delay or failure by ANP in obtaining available solutions against the Guaranteed company. -----

6. It will be allowed to replace this Performance Guarantee in the case of transfer of the total participation undivided in rights and obligations relating to the hiring, provided the assignee company expressly assumes responsibility for all previous and subsequent to its inclusion in the Contract. -----

ANP will not be obligated to use any other guarantee or initiate any action against, or with respect to the Guarantee, before performing its rights under this Guarantee

Directly against the Guarantor. The Guarantor, moreover, will not be permitted to claim ANP could have prevented or tolerated in any way, or by any action, the damage resulting from the non-fulfillment of the contract by the Guaranteed, or that the Agency could use any other existing guarantee at any time in its favor, before acting against the Guarantor in connection with its obligations, depending on this Guarantee. The obligations of the Guarantor under this Guarantee shall be independent and undivided and It will not be entitled to compensation or opposition with

respect to any claims it might have against ANP or
any other person. -----

8. All the obligations of the Guarantor laid down
here will oblige the Guarantor and its successors.

The Guarantor shall not assign or delegate its
duties and obligations without the prior consent,
in writing, of ANP, and any purported Assignment or
delegation without such contentment be void and
without any value. The Guarantor confirms this
Guarantee will be valid with respect to any
assignee company that is an Affiliate of the
Guaranteed, under this Contract. If the
aforementioned Assignment occurs, the assignee
company shall be considered as the Guaranteed for
all purposes herein, in the extension of the
assigned obligations. -----

9. This Guarantee shall be governed by and consented in accordance with the laws of the Federative Republic of Brazil. -----

10. Any failure, delay or tolerance of ANP in exercising any right, in whole or in part, by reason of this instrument, will not be construed as a waiver of the said right or any other. -----

11. Any change or amendment of this guarantee shall be valid only if officially made and signed by the Guarantor and ANP. -----

12. Any dispute concerning the interpretation, of this Guarantee will be resolved in exclusive and definitive terms through arbitration held depending on the Rules of the International Chamber of Commerce. -----

13. The costs and expenses actually incurred by

ANP due to the implementation of this Guarantee,
including and without limitation, the costs and
attorney's fees will be paid by the Guarantor,
against the submission of invoices. -----

14. Any and all notices, requests, instructions,
disclaimers or other communications relating to
this Guarantee, as well as any consents provided
herein, will be written in English and shall be
considered valid only after the receipt and must
be delivered personally or sent by courier, mail
or fax to the address below; -----

For the Guarantor. -----

CNOOC International Limited -----

Portcullis TrustNet Chambers -----

P.O. Box 3444, Road Town -----

Tortola, British Virgin Islands -----

For ANP: -----

[Document bears a stamp in the top of the page] --

[Document bears two signs from Li Fanrong and

Claudia Rabello] -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro RJ -----

Brazil -----

Fax (+55 21) 2112 8419 -----

The addresses and fax numbers above any of the

Parties may be amended, by means of official

notification, in writing, from one to another,

with a minimum notice of 15 (fifteen) days prior

to the effective date of change. -----

This warranty will be presented in 1 original. ----

This Guarantee was duly signed by the Guarantor on

12th of November of 2013, and it is to go into

force from the date it is approved by ANP. -----

CNOOC International Limited -----

Name: -----

Received and Accepted. -----

Agência Nacional do Petróleo, Gás Natural e

Biocombustíveis -----

*[Document bears stamp of the Federative republic of
Brazil]* -----

*[Document bears a stamp in the right to side of the
page]* -----



----- **Lenora Pereira Ilupsel de Oliveira** -----

Sworn Public Translator and Interpreter, duly
appointed by Administrative Rule Number 165, for
translations in English and Portuguese -----

----- **ABPS Idiomas e Traduções Ltd.** -----

----- Av. Passos, 115 - rooms 811 e 814 -----

----- Rio de Janeiro - Centro -----

----- Tel: 2213-2986 and Fax: 2518-3817 -----

----- e-mail: abps@abpstraducoes.com.br -----

The undersigned, appointed to the English language
in accordance with Ordinance No. 690 of the
Distinguished Plenary, on March 9, 2006, signed by
the president of the Board of Trade of the State
Rio de Janeiro, sworn public translator and
interpreter, on Rio de Janeiro, Capital of the

State Rio de Janeiro, Federative Republic of
Brazil, certifies that a document recorded in the
English language in order to translate it into the
vernacular, which must be due to his craft was
presented. -----

IN WITNESS WHEREOF, I sign and attach my Seal of
Office. -----

*[Document bears a stamp with the wording RVJ5119
on it]* -----

[Document bears more two stamps] -----

*[Document bears two stamps in the right top side
of the page]* -----

*[Document bears sign of the Federative Republic of
Brazil]* -----

Translation J20255/13 -----

The document submitted for translation is a

Warranty of Performance. -----

[Document bears a text written in Mandarin] -----

CNOOC International Limited -----

WARRANTY OF PERFORMANCE -----

This Performance Guarantee refers to the

Production Sharing Contract No. 48610.01

1150/2013-10, LIBRA_P1 area, concluded between

Agência Nacional de Petróleo, Gás Natural e

Biocombustíveis - ANP and CNOOC Petroleum Brazil

Ltda. ("Guarantee"), a limited business company

organized -----

according to the Brazilian Law. -----

With reference to obligations under the Contract or

relating to this, assumed by the Guaranteed, or

permit them to be imposed, CNOOC International Limited ("Guarantor"), a limited partnership organized under the laws of British Virgin Islands- an Affiliate guaranteed agree fully with the provisions numbered below: -----

1. The words written in capital letters and not defined herein shall have the meanings set forth in the Contract. -----

2. The Guarantor declares to ANP: (i) it is organized under the laws of its jurisdiction, (ii) has all requisite corporate power and legal authority to sign, submit and comply with this Warranty, (iii) this Warranty constitutes the legal obligations validly assumed by the Guarantor and is against this feasible, in accordance with its terms, (iv) it is not necessary governmental

approvals for the implementation, delivery and performance of this warranty, except those who have been obtained and are in effect, and (v) the execution, delivery and performance of this Guarantee by the Guarantor shall not violate any law or regulation existing device to which it is subject, and any provision of the corporate documents of the Guarantor or any agreements or arrangements to which this part. -----

3. The Guarantor hereby guarantees to the ANP, unconditionally, as primary debtor, due and punctual enforcement of all obligations of the Guaranteed by reason of this Agreement or related.

4. If the Guaranteed does not comply, in any respect, its obligations under the Agreement or violate in any way the provisions set out herein,

the Guarantor undertakes, an official notification, in writing, to perform any action required for the faithful performance of obligations mentioned in the contractual instrument, taking responsibility for any losses, damages, claims, costs and expenses resulting from failure in operations carried out by the Guaranteed or the breach of this Agreement by. ANP Possible initiatives for direct accountability of Guarantee, at any time, shall not invalidate the obligations of the Guarantor contained in this Guarantee. -----

5. This Guarantee is unconditional and will have force and effect until all obligations of the Guaranteed Agreement or in connection with this, are fully and irrevocably satisfied and

discharged, notwithstanding (a) any amendment or termination of the Contract, (b) any extension term, other indulgence, or hiring by the ANP, or (c) any delay or failure by the ANP in obtaining remedies available against the Guaranteed Entity.

6. Replacement of this Performance Guarantee shall be permitted in the case of assignment of all of the undivided share in the rights and obligations relating to hiring, since business company transferee expressly assume by all prior and subsequent to its entry into the Contract duties.

7. ANP is not obligated to pursue any guarantee or take any action against or with respect to the guarantee before enforcing its rights under this Guarantee directly against the Guarantor. It is not allowed to Guarantor, moreover, claim that the

ANP could have avoided or mitigated in any way, or by any action, the damages resulting from the breach of the Contract by Guarantee, or that the agency could use any other shall be permitted existing guarantee at any time in its favor, before proceeding against the Guarantor in connection with the obligations of this, as this Warranty. The obligations of the Guarantor under this Guarantee and shall be independent and will not be entitled to compensation or counterclaim with respect to any claims it may have against ANP or anyone else. -----

8. All obligations of the Guarantor hereunder bind the Guarantor and its successors, The Guarantor may not assign or delegate its duties and obligations without the prior official written

consent of the ANP, and any purported assignment or delegation without such consent shall be null and worthless. The Guarantor confirms that this Guarantee shall be valid with respect to any assign liability company that is an Affiliate of the Guarantee pursuant to this Agreement. Occurring this mentioned Assignment, the assign liability company will be deemed to Guarantee for all purposes hereunder, to the extent of the obligations transferred. -----

9. This Guarantee shall be governed and construed in accordance with the laws of the Federative Republic of Brazil. -----

10. Any failure or delay by the ANP in exercising any right, in whole or in part, because of this document, shall not be construed as a waiver of

the exercise of that right or any other. -----

11. Any amendment or modification of this Warranty will only be valid if it is official and signed by the Guarantor and ANP. -----

12. Any dispute concerning the interpretation of this Warranty will be settled exclusively and definitely terms, by arbitration conducted in accordance with the rules of International Chamber of Commerce. -----

13. Costs and expenses actually incurred by the ANP due to the enforcement of this Guarantee, including, without limitation, costs and attorneys' fees, shall be paid in cash by the Guarantor, upon presentation of invoices. -----

14. All notices, demands, instructions, waivers or other communications relating to this Warranty,

and any consents contained therein, shall be in Portuguese and shall be effective upon receipt and shall be delivered personally or sent by courier, sedex or fax at the addresses below: -----

If for the Guarantor: -----

CNOOC International Limited -----

Portcullis TrustNet Chambers -----

P.O. Box 3444, Road Town -----

Tortola, British Virgin Islands -----

If for ANP: -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro - RJ -----

Brazil - -----

Fax (+55 21) 2112 8419 - -----

The addresses and fax numbers above, of any Parties, may be changed by means of official notification, in writing from, one to another with a least prior to the effective date of change fifteen (15) working days. -----

This Guarantee may be executed on 1 via, and any such vias considered original. -----

This Guarantee has been duly executed by the Guarantor on November 12, 2013, and will be effective and will be effective from the date of its approval by the ANP. -----

CNOOC International Limited -----

[signed] -----

Name: Li Fanrong - - -----

Received and Accepted -----

Agência Nacional do Petróleo, Gás Natural e -----

Biocombustiveis -----

[nihill] -----

Name: [nihill] - -----

[Document bears a text written in Mandarin] -----

NOTORIAL CERTIFICATE -----

(TRANSLATION) -----

(2013) J.F.Z.W.J.Z.Zi, No. 01498 -----

Petitioner: Li Fanrong, male, born in October 11,

1963, passport number: S90356072- Legalized Item:

Signature- -----

By this deed i certificate that Li Fanrong has

been present to the 18th floor, CNOOC Building,

No. 25 Chaoyangmenbei Street, Dongcheng District,

Beijing, in November 12, 2013, signed in front of

the notary public and will act Wang Yue in

Documents in foreign language just here. -----

Notary Public: Zhang Rui -----

Fangzheng Notary Office, Beijing -----

People's Republic of China - -----

November 12, 2013 - -----

[Document bears a text written in Mandarin] -----

[It is attached in this document a certifying

issued by the Brazilian Embassy in Beijing, dated

November 14, 2013 and signed for Frederico

Fortunato Rodrigues. Deputy Consul, certifying the

signature of Li Yuping - First Secretary

Ministry of Foreign Affairs of China, the Ministry

of Foreign Affairs 2, in Beijing - China.] -----

Rio de Janeiro, November 18, 2013. -----

----- WARRANTY OF PERFORMANCE -----

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subsequent pages] -----

This Performance Guarantee refers to the
Production Sharing Contract No. 48610.01
1150/2013-10, LIBRA_P1 area, concluded between
Agência Nacional de Petróleo, Gás Natural e
Biocombustíveis - ANP and CNOOC Petroleum Brazil
Ltda. ("Guarantee"), a limited business company
organized according to the Brazilian Law. -----

With reference to obligations under the Contract or
relating to this, assumed by the Guaranteed, or
permit them to be imposed, China National Oil and
Gas Exploration and Development Corporation
("Guarantor"), a limited partnership organized
under the laws of British Virgin Islands-an
Affiliate guaranteed agree fully with the

provisions numbered below: -----

1. The words written in capital letters and not defined herein shall have the meanings set forth in the Contract. -----

2. The Guarantor declares to ANP: (i) it is organized under the laws of its jurisdiction, (ii) has all requisite corporate power and legal authority to sign, submit and comply with this Warranty, (iii) this Warranty constitutes the legal obligations validly assumed by the Guarantor and is against this feasible, in accordance with its terms, (iv) it is not necessary governmental approvals for the implementation, delivery and performance of this warranty, except those who have been obtained and are in effect, and (v) the execution, delivery and performance of this

Guarantee by the Guarantor shall not violate any law or regulation existing device to which it is subject, and any provision of the corporate documents of the Guarantor or any agreements or arrangements to which this part. -----

3. The Guarantor hereby guarantees to the ANP, unconditionally, as primary debtor, due and punctual enforcement of all obligations of the Guaranteed by reason of this Agreement or related.

4. If the Guaranteed does not comply, in any respect, its obligations under the Agreement or violate in any way the provisions set out herein, the Guarantor undertakes, an official notification, in writing, to perform any action required for the faithful performance of obligations mentioned in the contractual

instrument, taking responsibility for any losses, damages, claims, costs and expenses resulting from failure in operations carried out by the Guaranteed or the breach of this Agreement by. ANP Possible initiatives for direct accountability of Guarantee, at any time, shall not invalidate the obligations of the Guarantor contained in this Guarantee. -----

5. This Guarantee is unconditional and will have force and effect until all obligations of the Guaranteed Agreement or in connection with this, are fully and irrevocably satisfied and discharged, notwithstanding (a) any amendment or termination of the Contract, (b) any extension term, other indulgence, or hiring by the ANP, or (c) any delay or failure by the ANP in obtaining

remedies available against the Guaranteed Entity.

6. Replacement of this Performance Guarantee shall be permitted in the case of assignment of all of the undivided share in the rights and obligations relating to hiring, since business company transferee expressly assume by all prior and subsequent to its entry into the Contract duties.

7. ANP is not obligated to pursue any guarantee or take any action against or with respect to the guarantee before enforcing its rights under this Guarantee directly against the Guarantor. It is not allowed to Guarantor, moreover, claim that the ANP could have avoided or mitigated in any way, or by any action, the damages resulting from the breach of the Contract by Guarantee, or that the agency could use any other shall be permitted

existing guarantee at any time in its favor,
before proceeding against the Guarantor in
connection with the obligations of this, as this
Warranty. The obligations of the Guarantor under
this Guarantee and shall be independent and will
not be entitled to compensation or counterclaim
with respect to any claims it may have against ANP
or anyone else. -----

8. All obligations of the Guarantor hereunder bind
the Guarantor and its successors, The Guarantor
may not assign or delegate its duties and
obligations without the prior official written
consent of the ANP, and any purported assignment
or delegation without such consent shall be null
and worthless. The Guarantor confirms that this
Guarantee shall be valid with respect to any

assign liability company that is an Affiliate of
the Guarantee pursuant to this Agreement. Occurring
this mentioned Assignment, the assign liability
company will be deemed to Guarantee for all
purposes hereunder, to the extent of the
obligations transferred. -----

9. This Guarantee shall be governed and construed
in accordance with the laws of the Federative
Republic of Brazil. -----

10. Any failure or delay by the ANP in exercising
any right, in whole or in part, because of this
document, shall not be construed as a waiver of the
exercise of that right or any other. -----

11. Any amendment or modification of this Warranty
will only be valid if it s official and signed by
the Guarantor and ANP. -----

12. Any dispute concerning the interpretation of this Warranty will be settled exclusively and definitely terms, by arbitration conducted in accordance with the rules of International Chamber of Commerce. -----

13. Costs and expenses actually incurred by the ANP due to the enforcement of this Guarantee, including, without limitation, costs and attorneys' fees, shall be paid in cash by the Guarantor, upon presentation of invoices. -----

14. All notices, demands, instructions, waivers or other communications relating to this Warranty, and any consents contained therein, shall be in Portuguese and shall be effective upon receipt and shall be delivered personally or sent by courier, sedex or fax at the addresses below: -----

If for the Guarantor: -----

China National Oil and Gas Exploration and

Development Corporation No.6-1,

FuchengmenBeidajie, Xicheng District Beijing,

China -----

If for ANP: -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro - RJ -----

Brazil -----

Fax: (+55 21) 2112 8419 -----

The addresses and fax numbers above, of any

Parties, may be changed by means of official

notification, in writing from, one to another with

a least prior to the effective date of change

fifteen (15) working days. -----

This Guarantee may be executed on 3 via, and any
such vias considered original. -----

This Guarantee has been duly executed by the
Guarantor on November 23, 2013, and will be
effective and will be effective from the date of
its approval by the ANP. -----

China National Oil and Gas Exploration and
Development Corporation -----

Nome Bo Qiliang -----

Received and Accepted -----

Agência Nacional do Petróleo. Gás Natural e
Biocombustíveis -----

*[Document bears two signs from Bo Qiliand and
Claudia Rabello]* -----

----- **WARRANTY OF PERFORMANCE** -----

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page]* -----

This Performance Guarantee refers to the
Production Sharing Contract No. 48610.01
1150/2013-10, LIBRA_P1 area, concluded between
Agência Nacional de Petróleo, Gás Natural e
Biocombustíveis - ANP and **TOTAL E&P DO BRASIL LTDA.**
("Guarantee"), a limited business company organized
according to the Brazilian Law. ----- With
reference to obligations under the Contract or
relating to this, assumed by the Guaranteed, or
permit them to be imposed, **TOTAL E&P DO BRASIL
LTDA.** ("Guarantor"), a limited partnership

organized under the laws of British Virgin
Islands-an Affiliate guaranteed agree fully with
the provisions numbered below: -----

1. The words written in capital letters and not
defined herein shall have the meanings set forth
in the Contract. -----

2. The Guarantor declares to ANP: (i) it is
organized under the laws of its jurisdiction, (ii)
has all requisite corporate power and legal
authority to sign, submit and comply with this
Warranty, (iii) this Warranty constitutes the
legal obligations validly assumed by the Guarantor
and is against this feasible, in accordance with
its terms, (iv) it is not necessary governmental
approvals for the implementation, delivery and
performance of this warranty, except those who

have been obtained and are in effect, and (v) the execution, delivery and performance of this Guarantee by the Guarantor shall not violate any law or regulation existing device to which it is subject, and any provision of the corporate documents of the Guarantor or any agreements or arrangements to which this part. -----

3. The Guarantor hereby guarantees to the ANP, unconditionally, as primary debtor, due and punctual enforcement of all obligations of the Guaranteed by reason of this Agreement or related.

4. If the Guaranteed does not comply, in any respect, its obligations under the Agreement or violate in any way the provisions set out herein, the Guarantor undertakes, an official notification, in writing, to perform any action

required for the faithful performance of obligations mentioned in the contractual instrument, taking responsibility for any losses, damages, claims, costs and expenses resulting from failure in operations carried out by the Guaranteed or the breach of this Agreement by. ----

5. This Guarantee is unconditional and will have force and effect until all obligations of the Guaranteed Agreement or in connection with this, are fully and irrevocably satisfied and discharged, notwithstanding (a) any amendment or termination of the Contract, (b) any extension term, other indulgence, or hiring by the ANP, or (c) any delay or failure by the ANP in obtaining remedies available against the Guaranteed Entity.

6. Replacement of this Performance Guarantee shall

be permitted in the case of assignment of all of the undivided share in the rights and obligations relating to hiring, since business company transferee expressly assume by all prior and subsequent to its entry into the Contract duties. -

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7. ANP is not obligated to pursue any guarantee or take any action against or with respect to the guarantee before enforcing its rights under this Guarantee directly against the Guarantor. It is not allowed to Guarantor, moreover, claim that the

ANP could have avoided or mitigated in any way, or by any action, the damages resulting from the breach of the Contract by Guarantee, or that the agency could use any other shall be permitted existing guarantee at any time in its favor, before proceeding against the Guarantor in connection with the obligations of this, as this Warranty. The obligations of the Guarantor under this Guarantee and shall be independent and will not be entitled to compensation or counterclaim with respect to any claims it may have against ANP or anyone else. -----

8. All obligations of the Guarantor hereunder bind the Guarantor and its successors, The Guarantor may not assign or delegate its duties and obligations without the prior official written

consent of the ANP, and any purported assignment or delegation without such consent shall be null and worthless. The Guarantor confirms that this Guarantee shall be valid with respect to any assign liability company that is an Affiliate of the Guarantee pursuant to this Agreement. Occurring this mentioned Assignment, the assign liability company will be deemed to Guarantee for all purposes hereunder, to the extent of the obligations transferred. -----

9. This Guarantee shall be governed and construed in accordance with the laws of the Federative Republic of Brazil. -----

10. Any failure or delay by the ANP in exercising any right, in whole or in part, because of this document, shall not be construed as a waiver of

the exercise of that right or any other. -----

11. Any amendment or modification of this Warranty will only be valid if it is official and signed by the Guarantor and ANP. -----

12. Any dispute concerning the interpretation of this Warranty will be settled exclusively and definitely terms, by arbitration conducted in accordance with the rules of International Chamber of Commerce. -----

13. Costs and expenses actually incurred by the ANP due to the enforcement of this Guarantee, including, without limitation, costs and attorneys' fees, shall be paid in cash by the Guarantor, upon presentation of invoices. -----

14. All notices, demands, instructions, waivers or other communications relating to this Warranty,

and any consents contained therein, shall be in Portuguese and shall be effective upon receipt and shall be delivered personally or sent by courier, sedex or fax at the addresses below: -----

If for the Guarantor: -----

TOTAL S.A. -----

2, place Jean Millier -----

La Defense 6 -----

92078 Paris La Defense Cedex -----

France -----

Fax: +33 1 4744 4874 -----

If for ANP: -----

Superintendent of Exploration -----

Avenida Rio Branco 65, 19th floor -----

20090-004 -----

Rio de Janeiro - RJ -----

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[Document bears three sings from Patrick de la
Chevardière, Claudia Rabello and the other unkown]

[Document bears stamp with the wording RVG88120
in it] -----

[Document bears three others stamps] -----

[Document bears two stamps] -----

Rio de Janeiro - RJ -----

Brazil -----

Fax; (+55 21) 2112 8419 -----

The addresses and fax numbers above, of any
Parties, may be changed by means of official
notification, in writing from, one to another with

a least prior to the effective date of change
fifteen (15) working days. -----

This Guarantee may be executed on 2 via, and any
such vias considered original. -----

This Guarantee has been duly executed by the
Guarantor on November 08, 2013, and will be
effective and will be effective from the date of
its approval by the ANP. -----

TOTAL S.A -----

Patrick de La Chevardière -----

Financial Director -----

Received and Accepted -----

Agência Nacional do Petróleo, Gás Natural e

Biocombustíveis -----

----- **ANNEX X - CONSORTIUM CONTRACT** -----

----- **AND** -----

----- ANNEX XI CONSORTIUM RULES . -----

----- CONSORTIUM CONTRACT -----

----- LIBRA_P1 -----

----- CONCERNING PRODUCTION SHARING CONTRACT -----

----- No. 48610.011150/2013-10 -----

----- LIBRA_P1 -----

----- SANTOS BASIN -----

----- between -----

Empresa Brasileira de Administração de Petróleo e

Gás Natural S.A. - Pré-Sal Petróleo -----

----- S.A. - PPSA, -----

----- Petróleo Brasileiro S.A. - PETROBRAS -----

----- Total E&P do Brasil Ltda. -----

----- SheU Brasil Petróleo Ltda. -----

----- CNODC Brasil Petróleo e Gás Ltda. -----

----- and -----

----- CNOOC Petroleum Brasil Ltda. -----

----- Rio de Janeiro -----

----- RJ November 2013 -----

----- CONSORTIUM CONTRACT -----

PARTIES -----

The following are Parties to this Consortium Contract, hereinafter jointly referred to as Parties or Co-Venturer, or individually referred to as Party or Co-Venturers. -----

EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E

GÁS NATURAL S.A. - PRÉ-SAL PETRÓLEO S.A. - PPSA,

business company incorporated under the laws of

Brazil, with its head office at ST SBN Quadra 2,

Bloco F, Sala 1505, Asa Norte, Brasília, DF, CEP

70.041-906, enrolled in the Brazilian Register of

Corporate Taxpayers of the Ministry of Finance

(CNPJ/MF) under no. 18.738.727/0001-36, hereinafter represented by Oswaldo Antunes Pedrosa Junior, Brazilian, married, engineer, holder of the identity card no. 00077926210 CNH/RJ and enrolled in the Brazilian Register of Individual Taxpayers of the Ministry of Finance (CPF/MF) under no. 278.218.117-34, acting as Production Sharing Contract Manager in accordance with article 2 of Law no. 12.304/2010, hereinafter referred to as Managing Company, -----

The Contractors, -----

PETRÓLEO BRASILEIRO S.A - PETROBRAS, business company incorporated under the laws of Brazil, with its head office at Av. República do Chile, 65, Centro, Rio de Janeiro, RJ. CEP 20031-912, enrolled in the Brazilian Register of Corporate

Taxpayers of the Ministry of Finance (CNPJ/MF)
under no.33.000.167/0001-01, hereinafter
represented by José Jorge de Moraes Júnior,
Brazilian, divorced, geologist, holder of the
identity card no. 07018434-6 IFP/RJ and enrolled in
the Brazilian Register of Individual Taxpayers of
the Ministry of Finance (CPF/MF) under no.
012.253.108-65, with commercial address at Av.
República do Chile 330, Torre Leste, 33° andar,
municipality of Rio de Janeiro, State of Rio de
Janeiro; -----

SHELL BRASIL PETRÓLEO LTDA, business company
incorporated under the laws of Brazil, with its
head office at Avenida das Américas nº 4200, Bloco
5, Salas 101,401, 501,601 e 701 e Bloco 6, Salas
101, 201, 301, 401, 501 e 601, Barra da Tijuca,

Rio de Janeiro, RJ, CEP 22640-102, enrolled in the Brazilian Register of Corporate Taxpayers of the Ministry of Finance (CNPJ/MF) under no. 10.456.016/0001-67 (hereinafter referred to as Contractor"), hereinafter represented by its Managing Director, André Lopes de Araújo, Brazilian, single, chemical engineer, holder of the identity card no. 04.450.411-6 issued by DETRAN/RJ and enrolled in the Brazilian Register of Individual Taxpayers of the Ministry of Finance (CPF/MF) under no. 801.224.267-20, with commercial address at Avenida das Américas n° 4200, Blocos 5 e 6, Barra da Tijuca, Rio de Janeiro, RJ, CEP 22640-102, -----

TOTAL E&P DO BRASIL LTDA, business company incorporated under the laws of Brazil, with its

head office at Av. República do Chile 500, 19°
Andar, Centro, Rio de Janeiro, RJ, CEP 22031-170,
enrolled in the Brazilian Register of Corporate
Taxpayers of the Ministry of Finance (CNPJ/MF)
under no. 02.461.767/0001-43 (hereinafter referred
to as Contractor"), hereinafter represented by
Denis Jacques Henri Palluat de Besset. French,
married, engineer, holder of the French passport
no. 08CX28540, enrolled in the Brazilian Register
of Corporate Taxpayers of the Ministry of Finance
(CNPJ/MF) under no. 061.309.457-36, residing and
domiciled at Av. Epitacio Pessoa, 2664 / 1104,
Lagoa, RJ, with commercial address at Av. República
do Chile 500, 19° Andar, Centro, Rio de Janeiro,
RJ, and ----- **CNODC**
BRASIL PETRÓLEO E GÁS LTDA, business company

incorporated under the laws of Brazil, with its
head office at Avenida Rio Branco, n° 14. 13°
andar (parte), Centro, Rio de Janeiro, RJ. CEP
20090-000, enrolled in the Brazilian Register of
Corporate Taxpayers of the Ministry of Finance
(CNPJ/MF) under no. 19.233.194/0001-01
(hereinafter referred to as Contractor"),

hereinafter represented by its attorney-in-fact.

Wan Guangfeng, Chinese, married, business
director, holder of the passport no. P01742778,
issued by the People's Republic of China, with
commercial address at No. 6-1 Fuchengmen Beidajie,
Xicheng District, Beijing, China -----

CNOOC PETROLEUM BRASIL LTDA, business company
incorporated under the laws of Brazil, with its
head office at Rua Teixeira de Freitas 31-8° andar

(parte), Centro, Rio de Janeiro, RJ. CEP 20021-

350, enrolled in the Brazilian Register of

Corporate Taxpayers of the Ministry of Finance

(CNPJ/MF) under no. 19.246.634/0001-57

(hereinafter referred to as Contractor"),

hereinafter represented by its Manager, Alexandre

Ribeiro Chequer, Brazilian, married, lawyer,

holder of the identity card no. 98.949 OAB/RJ and

enrolled in the Brazilian Register of Individual

Taxpayers of the Ministry of Finance (CPF/MF)

under no. 043.678 267-75, with commercial address

at Rua Teixeira de Freitas 31-9° andar, Centro,

Rio de Janeiro, RJ. CEP 20021-350. -----

1. CLAUSE ONE - DENOMINATION OF THE CONSORTIUM ----

1.1. The consortium shall be referred to as

Consórcio LIBRA_P1 -----

2. CLAUSE TWO - OBJECT OF THE CONSORTIUM -----

2.1. The object of this Consortium Contract is the association of the Parties to execute the Production Sharing Contract for Exploration and Production of Oil and Natural Gas no 48610.011150/2013-10 (hereinafter referred to as Production Sharing Contract). -----

2.2. The Co-Venturers have established and shall established, in specific documents, without prejudice to documents and commitments in the Production Sharing Contract, rules and special conditions to regulate internally the individual relationships, constituting their capacity as Co-Venturers, as well as the monitoring of the Consortium Operations. -----

3. CLAUSE THREE - CONSTITUTION OF THE CONSORTIUM --

3.1. The Consortium shall have its head office at
Av, República do Chile, nº 330, Torre Leste, 33º
andar, municipality of Rio de Janeiro-RJ, Brasil --

3.2. The Consortium, as well as the execution of
the object of the Consortium Contract and the use
of the Common Assets, shall not constitute a
business company between the Parties. -----

4. CLAUSE FOUR - OPERATING MANAGEMENT - OPERATOR
AND OPERATIONS -----
COMMITTEE -----

4.1. Pursuant to Law no. 12.351/2010, PETROBRAS is
the Operator and leader of the Consortium. -----

4 2. The operator in turn accepts act as such and
undertakes to monitor and perform the Operations,
performing actios, executing legal transactions
and representing the Consortium with ANP before

the Federal, State and Municipal Governments as well as before third parties from the date of entry into force of this Consortium Contract. -----

4.3. The Operating Committee shall deliberate concerning the administration of the Consortium, which formation, jurisdiction, powers, areas of performance, composition, frequency of meetings, voting procedures and issues specifically subject to its resolution shall be defined in specific documents to be entered into between the Parties, provided that they do not conflict with the terms of the Production Sharing Contract. -----

4.4. The resolutions of the Consortium shall be approved by vote in accordance with the terms of Annex XI in the Production Sharing Contract, and in accordance with criteria, methods and

procedures to be established on specific documents, provided that they do not conflict with the terms of the Production Sharing Contract and its Annexes. -----

5. CLAUSE FIVE - CO-VENTURERS SHARES AND CONTRIBUTIONS -----

5.1. Co-Venturers shall be entitled to indivisible share in the rights and obligations of the Contractor in the Production Sharing Contract, according to the proportions defined below (hereinafter referred to as Proportional Shares or Proportional Share): -----

- Pré-Sal Petróleo S.A.-PPSA - 0%** -----
 - Petróleo Brasileiro S.A. - PETROBRAS 40% (at least 30%)** -----
 - Total E&P do Brasil Ltda. - 20%** -----
-

Shell Brasil Petróleo Ltda. - 20% -----

CNODC Brasil Petróleo e Gás Ltda. - 10% -----

CNOOC Petroleum Brasil Ltda. - 10% -----

5.1.1. The Contractors may agree a percentage above those mentioned above for Operations with

Exclusive Risks. -----

5.1.2. The Co-Venturers shall maintain its own accounting records and financial statements, with express reference to their Proportional Shares. ---

5.2. The Common Assets shall be exclusively used and / or consumed in the Consortium Operations. ---

5.3. The Managing Company shall have zero percent (0%) of the indivisible share in the rights and obligations of the Consortium and fifty percent (50%) of the votes in the resolutions of the Operating Committee, as well as a casting vote and

right of veto, as stipulated in the Production Sharing Contract and its Annexes. -----

5.3.1. The votes of the representatives of the other Co-Venturers shall represent 50% of the resolutions, so that each Co-Venturer shall hold a vote corresponding to half of its proportional share as follows: -----

Pré-Sal Petróleo S.A. -PPSA - 50% -----

Petróleo Brasileiro S.A. - PETROBRAS - 20% -----

Total E&P do Brasil Ltda. - 10% -----

Shell Brasil Petróleo Ltda. - 10% g -----

CNODC Brasil Petróleo e Gás Ltda. - 05% -----

CNOOC Petroleum Brasil Ltda. - 05% -----

6. CLAUSE SIX - AUDIT AND ACCOUNTING RECORDS -----

6.1. The Operator shall maintain, in autonomous and identified manner, accounting records relating

to the activities of the Consortium, which shall follow the accounting principles commonly accepted by the practices of the international oil industry in accordance with specific documents signed between the Parties. The accounting principles shall not conflict with Brazilian legislation. Unless statutory or contractual provision to the contrary, the financial statements of the Consortium shall be prepared each calendar year. --

6.2. Each Co-Venturer shall maintain its own accounting records for accounting and tax purposes in respect to its Proportional Share. The Co-Venturers shall notarize in their relevant accounting books the income earned by consortium activity, including the amortization / depreciation quotas relating to capital costs

incurred, in accordance with their respective
Proportional Shares. -----

6.3 Each Co-Venturer shall have the right, at its
own expense, to examine, audit and verify the
documentation concerning the entries and the
Operator s books related to the Operation and the
performance of the Consortium, in accordance with
the applicable legal standards and the specific
documents signed by the Parties. -----

7. CLAUSE SEVEN - PROPERTY OF OIL AND NATURAL GAS -

7.1. The volumes of oil and natural gas obtained
at the Metering Point shall be distributed to the
Union and to the Contractors in accordance with
the percentages of Excess in Oil defined in the
Production Sharing Contract. The portion of
Excess in Oil from Oil and Natural Gas Production,

added to the volumes related to the Cost Oil
refund and to the volume corresponding to the
Royalties owed by each Contractor, shall be
distributed in accordance with the Shares of the
Contractors in accordance with the terms of this
Consortium Contract. -----

7.2. Each Co-Venturer shall be responsible for the
trading of its share in the Oil and Natural Gas
produced. Each Co-Venturer is free to sell its
share in Production by the price, terms and
conditions its considers as fair, subject to the
provisions of the Production Sharing Contract and
the Applicable Law. -----

8. CLAUSE EIGHT - PERIOD OF VALIDITY -----

8.1. This Consortium Contract shall enter into
force on the date of its signature, remaining so

for 40 years or until all the obligations under the Production Sharing Contract are completed. The Co-Venturers may terminate it upon previous agreement and compliance with their obligations in the Production Sharing Contract. When completed, the Common Assets shall be liquidated by the Operator in an orderly manner. The revenue from the sales of the Common Assets not returned to ANP shall be divided between the Consortium Members in accordance with their shares, complying with the terms of the Production Sharing Contract.

Moreover, after their completion, the Parties shall file the completion statement of this Consortium Contract with the relevant Commercial Registry. -----

9. CLAUSE NINE - FORCE MAJEURE -----

9.1. If any act or performance under this Consortium Contract is delayed, reduced or prevented by act of God or force majeure, the default by the Co-Venturer affected shall be released only if the reason for the act of God or force majeure is recognized and declared in accordance with the Production Sharing Contract. --

10. CLAUSE TEN ASSIGNMENT AND TRANSFER -----

10.1. The terms and conditions of this Consortium Contract shall bind the Parties, successors and authorized assignees. The rights and obligations under this Consortium Contract may be transferred or assigned in whole or in part with the prior and express consent of MME, after having consulted ANP, in accordance with the Production Sharing Contract, the Law no. 12.351/2010 and the Law no.

9.478/1997. -----

10.2. In any Assignment the other Contractors shall be entitled to the Preemptive Right provided for in Section VI of Annex - Preemptive Right of this Contract. -----

10.3. Any Contractor may withdraw from the Consortium, pursuant to Section V of Annex - Withdrawal Rights, which shall not result in costs to the other Contractors. -----

10.4. In the event of bankruptcy or application for judicial or extrajudicial recovery by a Contractor which is not an Operator, the shares in the Consortium and in the rights and obligations of the Production Sharing Contract shall be distributed proportionally to the shares of the other Co-Venturers. -----

11. CLAUSE ELEVEN - DEFAULT, ARBITRATION AND

APPLICABLE LAW -----

11.1. In case of any default by the Contractor, the Operator shall promptly send a default notice to the defaulting Party and to each of the other Parties. -----

11.2. If the Operator is in default, any nondefaulting Co-Venturer can perform the default notice. -----

11.3. After the fifth business day after the date of receipt of the default notice the default period is initiated, which shall end only when the defaulting party resolve such default by paying the amount due or complying with the outstanding obligation. -----

11.4. Unless otherwise agreed between the Parties,

during the default period the defaulting Party

shall not be entitled to: -----

a) Convene or attend meetings of the Operating
Committee or subcommittees, unless the defaulting
Party is the Operator; -----

b) Vote on the Operating Committee or any
subcommittee; -----

c) Have access to data or information relating to
the Operations or to this Consortium Contract,
unless the defaulting Party is the Operator. -----

d) Agree with or reject any Assignment of rights
and obligations or otherwise exercise any right
with respect to said Assignment; -----

e) Receive its portion of Excess in Oil; -----

f) Recover its portion of Cost Oil; and -----

g) Be assignee of any percentage of indivisible

share of another Party -----

11.4.1. During the default period, the portion of Excess in Oil of a defaulting Party shall be allocated and belong to the non-defaulting Parties in accordance with their respective proportional shares. The value related to such portion of Excess in oil shall be deducted from the total due by the defaulting Party. -----

11.4.2. During the default period, the defaulting Party shall not transfer all or part of its proportional share, except to non-defaulting Parties. -----

11.4.3. The default notice sent to the non-defaulting Parties shall contain the value that each non-defaulting Party, in a period of ten days, shall take from the amount owed by the

defaulting Party during the default period. -----

11.4.4. The defaulting Party shall also be responsible, in its fraction of share, for any outstanding obligation in the Production Sharing Contract until the Assignment of rights and obligations of the defaulting Party is approved and the Consortium Contract is amended. In such event the defaulting Party shall perform all acts necessary for the Assignment of its share in the Production Sharing Contract and in this Consortium Contract. -----

11.4.5. Any dispute, controversy or claim arising out of or relating to this Consortium Contract, including any questions regarding its existence validity or termination, shall be treated according to Clause Thirty-Six - Legal Policy of

the Production Sharing Contract. -----

11.4.6. Applicable Laws - The laws applicable to
this Consortium Contract are Brazilian laws. -----

12 CLAUSE TWELVE - CO-VENTURER S OBLIGATIONS AND
RESPONSIBILITIES -----

12.1.1. The Contractors undertake to provide the
Operator, for the benefit of the Consortium and in
proportion to its shares, with the necessary
resources to meet the objectives of this
Consortium Contract. -----

12.1.2. The Operator shall perform the Consortium
operations with fidelity to the objectives of the
Production Sharing Contract and the Consortium
Contract hereby executed, without receiving gains
or incurring losses when and due to acting as
Operator. The activities performed by the

Operator, in this capacity, for the benefit of the Consortium at any time and for any lawful purposes shall be deemed as service rendering, third parties business management or employment bonding of employees or representatives of any Co-Venturer to each other. -----

12.1.3. The Contractors shall be jointly responsible for the obligations of this Consortium Contract before ANP, the Union and others. -----

13. CLAUSE THIRTEEN - ADDITIONAL PROVISIONS -----

13.1. The Operator shall be responsible for the entry, calculation and payment of taxes derived from the Consortium Operations, the other Contractors shall contribute with financial resources for such disbursements in accordance with procedures to be established on specific

documents executed by the Parties in accordance with percentages of share defined in clause 5.1 of this Contract. -----

13.1.1.0 The Operator shall be responsible for providing a statement of taxes subject to application and also the respective tax documents in order to enable the other Contractors to apply the tax credits in accordance with the provisions of Clause Eight - Taxes of the Production Sharing Contract -----

14. CLAUSE FOURTEEN - NOTIFICATIONS -----

14.1. The notifications and communications shall be in writing and may be faxed or sent to the addresses listed below. The notifications and communications shall be deemed as performed when delivered by hand or, in case of faxed

notifications, on the first business day after confirmation of receipt. Any Party has the right to change its address at any time and / or to designate that copies of such notifications be addressed to any person at any other address, provided that it is notified in written to all other Parties. -----

Pré-Sal Petróleo S.A -----

ST SBN Quadra 2, Bloco F, Sala 1505, Asa Norte ----

70.041-906. Brasília, DF -----

Attention: Oswaldo Antunes Pedrosa Junior -----

Tel: (55-21) 3797-6338; -----

Cell phone: (55-21) 98224-9894 -----

Petróleo Brasileiro S.A. - PETROBRAS -----

Avenida República do Chile, n° 330, Torre Leste,

30° andar -----

20031-170 - Rio de Janeiro - RJ, Brasil -----

Attention: Planning, Development and Partnerships

Management Manager -----

Tel: (55-21) 2144-3000 -----

Fax: (55-21) 2144-2670/2144-3026 -----

E-mail: amiandoh@petrobras.com.br -----

Shell Brasil Petróleo Ltda. -----

Avenida das Américas nº 4200, Bloco 6, Cobertura.

Barra da Tijuca -----

22640-102 - Rio de Janeiro - RJ, Brasil. -----

Attention: Exploration Manager -----

Tel: (55-21) 3984-7027 -----

Fax: (55-21) 3984-7057 -----

TOTAL E&P DO BRASIL LTDA -----

Av. Republica do Chile 500,19º Andar, Centro -----

20031-170 - Rio de Janeiro - RJ, Brasil -----

Attention: Sr. Denis Pailuat de Besset -----

Tel: (55-21)2102-9010 -----

Fax: (55-21) 2102 - 9003 -----

CNODC Brasil Petróleo e Gás Ltda. -----

Avenida Rio Branco, nº 14, 13º Andar, Parte -----

20090-000 - Rio de Janeiro - RJ. Brasil -----

Attention: General Director -----

Tel: (55-21)2252-2500 -----

Fax: (55-21)2252-2500 -----

With copy to: -----

6-1 Fuchengmen Beidajie Xicheng District - Beijing

- China -----

Attention: Mr. Wan Guangfeng -----

Tel: (86-10) 60111831 -----

Fax; (86-10)60111831 -----

E-mail: wangf@cnpcint com -----

CNOOC Petroleum Brasil Ltda. -----

Rua Teixeira de Freitas 31 - 9° andar. Centro -----

20021-350 - RIO de Janeiro - RJ. Brasil -----

Attention: Alexandre Ribeiro Chequer -----

Tel: (55-21)2127 4212 -----

Fax: (55-21)2127 4211 -----

And being thus agreed and covenanted the Parties
hereby sign this Consortium Contract by their legal
representatives, on the date below, in the presence
of the undersigned witnesses. -----

----- Rio de Janeiro, November 18th, 2013. -----

----- Oswaldo Antunes Pedrosa Junior -----

----- Managing Director -----

----- Pré-Sal Petróleo S A. -----

Denis Pailuat de Besset -----

General Director -----

TOTAL E&P DO BRASIL LTDA. -----

José Jorge Moraes Júnior -----

Corporate E&P Executive Manager -----

Petróleo Brasileiro S.A. - PETROBRAS -----

André Lopes de Araújo -----

Managing Director -----

Shell Brasil Petróleo Ltda. -----

Wan Guangfeng -----

Attorney-in-fact -----

CNOOC Brasil Petróleo e Gás Ltda. -----

Alexandre Ribeiro Chequer Manager CNOOC Petroleum

Brasil Ltda. -----

Witnesses: -----

----- **ANNEX - CONSORTIUM RULES** -----

----- **SECTION 1 Operating Committee** -----

1.1 The Operating Committee, managing and decision

making body of the Consortium, shall consist of the
representatives of the Managing Company, Operator
and other Co-Venturers ----- 1.1.1

The Operating Committee shall be chaired by the
Managing Company. -----

1.1.2 The Operating Committee, in addition to
deliberate on the issues listed in the Table of
Resolutions, shall be responsible for ensure full
compliance with the clauses of this Contract and
monitor the Operations performed. -----

1.1.3 The Operating Committee shall be responsible
for deliberate, in accordance with paragraph 1.10,
on the plans, programs, reports, designs and other
issues necessary for the development of the
Operations under this Contract. -----

1.1.4 The Operating Committee shall be responsible

for ensure compliance with the percentage of Local Content agreed under Clause Twenty-Five - Local Content of the Contract, in addition to the provisions of the following paragraphs and in the Consortium Contract without prejudice to the powers defined in paragraphs 1.1 2 and 1.1.3. ----

1.1.5 The expenses approved by the Operating Committee shall be recognized as Cost oil under section VII of Annex VII - Procedures for Measuring Cost Oil and Excess in Oil, except for situations specifically provided for in this Contract or those made explicit by the Managing Company in the Operating Committee. -----

1.1.6 The actions of the Managing Body in the Operational Committee shall be based on the principles of legality, morality, reasonableness

and proportionality and impersonality, in line with the Best Practices of the Oil Industry.

Furthermore, its actions shall be duly justified and formalized in writing. -----

Term for establishment -----

1.2 The Operating Committee shall be established by the Co-Venturers within sixty (60) days after the execution date of this Contract. -----

1.2.1 The Operating Committee shall be deemed as established after the inaugural meeting. -----

1.3 The fail to establish the Operating Committee within the term defined shall not result in the extension of the terms set forth in this Contract.

Composition -----

1.4 The Operating Committee shall consist of one (1) full member of each Co-Venturer. -----

1.5 Each full member may be replaced by one (1) deputy member. -----

1.6 Any Co-Venturer may appoint or replace its full and deputy representatives in the Operating Committee at any time and in writing. -----

1.7 Each full member shall have the right to attend any meeting of the Operating Committee together with technical consultants and other advisors. -----

Meetings -----

18 The Operating Committee shall meet regularly on the date, time and place set forth in the Bylaws. -

1.8.1 The frequency of meetings of the Operating Committee shall be defined in the Bylaws. -----

1.9 Special meetings may be requested at any time at the initiative of any member of the Operating

Committee, upon notification to the Chairman, in accordance with the Bylaws. -----

1.10 Discussions and resolutions occurred in the Operating Committee meetings shall be recorded in meeting minutes and records of votes, signed by the full members attending the meeting or by their respective deputies, upon the exercise of the ownership, in accordance with the Bylaws. -----

1.10.1 The meeting minutes and records of votes shall be maintained by the Committee for the period of validity of the Contract. -----

1.11 After the termination of the Contract, the collection of meeting minutes and records of votes shall be transferred to the Managing Company. -----

1.12 In all meetings, the chairman of the Operating Committee shall also: -----

- a) set the agenda, convene, prepare and distribute the agenda of the meetings; -----
- b) coordinate and direct the meetings; -----
- c) coordinate, when necessary, absentee ballot provided for in paragraphs 1.26 to 1.30. -----

1.13 The Operator shall appoint a non-voting executive secretary with the following

responsibilities among others: -----

- a. prepare meeting minutes and records of votes; --
 - b. prepare and distribute the meeting minutes draft; -----
 - c. consolidate the meeting minutes after receipt of comments; -----
 - d. prepare the record of votes; -----
 - e. provide the members of the Operating Committee with copies of the meeting minutes and record the
-

votes. -----

Quorum to conduct meeting -----

1.14 The attendance of the chairman of the Operating Committee, or his deputy, to the meetings is mandatory. -----

1.15 Provided that the provisions of clause 1.12 are fulfilled, the meetings of the Operating Committee may be held with any quorum. -----

Right to vote at meetings and its importance in the resolutions -----

1.16 Each Co-Venturer shall be entitled to one (1) vote, casted by its representative, in the Operating Committee. -----

1.17 The vote of the representative of the Managing Company shall represent 50% of the resolution, and the remaining 50% shall be divided

among the other members at the meeting, to the extent of the shares of each non-defaulting business company in the Consortium. -----

1.17.1 If any member of the Operating Committee at the meeting opt for abstention in the resolution of a particular issue, its participation shall be divided among the other members at the meeting , to the extent of the shares of each non-defaulting business company in the Consortium. -----

1.18 The Contractor remaining in default after five (five) days of default notification issued by the Operator shall not be entitled to vote in the meetings of the Operating Committee. -----

1.19 During this default, the participation of the defaulting Co-Venturer shall be divided among the other members at the meeting , to the extent of

the shares of each non-defaulting business company
in the Consortium. -----

Resolutions -----

1.20 The proposals for resolution shall be sent by
the Operator to the Operating Committee. -----

1.20.1 Any subject concerning the Consortium may be
discussed by the members of the Operating
Committee. -----

1.21 The information needed to deliberate on the
subject proposed shall be sent to the other
Parties within a period of not less than fifteen
(15) days prior to the meeting date. Subjects on
the Table of Responsibilities and Resolutions
shall be defined in relation to its approval from
the quorum of Co-Venturers entitled to vote at the
meetings, except as provided for in paragraph

1.14. The percentage to be achieved for the subject to be deemed as approved, under the Consortium, shall be calculated according to the following procedures. -----

1.21.1 Deliberations for which the decision column is marked with D1 shall have the decision percentage equal to 91%. -----

1.21.2 Deliberations for which the decision column is marked with D2 shall have the decision percentage equal to 82,5%. -----

1.21.3 Deliberations for which the decision column is marked with D3 shall have the decision percentage equal to 32,5%, and the Managing Company shall not be entitled to vote. -----

1.21.4 In the resolution on the Declaration of Merchantability, for which the decision column is

marked with D4 , the decision shall be as follows: -----

i. In case of vote in favor of the Operator, the Operating Committee shall establish the Stone Pit Merchantability. -----

ii. The Operating Committee may establish the Stone Pit Merchantability by default of the Operator, provided that the Managing Company and one member of the Consortium with Level A Operator qualification vote favorably, in accordance with the requirements of ANP. -----

iii. If the Declaration of Merchantability is proposed before the termination date planned for the Discovery Evaluation stage, the resolution on the Declaration of Merchantability shall be a D1 resolution. -----

Table of Responsibilities and Resolutions		
Item	Resolutions	Decision
1	Stone Pit Merchantability	D ₁
2	Development Plan and its revisions	D ₁
3	Individualization of Production Contract	D ₁
4	Rescindment of the Production Sharing Contract	D ₁
5	Production Availability Contract	D ₁
6	Annual Work and Budget Programs	D ₂
7	Annual Production Program	D ₂
8	Facilities Deactivation Program	D ₂
9	Accounting of Expenses	D ₂
10	Expenses Authorization	D ₂
11	Goods and Services Contracted	D ₂
12	Subcommittees establishment	D ₂
13	Establishment and Amendment to the Bylaws	D ₂
14	Other issues within its competence	D ₂
15	Early termination of the Exploration Phase	D ₃ , D ^{**}
16	Discovery Evaluation Plan and its revisions	D ₃ , D ₂ ^{**}
17	Exploration Plan and its revisions	D ₃ , D ₂ ^{**}
18	Geological and geophysical data acquisition	D ₃ , D ₂ ^{**}
19	Partial return of Contract Areas, including evaluation of the respective return report	D ₃ , D ₂ ^{**}

20	Request for extension of the Exploration Phase term	D ₃ , D ₂ **
21	Other issues related to the Exploration Phase deliberated up to and including the submission of a Discovery Evaluation Plan	D ₃

* If contracting of goods and services is performed following Procedure A, the Operating Committee shall be informed on this event, which dispenses its approval except when performed with an Affiliate. The contracting of goods and services following Procedure B or Procedure A in case of an affiliate shall be resolved in accordance with procedure D₂-----

**Subjects arising from the Exploration Phase up to and including the submission of a Discovery Evaluation Plan to the Operating Committee shall have their percentage of definition calculated according to D₃ methodology, those arising from the submission of a Discovery Evaluation Plan to

the Operating Committee shall have their percentage of definition calculated according to D2 methodology. -----

1.22 In the deliberations during the Exploration Phase, according to D3 methodology described in paragraph 1.21.3, the chairman of the Operating Committee may exercise the veto power from the submission of a Discovery Evaluation Plan to the Operating Committee. -----

1.23 If the veto power is exercised by the chairman of the Operating Committee, a new meeting shall be convened in accordance with the Bylaws for further deliberation on the subject vetoed. ---

1.24 In any kind of decision, Co-Venturers who voted against approval of the subject shall submit to the other within five (5) days a report

explaining the reasons for their vote -----

1.25 When the proposals have not obtained the minimum decision percentage for approval under the Consortium, the Operator shall prepare new proposal considering in its elaboration the decisions of the Co-Venturers who voted contrary to the original proposal. This new proposal shall be made available to the Co-Venturers within 15 days from the date of disapproval of the subject and shall be voted within 15 days from the date of their availability. -----

1.25 1 The term for availability and vote on the new proposal may be revised by the Operating Committee. -----

1.25.2 If the new proposal does not reach the minimum decision percentage, the Exploration

Directors or equivalent of each Co-Venturer shall meet within ten (10) days from the last vote to discuss the subject in order to identify solutions and agree a conciliatory proposal. -----

1.25.3 If the new proposal does not reach the minimum decision percentage, the subject may: -----

(a) be deemed as rejected; -----

(b) be submitted as Operation with Exclusive Risk, provided that it meets the requirements of paragraph 4.2 of this Annex; or -----

(c) be submitted to the procedure addressed in Clause Thirty-Six - Contract Legal Policy. -----

Absentee ballot -----

1.26 In cases where the decision must be made on short notice, without enough timely basis to perform on-site meeting and subject to the Best

Practices of the Oil Industry, the decision may be made through absentee ballot according to notification sent by the chairman of the Operating Committee to the other Co-Venturers. -----

1.26.1 It is also understood as absentee ballot the use of facsimile and email, since information security is guaranteed and all materials are sent by certified mail. -----

1.27 The cases in which resolutions from absentee ballot shall be accepted and the timely basis for deliberation by members shall be provided for in the Bylaws of the Operating Committee. -----

1 28 Any member of the Operating Committee may justifiably request a vote by absentee ballot and the request for this purpose shall be forwarded to the other members. -----

1.29 The request for absentee ballot shall obligatorily contain a detailed description of the subject with technical and financial information necessary for its proper analysis and deliberation. -----

1.30 The vote of the member who does not comply with the timely basis defined in the Bylaws shall be deemed as abstention. -----

Effects of voting -----

1.31 The decisions of the Operating Committee bind the Co-Venturers, except in the cases where certain proposition not approved by the Operating Committee is assumed by the Contractor at its own risk under the terms of the Operations with Exclusive Risks. -----

Convening of technical experts and Establishment

of Subcommittees -----

1.32 The Operating Committee may establish subcommittees under the Bylaws in order to support the decisions to be made. -----

1.33 The Operating Committee may convene technical experts under the Bylaws and without voting rights to act in advisory capacity. -----

Bylaws of the Operating Committee -----

1.34 The members of the Operating Committee shall establish its Bylaws in accordance with the provisions of this Section 1 - Operating Committee and Law no. 12,351, December 22nd, 2010. -----

Operating expenses of the Operating Committee -----

1.35 The expenses related to the operation of the Operating Committee shall be borne by the Co-Venturers in proportion to its shares in the

Consortium, excluding the Managing Company. -----

1.35.1 The Managing Company shall bear the costs of travel and daily rates of its members in the Operating Committee. -----

Emergency Operations -----

1.36 In events of Emergency Operations the Operator is authorized to execute any and all activity necessary to the protection of human life, the environment and property, regardless prior approval of the Operating Committee. -----

1.36.1 Costs incurred for such activities may be deemed as Cost Oil, and the Operator shall immediately report the emergency situation to the Operational Committee and within 10 days report the works performed and expenses incurred in the Emergency Operations. -----

----- SECTION 2 - Operator -----

2.1 Petróleo Brasileiro SA - Petrobras, throughout the term of this Contract, shall be the Operator and, acting as such, the solely responsible on behalf of the Consortium for the monitoring and execution of all Exploration activities.

Evaluation. Development. Production and deactivation of the facilities under the Contract -

2.1.1 The Operator is the only member of the Consortium that, on its behalf and within the limits defined by the Operational Committee, can sign contracts, execute or enter into expenses commitments and perform other actions related to the performance of Activities for Exploration and Production of Oil and Gas in the Contract Area. ---

2.1.2 The Operator shall be responsible for

representing the Consortium before regulatory and
supervisory agencies and other external entities --

2.1.3 The Operator of this Contract shall hold at
least thirty percent (30%) of shares in the
property rights and obligations of the Consortium
in the Contract Area. -----

2.2 The Operator shall: -----

a) act in accordance with this Contract, the
Applicable Laws and the provisions of the Operating
Committee; -----

b) perform the Operations in a diligent, safe and
efficient manner in accordance with the Best
Practices of the Oil Industry, complying with the
No Gain/No Loss Principle concerning its status as
Operator. -----

c) notify the Operating Committee and ANP on any

Discovery within the Contract Area, in accordance with Clause Twelve - Discovery and Evaluation; ----

d) perform the Operations with Exclusive Risks in accordance with Section IV - Operations with Exclusive Risks of this Annex; -----

e) prepare the Work and Budget Programs and other documents to be submitted to the approval of the Operating Committee under this Contract; -----

f) prepare and submit to ANP, after definition by the Operating Committee, plans, programs and reports required by the regulatory agency; -----

g) celebrate on behalf of the Co-Venturers any Individualization of Production Contracts. -----

h) issue Expense Authorization for performance of activities approved by the Operating Committee in the Annual Work Plan and perform funds transfer

for the payment of the Consortium expenses; -----

i) account to the Consortium, as required in this
Contract and by the Operating Committee; -----

j) obtain the relevant licenses and legal
permissions necessary to perform the operations in
the Contract Area; -----

k) provide non-Operator Co-Venturers access to the
facilities and records of the Operations, upon
prior request from the Operator; -----

l) represent non-Operator Co-Venturers in
communications with ANP; -----

m) if case of emergency take the necessary measures
to protect life, environment, facilities and
equipment; -----

n) keep non-Operators Co-Venturers informed of
activities in progress resulting from the

execution of this Contract. -----

o) propose to the Operating Committee the subjects
of the Table of Responsibilities and Resolutions --

Information provided by Operator -----

2.3 The Operator shall provide to other Co-
Venturers the following data and reports as they
are produced or compiled due to the execution of
the Operations: -----

a) copies of all records or surveys, including
recorded digital format, if any; -----

b) daily drilling reports; -----

c) copies of all tests and essential data and
analysis reports; -----

d) final drilling report; -----

e) copies of lines interconnection reports; -----

f) final copies of geological, geophysical,

seismic sections and objectives maps; -----

g) engineering studies, development projects and
progress reports of the development projects; -----

h) daily oil and natural gas production report with
production losses and burnings record; -----

i) field data and also performance reports,
including reservoir studies and reserve estimates.

j) copies of all reports relating to Operations
material in the Contract Area or provided to ANP; -

k) copies of the well housing engineering projects
including any revisions; -----

l) periodic reports with safety, health and
environment indicators, referring to Operations;
and -----

m) other studies and reports determined by the
Operating Committee. -----

2.4 The Operator shall promptly notify the relevant Co-Venturers on relevant administrative complaints and lawsuits with any reference to the Operations. The Operator shall represent the Co-Venturers judicially or extra judicially -----

2.4.1 The Operator shall provide quarterly reports to the Co-Venturers with updates on the administrative claims and lawsuits relating to the Operations. -----

2.4.2 Additional information resulting from the execution of Operations in the Contract Area, may be requested at any time to the Operator by the Contractors at their own expense. -----

2.5 The Managing Company shall receive additional information at no charge. -----

2.6 The values on the caput shall not be recovered

as Cost oil. -----

Limitation of Operator s Liability -----

2.7 The According to paragraph 2.7 of the Contract the Contractors are jointly responsible for any losses and damages in the execution of Operations and responsible to each other for their respective shares, unless the Operator, in its managerial nature (Operating Unit General Manager or Executive Director) act with proven direct or eventual negligence or gross fault, events in which it shall bear all resulting loss, damage, costs, expenses and liabilities. -----

SECTION 3 - Planning and Execution of the Activities in the Consortium -----

Work and Budget Program of the 1st Contract Year --

3.1 During the period of thirty (30) days after

the date of establishment of the Operating
Committee, the Operator shall submit to the other
Co-Venturers the proposal for Work and Budget
Program detailing the Operations to be performed
for the remaining of the calendar year and, if
necessary, for the following year. -----

3.1.1 Within thirty (30) days after submission, the
Operating Committee shall meet to analyze and
deliberate on the Work and Budget Program. -----

Work and Budget Program of the following years ----

3.2 Until September 1st of each calendar year, the
Operator shall submit to the other Co-Venturers a
proposal for Work and Budget Program detailing the
Operations to be performed in the following year. -

3.2 1 Within thirty (30) days after the delivery of
this Plan, the Operating Committee shall meet

to analyze and deliberate on the Work and Budget Program. -----

3.3 If the Operating Committee does not approve an Operation contained in the Work and Budget Plan proposed, any Contractor can subsequently propose its execution as an Operation with Exclusive Risks under the terms of the Operations with Exclusive Risks. -----

3.4 If the Work and Budget Program is approved by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP. -----

3.5 If ANP requires changes on the Work and Budget Program, this subject shall be resubmitted to the Operating Committee for further analysis following the procedures and terms set forth in the preceding paragraphs. -----

3.6 The Work and Budget Programs in the Exploration Phase shall include at least part of the obligations of the Minimal Exploration Program, which must be performed during the current calendar year under the Contract. -----

3.7 Any Work and Budget Program approved may be revised by the Operating Committee when deemed appropriate. -----

3.7.1 To the extent that such revisions are approved by the Operating Committee, the Work and Budget Program shall be amended and upon this event the Operator shall prepare and submit such amendments to ANP in the form as required in this Contract. -----

Exploration Plan -----

3.8 Within sixty (60) days after the date of

establishment of the Operating Committee, the
Operator shall submit to the other Co-Venturers
the proposal for Exploration Plan. -----

3.8.1 Within thirty (30) days from the date of
submission of the proposal, the Operating
Committee shall analyze and deliberate on the
Exploration Plan. -----

3.9 If the Exploration Plan is defined by the
Operating Committee, the Operator shall take the
necessary measures to submit it to analysis and
approval by ANP. -----

3.10 If ANP requires changes on the Exploration
Plan, this subject shall be resubmitted to the
Operating Committee for further analysis following
the procedures and terms set forth in the
preceding paragraphs. -----

Notification of Discovery -----

3.11 Any Discovery in the Contract Area shall be formally notified by the Operator to the other Co-Venturers and to ANP up to seventy-two (72) hours. The notification shall be accompanied by all relevant data and information available. -----

Evaluation Plan -----

3.12 If the Operating Committee decides that a Discovery must be evaluated, the Operator shall submit to the other Co-Venturers a detailed proposal for Discovery Evaluation Plan within sixty (60) days. -----

3.13 Within thirty (30) days after submission of this proposal, the Operating Committee shall meet to analyze and deliberate on the Discovery Evaluation Plan proposed. -----

3.14 If the Evaluation Plan is defined by the Operating Committee, the Operator shall take the necessary measures to submit it to analysis and approval by ANP. -----

3.15 If ANP requires changes on the Evaluation Plan, this subject shall be resubmitted to the Operating Committee for further analysis following the procedures and terms set forth in the preceding paragraphs. -----

Development -----

3.16 If the Operating Committee declares the merchantability of a Discovery, the Operator shall submit to the other Co-Venturers a Development Plan as soon as possible, pursuant to Clause Twelve - Discovery and Evaluation of the Contract and as regulated by ANP, together with a

Multiannual Work and Budget Program, pursuant to paragraph 3.19, covering the development period of the discovery. -----

3.17 Upon receipt of the Development Plan and before any applicable term under the Contract, the Operating Committee shall meet to analyze and define the Development Plan and the respective Multiannual Work and Budget Program for the Development of the Discovery. -----

3.17.1 If ANP requires changes on the Development Plan, this subject shall be resubmitted to the Operating Committee for further analysis. -----

3.18 If the Development Plan is approved by ANP the proposed activities shall be incorporated into and included in the Annual Work and Budget Programs, and the Operator shall submit a Work and

Budget Program for the Contract Area concerning
the following year until September 1st of each
calendar year. -----

3.18.1 Without prejudice to paragraph 3.19
(Multiannual Plan), the Operating Committee shall
meet within thirty (30) days after the
aforementioned submission by the Operator to
analyze and deliberate on the Work and Budget
Program, including any necessary or appropriate
revisions of this Program to the approved
Development Plan. -----

Production -----

3.19 Until September 1st of each calendar year,
the Operator shall submit to the other Co-
Venturers a proposal for Production Work and
Budget Program detailing the Operations to be

performed in the Contract Area and the Production
schedule planned for the following year. -----

3.19.1 Within thirty (30) days after submission by
the Operator, the Operating Committee shall meet to
analyze and deliberate on the Work and Budget
Program. -----

3.20 If the Work and Budget Program is defined by
the Operating Committee, the Operator shall take
the necessary measures to submit it to ANP. -----

3.21 If ANP requires changes on the Work and
Budget Program, this subject shall be resubmitted
to the Operating Committee for further analysis
following the procedures and terms set forth in
the preceding paragraphs. -----

Production Annual Program -----

3.22 The Operator, until September 1st of each

calendar year, shall submit to the other Co-Venturers detailed proposal for the Annual Production Program of each field of the Contract Area, which shall subsequently be submitted for analysis and approval of ANP, in compliance with the terms of Clause Sixteen - Start Date for Production and Annual Production Programs of the Contract. -----

3.22.1 During the period of thirty (30) days of the submission of the Annual Production Program or earlier, if necessary to meet any applicable term under the Contract, the Operating Committee shall meet to consider to analyze and deliberate on the Annual Production Program. -----

3.23 If the Production Annual Program is defined by the Operating Committee, the Operator shall

take the necessary measures to submit it to
analysis and approval by ANP. -----

3.24 If ANP requires changes on the Production
Annual Program, this subject shall be resubmitted
to the Operating Committee for further analysis
following the procedures and terms set forth in the
preceding paragraphs. -----

Facilities Deactivation Program -----

3.25 The Operator, in the year prior to the one
planned for the start-up of Facilities Deactivation
activities, shall to the other Co- Venturers a
proposal for the Facilities Deactivation Program,
detailing the Operations to be performed in the
Contract Area and the physical and financial
schedule for the following year. ----

3.25.1 Within thirty (30) days after submission,

the Operating Committee shall meet to analyze and deliberate on the Facilities Deactivation Program.

3.26 If the Facilities Deactivation Program is defined by the Operating Committee, the Operator shall take the necessary measures to submit it to analysis and approval by ANP. -----

3.27 If ANP requires changes on the Facilities Deactivation Program, this subject shall be resubmitted to the Operating Committee for further analysis following the procedures and terms set forth in the preceding paragraphs. -----

Multiannual Work and Budget Program -----

3.28 Any work which can not be efficiently performed within a single calendar year may be proposed as a Multiannual Work and Budget Program. After its definition by the Operating Committee,

the Multiannual Work and Budget Program shall: (I) remain in force between the Co-Venturers until the completion of the works, and (II) be included in each Multiannual Work and Budget Program. -----

Contracting of goods and services -----

3.29 In accordance to this Contract, the Operator shall contract the goods and services for Operations as follows (the values indicated are current): -----

	Procedure A	Procedure B
Exploration and Evaluation Activities	from 0 to R\$ 5 million	> R\$ 5 million
Development Operations	from 0 to R\$ 20 million	> R\$ 20 million
Production Operations	0 to R\$ 10 million	> R\$ 10 million

3.29.1 The values in the table of this paragraph may be revised at least once every five (5) years

by the Operating Committee. -----

3.30 Procedure A: The Operator shall contract the supplier of goods and services with the more qualified contracting party according to cost and quality criteria and the Operating Committee shall be informed of such contracting. -----

3.30.1 When the Operator executes contracts with one of its Affiliates or Affiliate of other Contractor, the Operating Committee shall approve such execution according to the Table of Responsibilities and Resolution. -----

3.30.2 In any event, the Operator shall promote price quotation process with at least three qualified suppliers. -----

3.31 Procedure B: The Operator shall: -----

a) In any situation, seek the approval of the

Operating Committee to start the contracting process through procedure ensuring the benefits for the winning proposal -----

b) Provide to the other Co-Venturers a list including the suppliers to be invited to submit a proposal for the aforementioned process. -----

c) Add to this list any supplier due to request of any Co-Venturer within fourteen (14) days from the receipt of the aforementioned list. -----

d) Distribute to the Co-Venturers a competitive analysis of the contracting procedure, indicating the reasons for the choice made -----

e) Complete the contracting process after approval by the Operating Committee; -----

f) At the request of any Co-Venturer, provide copies of the final version of the aforementioned

contract. -----

Expenses Authorization -----

3.32 Before incur commitment or expense provided for in the Work and Budget Program previously approved, the Operator shall issue an Expenses Authorization for the Operating Committee if the amounts involved exceed the limits established by the Operating Committee, in accordance with the table below: -----

	Value (R\$)
Exploration Phases	R\$ 20 million
Development Step	R\$ 20 million
Production Step	R\$ 20 million

3.32.1 The values in the table of this paragraph may be revised at least once every five (5) years by the Operating Committee. -----

3.33 The Operator shall be the exclusive responsible for the preparation of the Expenses Authorization. -----

3.34 The Operating Committee may approve or reject the Expenses Authorization, and this resolution shall be made in accordance with the criteria defined in the decisions table of Section I - Operating Committee. -----

3.34.1 If the Operating Committee rejects the Expenses Authorization proposed by the Operator, it shall stipulates a term for the Operator to revise such Expenses Authorization. ----- 3.35

Resolution on the Expenses Authorization may be held in general and special meetings of the Operating Committee or through absentee ballot as provided for in the Bylaws of the Operating

Committee. -----

3.36 The preparation of the Expenses Authorization shall be based on the Work and Budget Program previously defined by the Operating Committee, the issuance of expenses additional authorization being required if the total value exceeds 5% of the approved budget. -----

3.36.1 If the value of some item exceeds 10% of the initially authorized the issuance of new Expenses Authorization is required. -----

3.37 The approval of the Expenses Authorization by the Operating Committee does not limit the performance of audits by the Managing Company, as it does not exclude the responsibility of the Operator in cost accounting. -----

3.38 The operator is not obliged to issue Expenses

Authorization concerning general and administrative expenses listed as separate items in the approved Work and Budget Program. -----

3.39 Each Expenses Authorization proposed by the Operator shall: -----

a) Identify the Operation to be performed within the applicable item in the Work and Budget Program; -----

b) Describe in detail the Operation; -----

c) Contain the best estimate of the Operator for the total number of resources required to perform the operation; -----

d) Outline the proposed physical and financial schedule; -----

e) Contain additional information to support the resolution by the Operating Committee -----

Additional Expenses -----

3.40 For the expenses of any item of the approved Work and Budget Program, the Operator shall be entitled to incur an additional expense for each item up to ten percent (10%) of the respective amount approved, without the need for further approval from the Operating Committee and provided that the cumulative total of all additional expenses for the civil year does not exceed five percent (5%) the total of the relevant Work and Budget Program. -----

3.40.1 If the Operator considers that the defined limits may be exceeded, a revision of the Work and Budget Program shall be submitted to the Operating Committee. -----

3.41 The restrictions of paragraph 3.32 shall

occur without prejudice to the obligation of the
Operator to make expenses resulting from Emergency
Operations without the prior approval of the
Operating Committee -----

--- SECTION 4 - Operations with Exclusive Risks ---

Limitation of Applicability -----

4.1 The Operations with Exclusive Risks may be
proposed by any Contractor provided that the person
or persons concerned assume all risks, accounting
for the costs, investments and taking
responsibility for any damage related to the
execution of the Operations and its consequences. -

4.1.1 Petrobras as the sole Operator of this
Contract, shall perform any and all Operation with
Exclusive Risks approved, following the Best
Practices of the Oil Industry and complying with

the No Gain/No Loss Principle. -----

4.1.2 When Petrobras take part in the Operation with Exclusive Risk, the participants shall reimburse all expenses resulting from the execution of these Operations. -----

4.1.3 Petrobras, when monitoring an Operation with Exclusive Risks in which it does not participate, may require advance payment of costs related to this Operation and shall not be obligated to commence or continue the Operation with Exclusive Risks until such advances have been made. -----

4.1.4 The Managing Company shall not propose any Operation with Exclusive Risks. -----

4.1.5 The Contractor(s) who choose(s) not to participate in an Operation with Exclusive Risks shall not assume risks or be liable for costs,

investments and any damages concerning the execution of the Operation and its consequences.

4.2 The following Operations, considering paragraph 3.3 of this Annex, may be proposed and performed as Operations with Exclusive Risks: -----

a) Exploration wells and evaluation wells drilling and/or test, except the Operations required to comply with the Minimal Exploration Program; -----

b) Continuation of Exploration Phase after resolution for early termination of this Phase by the Operating Committee; -----

c) Drilling-down, lateral deviation, secondary cementation and/or wells new completion; -----

d) Acquisition of geological and geophysical data, except the Operations required to comply with the Minimal Exploration Program; -----

4.3 No other type of Operation may be proposed or executed as an Operation with Exclusive Risks. ----

Procedure for proposing Operations with Exclusive

Risks -----

4.4 In accordance with the provisions of paragraphs 4.1 and 4.2 of this annex, if any Contractor proposes the execution of a Operation with Exclusive Risks to be performed by the Operator it shall submit such proposal to the approval of the Managing Company, which can only refuse if its execution results in delay in the approved Work and Budget Program may be a risk for other Operations under this Contract. -----

4.4.1 Such notification shall specify the exclusive nature of the Operation and include the work to be performed, the location, the objectives

and the estimated cost. -----

4.4.2 Upon approval by the Managing Company, the applicant Contractor shall immediately notify the other Contractors concerning the approval of the proposal for an Operation with Exclusive Risk -----

4.4.3 Contractors who choose to participate in the Operations with Exclusive Risks shall notify the applicant Contractor and the Operator within ten (10) days from receipt of the notification proposing the Operation with Exclusive Risks -----

4.5 The fail of Contractor to express opinion regarding a proposal for an Operation with Exclusive Risks until the end of the term referred to in paragraph 4.4.3 shall be deemed as refusal to participate in it. -----

Cost of the Operation with Exclusive Risks -----

4.6 The costs and risks of the Operations with Exclusive Risks shall be undertaken by the applicant Contractors or those participating in it in proportion to its share in the Consortium or as agreed by the Contractors participating in such Operation. -----

4.7 The Contractors shall previously agree the premium to be paid by the non-participants in the Operation with Exclusive Risks in case of proven success of the Exclusive Operation resulting in increase of the recoverable volume of hydrocarbons in the Contract Area or in reduced spending for the Consortium. -----

4.7.1 The Managing Company shall not bear any premium to be paid -----

4.7.2 The costs of the Operation with Exclusive

Risks, in case of proven success and measured in recoverable volume increase or expenses decrease, may be deemed as recoverable costs in the Cost Oil, at the discretion of the Managing Company and exclusively for the participants of the Operation with Exclusive Risks. -----

4.7.3 The premium to be paid by the Contractors who posteriorly participate in the Operation with Exclusive Risks shall not be considered recoverable in the Cost Oil. -----

Other Conditions for Operations with Exclusive

Risks -----

4.8 The proposal and the execution schedule of the Operations with Exclusive Risks shall be submitted to the approval of the Operating Committee. -----

4.8.1 The other conditions for Operations with

Exclusive Risks shall be addressed by the
Contractors in appropriate document. -----

----- **SECTION 5 - Withdrawal** -----

5.1 Except the Operator concerning its minimum
mandatory share, any non-defaulting Contractor may
at its expense withdraw from the Consortium and
consequently from the Contract , and for this
purpose shall notify the other Parties of its
resolution. Such notification shall be
unconditional and irrevocable when submitted in
accordance with the provisions of item 5.2. -----

5.1.1 The Operator shall only be entitled to
withdrawal concerning shares obtained through
bidding or assignment of rights. -----

5.1.2 The Operator may perform the Withdrawal
notification also concerning Minimum Mandatory

Share only if all other Contractors also withdrawal from the Consortium, in which event the proposal for rescindment of the Contract shall be submitted to the Operating Committee. -----

5.2 If all Contractors withdrawal from the Consortium, the rescindment of the Contract shall be proposed under the terms of the Operating Committee and, if approved, submitted to the Contracting Party. The rescindment of the Contract shall take effect from the time it is duly processed. -----

----- **SECTION 6 - Preemptive Right** -----

6.1 Any total or partial Assignment of rights and obligations under this Contract, unless the transactions deemed as Assignment for the purposes of items a), b) and c) of paragraph 30.2 of Clause

Thirty - Assignment of Rights and Obligations,
shall be subject to the following procedure. -----

6.2 Once the final terms and conditions of an
Assignment has been duly negotiated by the
assignor, the last shall release the final
commercial terms and conditions which are relevant
to the acquisition of the share (and, if
applicable, the determination of the value in cash
for the acquisition of the share) by notification
to the other Contractors. -----

6.3 Each Contractor shall be entitled to acquire
shares from the assignor Contractor pursuant to
the final commercial terms and conditions
described in the notification referred to in
paragraph 6.2 if, within thirty (30) days of
notification of the assignor, such Party submit to

all other Contractors a counter notification that it accepts these terms and conditions without reservations or conditions. -----

6.4 If any Contractor submit such counter notification, the Assignment between the assignor and assignee described in the notification referred to in paragraph 6.2 may be completed, subject to the other provisions of Clause Thirty of this Contract, under terms and conditions no more favorable to the assignee than those provided for in the notification of paragraph 6.2 for the Contractors, provided that the assignment is completed within one hundred eighty (180) days from the date of notification. -----

6.5 No Contractor shall have the right or be required to acquire any assets other than the

rights and obligations of the Assignor concerning this Contract and the shares of the Assignor in the Consortium, regardless of other transactions included in the Assignment. -----

SECTION 7 - Principles for Production Availability

7.1 The Oil Production Availability Contract shall cover at least: -----

a) The right and obligation of each Co-Venturer to remove and transfer its portion of Oil produced in the Field. -----

b) The liability of each Co-Venturer for all payments and costs related to the charter and / or use of a qualified vessel for oil survey to be performed by this Co-Venturer. -----

c) Sharing Locations -----

d) The allocation of each type of Oil among the

Co-Venturers in accordance with the Contract,
considering the volumes corresponding to the Cost
Oil, Excess in Oil and Royalties paid. -----

e) The obligation of the Operator to: -----

i. plan and coordinate the Oil survey through UEP;

ii. periodically notify the estimates of
Production volume, and -----

iii. send to the other Co-Venturers a monthly
Production and inventory report, reporting the
total volume, the applicable portion of each Co-
Venturer and the volumes surveyed by each Co-
Venturer, including subsurvey and excess in survey
situations. -----

f) The surveys discipline, which shall consider: --

i. that , at least 60 days from the date of the
First Oil Extraction or from the beginning of the

Production under Long-Term Tests, the Operator

shall initiate the process for determining

ownership. -----

ii. at the beginning of each month, the Operator

shall inform the other Co-Venturers the estimate of

Production for the five months following, along

with supporting data including daily Production as

well as survey and inventory adjustments performed

during the preceding month. -----

iii. the submission in M- 2 month, by the Operator

to the Co-Venturers, of the provisional surveys

schedule for M month, detailing size, sequence and

term for submission of the vessels for each load to

be surveyed. -----

iv. that each Co-Venturer shall be entitled to a

period of three days, from receipt of the

provisional schedule, to propose amendments to the surveys in M Month. -----

v. that the Operator, when preparing the final surveys schedules, shall consider the relevant technical and operational issues (UEP production rate, UEP storage capacity, property of each Co-Venturer, subsurvey and excess in survey of each Co-Venturer, etc.) in order to avoid potential shutdown or reductions in Production, as well as the amendment requests made by the Co-Venturers to the provisional survey schedule. -----

vi. that the Operator shall notify the other Co-Venturers on the final surveys schedule for the M month within three days from the receipt of the proposal for amendment to the provisional surveys schedule. The final surveys schedule shall detail

size, sequence and term for submission of the vessels for each load to be surveyed in M Month. --

vii. that in case of insufficient Oil volume to meet the total of nominations made by each of the Co-Venturers, or in case of conflict concerning the terms for vessel submission, or in case of need for survey to avoid shutdown or reduction of

Production, the Operator, considering the relevant technical and operationl issues, shall adopt the following priority rule, respecting the order

below: -----

A. the Co-Venturer who has nominated a volume considering only its own right to surveying, without considering any excess in survey at the first day of the term for vessel submission; -----

B. the Co-Venturer that has the major right to

surveying on the first day of the term for vessel
submission. -----

g. Methods for dealing with cases of subsurvey and
Production excess in survey. -----

i. Co-Venturers shall have the right to excess in
survey, provided that such excess in survey does
not affect the nomination of another Co-Venturer
who does not require an excess in survey and has
nominated a volume for surveying according to its
rights. -----

h. Methods for prior confirmation, by the Managing
Company and each Contractor, of the acceptance of
their respective volumes of Production available
for surveying. -----

i. Logistic criteria for the transfer of
Production, including criteria for acceptance of

tankers and methods for dealing with the risks
related to delays and demurrage. -----

j. Criteria for distribution of all types and
grades of Oil to ensure that each and Managing
Company and each Contractor receive the volumes of
each type and grade of Oil in accordance with their
respective portions and shares, as described in
this Contract. -----

k. Criteria for periodic adjustments if the
distribution of Production in the terms provided
for in item f) of this paragraph is impossible or
impractical due to the availability of facilities
or requirements of minimum volumes. -----

l. The authority to which the Operator is entitled
to, if the Co-Venturer fails to nominate the
vessel that shall perform the removal, fails to

notify the Operator concerning the availability of its vessel for removal or refuse to withdraw, take all reasonable actions to avoid shutdown or reduction of production. -----

m. The surveying criteria of the Operator for the Production volumes of the Co-Venturer who fails to do the relevant surveying of its respective portion, in which case the Operator shall sell the volumes surveyed and submit the revenue from the sale to the Co-Venturer who has failed to perform the survey after deducting all expenses incurred by the Operator with the activities of surveying and selling of the relevant portion. -----

Principles for Natural Gas Production Availability

7.2 The Natural Gas Production Availability

Contract, if necessary, shall cover at least: -----

a The right and obligation of each Co-Venturer and the Managing Company to remove and transfer its portion of natural gas produced in the Field. -----

b. The liability of the Contractors and the Managing Company for all payments and costs concerning the transfer of Natural Gas to the Sharing Locations. -----

c. Sharing Locations -----

d. The periodic notification by the Operator concerning the Production volumes available in past and future periods, including the properties of Natural Gas and the definition of the appropriable shares for the Managing Company and the Contractors, to be sent to the Managing Company and each of the Contractors as soon as possible to allow the planning of surveying

activities by the Operator and other Parties
involved. -----

e. The surveying criteria of the Operator for the
Production volumes of the Co-Venturer who fails to
do the relevant surveying of its respective
portion, in which case the Operator shall sell the
volumes surveyed and submit the revenue from the
sale to the Co-Venturer who has failed to deduct
all expenses incurred by the Operator with the
activities of surveying and selling of the
relevant portion. -----

f Criteria for periodic adjustments which consider
changes in reserves and adjustments to Production
in line with Development Plans, as well as methods
for balancing the surveys so that: -----

i. The failure of a Co-Venturer in surveying its

portion does not affect current or future surveys
of other Co-Venturers. -----

ii. The right to surveys of additional volumes by
the Co-Venturer who has opted not to receive the
full amount of its portion in previous surveys is
limited by availability of Production after
considering any supplying commitments assumed by
the other Parties. -----

iii. The commitment of the Co-Venturer who has
received more than its portion of Production to
reimburse the remaining Co-Venturers for the
Production not received, with particular frequency
and market value. -----

Production Availability Contract -----

7.3 Subject to paragraph 9.3 of the Contract, the
availability of oil , natural gas or other fluid

hydrocarbon volume produced shall be performed in accordance with the terms of the Production Availability Contract to be executed between the Contractors and the Managing Company prior to the commencement of any production. -----

7.3.1 The Oil Production Availability Contract and the Natural Gas Production Availability Contract shall cover at least, the principles enumerated in the preceding paragraphs of this section. -----

7.4 The Oil and Natural Gas Production Availability Contract shall be subject to formal approval by the Operating Committee. -----

7.5 If the Oil or Natural Gas Production initiates before the Production Availability Contract is completed, approved by the Operating Committee and signed, the Managing Company and the Contractor

shall observe the aforementioned principles until the contract is finally signed, without prejudice the sharing of Cost Oil, Excess in Oil and volume corresponding to the Royalties paid among the Co-Venturers. -----

7.5.1 The Managing Company and each of the Contractors shall negotiate in good faith, complete and sign, within six (6) months before the date of commencement of Production, the terms of a Production Availability Contract for the Oil and Natural Gas produced. -----