

**FOURTH AMENDMENT TO
PRODUCTION SHARING CONTRACT
(AREA B - OFFSHORE NW BICO)**

This Fourth Amendment (hereinafter referred to as this "Amendment") made and entered into as of the 29th day of June, 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"), 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, and Mobil Equatorial Guinea Inc., a corporation organized and existing under the laws of the State of Delaware, U.S.A. (hereinafter referred to as "Mobil"), represented for the purposes of this Amendment by W. W. KNAUP, its VICE PRESIDENT.

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, by that certain Assignment dated the 25th day of June, 1993, DuPont assigned to UMIC all of its rights, titles, interests and obligations under the Contract, as amended, and the Ministry consented to such assignment on September 9, 1993; 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 and UMC entered into that certain Third Amendment To Production Sharing Contract (Area B-Offshore NW Bioco) dated as of the 1st day of March, 1994 (hereinafter referred to as the "Third Amendment"); and


J. WHEREAS, by that certain Assignment dated the 28th day of March, 1994, Clyde Charter Company Limited (to be renamed BP Exploration (Equatorial Guinea) Limited) assigned to UMIC all of its rights, titles, interests and obligations under the Contract and the Ministry consented to such assignment on May 10, 1994; and

K. WHEREAS, by that certain Assignment dated the 30th day of March, 1994, Den norske stats oljeselskap a.s assigned to UMIC all of its rights, titles, interests and obligations under the Contract and the Ministry consented to such assignment on May 10, 1994; and

L. WHEREAS, by that certain Assignment dated the 7th day of April, 1994, UMIC assigned to UMC all of its rights, titles, interests and obligations under the Contract and the Ministry consented to such assignment on May 10, 1994; and

M. WHEREAS, by that certain Assignment dated the 26th day of April, 1994, UMC assigned to Mobil an undivided sixty-five percent (65%) of the rights, titles, interests and obligations in and under the Contract and the Ministry consented to such assignment on May 10, 1994; and

N. WHEREAS, the State, represented by the Ministry, Mobil 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, Mobil 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 4.3 of the Contract, as amended, shall be deleted, and the following language shall be inserted in the place thereof:

"4.3 In order to carry out the exploration obligations set forth in Sections 4.2(b), 4.2(c), 2.1(c)(i), 2.1(c)(ii) and 2.1(c)(iii), the Contractor shall expend at least the following amounts:

- (a) If the Contractor elects to proceed into the Second Subperiod, the amount of Three Million United States Dollars (US \$3,000,000.00) for the exploratory Well the Contractor obligates itself to drill in the Second Subperiod.
- (b) If the Contractor elects to proceed into the Third Subperiod, the amount of Three Million United States Dollars (US \$3,000,000.00) for the exploratory Well the Contractor obligates itself to drill during the Third Subperiod.
- (c) If the Contractor extends the Initial Exploration Period pursuant to Section 2.1(c)(i), Section 2.1(c)(ii) or Section 2.1(c)(iii), the amount of Three Million United States Dollars (US \$3,000,000.00) for the Well the Contractor obligates itself to drill during each such extension.
- (d) If at the end of any Subperiod of the Initial Exploration Period or the end of an extension of the Initial Exploration Period under Section 2.1(c)(i), Section 2.1(c)(ii) or Section 2.1(c)(iii), the Contractor has performed its work commitments included in the minimum Work

Program as provided in Section 4.2 and the amount expended by the Contractor is less than the sum specified for such period in this Section 4.3, the Contractor shall be deemed to have fulfilled its investment obligations relating to that period. If (i) at the end of any Subperiod of the Initial Exploration Period, (ii) at the end of any extension of the Initial Exploration Period, or (iii) upon the date of termination of this Contract, as the case may be, the Contractor has not expended a sum of money at least equal to the minimum expenditure for Petroleum Operations required under this Section 4.3 to be expended at the applicable time and has not performed the minimum Work Program as provided in Section 4.2, or in Section 2.1(c) in the case of an extension, Contractor shall pay to the State a sum of money equal to the unexpended minimum expenditure for Petroleum Operations which this Contract requires be expended at that time. Such sum shall be payable to the State within thirty (30) days after the termination of the applicable period.

- (e) Unless the Parties otherwise agree in writing, each Well to be drilled by Contractor that is a part of a minimum Work Program under Section 4.2 shall be drilled to a depth not less than the depth for such Well set forth in the Work Program and Budget of Petroleum Operations Costs notwithstanding that the performance of such minimum Work Program may result in Contractor exceeding the expenditure amount set forth in Section 4.3 of such minimum Work Program; Provided, a Well may be drilled to a lesser depth if the continuation of drilling in accordance with good international petroleum industry practice is prevented by (i) encountering basement, (ii) danger due to the existence of abnormal formation pressure, (iii) formations the hardness of which prevent the continuation of drilling or (iv) petroleum formations the drilling of which requires, for

the protection of such formations, the setting of casing which will prevent the minimum depth from being reached.”

3. 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; Provided, for Calendar Year 1994 only, the sum of money that is to be expended in accordance with this Section 6.1(j) shall be increased to One Hundred Thousand United States Dollars (US \$100,000.00). Commencing with Calendar Year 1995 the sum of money to be expended each Calendar Year in accordance with this Section 6.1(j) shall be Seventy-Five Thousand United States Dollars (US \$75,000.00). In the event the entire Seventy Five Thousand United States Dollars (US \$75,000.00) is not expended in a Calendar Year, or One Hundred Thousand United States Dollars (US \$100,000.00) for 1994 only, 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, who are not employees of one of the parties constituting Contractor, 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."

4. The following language shall be inserted in the Contract, as amended, as Section 6.1(s):

"(s) in the event it is necessary to hold a meeting outside Equatorial Guinea in order to discuss matters relating to this Contract and one or more representatives of the Ministry or the State or both are required to attend such meeting, the reasonable costs and expenses incurred by such representatives who are required to make such trip shall be paid by the Contractor subject to the Contractor and the Ministry agreeing in writing to such payment prior to such trip; Provided, expenditures under this Section 6.1(s) shall not exceed Twenty-Five Thousand United States Dollars (US \$25,000.00) per Year commencing with June 1, 1994. All costs incurred by Contractor in accordance with this Section 6.1(s) shall be included in Petroleum Operations Costs."

5. Section 13.4 of the Contract, as amended, shall be deleted.

6. The following language shall be inserted after the word "following" in the eighth line of Paragraph 2 of Section 2 of the Accounting Procedure attached to the Contract, as amended:

 "which may be incurred by Contractor, with a third party or with an Affiliate of a party constituting the Contractor".

7. The following language shall be inserted after word "following" in the third line of Paragraph 3 of Section 2 of the Accounting Procedure attached to the Contract, as amended:

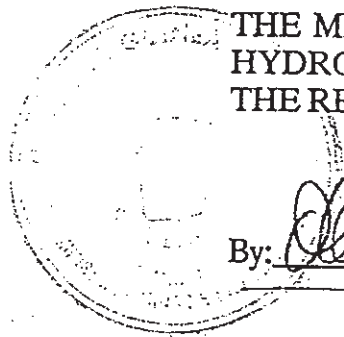
"which may be incurred by Contractor, with a third party or with an Affiliate of a party constituting the Contractor".

8. The Contractor has agreed with the Ministry to pay on the date of this Amendment the rentals that are due on or before December 1, 1994 under the Contract, as amended. Upon the execution of this Amendment by all the parties hereto, the Contractor shall deliver to the Ministry a check in the amount of One Hundred Nineteen Thousand Eight Hundred Six United States Dollars (US \$119,806.00) which shall pay all the rentals under the Contract, as amended, to December 31, 1995.

9. 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.

10. 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.

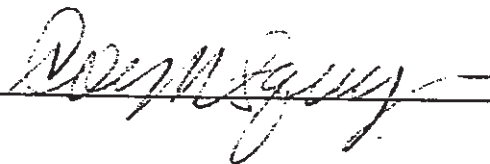
IN WITNESS WHEREOF, the parties hereto have executed this Amendment in four (4) originals in the English and Spanish languages, as of the day and year first above written.



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

By: 

UMC EQUATORIAL GUINEA
CORPORATION

By: 

MOBIL EQUATORIAL GUINEA INC.

By: 

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