


SECOND AMENDMENT TO  
PRODUCTION SHARING CONTRACT  
BETWEEN  
THE REPUBLIC OF EQUATORIAL GUINEA  
AND  
UNITED MERIDIAN INTERNATIONAL CORPORATION  
(AREA B - OFFSHORE NW BIOCO)

This Second Amendment (hereinafter referred to as this "Amendment") made and entered into this 17 day of September, 1993, 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 United Meridian International Corporation, a corporation organized and existing under the laws of the State of Delaware, U.S.A. (hereinafter referred to as "UMIC"), represented for the purposes of this Amendment by Coy H. Squyres, its President.

WITNESSETH:

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E. WHEREAS, DuPont, BP and Statoil have withdrawn from the Contract, and each such party has assigned its undivided twenty-five percent (25%) interest in and under the Contract to UMIC; and

F. WHEREAS, the State, represented by the Ministry, and UMIC have agreed that certain amendments to the Contract hereinafter set forth should be made for the benefit of the Parties; and

 G. 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 and has paid the rentals due in accordance with Section 9.5 of the Contract, and by letter dated July 8, 1993, the Ministry authorized United Meridian International Corporation to proceed into the Second Subperiod..

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

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

2. That portion of Section 6.1(j) of the Contract commencing with the fifth sentence thereof that begins with the words "After the Effective Date" to the end of said

Section 6.1(j) shall be deleted, and the following language shall be inserted in the place thereof:

“Commencing with the date of the Second Amendment To Production Sharing Contract and on or before January 1 of each calendar year thereafter, the Ministry shall establish a program to train personnel of the Ministry and citizens of The Republic of Equatorial Guinea to undertake skills and technical jobs in the Petroleum Operations. Within thirty (30) days after the date of the Second Amendment To Production Sharing Contract, the Contractor shall pay to the Ministry the sum of Thirty-Three Thousand Eight Hundred Ten and 95/100 United States Dollars (US\$33,810.95) representing the portion of the training budget for calendar year 1993 in respect of Block B which has not been expended by Contractor as of said date. Within thirty (30) days after January 1, 1994, and within thirty (30) days after each anniversary thereof so long as this Contract is in effect, Contractor shall pay to the Ministry the sum of Fifty Thousand United States Dollars (US\$50,000.00). The Ministry shall use such funds for the training conducted by the Ministry; Provided, in the event a Commercial Discovery has been determined by the Contractor, the sum of money payable by the Contractor for training under this Section 6.1(j) may be increased by the mutual agreement in writing of the Parties. All payments made by the Contractor in accordance with this Section 6.1(j) shall be included in Petroleum Operations Costs.”

3. Paragraph 2(g) of Section 2 of Exhibit “C” (the Accounting Procedure) attached to the Contract shall be deleted and the following language inserted in the place thereof:

“(g) The signature bonus payable under Section 9.1 of the Production Sharing Contract, the bonus in respect of the Second Subperiod payable under Section 9.2 of the Production Sharing Contract, the production bonuses

payable under Section 9.4 of the Production Sharing Contract, and the bonus payable under Section 9.7 of the Production Sharing Contract.”

4. The following Section 9.7 shall be inserted in the Contract after Section 9.6:

“9.7 At such time as United Meridian International Corporation (being the sole party constituting Contractor as of the date of the Second Amendment To Production Sharing Contract) has assigned a portion of its rights and obligations under this Contract to one or more Persons that are not Affiliates of United Meridian International Corporation and such assignment or assignments have been approved in accordance with Section 6.1(f) of this Contract, Contractor shall pay the State a one-time payment of the sum of Twenty-five Thousand United States Dollars (US\$25,000.00) as a bonus. Such bonus shall be included as a part of Petroleum Operations Costs.”



5. The following language shall be inserted in Section 4.3(a) after the end of the first sentence of said Section:

“Provided, such bank guarantee shall not be provided until such time as the assignment or assignments by Contractor referred to in Section 9.7 have been approved in accordance with Section 6.1(f).”




6. The Ministry hereby approves the assignments to United Meridian International Corporation from DuPont, BP and Statoil referred to in Recitation Clause E, and, as of the date of this Amendment, United Meridian International Corporation owns and holds all of the right, title and interest under the Contract.

7. 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.

8. Except as amended by this Amendment, 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: 

UNITED MERIDIAN INTERNATIONAL  
CORPORATION

By:   
Sept. 11, 1993

REPUBLIC OF EQUATORIAL GUINEA AMENDMENT