

LOAN AGREEMENT

between

THE STATE OF GUYANA

NEERLANDSCHE MIDDENSTANDSBANK N.V.

with regard to the financing of two

DAMEN STAN-TENDERS 2000

to be supplied by

SCHEEPSWERF DAMEN B.V.

LOAN AGREEMENT

Agreement dated this 2nd day of March 1979 by and between:

1. The State of Guyana, represented by the Ministry of Finance of Guyana having its principal office at Georgetown/Guyana, hereinafter referred to as the Borrower, of the one part,
and
2. Nederlandsche Middenstandsbank N.V., a financial institution, having its registered office at Eduard van Beinumstraat 2, Amsterdam, hereinafter referred to as the Bank, of the other part,

whereas the Borrower and Messrs. Scheepswerf Damen B.V. in Gorinchem, The Netherlands, hereinafter called the "Supplier" have concluded a building contract regarding the delivery by the Supplier of two Damen Stan-Tenders 2000 (yard nos. 1901 and 1902) plus spare parts to the amount of Dutch guilders 2.805.429,-, hereinafter called the "Salescontract",

whereas the terms of payment in the relative building contract are as follows:

- (a) 25% of the total contract value, being an amount of Dutch guilders 701.359,- to be paid out of a loan to be granted by the Bank,
- (b) 75% of the total contract value being an amount of Dutch guilders 2.104.070,- to be paid by means of 10 semi-annual promissory notes to the order of the Supplier at the time of delivery ex-yard

whereas the Borrower has requested the Bank to finance the amount as mentioned sub a) hereabove and the Bank has agreed to do so.

Now, therefore the parties hereto agree as follows:

Article 1 - Amount of the loan

The Bank agrees to lend to the Borrower and the Borrower agrees to borrow from the Bank an amount of not exceeding Dfl. 701.359,- (Dutch guilders sevenhundredonethousandthreehundredfifty-nine), hereinafter called "the loan", subject to the terms and conditions of this Agreement.

Article 2 - Interest

The Borrower shall pay interest to the Bank on the Loan or the balance thereof for the time being outstanding at the rate of 3% (three percent) per annum, payable annually in arrears, for the first time one year after the drawdown date of the Loan.

The Interest shall be calculated on the basis of a year of 360 days and the actual number of days elapsed.

Article 3 - Procedure of payment out of the Loan

3.1) The payment of the Loan shall be made exclusively to the Supplier to the debit of an account in the name of the Borrower to be opened in the books of the Bank. The Loan shall be drawn by the Borrower in one amount on the day of signing of this agreement.

Article 4 - Repayment

The Borrower shall repay the total amount of the Loan in twenty-two equal consecutive annual instalments. The first instalment shall become due and payable on the last day of the ninth year after the date of drawdown.

Article 5 - Prepayment

Prepayment of the Loan or any part thereof shall only be permitted with the consent of the Bank. Amounts prepaid shall be applied in satisfaction of the amounts of the repayment obligations in inverse order of maturity.

Article 6 - Way of effecting payments by the Borrower

- I. All payments to be made by the Borrower under this Agreement shall be made to the Bank with the Head Office of the Bank at Amsterdam by credit no later than 10.00 a.m. Amsterdam time without set-off or counterclaim and free and clear of and without deduction for or on account of any present or future taxes of any nature, unless the Borrower is compelled by law to make payments subject to such tax. In the event that the Borrower is compelled by law to make payments subject to such tax, the Borrower shall pay to the Bank such additional amounts as may be necessary to ensure that the Bank receives a net amount in Dutch guilders equal to the full amount which the Bank would have received if payment had not been made subject to such tax. As used in this Article 6 the term "tax" or "taxes" includes all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge.
- II. Whenever any payment hereunder becomes due on a day which is not a business day, the due date thereof shall be postponed to the next succeeding business day.
- A "business day" shall mean a day on which Banks are open for business in the Netherlands.
- III. All amounts paid by the Borrower to the Bank under this Agreement shall be deemed to be in settlement of the following items and in the following order:
- a) charges and costs, if any;
 - b) any other sums not being ordinary interest on or principal sum of the Loan;
 - c) ordinary interest;
 - d) the principal sum of the Loan.
- IV. The books of the Bank shall be sufficient evidence unless the contrary be proved of anything the Borrower may owe to the Bank pursuant to this Agreement.

Article 7 - Default in Payment

Without prejudice to any of the rights of the Bank under this Agreement the Borrower shall pay interest to the Bank at the rate of 0.75% (three quarter) per month on each amount not paid on the agreed due date of payment. As far as the overdue part of the principal of the Loan is concerned, this interest will replace the interest mentioned in Article 2 hereof.

Article 8 - Acceleration of Maturity

- I. The total outstanding principal sum of the Loan together with accrued interest and all other amounts due by the Borrower to the Bank under this Agreement shall be due and payable, on first demand by the Bank, upon the occurrence of any of the following events:

- a. The Borrower is in default in the due payment of principal, interest or any other amount payable hereunder on the due date;
- b. the Borrower is in default in the due performance or observance of any other provision contained in this Agreement and such default is not remedied within 15 days after written or telex notice from the Bank requiring such remedy; or
- c. Any representation or warranty made in this Agreement proved to be incorrect in any material respect;

II. The Borrower will notify the Bank forthwith in writing of any occurrence of an Event of Default or any event which, with the giving of notice and/or the lapse of time, might become an Event of Default.

III. In the event that the Loan should become immediately due and payable as aforesaid the Borrower shall indemnify to the Bank for all losses, all reasonable costs or expenses incurred by the Bank as a consequence, as to which the certificate (setting forth the basis of computation of such losses) of the Bank shall, in the absence of manifest error, be conclusive.

Article 9 - Representations and Warranties

The Borrower represents and warrants to the Bank that:

- a. all acts, conditions and things required to be done and performed and to have happened prior to the execution and delivery of this Agreement in order to constitute all of the obligations of the Borrower under this Agreement valid and binding in accordance with their respective terms have been done and performed;
the execution and delivery of this Agreement and the performance by the Borrower of its obligations under this Agreement and compliance with the terms hereof have been duly authorized and do not and will not (1) violate any provision of any law, rule or regulation presently in effect having applicability to the Borrower or (2) result in a breach of, or constitute a default under, any agreement or other instrument to which the Borrower is a party or by which it or any of its assets may be bound or affected;
- c. this Agreement is a legal, valid and binding obligation of the Borrower enforceable against the Borrower and the obligations of the Borrower hereunder are direct, unconditional and general obligations of the Borrower and rank pari passu with any indebtedness of the Borrower;
- d. no violation of any provision of any law, rule or regulation presently in effect having applicability to the Borrower, and no breach of, or default under any Agreement or other instrument to which the Borrower is a party or by which it or any of its assets may be bound or affected, has occurred and is continuing, which might materially and adversely affect the Borrower's ability to perform its obligations under this Agreement;
- e. no litigation or administrative or arbitral proceeding before or of any court, arbitral tribunal or governmental authority is presently pending or threatened against the Borrower which might materially and adversely affect the Borrower's ability to perform its obligations under this Agreement.

Article 10 - Notices

Any notice or communication required or permitted to be given to either party hereto shall be in the English language and shall be deemed sufficiently given if addressed in case of the Borrower to:

Ministry of Works and Transport of Guyana (The Transport and Harbours Department)

and in case of the Bank to:

Nederlandsche Middenstandsbank N.V.
2, Eduard van Beinumstraat,
Amsterdam

For the attention of the International Department,

or to such other addresses as may from time to time be notified in writing by either party to the other.

Article 11 - Waivers

1. No failure to exercise and no delay in exercising, on the part of the Bank, of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

2. In respect of this Agreement and its implementation, the Borrower irrevocably waives any claim it may now or at any time have to immunity of any kind as to court or arbitration proceedings and the enforcement of any awards, sentences, judgments, injunctions, decrees or court orders legally given or made in connection with such proceedings.

Article 12 - Governing Law

This Agreement and the interpretation thereof shall be governed by the laws of the Netherlands.

Any suit, action or proceedings against the Borrower with respect to this Agreement or the Loan may be brought in the courts of the Netherlands as the Bank in its sole discretion may decide and the Borrower hereby submits to the non-exclusive jurisdiction of such courts for the purpose of any such suit, action or proceeding.

Article 13 - Domicile

For the purpose of this Agreement, also in respect of judicial execution, the parties hereto elect domicile as far as the Bank is concerned at its Head Office in Amsterdam, as far as the Borrower is concerned at the Embassy of the State of Guyana in the Netherlands and; if no such office in the Netherlands will exist, at the principal office of the Bank in Amsterdam.

Article 14 - Language

All notices, requests, correspondence or other communications or documents to be made or be given by the parties hereunder shall be in the English language or, if in a language other than English, shall be accompanied by a translation thereof into English certified by an officer of the Borrower duly authorised to do so. In case of conflict the English language version of any such documents shall prevail.

In witness whereof the parties hereto, acting through their duly authorised representative, have executed this Agreement on 2nd March, 1979.

Borrower:
(Sgd. F.E. Hope
MINISTER OF FINANCE

Bank:
(Sgd.) R. Turpijn
NEDERLANDSCHE MIDDENSTANDSBANK N.V.

For Agreement:

Ministry of Finance
Georgetown, Guyana.

SUPPLEMENTAL AGREEMENT MODIFYING TERMS OF ORIGINAL
LOAN AGREEMENT

This Agreement is made the 2nd day of March, 1979, by and between the State of Guyana (hereinafter called the 'Borrower') and Nederlandsche Middenstandsbank (hereinafter called the 'Bank').

WHEREAS

1. This Agreement is supplemental to an agreement dated the 2nd day of March, 1979, and made between the State of Guyana of the one part, and the Nederlandsche Middenstandsbank of the other part, for a loan of 701,359 (seven hundred and one thousand, three hundred and fifty nine) Dutch guilders, upon the terms therein mentioned.

2. The parties desire to vary the said terms in the manner hereinafter set out:

Article 5 - Prepayment

(i) Prepayment of the Loan or any part thereof shall only be permitted with the consent of the Bank, and such consent shall not be unreasonably withheld. Amounts prepaid shall be applied in satisfaction of the amounts of the repayment obligations in inverse order of maturity.

Article 8 - Acceleration of Maturity

I. a. The Borrower is in default in the due payment of principal, interest or any other amount payable hereunder on the due date and such default is not remedied within 15 days after the due date.

Article 10 - Notices

(iii) Any notice or communication required or permitted to be given to either party hereto shall be in the English language and shall be deemed sufficiently given if addressed in case of the Borrower to:

Ministry of Finance
Main and Urquhart Streets,
Georgetown, GUYANA.

For the attention of the Secretary to the Treasury, and in case of the Bank to:

Nederlandsche Middenstandsbank N.V.
2, Eduard van Beinumstraat,
AMSTERDAM.

For the attention of the International Department or to such other addresses as may from time to time be notified in writing by either party to the other.

3. Subject only to the variations herein contained and such other alterations (if any) as may be necessary to make the principal agreement consistent with this agreement, the principal agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this agreement were inserted therein by way of addition or substitution as the case may be.

In witness whereof the parties hereto, acting through their authorised representative, have executed this Agreement on 2nd March, 1979.

Borrower:

Bank:

(Sgd.) F.E. Hops
.....
MINISTER OF FINANCE.

(Sgd.) R. TURPLIJN
.....
NEDERLANDSCHE MIDDENSTANDBANK N.V.