



**SALES CONTRACT N° SA 133989
(PETROCARIBE)**

Sales Contract No. SA133989 (as amended and supplemented from time to time and together with its Annexes, the "Contract"), dated as of January 01 , 2008 between PDVSA Petróleo, S.A., a corporation organized under the laws of the Bolivarian Republic of Venezuela with offices located at Urb. La Campiña, Avda. Libertador, Calle El Empalme, Edificio Petróleos de Venezuela, Torre Oeste, Caracas, Venezuela ("Seller" or "PDVSA") and Guyana National Energy Agency (GEA) a corporation organized under the laws of Guyana with offices located at 295 Quamina Street, P.O. Box 903 Georgetown , Guyana- South America.

WHEREAS, on June 29, 2005, the Bolivarian Republic of Venezuela and several Caribbean countries (including the Government of GUYANA) entered into an Energy Cooperation Agreement providing for the establishment of PETROCARIBE (the "Energy Cooperation Agreement Petrocaribe");

WHEREAS, in furtherance of the Petrocaribe Cooperation Agreement, on September 6th, 2005, the Bolivarian Republic of Venezuela and the Government of GUYANA entered into an Energy Cooperation Agreement (the "Petrocaribe Bilateral Agreement");

WHEREAS, pursuant to Article I of the Petrocaribe Bilateral Agreement, the Bolivarian Republic of Venezuela agreed to supply the Government of GUYANA with crude oil, refined products and LPG up to 5.2 thousand barrels per day (1.898.000BBLs) on annual basis, subject to the terms and conditions contemplated thereunder;

WHEREAS, the Bolivarian Republic of Venezuela has instructed PDVSA to supply the products contemplated under the Petrocaribe Bilateral Agreement, subject to the terms and conditions contemplated thereunder;

WHEREAS, the Government of GUYANA has designated Buyer, GUYANA NATIONAL ENERGY AUTHORITY (GNEA) a state-owned company, as the entity that will purchase the products contemplated under the Petrocaribe Bilateral Agreement;

WHEREAS, In accordance with the Article III of the Bilateral Agreement of Petrocaribe, the Government of GUYANA agreed to sign the promissory notes destined to warrant the payment of the financed portion of the cargoes lifted under this contract;

WHEREAS, in compliance with the Petrocaribe Bilateral Agreement, Buyer wishes to purchase Oil (as defined below) and PDVSA wishes to sell Oil, subject to the terms and conditions contemplated in the following particular conditions (the "Particular Conditions"), the General Conditions (as defined in Clause 24 of these Particular Conditions) and the other Annexes to this Contract.

PARTICULAR CONDITIONS

- 1. BUYER : Guyana Energy Agency (GEA)
- 2. SELLER : PDVSA Petróleo, S.A.

3. TERMS

3.1 Type of Sale: Free On Board (FOB)

3.2 Product Type: Refined Products, Asphalt and LPG

3.3 Period: This Contract shall be effective from January 1st 2008 until December 31st, 2008 or the date of termination of this Contract pursuant to the provisions of Clause 23 of these Particular Conditions.

| | | |
|---------------|-----------------|---------------------------------|
| 3.4 Quantity: | Product: | GASOIL |
| | Volume | 1.534 KBD |
| | Product: | GASOLINE REGULAR/PREMIUM |
| | Volume | 0.975 |
| | Product: | JET FUEL |
| | Volume | 0.226 MBD |
| | Product: | FUEL OIL |
| | Volume | 2.456MBD |
| | Product: | ASPHALT 70-30 |
| | Volume | 2.456MBD |

Subject to the terms and conditions set forth in this Contract, Seller shall sell and deliver, and Buyer shall purchase and take delivery up to 1.898.000 barrels TO BE SUPPLY QUOTA of five point two thousands barrels per day (5.2KBD) Barrels (as defined in the General Conditions) per day of Oil, or the lower volume resulting from the adjustments made by the Bolivarian Republic of Venezuela pursuant to the Petrocaribe Bilateral Agreement (as adjusted pursuant to this Contract or the Petrocaribe Bilateral Agreement, the "Contractual Volume"). It is understood and accepted for Buyer that any other quantity of energy supplied in any other contract under the Petrocaribe Agreement with GUYANA, shall be included in the total quota of Petrocaribe calculated in terms of equivalent hydrocarbon energy and in any case could not be greater than the amount establish in the article I of the Petrocaribe Energy Co-Operation Agreement.

Delivery of the Contractual Volume by PDVSA shall be subject to the availability of Oil by the Bolivarian Republic of Venezuela and PDVSA, the decisions adopted by the Organization of Petroleum Exporting Countries (OPEC) and any other circumstances that may cause the adjustment of the Contractual Volume, all as contemplated in this Contract or the Petrocaribe Bilateral Agreement.

The Contractual Volume shall be reduced in an amount equal to the Barrels of other crude oil or oil products (refined products and LPG) delivered by PDVSA to Buyer pursuant to other sales contracts entered or to be entered pursuant to the Petrocaribe Bilateral Agreement (the "Other Sales Contracts").

3.4.1 Quarterly Lifting Program:

No later than thirty (30) days prior to the beginning of each calendar quarter, Buyer shall furnish Seller with a proposed lifting program including number of cargoes, grades and quantities for each month of the quarter. The grade (s), quantities and the number of cargoes to be delivered, shall be agreed by the Parties latest ten (10) days before the first day of each calendar quarter.

3.4.2 Monthly Lifting Program:

The Oil shall be delivered in monthly shipments as described in this Clause.

No later than the tenth (10th) calendar day of month M, Buyer shall tentatively nominate the Discharge Range (as defined in the General Conditions), the Discharge Port and the quantity and quality of Oil to be delivered in month M+1 within a range of volume as per Clause number three (3) of these Particular Conditions.

No later than the twenty (20th) calendar day of month M, Seller shall accept the nomination or reject the nomination and give a counterproposal. In case of further disagreement, the parties shall endeavor to agree on a mutually acceptable program.

Notwithstanding any agreed volume nomination, Seller may reduce or increase the actual volume of Oil to be delivered in a shipment plus or minus 10% of the agreed volume nomination. Claims will not proceed in opposition to the seller if Seller provides at least the base nomination less 10%.

3.5 Quality: The Oil delivered pursuant to this Contract shall be of normal export quality and shall comply with the following quality specifications:

Product Type: GASOIL

| SPECIFICATION DESCRIPTION | UOM | MIN | MAX | TEST METHOD |
|----------------------------------|-----------|--------|------|-------------|
| API GRAVITY | | 32 | 40 | D-287 |
| FLASH POINT | °C | 66 | | D-93 |
| POUR POINT | °C | | 0 | D-97 |
| CLOUD POINT | °C | | 10 | D-2500 |
| VISCOSITY AT 100 °F | CST | 2 | 6 | D-445 |
| SULPHUR | WT % | | 0.5 | D-2622 |
| CORROSION 3 HRS AT 122 °F | | | 1 | D-130 |
| CETANE INDEX | | 45 | | D-976 |
| COLOR ASTM | | | 3.5 | D-1500 |
| DISTILLATION 50% EVAPORATED | °F | REPORT | | D-86 |
| DISTILLATION 90% EVAPORATED | °F | | 670 | D-86 |
| DISTILLATION FINAL BOILING POINT | °F | | 734 | D-86 |
| NEUTRALIZATION NUMBER | MG KOH/GM | | 0.5 | D-974 |
| CARBON RESIDUE, 10% BOTTOMS | WT % | | 0.2 | D-524 |
| ASH CONTENT | WT % | | 0.02 | D-482 |
| WATER & SEDIMENT | VOL % | | 1 | D-2709 |
| PARTICULATE CONTAMINANTS | MG/L | | 10 | D-6217 |



Product Type: GASOLINE REGULAR

| SPECIFICATION DESCRIPTION | UOM | TEST METHOD | MIN | MAX |
|----------------------------------|----------|-------------|------------|--------|
| API GRAVITY @60F(15.5C) | | D287/1298 | REPORT | |
| AROMATICS CONTENT | VOL PCT | D1319 | REPORT | |
| BENZENE CONTENT | WT PCT | D3606 | REPORT | |
| COLOR | | VISUAL | UNDYED | |
| CORROSION, CU, 3HRS@122F(50C) | | D130 | | 1 |
| DISTILLATION RESIDUE | VOL PCT | D86 | | 2 |
| DISTILLATION 10 PCT EVAPORATED | CELSIUS | D86 | | 75 |
| DISTILLATION 50 PCT EVAPORATED | CELSIUS | D86 | | 120 |
| DISTILLATION 90 PCT EVAPORATED | CELSIUS | D86 | | 180 |
| DISTILLATION FBP | CELSIUS | D86 | | 221 |
| GUM, EXISTENT | MG/100ML | D381 | | 4 |
| LEAD CONTENT | GR/GAL | D3237 | | 0.02 |
| ANTIKNOCK INDEX (R+M/2) | ON | CALC | 87 | |
| OCTANE NUMBER MOTOR | ON | D2700 | REPORT | |
| OCTANE NUMBER RESEARCH | ON | D2699 | 92 | |
| ODOR | | | MARKETABLE | |
| OLEFINS CONTENT | VOL PCT | D1319/G.C | REPORT | |
| OXIDATION STABILITY | MIN | D525 | 240 | |
| REID VAPOR PRESSURE @100F(37.8C) | PSIA | D323 | | 10 |
| SULPHUR CONTENT DOCTOR TEST OR | | D4952 | NEGATIVE | |
| SULPHUR MERCAPTAN | WT PCT | D3227 | | 0.0015 |
| SULPHUR CONTENT | WT PCT | D2622D1266 | | 0.15 |
| KPA + 0.7 E70 | | CALC | REPORT | |

Product Type: GASOLINE 95 RON

| SPECIFICATION DESCRIPTION | UOM | METHOD | MIN | MAX |
|----------------------------------|----------|-----------|------------|-------|
| API GRAVITY @60F(15.5C) | | D287/1298 | REPORT | |
| COLOR | | VISUAL | UNDYED | |
| CORROSION, CU, 3HRS@122F(50C) | | D130 | | 1 |
| DISTILLATION RESIDUE | VOL PCT | D86 | | 2 |
| DISTILLATION 10 PCT EVAPORATED | CELSIUS | D86 | | 65 |
| DISTILLATION 50 PCT EVAPORATED | CELSIUS | D86 | 77 | 121 |
| DISTILLATION 90 PCT EVAPORATED | CELSIUS | D86 | | 190 |
| DISTILLATION FBP | CELSIUS | D86 | | 221 |
| DYE CONTENT | GR/M3 | | 2.6 | |
| GUM, EXISTENT | MG/100ML | D381 | | 4 |
| LEAD CONTENT | GR/LT | D3237 | | 0.013 |
| OCTANE NUMBER MOTOR | ON | D2700 | 83 | |
| OCTANE NUMBER RESEARCH | ON | D2699 | 95 | |
| ODOR | | | MARKETABLE | |
| OXIDATION STABILITY | MIN | D525 | 240 | |
| REID VAPOR PRESSURE @100F(37.8C) | PSIA | D323 | | 10 |
| SULPHUR CONTENT DOCTOR TEST OR | | D4952 | NEGATIVE | |
| SULPHUR MERCAPTAN | WT PCT | D3227 | | 0.003 |



| | | | | |
|-----------------|--------|-------|--|-----|
| SULPHUR CONTENT | WT PCT | D2622 | | 0.1 |
|-----------------|--------|-------|--|-----|

Product Type: JET FUEL, meeting Defense Standard 91/91 (Latest Issue) with ASA (Anti-Static Additive), Jet A-1 specifications. Stadis 450 will be provided to buyer and will be included and blended in the cargo at the loading port.

Product Type: FUEL OIL 3.0% ISLA

| SPECIFICATION DESCRIPTION | UOM | TEST METHOD | MIN | MAX |
|-----------------------------------|---------|-------------|-----|------|
| ALUMINUM + SILICE | PPM | IP377 | | 30 |
| API GRAVITY @ 60°F (15.5°C) | API | D1298 | 9.2 | |
| ASH CONTENT | WT PCT | D482 | | 0.15 |
| ASPHALTENES | WT PCT | IP143 | | 15 |
| CARBON CONRADSON | WT PCT | D189 | | 18 |
| FLASH POINT, PM | °C | D93 | 66 | |
| POUR POINT, WINTER | °C | D97 | | 15 |
| SODIUM CONTENT | PPM | A.A/IP288 | | 100 |
| SULPHUR CONTENT | PPM | D4294 | | 3 |
| VANADIUM CONTENT | PPM | D5863 | | 600 |
| VISCOSITY KINEMATIC @ 122°F(50°C) | CST | D445 | | 350 |
| WATER AND SEDIMENT | VOL PCT | D1796 | | 1 |

Product Type: AVGAS

| SPECIFICATION | UOM | METHOD | MIN | MAX |
|----------------------------------|----------|--------|-------|------|
| COLOR | | VISUAL | | |
| CORROSION, CU, 2HRS@212F(100C) | | D130 | | 1 |
| DISTILLATION LOSS | VOL PCT | D86 | | 1.5 |
| DISTILLATION RESIDUE | VOL PCT | D86 | | 1.5 |
| 10PCT + 50PCT EVAPORATED | CELSIUS | D86 | 135 | |
| DISTILLATION 10 PCT EVAPORATED | CELSIUS | D86 | | 75 |
| DISTILLATION 40 PCT EVAPORATED | CELSIUS | D86 | 75 | |
| DISTILLATION 50 PCT EVAPORATED | CELSIUS | D86 | | 105 |
| DISTILLATION 90 PCT EVAPORATED | CELSIUS | D86 | | 135 |
| DISTILLATION FBP | CELSIUS | D86 | | 170 |
| TOTAL RECOVERY | VOL PCT | D86 | 97 | |
| FREEZING POINT | CELSIUS | D2386 | | -58 |
| NET HEAT OF COMBUSTION | J/GR | D1405 | 43544 | |
| OCTANE NUMBER, LEAN MIXTURE | ON | D2700 | 99.5 | |
| OCTANE NUMBER, RICH MIXTURE | PN | D909 | 130 | |
| OXID STABILITY(5H) POTENTIAL GUM | MG/100ML | D873 | | 6 |
| OXID STAB (5H) LEAD PRECIPITATE | MG/100ML | D873 | | 3 |
| REID VAPOR PRESSURE @100F(37,8C) | KPA | D323 | 38 | 49 |
| SULPHUR CONTENT | WT PCT | D2622 | | 0.05 |
| TEL CONTENT | ML/GAL | D3341 | | 1.06 |
| WATER REACTION VOLUME CHANGE | ML | D1094 | | 2 |

Such specifications represent the only quality characteristics which the Oil is required to meet. These specifications constitute the whole of Seller's obligations with respect to the quality of Oil to be supplied pursuant to this Contract and all statutory or other conditions or warranties with respect to the description, merchantability or quality of the Oil or its fitness for any purpose are hereby excluded.

Nevertheless, in case the Buyer require different quality characteristics than the above mentioned, it shall be done in writing by Buyer at least 60 days prior to the nomination date and Seller shall notify Buyer the possibility of fulfill or not this requirement.

3.6 Loading Ports: The ports of Petróleo de Venezuela S.A. (including without limitation the port of Refinería Isla, Curacao, Netherlands Antilles), or any other port nominated by Seller and accepted by Buyer (each a "Loading Port").

3.7 Discharge Ports: The port or ports nominated by Buyer and accepted by Seller for discharge of a shipment of Oil (each a "Discharge Port"). Buyer shall not change the Discharge Port with respect to a shipment of Oil without the prior written consent of Seller.

4. DESTINATION GUYANA.

Buyer may modify final destination only with Seller's written approval given 7 days prior to the loading date and Seller shall apply a penalty to Buyer due to that modification of final destination.

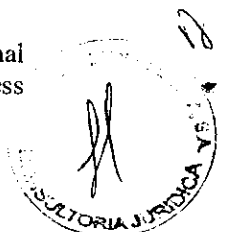
For the purpose of verifying the destination of the oil shipment sold hereunder, Buyer shall provide Seller, within thirty (30) calendar days from the B/L, with a Discharge Port Certificate which may consist of:

- (1) An independent inspector's certificate of discharge or
 - (2) The corresponding customs fees receipt or other government documents evidencing the port of discharge and the quantity of oil discharged.
- (See Clause 15 of the PDVSA C & F General Conditions of Sale)

The discharge port certificate shall be sent to:

PDVSA Petróleo S.A
Edif. Petróleo de Venezuela
Torre Oeste, Av. Libertador, Caracas.
Attn. Patricia Gomez
Tel: (+58) 212-708-41-92
Fax: (+58) 212-708-35-59
E-mail: gomezpk@pdvsa.com

Notwithstanding the aforementioned, the parties hereof agree that in order to verify the final destination and usage of the oil delivered, Seller holds the right to perform in situ an auditing process



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in which Buyer engage to cooperate in all reasonable forms including (but not limited to): (i) allowing entrance to facilities requires by Seller, and (ii) providing Seller with all the documents and certificates needed in such activity.

All cost of the auditing process, (if performed), shall be borne equally (50/50) by both parties

5. FOB PRICE

The "FOB Price per Barrel" applicable to each shipment of Oil under this Contract shall be the price in U.S. dollars per net Barrel of Oil (FOB Venezuela) equal to the following mean prices as determined by reference to Platt's during the pricing period as defined in Clause 6 below, plus the following constant premium (CPG or BBL).

Gasoil:

Mean of Platt's Gasoil No 2 USGC Waterborne.

Gasoline Regular :

Mean of Platt's Unleaded 87 (Non-Supplemental) USGC Waterborne.

Gasoline 95 RON :

Mean of Platt's Unleaded 89 (Non-Supplemental) USGC Waterborne

Jet Fuel:

Mean of Platt's Jet/Kerosene GD54 USGC Waterborne.

Fuel Oil:

Mean of Platt's No 6 3.0% USGC Waterborne minus (-) 0.488 US\$/BBL.

RMG-35

90%(Mean of Platts No. 6.3% USGC Waterborne)+10% (mean of Platts Gasoil No. 2 USGC Waterborne)minus (-) 0.439 US\$/BBL

Avgas:

Mean of Platt's Unleaded 87 (Non-Supplemental) USGC Waterborne + 54.00 CPG.

60-70 PEN

Poten & Partners Publications Low of Gulf Coast/Mid South Area Barge Selling Price Asphalt Cement (US\$/BBL).

The price shall be indicated in Dollars of the United States of America per barrel. Final price thus established shall be rounded to four (4) decimal places.

The determination of the FOB Price per Barrel and the Price per Barrel shall be subject to revision at any time by the Venezuelan Ministry of Energy and Petroleum.



6. PRICING PERIOD

Refined Products and LPG:

The pricing period for the Refined Products and LPG will be the three consecutive effective quotations published around bill of lading date (B/L) (i.e., B/L-1, B/L, B/L+1) (B/L = 0).

If B/L date falls on Saturday, then the prior quotation should be considered deemed B/L date, but if B/L date falls on Sunday, holiday or a day that Platt's/Opis does not quote, then the next effective quotation should be considered deemed B/L date for price calculation purposes. Always three separate quotations to be used for the pricing.

7. TERMS AND CONDITIONS OF PAYMENT

(a) Open Account:

The cargoes lifted under this contract shall be under open account. In case the credit line of the open account is overdrawn five days prior to the loading date of any of the cargoes considered in this contract, Buyer agrees to secure/pay the cargo through stand by letter of credit or prepayment. Either of these instruments must be received by Seller at least three (3) working days before the agreed loading range. Such letter of credit shall be issued according to the following provision:

Payment of the Shipment Value of each shipment shall be guaranteed by Buyer by providing to Seller at least three (3) New York banking days prior to the first day of the Programmed Loading Range (as defined in the General Conditions) for such shipment, a stand-by letter of credit, which shall be irrevocable, for an amount equal to 100% of the Shipment Value for such shipment, in favor of Seller and confirmed irrevocably and unconditionally by a first class international bank to be accepted by Seller and shall be for a term of at least 120 days (the "LOC"). The LOC shall meet the requirements set forth in **Annex B** to this Contract. Seller shall not be required to load the shipment if the LOC is not received within the above-mentioned period and Buyer shall be responsible for any demurrage paid by Seller to the owner of the vessel used or nominated to transport the Oil or for any damage caused to Seller if the LOC is not received within such period.

(b) The value of each shipment of Oil delivered under this Contract (the "Shipment Value") shall be equal to the sum of (i) the number of Barrels specified in the bill of lading for such shipment multiplied by the FOB Price per Barrel corresponding to such shipment (the "FOB Price") plus (ii) the cost of freight for such shipment from the Loading Port to the Discharge Port (the "Freight") plus (iii) the cost of insurance for such shipment from the Loading Port to the Discharge Port (the "Insurance") plus (iv) all fees, rates, duties, tolls, imposts, taxes and other charges paid by Seller in connection with such shipment, including bar tolls and consular fees. The Freight, Insurance and all fees, rates, duties, tolls, imposts, taxes and other charges paid by Seller in connection with such shipment, including bar tolls and consular fees of each shipment of Oil under this Contract shall be indicated by Seller in the invoice for such shipment.

(c) Payment of the Shipment Value for each shipment of Oil under this Contract shall be made by Buyer as follows:

(1) the portion of the Shipment Value corresponding to the Freight, Insurance and all fees, rates, duties, tolls, imposts, taxes and other charges paid by Seller in connection with such

"not binding until duly executed and signed by the parties"

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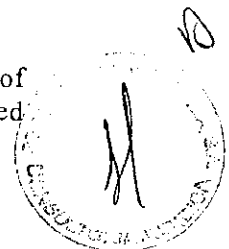


shipment, including bar tolls and consular fees for such shipment shall be paid by Buyer no later than thirty (30) calendar days following the Bill of Lading Date (as defined in Clause 11 of these Particular Conditions) of such shipment;

- (2) a portion of the FOB Price for such shipment determined in accordance with **Annex A** to this Contract (the "**Cash Portion**") shall be paid no later than ninety (90) calendar days following the Bill of Lading Date of such shipment;
- (3) the balance of the FOB Price for such shipment (*i.e.* the FOB Price for such shipment less the Cash Portion for such shipment) (as such amount may be increased from time to time to include Capitalized Interest (as defined below) as contemplated hereunder, the "**Financed Portion**") shall be paid as follows:
 - (i) if the FOB Price per Barrel for such shipment is less than US\$40, then the Financed Portion corresponding to such shipment shall be paid in fifteen (15) equal consecutive annual principal installments (each installment consisting of a portion of principal and Capitalized Interest outstanding), payable on each Payment Date (as defined below) commencing with the first Payment Date, provided that the final installment shall be made on the seventeenth (17th) anniversary of the Bill of Lading Date of such shipment; or
 - (ii) if the FOB Price per Barrel for such shipment is equal to or more than US\$40, then the Financed Portion corresponding to such shipment shall be paid by Buyer (or the Government of GUYANA) in twenty three (23) equal consecutive annual installments (each installment consisting of a portion of principal and Capitalized Interest outstanding), payable on each Payment Date commencing with the first Payment Date, provided that the final installment shall be made on the twenty-fifth (25th) anniversary of the Bill of Lading Date of such shipment.

"**Payment Date**" means, with respect to the Financed Portion of any shipment of Oil under this Contract (and interest thereon), (i) the third (3rd) anniversary of the Bill of Lading Date of such shipment, and (ii) thereafter, each anniversary of the Bill of Lading Date of such shipment.

- (d) The indebtedness represented by the Financed Portion of each shipment (and interest thereon) shall be documented by a promissory note in the form of **Annex C** to this Contract to be issued by the Government of GUYANA on the Bill of Lading Date of such shipment (each promissory note a "**Note**", and together with each Note delivered in connection with each other shipment of Oil under this Contract, the "**Notes**"). Buyer shall cause the Government of GUYANA to deliver the Note to Seller no later than sixty (60) calendar days following the Bill of Lading Date of such shipment.
- (e) Interest on the Cash Portion of each shipment shall accrue from (and including) the thirty-first (31) calendar day following the Bill of Lading Date until (and including) the date of payment in full of the Cash Portion of such shipment, at a rate of 2% per annum. Interest on the Cash Portion of each shipment shall be paid to Seller on the date on which the Cash Portion of such shipment shall be paid in full (*i.e.* on the nineteenth (90) calendar day following the Bill of Lading Date of such shipment). No interest on the Cash Portion of any shipment shall accrue during the first thirty (30) calendar days following the Bill of Lading Date of such shipment.
- (f) Interest on the Financed Portion of a shipment shall accrue from (and including) the Bill of Lading Date of such shipment until (and including) the date of payment in full of the Financed



Portion of such shipment, at a rate per annum equal to (i) 2% if the FOB Price per Barrel for such shipment is less than US\$40 or (ii) 1% if the FOB Price per Barrel for such shipment is equal to or more than US\$40. Interest on the Financed Portion of a shipment shall be payable to Seller in arrears no later than each Payment Date for such shipment until the Financed Portion shall be paid in full; provided, however, that (a) interest on the Financed Portion of a shipment accrued from (and including) the Bill of Lading Date of such shipment until (but excluding) the first anniversary of the Bill of Lading Date of such shipment shall be capitalized on such date, deemed as a Financed Portion of such shipment as of such date and be subject to all the terms and conditions applicable to the Financed Portion of such shipment, (b) interest on the Financed Portion of a shipment accrued from (and including) the first anniversary of the Bill of Lading Date of such shipment until (but excluding) the second anniversary of the Bill of Lading Date of such shipment shall be capitalized on such date, deemed as a Financed Portion of such shipment as of such date and be subject to all the terms and conditions applicable to the Financed Portion of such shipment (the "**Capitalized Interest**").

- (g) Interest payments shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days. Each determination by Seller of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.
- (h) Any amounts of principal of a Note issued with respect to a shipment duly paid by the Government of GUYANA shall reduce the amounts of principal of the Financed Portion of such shipment, and any amounts of interest on such Note duly paid by the Government of GUYANA shall reduce the amounts of interest on the Financed Portion of such shipment.
- (i) Buyer or the Government of GUYANA shall make all payments under this Contract exclusively in U.S. dollars in immediately available funds by wire transfer into the bank account designated by Seller, free of any charges and without any deduction, discount, set-off, allowance, withholding or counterclaim (including any discount for banking fees, expenses or wire transfers).
- (j) Interest on the Cash Portion and the Financed Portion shall be made free and clear and without withholding or deduction of any Taxes or Other Taxes (as defined in the Notes).
- (k) Except as otherwise provided in this Contract, any fees, rates, charges, duties, taxes and penalties and other payments or contributions to be paid in connection with each shipment of Oil under this Contract (other than the Financed Portion) shall be paid at the same time and in the same manner as the Cash Portion.
- (l) Any amount due under this Contract not paid when due (other than amounts due under the Notes, which shall be governed by the terms and conditions contemplated thereunder) shall bear interest at a rate equal to 12% per annum plus 6% for administrative handling and collection charges (as contemplated in the General Conditions) from and including the date payment was originally to be made until the date payment is actually made.
- (m) Whenever any payment due date (or last day for payment) under this Contract or the Notes falls on a Saturday, Sunday or a New York banking holiday, then any such payment shall be made on the preceding New York banking day.



8. TAXES, DUTIES AND CHARGES

Seller shall be responsible for the payment of any taxes, duties or other charges arising in the country where the Oil is loaded. All other imposts, taxes, duties, dues and other charges on the Oil or the vessel (including bar tolls and consular fees) shall be the responsibility of Buyer.

9. VESSEL NOMINATION

At least ten (10) days prior to the first day of the agreed loading range, Buyer shall notify Seller of the following:

- (a) The name and characteristics of the vessel which it nominates to take delivery of the oil;
- (b) The date of vessel's arrival within the agreed loading range;
- (c) Approximate quantity and quality of products to be loaded consistent with the quantity and quality of oil which lifting has been nominated and accepted pursuant to clause 4 of this contract (also see PDVSA FOB General Conditions of Sale)
- (d) The name of the proposed Independent Inspector.

Seller may either reject or accept Buyer's vessel nomination. If Seller rejects the vessel nominated, Buyer shall then take immediate action to nominate another vessel acceptable to Seller.

Buyer shall be entitled to substitute any vessel nominated according to section 6.1 of the PDVSA FOB General Conditions of Sale by another vessel of similar size and characteristics, without prejudice to seller's right to accept or reject such new nomination as provided for in section 6.2 of the PDVSA FOB General Conditions of Sale

10. LAYTIME

Time allowed to Buyer for discharging each cargo under this Contract ("**Laytime**") shall be thirty-six (36) running hours after the arrival of the vessel at the Discharge Port, Sundays and holidays included. Laytime shall commence when the vessel is all fast or when six (6) consecutive hours have expired since the tender of notice of readiness (NOR), whichever occurs first, if the vessel arrives during the accepted five (5) -day Discharge Range. See also the General Conditions.

11. BILL OF LADING DATE

The "**Bill of Lading Date**" with respect to a shipment of Products under this Contract shall be the date when the last hose is disconnected after such shipment has been loaded.

12. DEMURRAGE

In the event that Laytime is exceeded, Buyer shall pay to Seller demurrage in respect of the excess time based on the vessel's charter party demurrage rate per day. See General Conditions.



13. CLAIMS ON QUANTITY OR QUALITY

Any claim as to shortage in quantity or defects in the quality of the Oil shall be made by written claim to Seller as soon as possible after such apparent shortage and/or defects are discovered, with all details and supporting documentation necessary to evaluate the claim. In no event shall Seller be liable for any claim as to shortage in the quantity or defect in the quality of Oil, if such written claim is not received by Seller within ninety (90) calendar days after the Bill of Lading Date. Buyer agrees not to file any claim for amounts less than US\$1,500.

14. INSPECTION

The quantity and quality of each shipment of Oil shall be determined in the manner customary at the Loading Port, by an independent petroleum inspector. Such inspector shall be appointed jointly by Seller and Buyer. Inspection cost shall be borne equally between Buyer and Seller. Samples of Oil shall be retained at the Loading Port for a period of ninety (90) calendar days from the Bill of Lading Date. No claims on quality to be accepted by Seller after this 90-day period.

15. MARITIME SECURITY REGULATIONS

- (a) Buyer shall procure that the vessel shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (collectively referred as "ISPS Code") and with other applicable laws and regulations relating to maritime security.
- (b) Notwithstanding any prior acceptance of the vessel by Buyer, if at any time prior to the arrival of the vessel at the Discharge Port the vessel ceases to comply with the requirements of the ISPS Code:
 - (i) Buyer shall have the right not to berth such nominated vessel at the Discharge Port and any demurrage resulting shall not be for the account of Buyer; and
 - (ii) Seller shall be required to substitute such nominated vessel with a vessel complying with the requirements of the ISPS Code.
- (c) Prior to loading, Seller shall provide Buyer with a copy of international ship security certificate and international loading port security certificate, in accordance with the ISPS Code.
- (d) Prior to discharging, Buyer will provide Seller with a copy of international discharging port security certificate, in accordance with the ISPS Code.
- (e) Buyer shall procure that the discharge port/terminal/installation shall comply with the requirements of the ISPS Code and other applicable maritime security regulations. Any costs or expenses in respect of the vessel including demurrage, retention, delay or any additional charge, fee or duty levied on the vessel at the Discharge Port and actually incurred by Seller resulting directly from the failure of the discharging port/terminal/installation to comply with the ISPS Code shall be for the account of Buyer, including but not limited to the time required or costs incurred by the vessel in taking any action or any special or additional security measures required by the ISPS Code.



- (f) Except where the vessel has failed to comply with the requirements of the ISPS Code, Buyer shall be responsible for any demurrage actually incurred by Seller arising from the delay to the vessel at the Discharge Port resulting directly from the vessel being required by the port facility or any relevant authority to take any action or any special or additional security measures or undergo additional inspections, by virtue of the vessel's previous ports of call.
- (g) If the maritime security is affected by any event or circumstance, as defined in the ISPS Code, not imputable to any of the parties, and special security measures or actions have to be taken by the port authorities or the ship, any cost or expense for demurrage, retention or delay, shall be shared by Buyer and Seller in 50%.

17. RESCHEDULING AND CANCELLATION OF DELIVERIES

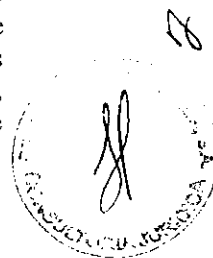
17.1 Buyer may, due to exceptional situations or extraordinary market conditions in GUYANA cancel a shipment of Oil, Products and LPG nominated and accepted in accordance with Clauses 4.3.2 and 9 of these Particular Conditions, by providing to Seller a written notice of such cancellation. In such case, buyer shall reimburse seller an amount equal to 0.2% of the referential value of shipment, without prejudice or any other right available under this agreement, beside fees, disbursements and expenses assumed or incurred by Seller in connection with the cancellation of such shipment of Product Oil.

17.2 Buyer may propose to reschedule a shipment of Oil, Products and GLP nominated in accordance with Clause 9 of these Particular Conditions, by tentatively nominating in writing a new Discharge Range for such shipment with at least twelve (12) calendar days before the first day of the Programmed Loading Range for such shipment. No later than the third (03) working days following the date of notification to Seller of the new proposed Discharge Range, Seller shall accept the nomination or reject the nomination and give a counterproposal. In case of further disagreement, the parties shall endeavor to agree on a mutually acceptable program provided that such agreement is confirmed through an exchange of correspondence.

17.3 Any amount due to Seller under this Clause 17 shall be paid by Buyer within 20 (twenty) calendar days after receipt by Buyer of the relevant invoice issued by Seller. Clause 7 (k) of these Particular Conditions shall be applicable in case any amount due under this Clause 17 is not paid when due.

18. ARBITRATION

Any dispute, controversy or claim relating to this Contract or the breach thereof shall be exclusively settled by arbitration conducted in the English and Spanish language by three arbitrators in accordance with the Commercial Arbitration Rules of the International Chamber of Commerce ("ICC"). Each party shall appoint one Arbitrator and the third arbitrator, who shall act as Chairman, shall be appointed by the two already appointed arbitrators within thirty (30) calendar days counting from the day in which the last arbitrator named by the parties was appointed. If the two arbitrators may not agree on the third one, the third arbitrator shall be appointed by the Court of Arbitration of the ICC. The arbitration shall be conducted in the city of Caracas, Bolivarian Republic of Venezuela, or any other city agreed by Seller and Buyer. The arbitrators shall be fluent in Spanish and English. All notifications, service of process or any other communications related to the arbitration shall be made according to and to the addresses set forth in Clause 26 of these Particular Conditions. Nothing in this Contract shall be construed to prevent any court having jurisdiction, from issuing injunctions, attachment orders or orders for other similar relief in aid of any arbitration commenced (or to be



commenced) pursuant to this Clause and which seeks the collection of any moneys owed to Seller pursuant to Clause 7 of these Particular Conditions. The arbitral award may be enforced by any competent court or other authority having jurisdiction.

18. AMENDMENTS; WAIVERS

Except as provided in Clause 25 of these Particular Conditions, no amendments or waiver of any provision of this Contract shall be effective unless the same shall be in writing and signed by Seller and Buyer. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

19. APPLICABLE LAW

All matters related to the validity, interpretation or performance of this Contract shall be governed by the laws of the Bolivarian Republic of Venezuela.

20. INSURANCE

The responsibility for securing insurance on any shipment, whether against marine, war or other risks and the costs resulting therefrom shall rest wholly on Buyer.

21. LIMITATION OF LIABILITY

Neither party shall be liable for indirect, special or consequential damages, loss of profits or revenues.

22. SUSPENSION AND TERMINATION

Seller may unilaterally and at its own discretion, and in addition to any other legal remedies it may have, forthwith upon giving notice to Buyer either suspend deliveries of Oil under this Contract or terminate the Contract without the need of judicial intervention if one or more of the following events shall have occurred and be continuing:

- (1) Buyer for any reason whatsoever fails to make any payment due to Seller under this Contract within five (5) calendar days after Buyer receives notice that such payment was not made;
- (2) Any Note, all interest thereon and all other amounts payable under such Note shall be declared to be due and payable, prior to the stated maturity thereof ;
- (3) Buyer fails to perform or observe any term, covenant or agreement contained in Clause 4 of these Particular Conditions (Destination) of this Contract, or does not open the LOC with respect to any shipment within the term contemplated in Clause 7 of these Particular Conditions, or does not deliver the Note with respect to a shipment within the term contemplated in Clause 7 of these Particular Conditions; or
- (4) Buyer fails to take delivery of the Oil in accordance with the provisions of this Contract and such failure is not excused by any other provision of this Contract; or

Sharon 10/10/10

- (5) Buyer shall fail to perform or observe any other term, covenant or agreement contained in this Contract if such failure shall remain unremedied for fifteen (15) calendar days after written notice thereof shall have been given to Seller to Buyer; or
- (6) Buyer shall have terminated any Other Sales Contracts pursuant to its terms; or
- (7) Buyer shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Buyer seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, atraso, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization (including atraso) or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, síndico or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of ninety (90) calendar days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, síndico, custodian or other similar official for, it or any substantial part of its property) shall occur; or Buyer shall take any corporate action to authorize any of the actions set forth above in this subsection.

In the event of Seller suspending deliveries of Oil if one or more of the events described above shall have occurred and be continuing, Seller may so long as such event or events continue, and in addition to any other legal remedies it may have, forthwith upon giving notice to Buyer terminate the Contract. Any termination of the Contract shall be without prejudice to the rights and obligations of each party accrued at the date of termination.

This Contract shall also terminate in the event that the Petrocaribe Bilateral Agreement is terminated in accordance with the terms thereof.

This Contract can also be unilaterally terminated by Seller at any time, at its discretion and without the need of judicial intervention, upon giving notice to Buyer in writing with at least six (6) months before the effective date of termination.

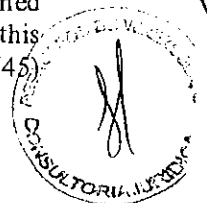
24. FORCE MAJEURE

See the General Conditions.

25. GENERAL CONDITIONS

The terms of PDVSA General Conditions DES (the "General Conditions") attached hereto as **Annex D** shall apply to all to the shipments of Oil covered by these Particular Conditions and are incorporated herein by reference. To extent that there is a conflict or inconsistency between the terms of these Particular Conditions and the terms of General Conditions, the terms of these Particular Conditions shall control.

Seller reserves the right to amend the General Conditions from time to time. Any amendments to the General Conditions shall be notified by Seller to Buyer and once they are notified shall be deemed incorporated by reference to this Contract and shall apply to each shipment of Oil pursuant to this Contract made after such notice, provided that such notice is made no later than forty five (45)



calendar days prior to the Bill of Lading Date of such shipment. Buyer shall have the right to terminate this Contract if the amendments to the General Conditions materially adversely affect Buyer and Buyer does not agree with such amendments to the General Conditions, by notice delivered to Seller no later than fifteen (15) calendar days after Seller notified the amendments to the General Conditions to Buyer, it being understood that Buyer shall be deemed to have waived the right to terminate this Contract as contemplated in this Clause if Buyer does not deliver this notice within such 15-calendar day period).

25. NOTICES

Except as otherwise provided in this Contract, all notices to be given under the Contract by either party to the other shall be sufficiently given in writing, by telex, cable or facsimile and delivered to the other party as follows:

If to Seller, to:

A) PDVSA PETROLEO S.A.

| Name | Department/Title | Phone | Fax | E-mail |
|------------------|---------------------------|-------------------|-----------------|-----------------------|
| Mirna de Ojeda | Sales Manager | (+58)2127083019 | (+58)2127083186 | ojedamd@pdvsa.com |
| Alfredo Calderon | Trader | (+58)0412 2802029 | | calderonamm@pdvsa.com |
| Beatriz Blanco | Contractual Manager | (+58)2127083117 | (+58)2127083559 | blancob@pdvsa.com |
| Patricia Gómez | Contract Administration | (+58)2127084192 | (+58)2127083559 | gomezpk@pdvsa.com |
| Victor Delascio | Operational Manager | (+58)2127083172 | (+58)2127083562 | delasciov@pdvsa.com |
| Oscar Labrador | Clean Products Operations | (+58)2127084948 | (+58)2127083702 | labradorol@pdvsa.com |
| Rafael Cure | Financial Issues | (+58)2127083028 | (+58)2127083944 | curer@pdvsa.com |
| Cristobal Pieri | Financial Manager | (+58)2127083957 | (+58)2127083944 | pieric@pdvsa.com |
| Maria Rivas | Demurrage Analyst | (+58)2127083183 | (+58)2127084037 | rivasmg@pdvsa.com |

B) GUYANA ENERGY AGENCY

| Name | Department | Phone | Fax | E-mail |
|-----------------|--------------------------|--------------|-------------|---------------------|
| Mahender Shama | Commercial | 592-2266993 | 592-2265227 | Msharmaetworksg.com |
| Joseph Olali | Contract Administration | 592-2260394 | 592-2265227 | Ecgeayana.net.gy |
| Sandra Britton | Operations | 592-22609060 | 592-2265227 | Sanbrittonahoo.com |
| Dr. Ashni Singh | Letter of Credit/Invoice | 592-2269433 | 592-2261284 | To be informed |

or at such other address or facsimile numbers as a party may specify to the other.

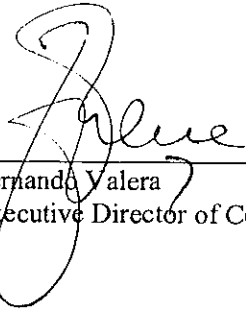


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28. ASSIGNMENT



Buyer shall not assign any of its rights or obligations under this Contract, in whole or in part, without the prior written consent of Seller. Buyer shall remain jointly and severally liable for the full performance by the assignee(s) or any subsequent assignee(s) of its/their obligations with regard to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their respective officers thereunto duly authorized, as of the date first above written.



Fernando Valera
Executive Director of Commerce & Supply

GUYANA ENERGY (BUYER)



Joseph O Lal MAHENDER SHARMA
Chief Executive Officer

Annex A
Cash Portion and Financed Portion

The Cash Portion corresponding to each shipment of Oil delivered under this Contract shall be calculated as follows:

- (a) if the FOB Price per Barrel for such shipment is less than US\$15, the Cash Portion for such shipment shall be equal to 100% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 0% of such FOB Price per Barrel;
- (b) if the FOB Price per Barrel for such shipment is equal to or more than US\$15 but less than US\$20, the Cash Portion for such shipment shall be equal to 95% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 5% of such FOB Price per Barrel;
- (c) if the FOB Price per Barrel for such shipment is equal to or more than US\$20 but less than US\$22, the Cash Portion for such shipment shall be equal to 90% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 10% of such FOB Price per Barrel;
- (d) if the FOB Price per Barrel for such shipment is equal to or more than US\$22 but less than US\$24, the Cash Portion for such shipment shall be equal to 85% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 15% of such FOB Price per Barrel;
- (e) if the FOB Price per Barrel for such shipment is equal to or more than US\$24 but less than US\$30, the Cash Portion for such shipment shall be equal to 80% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 20% of such FOB Price per Barrel;
- (f) if the FOB Price per Barrel for such shipment is equal to or more than US\$30 but less than US\$40, the Cash Portion for such shipment shall be equal to 75% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 25% of such FOB Price per Barrel;
- (g) if the FOB Price per Barrel for such shipment is equal to or more than US\$40 but less than US\$50, the Cash Portion for such shipment shall be equal to 70% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 30% of such FOB Price per Barrel;
- (h) if the FOB Price per Barrel for such shipment is equal to or more than US\$50 but less than US\$100, the Cash Portion for such shipment shall be equal to 60% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 40% of such FOB Price per Barrel; and
- (i) if the FOB Price per Barrel for such shipment is equal to or more than US\$100, the Cash Portion for such shipment shall be equal to 50% of such FOB Price per Barrel and the Financed Portion for such shipment shall be equal to 50% of such FOB Price per Barrel.



Annex B
"STAND BY" LETTER OF CREDIT

We (name of the bank) hereby issue our irrevocable stand-by letter of credit.

Number: (Number of the letter of credit)

In favor of: (Name and address of the beneficiary)

By order and for account of: (name and address of the client)

Amount: Approximately (amount in US\$)

Covering: Approximately (volume) of (product).

Shipment: From: (name and country of the loading port)
To: (name(s) and country(ies) of the unloading port)

During the period: (Month-Day-Year to Month-Day-Year)

Valid: (expiration date) (BL + 45 days) at the counters of _____.

Available for payment at sight against certificate in the form of letter or tested fax or tested telex, issued by (name of the beneficiary), reading:

Quote

"Certificate"

"We (name of the beneficiary) hereby certify that (name of the client) has failed to pay us on due date the amount of (amount in letters) (US\$) for the shipment of (volume) of (product) from (loading port) to (destination port) shipped on (date of the bill of lading) on vessel (name of the vessel). Therefore, we demand payment of said amount in same day funds via wire transfer in the account number (account number) in (name of the PDVSA Petroleos S.A's bank including location city)."

Unquote

We (name of the bank) engage by this letter of credit to irrevocably and absolutely pay to (name of the beneficiary), within three (3) banking days from the date of delivery to us of the mentioned "certificate" in same day funds, without need for any proof concerning the accuracy of any statement made in said certificate and irrespective of whether (name of the client) has become subject to any bankruptcy, reorganization or insolvency proceeding.

Special conditions



1. All banking charges related to this letter of credit are for the account of our client including correspondent transfer commissions, Beneficiary is to receive full payment as specified in the "certificate".
2. Should the date of payment of this letter of credit fall on Saturday, Sunday or a bank holiday in the city of New York, United States of America, payment shall be made on the nearest preceding banking day of such city.
3. The amount to be credited to (name of the beneficiary) 's account is to include delay interest at a rate of 12% per annum plus 6% per annum as administrative and handling charges based on a year of 360 days, to count from the date of the "certificate" issued by (name of the beneficiary) , until the date of the actual payment by (name of the bank) .
4. Name of the bank and officer to whom the "certificate" should be addressed: (name of the bank, address and person to contact) .
5. This telex is the operative instrument and no mail confirming will follow.
6. Confirming or advising bank must effect no changes or additions to the content of this letter of credit.
7. Full payment of this letter of credit shall only be deposited into the account designated in the "certificate". If (name of the bank) is instructed to deposit the payment into an account whose beneficiary is different than (name of the beneficiary) , (name of the bank) shall notify (name of the beneficiary) before making such deposit.
8. If during the validity of this letter of credit, any interruption of the issuing bank's business occurs due to an event of Force Majeure (article 17 Uniform Customs And Practice For Documentary Credits, revision of 1995), we will fully honor the credit upon resumption of our business activities and, therefore, will pay, within the following five (5) business days after said resumption of our business, all amounts and claims covered by this letter of credit which were originated during the above mentioned interruption.
7. This letter of credit is not transferable.

This credit is subject to the Uniform Custom and Practice (UCP) for Documentary Credits 1993 revision of the International Chamber of Commerce Publication 500.

Any matters not covered by the UCP shall be governed by and construed in accordance to the laws of the State of New York, United States of America.

Bank: shall mean the issuing bank if no confirming bank exists, or the confirming bank should it exists.



Annex C
Form of Note

PAGARE N°: _____

FECHA EMISIÓN:
FECHA DE VENCIMIENTO:
MONTO:

XXX, a través de la NOMBRE DE LA COMPAÑÍA (en adelante "EL EMISOR"), representada en este acto por el ciudadano _____, en su carácter de _____, según consta en la _____, declara que conforme al Artículo IV del Acuerdo de Cooperación Energética Petrocaribe celebrado entre la República Bolivariana de Venezuela (en adelante "LA REPUBLICA") y XXX en fecha (día) de mes de dos mil cinco (2005) (en lo adelante "EL ACUERDO"), mi representada debe y pagará por valor recibido, sin necesidad de AVISO NI PROTESTO, a la orden de PDVSA Petróleo, o a la orden del legítimo tenedor de este pagaré, el día _____ (colocar la fecha aniversario de la fecha del conocimiento de embarque del cargamento correspondiente), la cantidad de _____ dólares de los Estados Unidos de América (US\$ _____) por concepto de amortización de capital, incluyendo los intereses calculados al uno por ciento (1%), devengados durante el período de dos (2) años de gracia y prorrateados entre veintitres (23) vencimientos anuales de capital, conforme a lo establecido en el Artículo IV del "ACUERDO".

Los intereses antes mencionados han sido devengados desde el día _____ (colocar la fecha del conocimiento de embarque de cada cargamento), hasta la fecha de vencimiento del presente pagaré. Los intereses serán calculados sobre la base del número de días efectivamente transcurridos, sobre un (1) año de trescientos sesenta (360) días. Si la fecha de vencimiento de este pagaré no es un día hábil en la ciudad de Caracas, Venezuela, el pago se efectuará el día hábil anterior.

De no llegarse a efectuar ningún pago indicado en este pagaré, por cualquier causa que ello ocurra, en la fecha de su vencimiento, en el lugar y la forma que indique, PDVSA Petróleo, o el legítimo tenedor de este pagaré, "EL EMISOR" pagará hasta su definitiva cancelación, intereses de mora a la tasa del uno por ciento (1%) mensual sobre el monto adecuado, hasta la fecha en que efectivamente "EL EMISOR" realice el pago. La expresión mensual se refiere a cada período de treinta (30) días continuos.

En caso de que PDVSA Petróleo, S.A. o el legítimo tenedor de este pagaré, tuviese que pagar algún impuesto, tasa, derecho o contribución que imponga, aplique, recaude o establezca en cualquier oportunidad XXX, o cualquier subdivisión política o autoridad fiscal de XXX, "EL EMISOR" se compromete a reembolsar dicho pago a PDVSA Petróleo o al legítimo tenedor de este pagaré, de inmediato.

El presente pagaré podrá ser cedido en cualquier momento por PDVSA Petróleo, S.A., o a cualquiera de sus filiales, así como a cualquier otra entidad, organismo, institución o persona jurídica de carácter público o privado. La mencionada cesión deberá ser notificada por PDVSA Petróleo, S.A. a "EL EMISOR" por escrito, por lo menos con treinta (30) días de anticipación a la fecha en que se efectúe algún pago.



Este pagaré es el número _____, de quince (15) pagarés a que se refiere el Contrato de Compraventa de _____ Nro. _____, de fecha _____, entre PDVSA Petróleo, S.A. y la NOMBRE DE LA COMPAÑÍA.

Para cualquier efecto relacionado con este pagaré se elige como domicilio especial y excluyente a la ciudad de Caracas, República Bolivariana de Venezuela, a cuyas leyes y tribunales las partes involucradas en este pagaré declaran someterse.

POR "EL EMISOR"

Firma: _____
Nombre: _____
Cargo: _____



Annex D

**CONTRACT FOR THE SALE OF CRUDE OIL
AND OR PETROLEUM PRODUCTS
GENERAL CONDITIONS DES
(DELIVERED EX SHIP)**

The provisions of these General Conditions shall be subordinate to the provisions of the Particular Conditions to the extent that there is any inconsistency.

CLAUSE 1. DEFINITIONS

PARTICULAR CONDITIONS OF SALE: Are the terms and conditions negotiated and stipulated in the contract signed between Seller and Buyer and which together with these General Conditions form the Contract of Sale.

GALLON: A unit of volume equivalent to 231 cubic inches or 3.78541 liters or 0.003785 cubic meters, all measured at 60°F. (Degrees Fahrenheit).

BARREL: A unit of volume equivalent to 42 gallons or 9,702 cubic inches or 158.987 liters or 0.1590 cubic meters, all measured at 60°F.

METRIC TON: A measure of weight equivalent to 1,000 kilograms or 2,204.62 avoirdupois pounds.

THE BILL OF LADING DATE: The date on which the last cargo hose is disconnected, after loading, without prejudice to the provisions of the Particular Conditions of Sale.

OIL: The crude oil and/or petroleum products purchased and sold hereunder.

RECON: Reconstituted crude. A mixture of crude oil and petroleum products.

DAY: Calendar day.

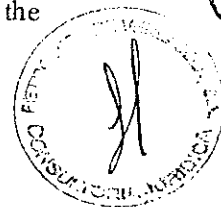
MONTH: Calendar month.

CALENDAR QUARTER: Period of three (3) consecutive months commencing on January 1st, April 1st, July 1st or October 1st.

API: American Petroleum Institute.

ASTM: American Society for Testing and Materials.

S&W: Sediment and Water. A material, coexisting with yet foreign to a petroleum liquid, that requires a separate measurement for reasons that include sales accounting. This foreign material may include free water and sediment and emulsified or suspended water and sediment. The method for determining the S&W content of crude oil is stipulated in the Particular Conditions of Sale.



OBQ: Onboard Quantity. Refers to materials present in a vessel's cargo tanks, void spaces, and/or pipelines before the vessel is loaded. It includes a combination of water, oil, slops, oil residue, oil/water emulsions, sludge and sediment.

ROB: Remaining Onboard. Refers to material remaining in a vessel's cargo tanks, void spaces, and/or pipelines after the cargo is discharged. ROB includes any combination of water, oil, slops, oil residue, oil water emulsions, sludge and sediment.

TCV: Total Calculated Volume. The total volume of all petroleum liquids and sediment and water, corrected by the appropriate volume correction factor for the observed temperature and API gravity, relative density, or density to a standard temperature such as 60°F or 15°C and also corrected by the applicable pressure correction factor and meter factor, plus all free water measured at observed temperature and pressure.

VEF: Vessel Experience Factor. A compilation of the history of the TCV vessel measurements, adjusted for OBQ or ROB, to the TCV shore measurements. Separate VEF's should be developed for both load and discharge terminals. Preferably, information used in calculating a VEF should be based on documents that follow accepted industry standards and practices, such as inspection company reports. Procedure for calculating vessel experience factors is contained in Chapter 17 of the API Manual of Petroleum Measurement Standards.

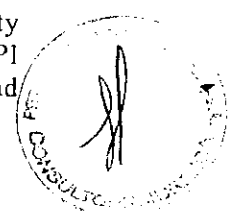
API/ASTM STANDARDS: API and ASTM Standards referenced in this Contract are those in effect as of the date of January 1st, 1998. In the event that such Standards are revised or modified or new Standards are issued, the new revised or modified Standards or any amendments thereto shall become applicable after three (3) months from the date on which they were issued, unless either party advises the other of its disagreement within that time.

DISCHARGE RANGE: Shall mean a five (5) day period within which the parties agree to have a vessel arrive at the discharge port to deliver the quantity of Oil nominated and accepted pursuant to Clause 5 hereof.

PROGRAMMED LOADING RANGE: Shall mean the period within which the parties agree to have a vessel arrive at the loading port to receive the quantity of Oil nominated and accepted.

CLAUSE 2. QUANTITY AND QUALITY DETERMINATION

- 2.1 The quantity and quality of each shipment of Oil shall be determined by Seller at the discharge port. Buyer may at its expense witness the quality and quantity determination of each shipment after previous notice in writing to Seller. Moreover, either party shall be entitled to require an independent inspector, mutually acceptable to both parties to witness Seller's quality and quantity determination. The costs of such independent inspector shall be borne equally between Buyer and Seller.
- 2.2 The quantity of Oil shall be determined by meters in the delivery lines, where meters are available, or by taking the temperature and measuring the content of the shore tanks from which delivery is made, immediately before and immediately after delivery. If delivery meters are used, temperature compensators, when available, shall be employed. Quantity determination shall be in accordance with approved methods as published by the API in the Manual of Petroleum Measurement Standards (hereinafter "API Manual"). The quantity shall be adjusted to an equivalent volume at 60° F in accordance with provisions of the API Manual. In the determination of the quantity of crude oil, full deduction of sediment and



water shall be made. Where the Oil is a RECON, deduction for sediment and water shall be made only to the crude oil component of the RECON.

- 2.3 Samples of the Oil, sufficient for testing, shall be taken at the vessel before the discharge. Sampling and testing shall be in accordance with approved methods as published in the API Manual. Qualities for which the API Manual does not specify a test method shall be determined using standard test methods available in the official publications of ASTM. From samples taken, representative portions shall be retained by Seller for a period of at least ninety (90) days after the Bill of Lading Date and corresponding portions shall be given in sealed receptacles to Buyer.
- 2.4 The independent inspector or Seller (if no independent inspector is designated) shall issue a certificate stating the quantity and quality of each shipment of Oil determined as per the previous provisions of this Clause. Such certificate shall be binding and conclusive between the parties and shall serve as the basis for preparing the relevant shipment's Bill of Lading and price invoice.
- 2.5 Notwithstanding the foregoing, either party may submit to the other a claim for the quality of the Oil delivered or for the adjustment of the quantity included in the aforesaid certificate provided that such claim complies with the following conditions:
- (a) The claim is submitted in writing as soon as it becomes known and, in no event later than ninety (90) days from the Bill of Lading Date.
 - (b) The claim is accompanied by documentary evidence showing the basis of the claim and its full particulars, and;
- Any claim failing to meet the foregoing conditions shall be barred from recognition and shall be deemed waived and of no effect.
- 2.6 The parties agree that where a claim is made concerning the quality of the Oil indicated in the certificate such claim shall be settled by reference to the results of certain quality tests to be performed on the Oil samples referred to in Section 2.3 of this Clause. In such event either party may propose the appointment of an independent inspector acceptable to both parties to conduct or witness the said quality tests. The cost of such independent inspector shall be borne equally between Buyer and Seller.
- 2.7 It is understood and agreed that presentation of a claim pursuant to this Clause shall in no way alter or affect the validity of the quality and quantity certificate issued pursuant to Section 2.4 hereof or release Buyer from its obligation to honor and pay the full amount of the price invoice which Seller issues to Buyer in respect of any Oil shipment.

The foregoing shall not preclude the parties from separately agreeing on the settlement of quality and quantity claims submitted in accordance with the provisions of this Clause.

Where the parties agree to settle a claim made pursuant to this Clause the terms of such settlement shall be put in writing or confirmed by exchange of correspondence and any payment to be made as a result thereof shall be covered either by an amended invoice or a credit/debit note without, in any way, affecting, delaying or hindering the full and timely payment of the price invoice tendered by Seller covering the quantity/quality certificate specified in Section 2.4 above.

- 2.8. There are no guarantees or warranties expressed or implied of merchantability, fitness or suitability of the Oil for any particular purpose or use or otherwise, which extend beyond the description of the Oil contained in the Particular Conditions of Sale within this Contract and any Attachments thereto.

CLAUSE 3. PRICE

Buyer shall pay Seller the amount that results from applying the Price specified in the Particular Conditions of Sale to the quantity of Oil certified to have been delivered pursuant to Section 2.4.

CLAUSE 4. PAYMENT - CREDIT TERMS

Except as otherwise expressly agreed between Seller and Buyer in the Particular Conditions of Sale, payment of any Oil sold and delivered hereunder shall be made by Buyer pursuant to the following provisions:

- 4.1 Payment shall be made through an irrevocable documentary letter of credit meeting the requirements specified in Attachment "A" hereto.

Such letter of credit must be opened and/or confirmed by a first class international bank acceptable to Seller.

The letter of credit must be received by Seller at least three (3) working days before the first day of the Programmed Loading Range. Buyer shall be responsible for any demurrage paid by Seller to the owner of the vessel used or nominated to transport the Oil or for any damage caused to Seller if the letter of credit is not received on time.

- 4.2 Payment (whether made directly by Buyer or through a documentary letter of credit) must be made in dollars of the United States of America, without any discount, allowance, retention or deduction (including any discount for banking fees or wire transfers) in immediately available funds, into Seller's account in a bank to be designated by Seller.

- 4.3 Payment must be made within thirty (30) days from the Bill of Lading Date of each shipment.

Whenever a due date falls on a Saturday, Sunday or bank holiday in the city of New York, U.S.A. payment shall be made on the last preceding working day.

The foregoing shall be without prejudice to Seller's right to withhold delivery of any Oil and require prepayment of its price pursuant to the provisions of Section 4.5 below.

Any payment not received by Seller on its due date shall draw interest at the rate of twelve percent (12%) per annum. Furthermore, there shall be an additional administrative handling and collection charge amount of six percent (6%) per annum. All the above shall be calculated on a year of three hundred sixty (360) days. Said interest and charges can be adjusted unilaterally by Seller at any time for deliveries not yet effected.

These interest charges shall be additional to any remedies or claims that Seller may be entitled to pursuant to the provisions of Clause 14.



- 4.4 In no event shall Buyer be entitled to reduce or postpone payment of the full amount of the price invoice tendered by Seller on the grounds that a dispute exists concerning the quality or quantity of the Oil which the applicable certificate indicates has been delivered or for any other reason or claim.
- 4.5 In addition to the actions and remedies stipulated in Clause 14 Seller shall be entitled to suspend deliveries of Oil under this Contract or to condition said deliveries to prepayment of the Oil if:
- (a) Buyer fails to make full and timely payment of any Oil sold and delivered hereunder or;
 - (b) The financial capability of Buyer or its Parent Company or the bank through which it opens or confirms any letters of credit used in its payments to Seller becomes or is likely to become in the judgment of Seller unsatisfactory or impaired, except that in such event Seller may agree with Buyer to reinstate such deliveries subject to Buyer tendering for each shipment a guarantee acceptable to Seller.
- 4.6 The foregoing provisions of this Clause shall apply, to the extent they are pertinent, to the payment of other moneys which Buyer may be bound to pay Seller under the Contract (demurrage, terminal charges, etc.), unless Seller expressly waives its application for a particular case according to established international oil industry practice.
- 4.7 Seller's invoice to Buyer may be sent by telex or facsimile. Buyer shall make the corresponding payment in due time.

CLAUSE 5. DELIVERY-PASSING OF TITLE AND RISK-OIL VOLUME NOMINATION

- 5.1 Deliveries of Oil pursuant to this Contract, shall be made under the conditions of Delivery Ex Ship (DES) as set forth in the Particular Conditions of Sale, therefore, Seller, at its own expense, shall make arrangements to cause the delivery of the Oil by vessel from the loading ports to the discharge ports indicated in said Particular Conditions of Sale.
- 5.2 Title and risk in the Oil shall pass from Seller to Buyer:
- (a) If the Oil is sold in bulk, as it passes the vessel's permanent flange connection of the delivery hose at the discharge port.
 - (b) If the Oil is sold in containers, as it passes the vessel's rail at the discharge port.

Hence, no liability shall attach to Seller for any loss, damage or contamination affecting the Oil after title and risk thereof have passed to Buyer pursuant to the preceding provisions of this Clause.

- 5.3 If the price specified in the Particular Conditions of Sale includes insurance, then Seller shall procure and pay for the insurance.
- 5.4 The vessel used by Seller shall enjoy all rights, reserves and liability exoneration usually incorporated in the charter parties of vessels used for transporting Oil in bulk or containers.



including the right to deviate to other ports in order to save lives or belongings, to tug or to be tugged and to aid other vessels in danger.

Seller shall undertake navigation on any river or waters when ice is present, only upon specific written request by Buyer. In this case, Buyer shall compensate Seller and the owner or operator of the vessel, for each and every claim for damages or losses, including personal injuries or death of any person, which may arise from navigation under such circumstances, and Buyer shall also obtain insurance coverage, acceptable to Seller, for the aforementioned compensation.

5.5 Buyer, at its own expense and risk, shall provide to vessel all the necessary unloading devices in good working conditions, such as flexible hoses, hose connections, pipelines, storage tanks, etc., including the steam required for the operation of the vessel's pumps at full capacity and/or for all vessel's general uses, if the use of fire on board is not allowed on board while vessel is at discharge port.

All duties and charges on the vessel at loading port, including overtime, shall be for Seller's account, and bar tolls and consular fees shall be for Buyer's account.

All charges relative to ports rights, entrance and berthing at discharge port, and the cost of shifts between berths, unless such shifts are for the vessel's convenience, shall be for the account of Buyer. All licenses, permits or authorizations required in connection with any import of Oil at discharge port, as well as all duties, taxes, rates, levies and dues, whatever their nature, imposed on the Oil at discharge port shall be borne by Buyer.

5.6 Unless otherwise stipulated in the Particular Conditions of Sale, deliveries of Oil shall be evenly distributed throughout the Contract term. If during any period of time for which Buyer has an obligation to receive a given quantity of Oil, Buyer requires a quantity less than it had nominated for such period, Seller, in addition to other remedies available under this Contract, shall not be obliged to supply such shortfall during any subsequent period.

5.7 Buyer shall notify Seller at least twenty one (21) days in advance, the Discharge Range within which the cargo is required to arrive at discharge port(s) and the quantity and the quality of Oil to be delivered in accordance with this Contract. Seller shall have five (5) days to accept the nomination or to reject it and give a counterproposal. In case of further disagreement, the Parties shall endeavor to agree on a mutually acceptable program.

5.8 The Discharge Range resulting from the procedure set out in the preceding provisions of this Clause may be modified by the express agreement of both Seller and Buyer provided that such agreement is recorded by an exchange of correspondence.

5.9 Notwithstanding any agreed volume nomination, Seller may for operational reasons reduce the actual volume of Oil to be delivered by a particular vessel up to 10% of the agreed volume nomination.

CLAUSE 6. VESSEL NOMINATION

6.1 At least fifteen (15) days prior to the first day of the Discharge Range, Seller shall notify Buyer of the following:

(a) The name and characteristics of the vessel which it nominates to transport the Oil;



- (b) The estimated date of vessel's arrival within the Discharge Range;
- (c) Approximate quantity and quality of Oil to be discharged consistent with the quantity and quality of Oil nominated and accepted pursuant to Section 5.7, and
- (d) The name of the proposed independent inspector (if any).

Where the Oil to be delivered consists of a spot purchase made less than fifteen (15) days before the first day of the Discharge Range, Seller's notice to Buyer shall be made promptly after the purchase is agreed to.

6.2 Seller warrants:

- (a) That all vessels used by Seller to transport the Oil to the discharge port mentioned in the Particular Conditions of Sale shall be owned or demised chartered by a member of the International Tanker Owners Pollution Federation Limited (ITOPF), and that each one of said vessels shall carry on board a certificate of insurance, of the kind provided for in the Civil Liability Convention for Oil Pollution Damages, (CLC certificate) issued to it by a signatory state; and
- (b) That said vessel shall be covered by insurance for liability for oil pollution, in the maximum amount per incident as there shall be then available through any P&I club in the international group of P&I clubs, including but not limited to such excess pollution liability insurance, in the maximum amount per incident, as there shall be then available.

CLAUSE 7. LAYTIME

- 7.1 Buyer shall provide the vessel nominated pursuant to Clause 6 a safe berth or safe discharge buoy with sufficient depth to allow it to approach, depart and lie always safely afloat. Buyer shall guarantee to Seller free channels of access to and from berth to vessel.
- 7.2 Buyer shall have the right to change the vessel's locations or to request Seller to do so from one safe berth or safe discharge buoy to another at discharge port or to anchorage.

Time consumed shifting between berths or to anchorage, at Buyer's request, shall be computed as used laytime and Buyer shall pay all specific expenses incurred directly as result of such shifts.
- 7.3 Seller shall cause the vessel to observe and comply with all applicable regulations in force at discharge port from its arrival at said port, during unloading operations, and until its departure therefrom.
- 7.4 Seller shall notify Buyer (directly by the vessel or through its port agents) approximately 72, 48 and 24 hours in advance, the vessel's estimated time of arrival (ETA) at the discharge port. Seller shall be relieved of the obligation to notify Buyer of the vessel's ETA 72, 48 and 24 hours in advance to the extent that at the time the vessel nomination is agreed the vessel is so close to the discharge port and to the Discharge Range that vessel is unable to give Buyer all ETA notices referred to above.



If Seller's vessel fails to notify its arrival at least forty eight (48) hours in advance and Buyer's unloading program is adversely affected, Buyer's allowed laytime shall be increased by the number of hours reasonably and actually required to remedy such omission.

If Seller's vessel fails to notify its arrival at least twenty four (24) hours in advance and Buyer's unloading program is adversely affected, Buyer's allowed laytime shall be increased by the number of hours equal to the difference between twenty four (24) hours and the number of hours in advance the notice has been given by Seller. Nevertheless, such addition to the allowed laytime may be reduced by mutual agreement and Buyer shall make good faith efforts to effect the discharge within the time set forth in Section 7.5.

After the vessel has arrived at the customary anchorage at the discharge port and is ready to unload, Seller and/or Vessel's Master and/or Agents shall give Buyer notice of the vessel's readiness to discharge the Oil at the discharge port. Any notice of readiness (NOR) tendered from a location other than the customary anchorage point shall be deemed invalid and of no effect.

7.5 Except as otherwise agreed in the Particular Conditions of Sale and regardless of the volume of Oil loaded, Buyer shall have an allowed laytime of thirty six (36) hours to discharge the quantity of Oil nominated and accepted. If Seller discharges Oil with the same vessel at more than one (1) port, the allowed laytime shall be increased six (6) hours per each additional port.

7.6 Laytime shall begin to count in accordance with the following rules:

- (a) Where the vessel arrives at the discharge port prior to the first day of the Discharge Range and tenders a NOR to Buyer prior to such date, laytime shall begin to count on the sixth hour (06:00) of the first day of the Discharge Range or when the vessel is all fast at its assigned berth and ready in all material respects to begin unloading operations, whichever occurs first.
- (b) If vessel tenders a NOR to Seller within the Discharge Range, laytime shall begin to count after six (6) hours of such tender or when the vessel is all fast at its assigned berth and ready in all respects to commence unloading operations, whichever occurs first.
- (c) If vessel tenders a NOR after the Discharge Range has lapsed, it shall be allowed to discharge at its own turn and laytime shall begin when the vessel is all fast at its assigned berth and ready in all material respects to commence unloading operations.
- (d) If vessel tenders NOR at a place other than the customary anchorage of the discharge port and fails to tender NOR upon arrival at such customary anchorage and Buyer's loading/unloading program is adversely affected, the vessel shall be allowed to discharge according to the preceding provisions of this Clause, but Buyer shall have the time reasonably and actually required to remedy such omission and laytime shall begin when the vessel is all fast and ready in all material respects to begin unloading operations.

7.7 Laytime or, if the vessel is on demurrage, time on demurrage shall end at each discharge port when cargo hoses have been disconnected.

7.8 Notwithstanding any other provision hereunder, any time spent for the following purposes or reasons shall not count as used laytime or as demurrage if the vessel is on demurrage:

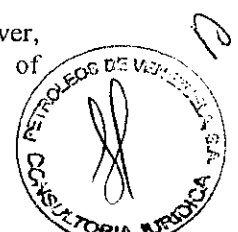
- (a) Time spent by the vessel moving from anchorage to the designated berth or safe discharge buoy after it tenders its NOR, including without limitation any time spent on mooring operations and/or waiting for the port pilot or an additional tug boat.
 - (b) Time lost inspecting the vessel or as a result of vessel's preparing to discharge or for its failure to discharge the Oil with prompt dispatch and efficiency including delays arising from any breakdown or incapacity of vessel's facilities.
 - (c) Any delay or curtailment of the unloading operations attributable to the vessel's agents, master, officers, crew, Seller, vessel's owner or operator.
 - (d) Time spent lining up or discharging ballast or slops.
 - (e) Time spent waiting for Practique including any , immigration or sanitary clearance.
 - (f) Delay due to vessel's bunkering if it is not accomplished concurrently with unloading operations.
 - (g) Prohibition of night time unloading or berthing due to Seller or vessel owner instructions.
- 7.10 Vessel may be lightened at the unloading port only with written consent of the Seller and, if any lightening shall be undertaken at the request of the Buyer, the expense thereof shall be for the Buyer's account and all time used in such lightening together with all delay thereupon shall count as Laytime, or if the vessel is on demurrage, as demurrage. The aforementioned services should be required solely because of Buyer's failure to provide a berth as specified in Section 7.1 above.
- 7.11 Any lightening operation carried out shall be at Buyer's risk and the Buyer shall be liable to the Seller in respect of any losses, costs, damages and proceedings arising therefrom and shall indemnify the Seller in respect thereof.
- 7.12 Clauses 7.10 and 7.11 shall be applicable for ship-to-ship operations.
- 7.12 All fees, rates, charges and duties on the vessel and cargo, and all freight charges incurred within the territory of the country where the loading port is located, including but not limited to overtime, port charges and bar tolls shall be for the account of Buyer.

CLAUSE 8. DEMURRAGE

- 8.1 Buyer shall pay Seller demurrage in Dollars of the United States of America for the demurrage resulting when the used laytime exceeds the laytime allowed to Buyer hereunder.
- 8.2 The demurrage shall be calculated by applying the rate specified in the Particular Conditions of Sale for every hour (or pro rata for part thereof) by which the used laytime exceeds the laytime allowed to Buyer pursuant to Clause 7 hereof.

If the Particular Conditions of Sale do not specified any rate, the demurrage rate shall be:

- (a) The vessel's charter party demurrage rate if the vessel is under a voyage charter. However, Buyer shall in no event be bound to pay Seller more demurrage than the amount of



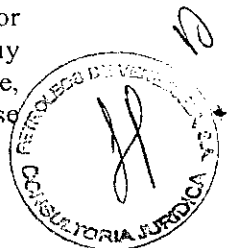
demurrage Seller can demonstrate has actually been paid to the owner in accordance with the terms of the charter party; or

- (b) The arithmetic average of the demurrage assessments made by two recognized New York brokers, for the nominated quantity and route utilized, if the vessel is owned by Seller (or by one of its affiliates) or is under a time charter. Said brokers shall be chosen by mutual agreement, one to be proposed by Buyer and the other by Seller. The rate used by the brokers for the assessment shall be that of the first day of the Programmed Loading Range for the particular vessel.
- 8.3 No demurrage shall be paid for the time during which Seller cannot discharge or is delayed in the discharge of all or part of the Oil for reasons which fall under the provisions of Section 7.8 or 9.1 or where such demurrage is incurred as a result of a fault attributable to the vessel or if the discharge is suspended for the vessel's purposes.
- 8.4 No claim for demurrage shall be allowed unless it is submitted in writing to Buyer together with all pertinent supporting documentation within ninety (90) days of the date when the discharge was completed and is accompanied by Seller's calculation of demurrage, amount claimed in dollars of the United States of America and copy of the supporting documents of the discharge ports which shall include, among other documents that may be requested: the charter party or fixture telex showing demurrage rate, claim invoice presented by the owner of the vessel, time log/statement of facts issued by independent inspector, ETA notices sent to Buyer, letters of protest and NOR, pumping log at discharge ports signed by master or chief engineer and by a terminal representative or the independent inspector.
- 8.5 Any demurrage incurred by Seller at loading port due to Buyer's failure to comply with any of its obligations shall be for the account of Buyer.

CLAUSE 9. LIABILITY EXEMPTIONS

- 9.1 Neither Seller nor Buyer shall be liable for failure to perform any or all of the stipulations of this Contract if their performance has been materially delayed, hindered or prevented by any cause beyond the reasonable control of Seller or Buyer, as the case may be, despite the due diligence of the affected party.

The expression "cause beyond the reasonable control of Seller or Buyer or Force Majeure" shall be deemed to include, for example: wars, hostilities, public enemy or belligerent's actions, sabotage, boycott, blockade, revolutions, insurrections, riots or commotion, acts of God, fires, frost or ice, earthquakes, storms, lightning, weather or sea conditions, tidal wave or perils of the sea, navigational accidents, vessel damages or breakdowns, loss of tanker due to sinking, belligerents or governmental confiscation, with or without formal requisition; accidents or closing of ports, docks, dams, channels, river-beds and other maritime or navigational aids; epidemics and quarantines; strikes or agreements among workers, lockouts or other labor disturbances; explosions or accidents caused by fire or other causes to: wells, pipelines, storage deposits, refinery facilities, machinery and other facilities; faults or omissions caused or due to: expropriation, requisition, confiscation or nationalization; embargoes; export or import restrictions, or restrictions of production, rationing or allocation of same, whether imposed by law, decree or regulation, or by insistence, request or instructions of any governmental authority, or organization owned or controlled by any government, or by any person purporting to represent a government; to the interference, restriction or onerous regulations, imposed by any government authority, to whose



jurisdiction any of the parties is subject to, whether civil or military, legal or de facto, or which purports to act under any Constitution, Decree, Act or otherwise.

Notwithstanding the above, Buyer shall not be released from its obligation to make payments for Oil delivered hereunder.

- 9.2 No reduction or suspension in the deliveries or receipt of Oil due to any of the reasons set forth above, shall extend the term of this Contract or terminate same; however, any of the parties may terminate this Contract by written notice to the other, if any of the aforementioned circumstances persist during ninety (90) consecutive days.
- 9.3 All deliveries or receipts of Oil which do not take place by reasons stated in Section 9.1, shall, unless otherwise agreed, be deducted from the volumes hereunder required to be delivered and received.
- 9.4 A party affected by a Force Majeure event shall notify the other party as soon as practicable of its occurrence. As soon as a party affected by a Force Majeure event ceases to be so affected and is no longer so prevented from complying with its obligations hereunder, such party shall notify the other party accordingly.

CLAUSE 10. SUPPLY SHORTAGES

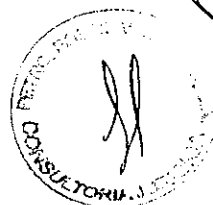
- 10.1 If, by reason of any of the causes described in Clause 9, or by reason of the refusal or failure of a Government or Public authority to grant any production permits, whether or not the foregoing occurs at a source of supply named in this Contract, there should occur a shortage of Oil as a consequence of which the quantity of Oil available to Seller decreases so that Seller is unable to fulfill its obligations in effect at such time, Seller may freely withhold, suspend or reduce deliveries under this Contract at its sole judgment, although Seller shall endeavor to arrange an equitable distribution of supplies originating from its own production. Seller shall not be required to purchase Oil, or use Oil acquired, to compensate for shortages resulting from any of the herein above mentioned causes.
- 10.2 In all cases, Seller shall not be required to deliver the shortfalls for the corresponding period, unless both parties mutually agree otherwise in writing.

CLAUSE 11. INTERPRETATION

- 11.1 Failure by either party to take action against the other in case of the other party's non-compliance with obligations or conditions set forth in this Contract, shall not be interpreted as a waiver to take action for a subsequent non-compliance of the same or other obligations or conditions.
- 11.2 Claims between the parties for indirect, incidental or consequential damages shall not be allowed.

CLAUSE 12. APPLICABLE LAW

All matters related to the validity, interpretation or performance of this Contract shall be governed by the laws of the Bolivarian Republic of Venezuela.



CLAUSE 13. ARBITRATION

Any controversy or claim relating to this Agreement or the breach thereof shall be settled by arbitration conducted in the English Language by three arbitrators in accordance with the Commercial Arbitration Rules of the International Chamber of Commerce (ICC). Each party shall appoint one Arbitrator and the third arbitrator, who shall act as a Chairman, shall be appointed by the two already appointed arbitrators within 30 days counting from the day in which the last arbitrator named by the parties was appointed. If the two arbitrators may not agree on the third one, the third arbitrator shall be appointed by the Court of Arbitration of the ICC. Nothing in this Agreement shall be construed to prevent any court having jurisdiction, from issuing injunctions, attachment orders or orders for other similar relief in aid of any arbitration commenced (or to be commenced) pursuant to this Clause and which seeks the collection of any moneys owed to Seller pursuant to Clause 3. Judgment upon the award rendered by the Arbitrators may be entered in any Court having jurisdiction hereof.

Unless otherwise specified in the Particular Conditions of Sale or otherwise agreed between the parties such arbitration shall be conducted in the city of Paris, France.

CLAUSE 14. BREACH

Subject to Clause 9 hereof, in case of failure of Seller or Buyer to comply with any obligation assumed under this Contract, the other party may, without prejudice to any other rights or recourses available to it, consider such failure as a breach of this Contract and terminate same, or unilaterally suspend its performance until such failure is corrected, and in both cases, may claim direct damages caused by the breach.

CLAUSE 15. DESTINATION

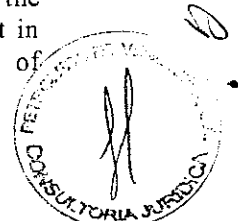
Seller agrees to enter into this Contract based on Buyer's express undertaking to give the Oil the use and destination stipulated in the Particular Conditions of Sale. Buyer warrants therefore that the Oil shall be given the use and destination stipulated in the Particular Conditions of Sale.

Buyer may only change the above mentioned use or destination with Seller's written consent. Such consent, unless otherwise agreed by Seller, must be given prior to the loading date and, in any case prior to any change in the use or destination of the Oil.

Any change in the warranted use or destination of the Oil shall entitle Seller to require Buyer to pay the price differential between the Contract price and the price which Seller would have charged, in accordance with its commercial practices for Oil sold to the new destination.

Such right shall accrue regardless of whether Seller has granted or denied Buyer its consent for a change in the use and destination of the Oil.

Seller reserves the right to request from Buyer a discharge certificate for the purpose of verifying the destination of the Oil. For the purposes of this Clause a discharge certificate may consist of: (i) an independent inspector's certificate of discharge, or (ii) the corresponding customs fees receipt or other Government document evidencing the port in which the Oil was discharged or (iii) the exemption from Customs fees at the port of discharge or (iv) any other document that Seller deems an appropriate substitute thereof.



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Buyer's failure to comply with any of the provisions of this Clause shall entitle Seller (without prejudice to any other rights and remedies it may have under the Contract) to cancel the Contract, suspend further deliveries of Oil under the Contract or dispose of any undelivered Oil as it deems fit.

CLAUSE 16. SPECIAL CONDITIONS

Neither party shall allow its agents, representatives or personnel to grant or offer the agents, representatives or personnel of the other, either directly or indirectly, any gifts, loans, gratification, commissions or fees, personally benefiting the said agents, representatives or personnel or any member of their families, or any Company in which they hold a substantial interest, except for such small scale institutional gifts as are customary and admissible as per standard oil industry practice.

Breach of this obligation shall entail the immediate cancellation of the Contract without prejudice to any other remedies or actions as may be prescribed by law.

Where either party receives any requests from the agents, representatives or personnel of the other party (or from third parties purporting to act on their behalf) for the granting of any gifts, loans, gratification, commissions or fees precluded by the preceding provisions of this paragraph, it shall promptly notify the other of such request together with such other information as may be required to investigate these circumstances.

CLAUSE 17. ASSIGNMENT

Seller may at any time assign this Contract or its total or partial performance hereof to any other Company that assumes the obligations of Seller under the terms of the assignment. Formal notice of the assignment shall be rendered to Buyer, expressly indicating thereon the assignee's address. Buyer may assign this Contract or its performance totally or partially, with Seller's prior written consent.

An assignment made in breach of this provision shall be deemed void and shall not release the party effecting such assignment from its responsibilities under the Contract.

Unless otherwise expressly agreed the party assigning all or part of this Contract shall remain bound as guarantor for its assignees' due and timely performance of the assigned Contract obligations.

CLAUSE 18. NOTICE

Except as otherwise provided, all notices, statements and other communications to be given hereunder by one party to the other, shall be deemed to have been sufficiently given if in writing, or delivered by hand, or sent by telex or facsimile to the address of such other party specified in the Particular Conditions of Sale hereof. Any change of address shall be advised to the other party in writing, with at least fifteen (15) days prior notice.

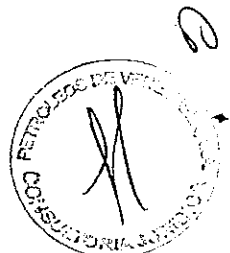


CLAUSE 19. EXCEPTIONAL CIRCUMSTANCES

Where exceptional, supervening and unforeseeable market circumstances cause a sustained change in the prevalent market price of the Oil or in oils which are commercially comparable to it in use and specifications and such market price materially diverges from the price which applies under the Contract, the party affected by such changes may request the other to agree to a change in the Contract price so as to put it in alignment with the said prevalent market price during the remaining period of the Contract. Such request shall be made in writing and shall be accompanied by verifiable evidence showing conclusively that the said change in circumstances has occurred. Where such request has been made, the party receiving such request shall begin negotiations to seek an amendment to the Contract price that aligns the Contract price with prevalent market prices. If such negotiations fail to cause an amendment to the Contract within 60 calendar days after the request has been made, the party making the request shall be entitled to suspend purchases or deliveries under the Contract until such time as an agreement is reached or until the Contract expires. Once an agreement is reached the price amendment shall apply to any deliveries made after the date in which the request was tendered. The Contract price shall be deemed to differ materially from the prevalent market price if it diverges by more than 10% from the applicable Contract price at least for a period of three (3) consecutive months. Alternatively where the parties cannot agree that the market conditions do in fact allow for the aforesaid request to be made pursuant to this Clause, either party may require the issue to be submitted to a conflict resolution procedure involving the use of jointly appointed commercial arbitrators, as more specifically provided in Clause 13 of this Contract.

CLAUSE 20. GENERAL

The present Contract is composed of the Particular Conditions of Sale and the General Conditions of Sale and its attachment "A".



GUYANA

Revised Esitimated Volumes 2008

Units: BBLs

| | Mogas UNL 95R | Gasoil (0.5S) | Avjet/Kero | Fueloil |
|-----------|----------------|------------------|---------------|----------------|
| January | 34,000 | 121,000 | 7,500 | 18,250 |
| February | 35,000 | 110,000 | 8,000 | 16,450 |
| March | 29,000 | 115,000 | 6,500 | 12,750 |
| April | 35,167 | 118,333 | 7,833 | 18,567 |
| May | 32,972 | 110,278 | 7,528 | 14,864 |
| June | 30,394 | 116,898 | 6,773 | 14,337 |
| July | 35,231 | 115,887 | 7,908 | 18,037 |
| August | 31,736 | 111,550 | 7,213 | 14,159 |
| September | 31,782 | 117,453 | 7,078 | 15,600 |
| October | 34,641 | 114,181 | 7,815 | 17,151 |
| November | 31,267 | 113,079 | 7,068 | 14,141 |
| December | 32,821 | 117,091 | 7,325 | 16,360 |
| | 394,010 | 1,380,749 | 88,541 | 190,665 |

