

THIRD AMENDMENT TO
PRODUCTION SHARING CONTRACT
BETWEEN
THE REPUBLIC OF EQUATORIAL GUINEA
AND
UMC EQUATORIAL GUINEA CORPORATION
(AREA B - OFFSHORE NW BIOCO)

This Third Amendment (hereinafter referred to as this "Amendment") made and entered into as of the 1st day of March, 1994, by and between The Republic of Equatorial Guinea (hereinafter referred to as the "State"), represented for the purposes of this Amendment by the Ministry of Mines and Hydrocarbons of The Republic of Equatorial Guinea (hereinafter referred to as the "Ministry"), and UMC Equatorial Guinea Corporation, a corporation organized and existing under the laws of the State of Delaware, U.S.A. (hereinafter referred to as "UMC"), represented for the purposes of this Amendment by Coy H. Squyres, its Executive Vice President - International.

WITNESSETH:

A. WHEREAS, the State and United Meridian International Corporation ("UMIC") entered into that certain Production Sharing Contract dated the 29th day of June, 1992 (hereinafter referred to as the "Contract"), but having an Effective Date of July 8, 1992, covering the area described therein which is referred to as Area B - Offshore NW Bioco; and

B. WHEREAS, by that certain Assignment made and entered into the 21st day of October, 1992, UMIC assigned DuPont E&P No. 21 B.V. ("DuPont") an undivided seventy-five percent (75%) of all of the right, title, interest and obligations under the Contract, and said Assignment was approved by the Ministry on 29 October 1992; and

C. WHEREAS, that certain First Amendment To Production Sharing Contract was made and entered into the 15th day of December 1992 by and between the State, represented by the Ministry, UMIC and DuPont; and

D. WHEREAS, by that certain Assignment (Area B) made and entered into the 14th day of December, 1992, DuPont assigned an undivided twenty-five percent (25%) interest in and under the Contract, as amended, to each of Clyde Charter Company Limited to be renamed BP Exploration (Equatorial Guinea) Limited ("BP") and Den norske stats oljeselskap a.s ("Statoil") and said Assignment was approved by the Ministry on 23 December 1992; and

E. WHEREAS, DuPont, BP and Statoil have withdrawn from the Contract, as amended, and each such party has assigned its undivided twenty-five percent (25%) interest in and under the Contract to UMIC; and

F. WHEREAS, by letter dated July 6, 1993, UMIC elected to proceed into the Second Subperiod and has paid the bonus to proceed into the Second Subperiod in accordance with Section 9.2 of the Contract, as amended, and has paid the rentals due in accordance with Section 9.5 of the Contract, as amended, and by letter dated July 8, 1993, the Ministry authorized United Meridian International Corporation to proceed into the Second Subperiod; and

G. WHEREAS, that certain Second Amendment To Production Sharing Contract was entered into on the 17th day of September, 1993 by and between the State, represented by the Ministry, and UMIC; and

H. WHEREAS, by that certain Assignment made and entered into the 15th day of October, 1993, United Meridian International Corporation assigned one hundred percent (100%) of the right, title and interest under the Contract, as amended, to UMC Equatorial Guinea Corporation and said Assignment was approved by the Ministry on the 15th day of October, 1993; and

I. WHEREAS, the State, represented by the Ministry, and UMC have agreed that certain amendments to the Contract, as amended, hereinafter set forth should be made for the benefit of the Parties.

NOW, THEREFORE, in consideration of the premises and the mutual benefits to the parties hereto, the State and UMC agree as follows:

1. Words or phrases defined in the Contract, as amended, and used in this Amendment shall have the meanings set forth in the Contract, as amended, unless the context otherwise provides.

2. Section 6.1(j) of the Contract, as amended, shall be deleted, and the following language shall be inserted in the place thereof:

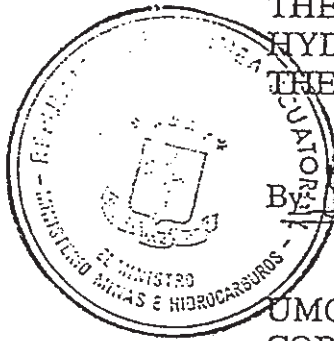
“(j) make all reasonable efforts to employ and train citizens of The Republic of Equatorial Guinea in Petroleum Operations. The Contractor may employ non-citizens if no Equatorial Guinea citizens can be found with sufficient skill and technical qualifications to perform a particular task or job. The Contractor shall make similar requirements of any subcontractor. At intervals of not more than one (1) Year the Contractor shall submit to the Ministry reports detailing the personnel employed and their residence when employed. Commencing with January 1, 1994, the Ministry may require that the Contractor establish a program to train personnel of the Ministry and citizens of The Republic of Equatorial Guinea to undertake skilled and technical jobs in the Petroleum Operations provided that the costs of such required programs shall not exceed Seventy-Five Thousand United States Dollars (US \$75,000.00) annually. In the event the entire Seventy Five Thousand United States Dollars (US \$75,000.00) is not expended in a Calendar Year, the sum not expended shall be carried forward to be expended in the following Calendar Year or Calendar Years as may be agreed with the Ministry. When

a Commercial Discovery has been determined by the Contractor, the sum of money to be expended for training may be increased by the mutual agreement in writing of the Parties. All costs and expenses of training citizens of Equatorial Guinea for employment in the Contractor's operations, as well as costs and expenses for a program of training for the Ministry's personnel, shall be included in Petroleum Operations Costs."

3. In consideration of the premises and of the mutual covenants and agreements contained in this Amendment, the State, Ministry and Contractor hereby ratify the Contract, as amended, and hereby confirm that it is in full force and effect as of the date first above written.

4. Except as amended by this Amendment and the above described amendments, the Contract, as amended, shall remain in full force and effect as originally written.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in four (4) originals in the English and Spanish languages, as of the day and year first above written.



THE MINISTRY OF MINES AND
HYDROCARBONS OF
THE REPUBLIC OF EQUATORIAL GUINEA

By: 

UMC EQUATORIAL GUINEA
CORPORATION

By: 

COY H. SQUIRES, EXECUTIVE VICE PRESIDENT

CLIENT UMC EQUATORIAL GUINEA ARGENTINE
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