

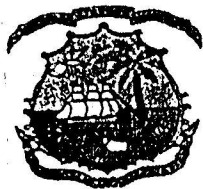


**AN ACT TO RATIFY THE SECOND ADDENDUM TO PRODUCTION
SHARING CONTRACT FOR BLOCK LB 14 BETWEEN THE REPUBLIC
OF LIBERIA REPRESENTED BY THE NATIONAL OIL COMPANY
OF LIBERIA, ORANTO PETROLEUM AND CHEVRON LIBERIA D LIMITED**

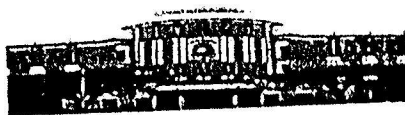
APPROVED SEPTEMBER 3, 2010

**PUBLISHED BY AUTHORITY
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

SEPTEMBER 6, 2010



OFFICE OF THE SECRETARY



The Liberian Senate

CAPITOL BUILDING, CAPITOL HILL, MONROVIA, LIBERIA
WEST AFRICA

**FIFTH SESSION OF THE FIFTY-SECOND LEGISLATURE OF THE
REPUBLIC OF LIBERIA.**

SCHEDULE OF SENATE'S ENROLLED BILL NO. 6 ENTITLED:

“An Act to Ratify the Second Addendum to Production Sharing Contract for Block LB 14, between the Republic of Liberia represented by the National Oil Company of Liberia, Oranto Petroleum Limited and Chevron Liberia D Limited”

APPROVED THIS 3rd DAY OF September A.D. 2010

AT THE HOUR OF 6:12 p.m.

THE PRESIDENT OF THE REPUBLIC OF LIBERIA

2010

2010

ADDENDUM TO PRODUCTION SHARING CONTRACT

FOR BLOCK LB-14

This Addendum to the Production Sharing Contract (hereafter "Addendum to PSC" or "Addendum") for block LB-14 (which Production Sharing Contract was approved by the National Legislature on and published in handbills on July 23, 2009 among the Republic of Liberia, the National Oil Company of Liberia and Oranto Petroleum Limited) (the "PSC" or "Contract") by and among the Republic of Liberia, represented for the purposes hereof by the National Oil Company of Liberia ("NOCAL" or "Government"), a company incorporated under the laws of Liberia, Oranto Petroleum Limited, a company incorporated under the laws of the British Virgin Islands ("Oranto"), Chevron Liberia Limited and Chevron Liberia D Limited, (the Chevron entities collectively may be referred to herein as "Chevron" or the "Chevron Group") all of which Chevron entities are incorporated in Bermuda. Chevron and Oranto are hereinafter referred to jointly as "the Contractor Group." NOCAL, Chevron, and Oranto are sometimes collectively referred to herein as the "Parties".

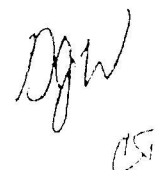
WHEREAS, Oranto, the Chevron Group with the approval of the Government of Liberia through NOCAL have agreed to the attached Deed of Assignment, which transfers seventy percent (70%) of the Contractor's interest in the PSC from Oranto to Chevron Liberia D Limited and Chevron Liberia Limited as Operator of the PSC, with thirty percent (30%) remaining with Oranto for LB-14 PSC.

WHEREAS, Oranto and the Chevron Group are requesting this Addendum to the PSC and the Government now wishes to grant this Addendum.

NOW, THEREFORE, in consideration of the premises and mutual agreement set forth herein, the Parties agree as follows:

- 1) Chevron agrees to make a one-time payment of US \$3,333,333 to the Government within thirty (30) days of this Addendum to Production Sharing Contract being duly published in handbills in order to effectuate the transfers; and
- 2) Chevron agrees to invest in Chevron denominated corporate social responsibility programs in Liberia a sum of seven hundred thousand dollars (\$700,000) per year for the PSC, to a social development program mutually agreed and managed with the Government, limited to a maximum of five (5) annual contributions, provided the Exploration Period for at least one of the PSCs remains in effect. The first of these five (5) annual contributions will be made available within thirty (30) days of full ratification of this Addendum to Production Sharing Contract being published in handbills. Subsequent to such contributions will be made each calendar year on the anniversary date of the first contribution.
- 3) In exchange for Contractor's agreement to commence a drilling program for one well by the end of the fourth quarter 2011 on any of blocks LB-11, LB-12 or LB-14, the Government agrees to allow a one year extension of the First Exploration Period in LB-11 and LB-12.
- 4) It is agreed and understood that the drilling of a well on any of the blocks LB-11, LB-12 or LB-14 will satisfy the first well commitment for that block.
- 5) A new Article 6.12 will be added as follows;

"In connection with the Contractor's minimum financial obligation associated with the election to enter into each exploration phase, Contractor will provide a parent company guaranty pursuant to the form attached. For subsequent exploration periods beyond the current phase, the amount of the obligation in the guarantee will be adjusted according to the subsequent minimum financial obligation."

Handwritten signature and initials, possibly "DJW" and "CS".

- 6) A new Article 6.13 will be added as follows;

"For any Petroleum Operation conducted hereunder, the Contractor will comply with all applicable laws and regulation, including any requirement for insurance."

- 7) Article 17.3(a) of the LB-14 PSC is revised to read as follows: "The income tax rate applicable to Petroleum Operations carried out under this Contract shall be thirty percent (30%). The Contractor shall pay its income tax and file income tax returns, and pay other taxes and file other tax returns, directly to the General Tax Revenue Account of the Government of Liberia".

- 8) A new Article 17.4(e) is added as follows:

"Within three (3) months after the end of a Fiscal Year, each entity constituting the Contractor shall submit to the competent tax authorities its annual tax return together with financial statements and if required by applicable regulations, audited financial statements. The relevant taxing authorities shall furnish to the Contractor, upon receipt of payment, the tax receipts evidencing the payment of Contractors Liberian Income tax and all other documents certifying that the Contractor has, for the Fiscal Year in question, complied with its tax obligations with respect to the income tax as defined in this Article. Such receipts shall be issued by the relevant taxing authorities and shall state the amount and other particular circumstances, according to Appendix 2 of this Contract.

- 9) Article 17.16 (a), is hereby amended to delete 5% and replace it with zero percent (0%) for dividend withhold tax.

- 10) Article 18.7 is amended to the Contract as follows:

"18.7 PAYMENT OF ROYALTY The Government of Liberia hereby agrees to expressly be paid a royalty rate applicable to the gross production of hydrocarbons, whether liquid or gaseous, of five percent (5%). Article 36 of the Contract will apply with respect to stability of conditions.

- 11) Article 18.8 of the Contract which waived all of NOCAL's equity participation under section 3.3 of the Petroleum Law is replaced as follows:

"18.8 EQUITY PARTICIPATION OF THE GOVERNMENT

The Government of Liberia, through NOCAL will have the sole option to elect to receive, within ninety (90) days prior to the start of Commercial Production, a ten percent (10%) transfer of interest from Oranto such that at the start of Commercial Production the equity shares would be seventy percent (70%) Chevron; ten percent (10%) NOCAL and twenty percent (20%) Oranto. Where the Government of Liberia, through NOCAL elects to receive the 10% transfer of interest, this interest shall be deemed a Contractor interest for all purposes of the PSC, including Article 16, recovery of Petroleum Costs, Production sharing and the Accounting Procedures. Provided, however, NOCAL will be responsible for payment of NOCAL income taxes and all income tax return preparation and filing compliance obligations as required by Law. NOCAL will meet its ten percent (10%) share of all cash calls for all funding of the PSC projects. If the Government of Liberia, through NOCAL cannot meet its cash calls within forty-five (45) days notice of funding requirements (directly or indirectly through a third party or as might be agreed between NOCAL and Chevron), Chevron will provide the funding, provided it is allowed cost recovery of additional Petroleum Costs to match the amount plus a rate of ten percent (10%) per annum. For the avoidance of doubt, the primary cost recovery under the PSC will always be treated as superior and the recovery of these costs as secondary, with respect of the timing of cost recovery. Within sixty (60) days of the NOCAL election to enter, it will enter into an international joint operating agreement (including accounting procedures) which will be consistent with best international practices and which will govern the above described relationship and the finances.

- 12) Article 31.6 is revised as follows:

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"31.6 SOVEREIGN IMMUNITY. Any Party that now or hereafter has a right to claim sovereign immunity for itself or any of its assets hereby waives any such immunity to the fullest extent permitted by the laws of any applicable jurisdiction pursuant to this Contract. This waiver includes immunity from (i) any expert determination, mediation, or arbitration proceeding commenced pursuant to this Contract; (ii) any judicial, administrative or other proceedings to aid the expert determination, mediation, or arbitration commenced pursuant to this Contract; and (iii) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order or attachment (including pre-judgment attachment) that results from an expert determination, mediation, arbitration or any judicial or administrative proceedings commenced pursuant to this Contract.

13) To comply with the intent of the Contract for the PSC, the law and in other parts of the Appendix II Accounting Procedures, the phrase "... and those relating to the share of financing of development Petroleum Operations" which is set forth in Section II.3(c) of the Accounting Procedure is hereby deleted.

14) Article 26.5 is revised to read as follows:

"Contractor is exempt from customs user fees of two and one-half percent (2.5%) imposed under the Revenue Code, including fees for the inspection or pre-shipment inspection of goods and on the export of hydrocarbons. Rather, a custom user fee of \$200,000 per year for customs related services and all materials imported into Liberia for use in Petroleum Operations to be used on the block will apply. Contractor will be subject to the ECOWAS levy of one half of a percentage point (0.5%)."

15) In Appendix II Accounting Procedures, Section 1.3, the phrase is hereby replaced to state: "In the event of any conflict between the provisions of this Accounting Procedure and the Contract, the provisions of the Contract shall prevail."

16) Except as specifically amended herein, all the remaining terms and conditions of the PSC shall remain in full force and effect. Capitalized terms used in this Addendum that are defined in the PSC and not otherwise defined herein shall have the respective meanings ascribed to them in the PSC. This Addendum modifies the PSC and shall have effect from the date of ratification of the National Legislature and publication in handbills.

17) This Addendum may be executed in counterpart by each of the parties and with all signatures it shall be considered as one agreement effective as to all parties as if all had signed together

This PSC, as hereby amended, is hereby deemed to be in full force and effect. The Deed of Assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Parties have signed this Addendum to the Production Sharing Contract on the date as set forth below.

Dr. Fodee Kromah



PRESIDENT/CEO
NATIONAL OIL COMPANY OF LIBERIA

Date 23/8/2010



CHAIRMAN, BOARD OF DIRECTORS
NATIONAL OIL COMPANY OF LIBERIA

Date 08-23-10



On Behalf of the Contractor

[Signature]

ATTORNEY IN FACT FOR ORANTO PETROLEUM LIMITED

Date 22/8/10

On Behalf of Contractor

[Signature]

ATTORNEY IN FACT FOR CHEVRON LIBERIA LIMITED

Date 22-8-10

On Behalf of Contractor

[Signature]

ATTORNEY IN FACT FOR CHEVRON LIBERIA D LIMITED

Date 22-8-10

Honorable Dr. Eugene Shannon

[Signature]

MINISTER OF LANDS, MINES & ENERGY
REPUBLIC OF LIBERIA

Date 22/08/2010

Honorable Augustine Ngafuan

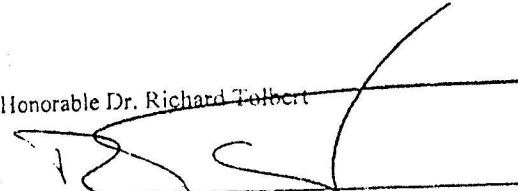
[Signature]

MINISTER OF FINANCE
REPUBLIC OF LIBERIA

Date 22/08/10

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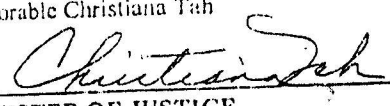
Honorable Dr. Richard Tolbert


CHAIRMAN, NATIONAL INVESTMENT COMMISSION
REPUBLIC OF LIBERIA

Date 22/08/10

Attested:

Honorable Christiana Tiah

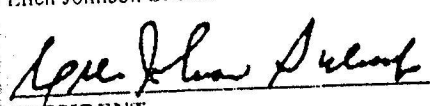

MINISTER OF JUSTICE
REPUBLIC OF LIBERIA

Date August 23, 2010

Approved:

Her Excellency

Ellen Johnson Sirleaf


PRESIDENT
REPUBLIC OF LIBERIA

Date August 23, 2010

Ratified:

National Legislature of the Republic of Liberia

Date _____

