

THE AGREEMENT BETWEEN MYANMA OIL AND GAS ENTERPRISE AND
MOATTAMA GAS TRANSPORTATION COMPANY LIMITED ON THE RIGHTS,
PRIVILEGES AND OBLIGATIONS OF MOATTAMA GAS TRANSPORTATION
COMPANY LIMITED

This Agreement (the "MGTC Agreement") is made on this 30th Day of January 1995.

BY and BETWEEN

THE MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the Laws of the Union of Myanmar and having its principal office at 74/80 Min Ye Kyaw Swa Road, Yangon, (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) acting on its own behalf and in its own capacity.

OF THE FIRST PART

AND

MOATTAMA GAS TRANSPORTATION COMPANY LIMITED (hereinafter referred to as "MGTC" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns), a company incorporated in Bermuda with a branch to be registered in the Union of Myanmar.

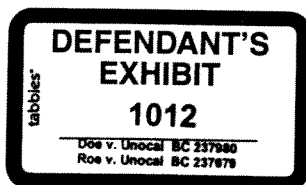
OF THE SECOND PART

AND

TOTAL MYANMAR EXPLORATION AND PRODUCTION, a company existing under the Laws of France (hereinafter referred to as "TMEP" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns).

OF THE THIRD PART

Whereas MGTC has been established with the option exercisable by MOGE of acquiring up to a 15% participation interest in the said company in accordance with Section 5(b) of the Memorandum of Understanding of July 9th, 1992 signed between MOGE and TMEP;



Whereas MGTC is incorporated in Bermuda with a branch to be registered in the Union of Myanmar under the Myanmar Companies Act:

Whereas MGTC, its shareholders and the Operator TMEP designated as such in the Gas Pipeline Operating Agreement for the MGTC dated January 30th, 1995 are desirous of defining their rights to be secured by MOGE from the Myanmar Investment Commission and Myanmar Government Agencies, and their obligations, relating to their operations covering the transportation of natural gas and other activities associated with or incidental to the said operations:

Now therefore the Parties hereto agree as follows:

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ARTICLE 1 - UNDERTAKINGS

In consideration of MGTC agreeing to perform its obligations hereinafter covenanted MOGE shall procure that MGTC, its shareholders and the Operator will, in the operation of the Gas Transportation business and of other activities associated with and incidental to the same, have the following rights and privileges without prejudice to the rights and obligations they shall have under other agreements to which they are Parties.

ARTICLE 2 - OPERATIONS

- 2.1 MGTC will have the exclusive right to develop, finance, construct, own, operate and maintain the Export Pipeline to transport Natural Gas from the YADANA GAS FIELD and more generally to engage in all aspects of the business of transporting Natural Gas from the said field and from any other field or fields located in Blocks M5 and M6 offshore Myanmar.
- 2.2 Without prejudice to the reliefs and exemptions to be procured by MOGE under this MGTC Agreement, MGTC (Myanmar Branch) will be subject to the provisions of the Myanmar Income Tax Law.
- 2.3 In addition to such insurance as is required by law to be procured, MGTC may purchase and maintain such insurance policies with insurers selected by it either within Myanmar or overseas, in connection with the establishment and maintenance of the Export Pipeline and the Transportation Project, and may make and receive any payment under such policies in any currency selected by MGTC in its sole discretion.

ARTICLE 3 - BANKING

- 3.1 MGTC and the Operator, as overseas incorporated companies, will have the right to ~~open, maintain and operate (either directly or through a paying or other agent) one~~ or more foreign currency bank accounts in any bank outside the Union of Myanmar chosen at their sole discretion irrespective of whether foreign currency deposits to or withdrawals from, such accounts are made or directed by parties within the Union of Myanmar. Such bank accounts will be in the name of MGTC or of the Operator or of their respective agents, as those parties may determine in their discretion.

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- 3.2 MGTC and the Operator, as overseas incorporated companies, will have the right to freely receive abroad, remit abroad and retain abroad and use without restriction (including the payment of dividends to MGTC's shareholders and the payment of interest and repayment of loans either to MGTC's shareholders or to any other lender but excluding payments due to MOGE or the Government of the Union of Myanmar relating to which they are given specific instructions) all foreign exchange proceeds received into such accounts from the transportation of Natural Gas and other activities associated with or incidental to such operations.
- 3.3 MGTC and the Operator, as overseas incorporated companies, will have the right to open, operate, maintain in foreign or local currency bank accounts in the Union of Myanmar to meet MGTC's operating and maintenance expenses in the Union of Myanmar and to meet all MGTC's local tax liabilities.
- 3.4 The MGTC shareholders will not be taxable in the Union of Myanmar for any dividends received by them from MGTC. Dividend payments made by MGTC will not be subject to any Myanmar withholding tax.
- 3.5 MGTC and the Operator, as overseas incorporated companies, will have the right to purchase Myanmar currency at authorized banks whenever and in whatever amounts required for the Project, and at any time and from time to time to convert into freely convertible foreign currency any excess Myanmar currency which has so been purchased and which is not then needed for local requirements.
- 3.6 MGTC and the Operator will have the right to pay their foreign-controlled contractors and sub-contractors and their expatriate employees in foreign currency abroad and such contractors, sub-contractors and expatriate employees will be entitled to receive and retain such foreign currency abroad, provided that adequate provision or arrangement has been made by MGTC or the Operator for the payment of taxes due to the Government of the Union of Myanmar by the said contractors or sub-contractors for work done or services rendered within the Union of Myanmar, or by their expatriate employees for the portion of such personnel's income accruing, arising or derived from or attributable to sources in the Union of Myanmar.
- 3.7 The rates of exchange for foreign currency transactions in the Union of Myanmar by MGTC or the Operator will be no less favorable than the effective rates applicable to similar transactions undertaken by any private or state enterprise on the date of such transaction. Normal bank commissions and costs of transfers relating to currency conversions will be borne by MGTC.

- 3.8 The provisions set out in Section 3.1, 3.3, 3.5, 3.6 and 3.7 above will apply equally to the expatriate employees and foreign controlled contractors and sub-contractors (including their expatriate employees) of MGTC and of the Operator.
- 3.9 MGTC and its shareholders will have the right to determine the capital structure and financing of MGTC from time to time including, without limitation, the amount of the authorized capital, the amount of each shareholder's share capital investment and shareholder loans, the ability of MGTC to raise equity or shareholder loans or other debt (onshore or offshore) and in all cases in whatever currency MGTC selects in its own discretion subject, of course, to the provisions agreed to in the Shareholder Agreement dated January 30th 1995.

ARTICLE 4 - MGTC TAXES AND DEPRECIATION

- 4.1 MGTC will be entitled to a Tax holiday period of three (3) consecutive years starting from the fiscal year in which Commercial Gas Transportation commences, in respect of taxes on income.
- 4.2 Income Tax rate applicable to MGTC will be 30% inclusive of all taxes on income payable to the Union of Myanmar.
- 4.3 Depreciation Rate applicable for Capital Assets will 12.50% per year.
- 4.4 The transportation of Natural Gas will be exempt from taxes on services.
- 4.5 MGTC, the Operator and their respective contractors and sub-contractors will be exempt from all import and export taxes, duties and tariffs on construction related machinery, equipment, instruments, machinery components, spare parts and materials during the period of construction.
- 4.6 Income tax will be imposed on the expatriate personnel of MGTC or the Operator for the portion of such personnels' income accruing, arising or derived from or attributable to sources in the Union of Myanmar.

ARTICLE 5 - TRANSFER OF ASSETS

- 5.1 Thirty years from the date MGTC commences transportation of Natural Gas under the Export Gas Transportation Agreement dated January 30th 1995 ("the EGTA"), all fixed assets including, but not limited to, the system of gas pipelines, supporting

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fixtures, machinery, equipment and other accoutrements used in the operation of the system shall be transferred from MGTC to MOGE without any consideration and regardless of whether documentation to effect the transfer is complete or not the title on all these assets shall on that day be deemed to have passed to MOGE, provided however, that the Producers under the EGTA, or their successors and assigns, shall have the priority right to cause to be transported whatever Natural Gas through the assets, under the existing or subsequent agreements to which MOGE is a party, and provided that the transportation tariff which will be charged by MOGE to the Producers shall include a CAPEX component limited to 15% of CAPEX actually spent and an OPEX component reflecting the actual OPEX incurred by MOGE for the transportation of said Natural Gas.

ARTICLE 6 - MISCELLANEOUS

- 6.1 MOGE will also procure that each relevant Governmental Entity will grant MGTC a lease, easement, licence or right-of way and any other rights necessary for the development, financing, construction, ownership, operation and maintenance of the Export Pipeline and all of MGTC's business and further that MGTC will have free access, at all times, to and from the Contract Area as defined in the Production Sharing Contract dated 9th July 1992 between MOGE and TMEP and to and from all facilities and equipment forming part of, or related to, the Transportation Project, wherever located.
- 6.2 If any Change-in-Law occurs as provided for by the side-letter dated 9th July 1992 between MOGE and TMEP and has a material effect on the economic benefits of the Transportation Project to any of the shareholders or MGTC, the project documents will be amended as necessary by agreement between all the parties to ensure that such economic benefits to the shareholders and MGTC are maintained at the level at which they would have been, had the Change-in-Law not occurred.
-
- 6.3 MGTC will have such rights and benefits as sanctioned under the Myanmar Foreign Investment Law, in addition to the rights and privileges conferred in this MGTC Agreement, (but only to the extent consistent with this MGTC Agreement).
- 6.4 MGTC will have all permits, licences, sanctions, authorization and registration necessary from the Agencies of the Government of the Union of Myanmar for all its operations envisaged under, arising out of or relating to the EGTA.

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6.5 Rental charges for all land leases and charges necessary for the performance of MGTC Operations as described in Article 2.1 shall be a lump sum of one (1) Million U.S. Dollars per annum, calculated prorata temporis from the date of commencement of Commercial Production.

6.6

6.6.1 MOGE acknowledges and confirms that it has received copies of the MGTC Documents which documents (Memorandum of Association, Bye-Laws, Shareholder Contract Agreement, Gas Pipeline Operating Agreement) are annexed to this MGTC Agreement, as Attachment 1, 2, 3 and 4 respectively, and approves the terms and conditions of those documents.

6.6.2 If and when MOGE elects to exercise the option referred to in the first recital to this Agreement, MOGE will become a party to the MGTC Documents, as required, in the form annexed. In addition, MOGE will become a party to the Production Operating Agreement dated June 1st, 1994 between TMEP and UNOCAL MYANMAR OFFSHORE Co. Ltd. and its Amendment n^o1 concerning PTTEPI participation in the Moattama Gas Project provided that the following amendments to such Production Operating Agreement will be made:

(a) In Article 18.2 (B) the reference to the President of the Court of Arbitration of the International Chamber of Commerce shall be deleted and replaced by a reference to the UNCITRAL Arbitration Rules as at present in force.

(b) In Article 18.2 (c) (1), the words "Brussels, Belgium" shall be deleted and substituted by "Singapore".

(c) In Article 18.2 (c) (4), the reference to the Rules of Arbitration of the International Chamber of Commerce shall be deleted and replaced by a reference to the UNCITRAL Rules of Arbitration as at present in force.

(d) In Article 20.2 (A) and (B) the figure fifty percent (50%) shall be deleted and substituted by sixty percent (60%).

ARTICLE 7 - EMPLOYMENT AND TRAINING

7.1 In conducting MGTC Operations, Operator shall select its employees and determine the number thereof. Operator shall endeavour to employ qualified Myanmar citizens to the maximum extent possible, including in management positions, for which purpose specific training shall be organized as described in Article 7.2 (c).

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7.2 MGTC shall spend a minimum of U.S. Dollars One hundred thousand (US\$ 100,000) per year for one or more of the following purposes:

- (a) the purchase for MOGE of advanced technical literature, data and scientific instruments;
- (b) to send qualified Myanmar nationals to selected accredited universities; and
- (c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

7.3 The expenditure of sums for the purposes specified above shall be made pursuant to detailed annual training programs to be prepared by Operator and submitted to MOGE for approval. Operator shall submit the first proposed training program to MOGE within four (4) months after the date of this MGTC Agreement.

7.4 If training expenditures pursuant to an approved Training Program fall short of the minimum training expenditure obligations for a year or if MOGE and MGTC do not agree on a Training Program for any year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any year exceed the minimum training expenditure obligation for that year the excess shall be credited to the training expenditure obligations for succeeding years.

ARTICLE 8 - COMMENCEMENT AND TERM

8.1 This MGTC Agreement commences and is effective on and from the date thereof and will continue in full force and effect for an initial period of thirty (30) years from the date of commencement of Commercial Production and for any additional period or periods that MGTC (or its successors or assigns) is engaged in the business of transporting Natural Gas.

8.2 This MGTC Agreement shall be binding upon, and shall inure to the benefit of, MGTC, the Operator and MGTC's shareholders (and their successors and permitted assigns). This MGTC Agreement will not be terminated, amended or modified without the mutual prior written consent of the parties hereto

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ARTICLE 9 - APPLICABLE LAW AND ARBITRATION

- 9.1 This MGTC Agreement shall be construed and interpreted in accordance with and governed by the Laws of the Union of Myanmar.
- 9.2 Any and all disputes, controversies or claims between the parties arising out of or relating to this Agreement or the performance, breach, termination or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said Rules.
- 9.3 The place of arbitration shall be Singapore.
- 9.4 In rendering an award, the arbitrators shall take account of the laws of the Union of Myanmar and of practice and usage in the international oil and gas industry.
- 9.5 Each party shall continue fully to perform all of its obligations under this Agreement during the pendency of the determination.

ARTICLE 10 - NOTICES

Any notice required or authorized between the Parties by this Agreement shall be given in writing and shall be sufficiently given if delivered by registered mail, courier or hand delivered against written receipt, or if transmitted and clearly received by facsimile transmission addressed as set out below, or if sent to a party by registered mail, courier or hand delivery to such other address as such party may designate for itself by notice given in accordance with this Article 10. Any such notice shall be effective only upon actual delivery or receipt thereof. All material notices given by telex or facsimile shall be confirmed in writing, delivered or sent as aforesaid. The address for the delivery of notice, to each party and the respective telephone and facsimile numbers are as follows:

THE MYANMA OIL AND GAS ENTERPRISE
74/80 Min Ye Kyaw Swa Road
YANGON, UNION OF MYANMAR
Fax: 95-1-22964/22965
Tel: 95-1-21049
Telex: MYCORP BM 21307

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MOATTAMA GAS TRANSPORTATION COMPANY LIMITED:
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR
Attention: General Manager

with copy to:

MGTC
c/o Clarendon House
Church Street
Hamilton HMCX
Bermuda
Attention: Mr. Donald MALCOLM

TOTAL MYANMAR EXPLORATION and PRODUCTION
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP, P.O. 11051
YANGON, UNION OF MYANMAR
Tel: 95-1 30457
Fax: 95-1 30916
Telex: 0 8321434 TMEP BM

with copy to

TOTAL MYANMAR EXPLORATION and PRODUCTION
TOUR TOTAL
24, Cours Michelet
CEDEX 47
92069 PARIS LA DEFENSE
FRANCE
Tel: 33-1 31 45 32 31
Fax: 33-1 31 45 30 12
Telex: 615700F

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IN WITNESS WHEREOF each party hereto has caused this MGTC Agreement to be executed by its duly authorized representative as of the date first written above.

Signed and delivered
on behalf of
THE MYANMA OIL AND GAS ENTERPRISE



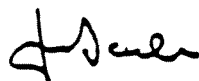
By U PE KWE

Title Managing Director

WITNESSES



Signed and delivered
on behalf of
MOATTAMA GAS TRANSPORTATION COMPANY LIMITED

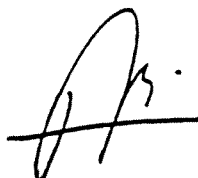


By Jean Marie BEUQUE

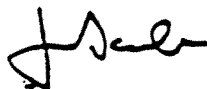
Title Chairman

WITNESSES

Signed and delivered
on behalf of



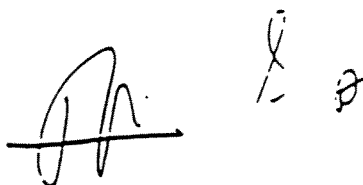
TOTAL MYANMAR EXPLORATION AND PRODUCTION



By Jean Marie BEUQUE

Title Director General

WITNESSES



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Attachment 1

MGTC Memorandum of Association

FORM NO. 2



BERMUDA
THE COMPANIES ACT 1981
MEMORANDUM OF ASSOCIATION OF
COMPANY LIMITED BY SHARES
(Section 7(1) and (2))

MEMORANDUM OF ASSOCIATION
OF

Moattama Gas Transportation Company Limited
(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.
2. We, the undersigned, namely,

NAME	ADDRESS	BERMUDIAN STATUS (Yes/No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
John C.R. Collis	Clarendon House Church Street Hamilton HM 11 Bermuda	Yes	British	None
Donald H. Malcolm	As above	No	British	None
John M. Sharpe	As above	Yes	British	None

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively

[Handwritten signature]

3. The Company is to be an Exempted Company as defined by the Companies Act 1981.
4. The Company has power to hold land situated in Bermuda not exceeding in all, including the following parcels-

N/A

5. The authorised share capital of the Company is US\$30,000 divided into 1,000,000 shares of US\$0.03 each. The minimum subscribed share capital of the Company is US\$12,000.

6. The objects for which the Company is formed and incorporated are -

- (i) to develop, finance, construct, own, operate and maintain gas pipelines and all facilities, both onshore and offshore, in any way connected with such pipelines and the transportation of petroleum products and to undertake other energy resource related activities, and in connection therewith, to use or be involved in any manner with modes of transportation, refining, separation and storage facilities and liquefaction facilities.
- (ii) as set out in paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule to the Act;

7. Powers of the Company

- (i) The Company shall, pursuant to Section 42 of the Companies Act 1981, have the power to issue preference shares which are, at the option of the holder, liable to be redeemed.

8. No shareholder of the Company may transfer any of its shareholding in the Company without the consent of all other shareholders.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof

.....

.....

.....

.....

(Subscribers)

(Witnesses)

SUBSCRIBED this 30th day of November, 1994




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STAMP DUTY (To be affixed)

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Attachment 2

MGTC Bye-Laws

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BYE-LAWS
of
MOATTAMA GAS TRANSPORTATION
COMPANY LIMITED

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(2) In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine gender;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) references to any agreement or document shall be construed as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;
- (e) the word:
 - (i) "may" shall be construed as permissive;
 - (ii) "shall" shall be construed as imperative; and
- (f) unless otherwise provided herein, words or expressions defined in the Act shall have the same meaning when used in these Bye-laws.

(3) Expressions referring to writing or written shall, unless the contrary intention appears, include facsimile, printing, lithography, photography and other modes of representing words in a visible form.

(4) Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

BOARD OF DIRECTORS

2. Board of Directors

The business of the Company shall be managed and conducted by the Board.

3. Management of the Company

(1) In managing the business of the Company, the Board may exercise all such powers of the Company as are not by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such regulations as may be prescribed by the Company in general meeting

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(2) No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

(3) The Board may procure that the Company pays all expenses incurred in promoting and incorporating the Company.

4. Power to Appoint General Manager

The Board shall appoint a person nominated by the Members to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate and in accordance with the Shareholders Contract Agreement and the resolution of Members for the transaction or conduct of such business.

5. Power to Authorize Specific Actions

Unless otherwise required by these Bye-laws, the Board may from time to time and at any time authorize any company, firm, person or body of persons to act on behalf of the Company for any specific purpose (not exceeding the powers, authorities and discretions vested in or exercisable by the Board) and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

6. Power to Appoint Attorney

The Board may from time to time and at any time by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorized under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company.

7. Power to Delegate to a Committee

The Board may delegate in accordance with these Bye-laws any of its powers to a committee appointed by the Board and every such committee shall conform to such directions as the Board shall impose on it.

8. Power Over Employees

The Board may or may delegate to any Officer the power to appoint, suspend or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties.

9. Power to Borrow and Charge Property

Subject to these Bye-laws and the Shareholders Contract Agreement, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

10. Exercise of Power to Purchase Shares of or Discontinue the Company

(1) The Board may, with the approval of the Members, exercise all the powers of the Company to purchase all or any part of its own shares pursuant to Section 42A of the Act.

(2) The Board may, with the approval of the Members, exercise all the powers of the Company to discontinue the Company to a named country or jurisdiction outside Bermuda pursuant to Section 132G of the Act.

11. Election of Directors

(1) The Board shall consist of not less than two Directors or such number in excess thereof as the Members may from time to time determine who shall be elected or appointed in accordance with the Shareholders Contract Agreement in the first place at the statutory meeting of the Company and thereafter, except in the case of casual vacancy, at the annual general meeting or at any special general meeting called for the purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

(2) Each Member holding at least 10% of the issued and outstanding shares of the Company from time to time shall nominate two Directors for election to the Board by the Members, one of whom shall be ordinarily resident in Bermuda.

(3) A Director may retire from his office upon giving a notice in writing to the Company and the Member which nominated him of his intention to do so. Such resignation shall take effect upon the expiration of such notice or its earlier acceptance by the Members.

(4) In the event of any vacancy occurring on the Board for any reason, the Members shall use their respective best efforts to fill a vacancy in such a manner that the Board includes Directors as designated above, consistent with the Shareholders Contract Agreement.

12. Defects in Appointment of Directors

All acts done bona fide by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been

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SECRET TO DIRECTOR

duly appointed and is qualified to be a Director unless a Member or Director gives written notice to the Secretary of such defect in appointment within ten days of the purported appointment of such person as a Director.

13 Alternate Directors

(1) Each Member may nominate an Alternate Director to act in the place of each Director nominated by that Member for election by the Members by giving two business day's prior written notice to the Secretary of the nomination and the terms thereof. Any person so nominated and elected by the Members shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

(2) Each Member may nominate a second Alternate Director to act in the place of each Director nominated by it when the first Alternate Director is unable to do so. An Alternate Director may be any person, whether an existing Director or not.

(3) Any appointment of an Alternate Director may be revoked at any time by the Members, upon the motion of the Member which nominated that Alternate Director.

(4) Any appointment of an Alternate Director shall cease to be effective if the Director in whose place such person is appointed to act vacates his office as a Director for any reason.

(5) An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

14 Removal of Directors and Vacancies

(1) Subject to any provision to the contrary in these Bye-laws or the Shareholders Contract Agreement, the Members may, at any special general meeting convened and held in accordance with these Bye-laws, remove and replace any Director, upon the motion of the Member which nominated that Director, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director at least 14 days before the meeting.

(2) The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting of the Company or (ii) preserving the assets of the Company.

(3) The office of a Director shall be vacated if the Director

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- Subject to Protective Order
- (a) is removed from office pursuant to these articles or is prohibited from being a Director by law;
 - (b) is or becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) is or becomes of unsound mind or dies; or
 - (d) resigns his office by notice in writing to the Company

15. Notice of Board Meetings

(1) A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

(2) Notice of meetings of the Board shall be given to all Directors by the Secretary at least 20 days before the holding of a meeting at which the Directors are required to be present, save as otherwise agreed by the Directors' unanimous resolution. All notices of meeting shall indicate the time, date and place of the proposed meeting and be accompanied by an agenda for such meeting which shall set out the matters to be discussed at that meeting in reasonable detail.

(3) Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally, in person or by telephone, or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form at such Director's last known address or any other address given by such Director to the Company for this purpose.

(4) The agenda for a Board meeting may be supplemented by the inclusion of an item placed thereon by any Director by written notice given to the other Directors and the Secretary at least ten days before the date of the scheduled meeting.

16. Quorum at Board Meetings

(1) The quorum necessary for the transaction of business at a meeting of the Board shall be one Director nominated by each Member holding at least 10% of the issued and outstanding shares of the Company at the relevant time.

(2) If within two hours from the time appointed for a Board meeting, a quorum is not present, the meeting shall stand adjourned to a date five days after such meeting at the same time and place, and at least three days' notice of such adjourned meeting shall be given to all Directors.

(3) If at an adjourned Board meeting a quorum is not present within one hour from the time appointed for such adjourned Board meeting, the Directors holding such percentage of Directors' Voting Rights as required to approve any matter pursuant to the Shareholders' Control Agreement shall constitute the quorum for such matter.

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17 Meetings of the Board

(1) The Board shall meet as necessary, but in any event at least twice in every financial year of the Company. Unless otherwise agreed by the Directors, the venue of all Board meetings shall be the Company's registered branch office in Myanmar.

(2) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

(3) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

18. Voting at Board Meetings

Actions of the Board shall be taken in the manner, and in compliance with the requirements, specified in the Shareholders Contract Agreement.

19 Unanimous Written Resolutions

A resolution in writing signed by all the Directors (which may be in counterparts), shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "Director" shall not include an Alternate Director.

20 Contracts and Disclosure of Directors' Interests

(1) Any Director, or any Director's firm, partner or any company with which any Director is associated, may act in a professional capacity for the Company and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director, provided that nothing in these Bye-laws shall authorize a Director or Director's firm, partner or such company to act as Auditor of the Company.

(2) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

(3) Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum at such meeting.

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21. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

OFFICERS22. Officers of the Company

The Officers of the Company shall consist of a Chairman and a Deputy Chairman, a Secretary, a General Manager and such additional Officers as the Board may from time to time determine, all of whom shall be deemed to be Officers for the purposes of these Bye-laws.

23. Appointment of Officers

(1) The Board shall, as soon as possible after the statutory meeting of Members appoint a Chairman and Deputy Chairman who shall be Directors. The Board shall have the power to remove any Chairman and Deputy Chairman and to appoint and remove any successor Chairman and Deputy Chairman. Neither the Chairman nor the Deputy Chairman shall have a casting voting at Board meetings.

(2) The Secretary and additional Officers, shall be appointed by the Board from time to time.

24. Remuneration of Officers

The Officers shall receive such remuneration as the Board may from time to time determine.

25. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board or the Members from time to time.

26. Chairman of Meetings

Unless otherwise agreed by a majority of those attending and entitled to attend and vote thereat, the Chairman shall act as chairman at all meetings of the Members and of the Board at which such person is present. In the absence of the Chairman, the Deputy

Chairman, if present, shall act as chairman and in the absence of all of them a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

27 Register of Directors and Officers

(1) The Board shall cause to be kept in one or more books at its registered office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director, the Chairman and the Deputy Chairman, provided that each such person is a Director and the Secretary, that is to say:

- (a) first name and surname; and
- (b) address.

(2) The Board shall, within the period of 14 days from the occurrence of:

- (a) any change among its Directors, the Chairman and the Deputy Chairman, provided that each such person is a Director, and in the Secretary; or
- (b) any change in the particulars contained in the Register of Directors and Officers.

cause to be entered in the Register of Directors and Officers the particulars of such change and the date on which such change occurred.

(3) The Register of Directors and Officers shall be open to inspection at the office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection.

MINUTES

28. Obligations of Board to Keep Minutes

(1) The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

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(2) The Secretary shall, within 14 days of the holding of any meeting of the Board, prepare and circulate minutes of the meeting to all Directors. The Secretary shall circulate approved minutes for signature or table those minutes for approval at the next meeting of the Board (as appropriate) and, if approved, the Chairman and the Directors present at the meeting shall sign those minutes and any Directors not present shall sign an acknowledgment of having reviewed them. The signed minutes shall be prima facie evidence of the proceedings and decisions of the meeting to which they relate.

INDEMNITY

29. Indemnification of Directors and Officers of the Company

The Directors, Secretary and other Officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons.

30. Waiver of Claim by Member

Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, provided that such waiver shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to such Director or Officer.

MEMBERS' MEETINGS

31. Notice of Annual General Meeting

The annual general meeting of the Company shall be held in each calendar year of the Company at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint. At least 28 days' notice of such annual general

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meeting shall be given to each Member stating the time, date and place at which the meeting is to be held, and as far as practicable, the agenda of the business to be conducted at the meeting.

32. Notice of Special General Meeting

The Chairman, Deputy Chairman, any two Directors or any Director and the Secretary or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary, upon not less than 20 days' notice which shall state the time, date, place and the agenda of the business to be considered at the meeting. If circumstances require, a special general meeting of the Members may be held upon five days' notice of the time, date, place and agenda of the meeting.

33. Supplements to Agenda

The agenda for a general meeting may be supplemented by the inclusion of an item placed thereon by any Member by written notice given to the other Members, the Chairman, the Directors and the Secretary at least ten days before the date of the scheduled meeting.

34. Accidental Omission of Notice of General Meeting

The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

35. Meeting Called on Requisition of Members

Notwithstanding anything herein, the Board shall, on the requisition of any Member holding at the date of the deposit of the requisition not less than 10% of the paid-up voting share capital of the Company as at the date of the deposit, forthwith proceed to convene a special general meeting of the Company and the provisions of Section 74 of the Act shall apply.

36. Short Notice

A general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by all the Members entitled to attend and vote thereat, both in the case of an annual general meeting and a special general meeting.

37. Postponement of Meetings

The Board may postpone any general meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the time, date and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

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38. Quorum for General Meeting

A Member may be represented at a general meeting by any natural person appointed by it, including any of the Directors nominated by it. At any general meeting of the Company such number of persons as at that time represent by appointment or by proxy at least two Members holding in aggregate at least 60% of all issued and outstanding shares of the Company throughout the meeting shall form a quorum for the transaction of business. provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting of the Company held during such time. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to a date five days after such meeting, at the same time and place and at least three days' notice of such adjourned meeting shall be given to all Members and Directors. If at the adjourned meeting a quorum is not present within one hour from the time appointed for such meeting, the Members present in person or by proxy and together holding such percentage of the total issued voting shares in the Company as required to approve any matter pursuant to the Shareholders Contract Agreement shall constitute the quorum for that matter.

39. Adjournment of General Meetings

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present (and shall if so directed), adjourn the meeting. Unless the meeting is adjourned to a specific time and date, fresh notice of the time, date and place for the resumption of the adjourned meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

40. Attendance at General Meetings

Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

41. Written Resolutions

(1) Subject to paragraph (6), anything which may be done by resolution of the Company in general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

(2) A resolution in writing may be signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members in as many counterparts as may be necessary.

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(3) For the purposes of this Bye-law, the date of the resolution is the date when the resolution is signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member to sign and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

(4) A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favor of a resolution shall be construed accordingly.

(5) A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of Sections 81 and 82 of the Act.

(6) This Bye-law shall not apply to a resolution passed pursuant to Section 89(5) of the Act.

42. Contracts and Disclosure of Members' Interests

(1) Any Member, or any Affiliate of such Member, may act in a professional capacity for the Company and such Member or Affiliate shall be entitled to remuneration for professional services as if such Member were not a Member, provided that nothing in these Bye-laws shall authorize a Member or any Affiliate of such Member to act as Auditor of the Company.

(2) A Member which is directly or indirectly (including through an Affiliate) interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as soon as it becomes aware thereof, to the other Members.

43. Attendance of Directors

The Directors of the Company shall be entitled to receive notice of and to attend and be heard at any general meeting.

44. Voting at General Meetings

Subject to the provisions of the Act and these Bye-laws, actions of the Members shall be taken in the manner, and in compliance with the requirements, specified in the Shareholders Contract Agreement.

45. Demand for a Poll

(1) At any general meeting of the Company, in respect of any question proposed for the consideration of the Members, a poll may be demanded by any of the following persons

(a) the Chairman of such meeting

- (b) at least two Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than 10% of the total voting rights of all the Members having the right to vote at such meeting.

(2) Where, in accordance with the provisions of paragraph (1) of this Bye-law, a poll is demanded, every Member present at such meeting (in person or by proxy) shall have one vote for each share of which such Member is the holder or for which such Member holds a proxy and such vote shall be counted in the manner set out in paragraph (4) of this Bye-law or in the case of a general meeting at which one or more Members are present by telephone, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(3) A poll demanded in accordance with the provisions of paragraph (1) of this Bye-law, for the purpose of electing a chairman or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken in such manner and at such time and place as the chairman may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

(4) Where a vote is taken by poll, each person present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialed or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. At the conclusion of the poll, the ballot papers shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

46 Instrument of Proxy

The instrument appointing a proxy shall be in writing in the form, or as near thereto as circumstances admit, of Schedule A, under the hand of the appointor or of the appointor's attorney duly authorized in writing, or if the appointor is a corporation, either under its seal, or under the hand of a duly authorized officer or attorney. The decision of the chairman of any general meeting as to the validity of any instrument of proxy shall be final.

47 Representation of Corporations at Meetings

~~A corporation which is a Member may, by written instrument, authorize such person as it thinks fit to act as its representative at any meeting of the Members and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member.~~ Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

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SHARE CAPITAL AND SHARES

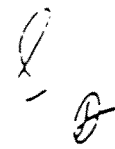
48. Rights of Shares

(1) Subject to any resolution of the Members to the contrary and without prejudice to any special rights previously conferred on the holders of any existing shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Bye-laws:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends or other distributions as the Members may from time to time in general meeting declare;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

(2) Notwithstanding any other provisions of these Bye-laws and subject to the provisions of the Shareholders Contract Agreement:

- (a) while any default pursuant to the Shareholders Contract Agreement has occurred and is continuing, no Member who is in such default (a "Defaulting Member") shall be entitled to vote in respect of its shares;
- (b) no proceeds from the Company (dividends, payments under Shareholder Advances, Replacement Advances or Shareholder Loans) shall accrue or be declared or paid to a Defaulting Member in respect of any period during which such Member is in default;
- (c) no proceeds from the Company shall be paid to a Bank under a Shareholder Bank Loan if the relevant Member is a Defaulting Member; and
- (d) no shares of a Member shall carry voting rights in the event that the Member elects to withdraw from the Shareholders Contract Agreement, pursuant to the provisions of that agreement and all other Members shall be able to vote to remove any Directors nominated by such withdrawing Member. In the event that a Member elects to withdraw from the Shareholders Contract Agreement, and solely to determine the number of affirmative votes (if any) by which a matter is approved (if approved) for the purposes of the Shareholders Contract Agreement, the shares held by such Member shall be deemed to have had their voting rights



suspended and the withdrawing Member shall be deemed not to have a been a Member at the time of the relevant vote or votes.

49. Power to Issue Shares

(1) Subject to these Bye-laws and without prejudice to any special rights previously conferred on the holders of any existing shares, the Members shall have power to issue any unissued shares of the Company on such terms and conditions as they may determine, provided that shares being issued to the existing Members shall only be issued to each of them in proportion to the number of existing shares of the Company held by each of them, unless the Members agree otherwise.

(2) The Board shall, in connection with the issue of any share, have the power to pay such commission and brokerage as may be permitted by law.

(3) The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of a purchase or subscription made or to be made by any person of or for any shares in the Company, but nothing in this Bye-Law shall prohibit transactions described in Sections 39A, 39B and 39C of the Act.

(4) The Company may from time to time do any one or more of the following things:

- (a) make arrangements on the issue of shares for a difference between the Members in the amounts and times of payments of calls on their shares;
- (b) accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up;
- (c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others; and
- (d) issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

50. Variation of Rights, Alteration of Share Capital and Purchase of Shares of the Company

(1) Subject to the provisions of Sections 42 and 43 of the Act, any preference shares may be issued or converted into shares that, at a determinable date or at the option of

the Company are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by resolution of the Members determine.

(2) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class in accordance with Section 47(7) of the Act. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(3) The Company may from time to time by resolution of the Members change the currency denomination of, increase, alter or reduce its share capital in accordance with the provisions of Sections 45 and 46 of the Act. Where, on any alteration of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit including, without limiting the generality of the foregoing, the issue to Members, as appropriate, of fractions of shares and/or arranging for the sale or transfer of the fractions of shares of Members.

(4) The Company may from time to time purchase its own shares in accordance with the provisions of Section 42A of the Act.

51. Registered Holder of Shares

(1) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

(2) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members or to such person and to such address as the Member may in writing direct.

52. Share Certificates

(1) Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. Each certificate shall bear the legend (if any) specified in the Shareholders Contract Agreement.

(2) The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

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(3) If any such certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

53 Calls on Shares

Calls for contributions from Members to fund the Company shall be made and satisfied in all respects in accordance with the requirements of the Shareholders Contract Agreement.

54 Failure to Meet a Call

(1) If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the General Manager shall, on behalf of the Company, forward to such Member a notice in the form, or as near thereto as circumstances admit, of Schedule B.

(2) If the requirements of such notice are not complied with, any such share may, at any time thereafter before the payment of such call and the interest due in respect thereof be transferred to one or more of the other Members in accordance with the Shareholders Contract Agreement.

(3) A Member whose share or shares have been transferred as aforesaid shall, notwithstanding such transfer, be liable to pay to the Company all calls owing on such share or shares at the time of the transfer and all interest due thereon except as may otherwise be provided in the Shareholders Contract Agreement.

REGISTER OF MEMBERS

55 Contents of Register of Members

The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the following particulars:

- (a) the name and address of each Member, the number of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member for one year after such person so ceased.

56. Inspection of Register of Members

The Register of Members shall be open to inspection at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given by advertisement in an appointed newspaper to that effect, be closed for any time or times not exceeding in the whole 30 days in each year.

57. Determination of Record Dates

Notwithstanding any other provision of these Bye-laws, the Board may fix any date as the record date for determining the Members entitled to receive:

- (a) any proceeds from the Company (dividends or payments in connection with Shareholder Advances, Replacement Advances or Shareholder Loans); and
- (b) notice of, and Members entitled to vote at, any general meeting of the Company.

TRANSFER OF SHARES

58. Instrument of Transfer

(1) An instrument of transfer shall be in the form or as near thereto as circumstances admit of Schedule C or in such other form as the Board may accept. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

(2) The Company may refuse to recognize any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer.

59. Restrictions on Transfer

~~A Member may transfer all or part of its shares to an Affiliate, another Member or a third party subject to compliance with the provisions of the Shareholders Contract Agreement.~~

60. Registration of Share Transfers

Upon compliance with all conditions to an intended transfer of its shares, a Member shall deliver to the Company the share certificate, a duly completed transfer form and such proof as the Secretary may reasonably require in compliance with all applicable conditions

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and of receipt of all applicable Governmental Authorizations of Governmental Entities in Bermuda. The Company shall refuse to register any transfer unless all such Governmental Authorizations have been obtained. If the Company refuses to register a transfer of any share the Secretary shall, within seven days after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

TRANSMISSION OF SHARES

61. Representative of Deceased Member

In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 52 of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may in its absolute discretion decide as being properly authorized to deal with the shares of a deceased Member.

62. Registration on Death or Bankruptcy

Any person becoming entitled pursuant to the Shareholders Contract Agreement to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favor of such nominee an instrument of transfer in the form, or as near thereto as circumstances admit, of Schedule D. On the presentation thereof to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

DIVIDENDS AND OTHER DISTRIBUTIONS

63. Declaration of Dividends by the Members

The Members in general meeting may, subject to these Bye-laws and in accordance with Section 34 of the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Members in general meeting may fix the value for distribution in specie of any assets

64. Other Distributions

The Members in general meeting may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company

65. Dividend and Distribution Policy

The Members in general meeting shall follow a policy of declaring dividends and making distributions to Members to the maximum extent as may be lawfully distributed out of available funds, after taking into account the Company's future requirements, and in all respects consistent with the Shareholders Contract Agreement.

66. Deduction of Amounts Due to the Company

The Members in general meeting may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

CAPITALIZATION67. Issue of Bonus Shares

The Members in general meeting may resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

ACCOUNTS AND FINANCIAL STATEMENTS68. Records of Account

The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

Such records of account shall be kept at the registered office of the Company or, subject to Section 83(2) of the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours

69. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be March 31 in each year.

70. Financial Statements

Subject to any rights to waive laying of accounts pursuant to Section 88 of the Act, financial statements as required by the Act shall be laid before the Members in general meeting.

AUDIT

71. Appointment of Auditor

Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company. No Director, Officer or employee of the Company or of a Member shall be eligible to act as an Auditor of the Company.

72. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such other manner as the Members may determine.

73. Vacation of Office of Auditor

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the Chairman or failing him any Director shall, as soon as practicable, convene a special general meeting to fill the vacancy thereby created.

74. Access to Books of the Company

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

75. Report of the Auditor

(1) Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to Section 88 of the Act, the accounts of the Company shall be audited at least once in every financial year of the Company.

(2) The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting.

(3) The generally accepted auditing standards referred to in paragraph (2) of this Bye-law may be those of a country or jurisdiction other than Bermuda. If so, the financial statements and the report of the Auditor must disclose this fact and name such country or jurisdiction.

NOTICES

76. Notices to Members of the Company

A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-law, a notice may be sent by mail, courier service, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form.

77. Service and Delivery of Notice

Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in providing such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.

SEAL OF THE COMPANY

78. The Seal

The seal of the Company shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate seals for use outside Bermuda.

79. Manner in Which Seal is to be Affixed

~~The seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or some other person appointed by the Board for the purpose, provided that any Director, or Officer, may affix the seal of the Company attested by such Director or Officer's signature only to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director or Officer.~~

DOCUMENTS AND RECORDS

80. Documents and Records

(1) Where any document is to be signed by or on behalf of any person, including any Director or Member, the Company and the Directors and Officers of the Company shall be entitled to act upon any document which they reasonably and in good faith believe to bear a genuine and, where appropriate, duly authorized signature.

(2) Except as may be required by applicable law, the records of the Company and communications among Members, Directors and Officers of the Company shall generally be in the English language.

WINDING-UP

81. Winding-Up/Distribution by Liquidator

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) in accordance with the Shareholders Contract Agreement.

ALTERATION OF BYE-LAWS

82. Alteration of Bye-laws

No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of the Members.

CONFLICTS

83. Conflict between Bye-laws and Shareholders Contract Agreement

In the event of any conflict between the Shareholders Contract Agreement and these Bye-laws, the provisions of the Shareholders Contract Agreement shall prevail.

8

SCHEDULE A

MOATTAMA GAS TRANSPORTATION COMPANY LIMITED

PROXY

I _____ of _____ the holder of _____ share in the above-named Company hereby appoint _____ or failing him/her _____ as my proxy to vote on my behalf at the General Meeting of the Company to be held on the _____ day of _____ 199_, and at any adjournment thereof.

Dated this _____ day of _____ 199_.

*GIVEN under the seal of the company

*Signed by the above-named

Witness

*Delete as applicable.

1

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SCHEDULE B

NOTICE OF LIABILITY TO TRANSFER FOR NON-PAYMENT OF A CALL

You have failed to pay the call of [amount of call] made on the ____ day of _____ 199__ last, in respect of the [number] share(s) [numbers in figures] standing in your name in the Register of Members of the Company, on the ____ day of _____ 199__ last, the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of _____ per annum computed from the said ____ day of _____ 199__ last, on or before the ____ day of _____ 199__ next at the place of business of the said Company the share(s) will be liable to be transferred to other Members of the Company in accordance with the Shareholders Contract Agreement (as defined in the Bye-laws).

Dated this ____ day of _____ 199__.

(Signature of Secretary)
By order of the Board

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SCHEDULE C
TRANSFER OF SHARES

FOR VALUE RECEIVED (amount)
..... (transferor)
hereby sells, assigns and transfers unto (transferee)
of (address)
..... (number of shares)
shares of MOATTAMA GAS TRANSPORTATION COMPANY LIMITED (name of Company)

Dated _____

(Transferor)

In the presence of:

(Witness)

(Transferor)

In the presence of:

(Witness)

[Handwritten signature]
[Handwritten signature]

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SCHEDULE D

TRANSFER BY A PERSON BECOMING ENTITLED ON DEATH OF A MEMBER

I/We having become entitled in consequence of the death of [name of the deceased Member] to [number] share(s) numbered [number in figures] standing in the register of members of MOATTAMA GAS TRANSPORTATION COMPANY LIMITED in the name of the said [name of deceased Member] instead of being registered myself/ourselves elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors administrators and assigns subject to the conditions on which the same were held at the time of the execution thereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

WITNESS our hands this ____ day of _____ 199__

Signed by the above-named)

[person or persons entitled])

in the presence of:)

Signed by the above-named)

[transferee])

in the presence of:)

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AMENDMENT N°1
TO SHAREHOLDERS CONTRACT AGREEMENT

BETWEEN

TOTAL PROFILS PETROLIERS

AND

UNOCAL INTERNATIONAL PIPELINE CORPORATION

AND

PTTEP INTERNATIONAL LIMITED

AND

THE MYANMA OIL AND GAS ENTERPRISE

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Attachment 3

Shareholders Contract Agreement

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SHAREHOLDERS CONTRACT AGREEMENT

DATED AS OF JANUARY 30TH, 1995

BETWEEN

TOTAL PROFILS PETROLIERS

AND

UNOCAL INTERNATIONAL PIPELINE CORPORATION

AND

PTTEP INTERNATIONAL LIMITED

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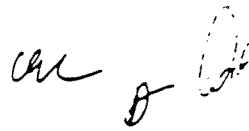
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Attachment 1 MGTC Memorandum of Association
Attachment 2 MGTC Bye-laws
Attachment 3 Gas Pipeline Operating Agreement

Ch. J. St.

SHAREHOLDERS CONTRACT AGREEMENT entered into the 30th day of January, 1995, among :

- (1) TOTAL PROFILS PETROLIERS, a company existing under the laws of France, with its registered office at Tour TOTAL, 24, Cours Michelet, 92800 Puteaux, France ("TOTAL");
- (2) UNOCAL INTERNATIONAL PIPELINE CORPORATION, a company incorporated under the laws of Delaware, United States of America with an office at 1201 West 5th Street, Los Angeles, CA 90017, U.S.A. ("UNOCAL"); and
- (3) PTTEP INTERNATIONAL LIMITED, a company incorporated under the laws of Thailand, with its registered office at 555 Vibhavadi Rangsit Road, Bangkok 10900 Thailand ("PTTEPI")



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RECITALS

Capitalized terms used in this Agreement, including the recitals, shall have the meanings set out in Article 1.

- 1 Pursuant to the PSC, MOU and Side Letter all dated July 9, 1992 relating to the Moattama Gas Project, Petroleum Operations have commenced, and continue to be carried out, in the Contract Area.
- 2 In accordance with the terms and conditions of the Contract and in preparation for discoveries of Natural Gas in the Contract Area being declared a Commercial Discovery, it is necessary to establish a separate gas transportation company.
- 3 MGTC has been established by TOTAL and UNOCAL in accordance with the Memorandum of Association set out in Attachment 1 (the "Memorandum") to implement the Transportation Project. On December 30th, 1994 TOTAL and UNOCAL, as the sole shareholders of MGTC held the statutory general meeting of shareholders at which they adopted the bye-laws of MGTC set out in Attachment 2 (the "Bye-laws") and appointed the directors and auditor of MGTC.
- 4 Upon incorporation of MGTC, TOTAL was allotted 312,375 Shares and UNOCAL was allotted 282,625 Shares. On the date of this Agreement PTTEPI was allotted 255,000 Shares so that at the date hereof, the Shareholding Interest of each Shareholder is as set out in Article 6.
- 5 The Shareholders have agreed that MGTC Operations shall be carried out by an operator, and accordingly, MGTC shall enter on the date hereof into the GPOA pursuant to which TMEP is appointed to act as the sole operator in respect of MGTC Operations and any other aspect of MGTC's involvement in the Transportation Project as delegated to it by the GPOA in accordance with the terms and conditions of that document.
- 6 MOGE, TMEP, UNOCAL MYANMAR OFFSHORE CO. LTD. and PTT have entered into the MOUG pursuant to which those parties agreed certain matters in connection with the sale of Natural Gas to PTT.

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ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context of this Agreement otherwise requires:

"Affiliate" means, with respect to any person, any company, party or other legal entity:

- (a) in which such person holds directly or indirectly at least 50% of the shares entitled to vote;
- (b) which holds directly or indirectly at least 50% of such person's shares entitled to vote; or
- (c) in which at least 50% of the shares entitled to vote are owned directly or indirectly by a company, party or legal entity, which owns directly or indirectly at least 50% of the shares of such person entitled to vote.

"Agreed Interest Rate" has the meaning given to that term in the GPOA.

"Bank" means any bank or lending institution or financial institution

"Board" means the board of directors of MGTC.

"Business Day" has the meaning given to that term in the GPOA

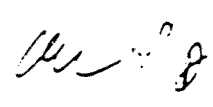
"Bye-laws" has the meaning given to that term in recital 3

"Call" has the meaning given to that term in Section 7.1

"Chairman" has the meaning given to that term in Section 8.2

"Commercial Discovery" has the meaning given to that term in Section 1.1 of the PSC

"Commercial Production" in relation to any Development and Production



Area, means that regular and continuous sales of Natural Gas or regular and continuous shipments of Crude Oil (excluding test production), in both cases from that area, are occurring as contemplated by the PSC

"Contract" means the instrument concluded between MOGE and TMEP identified in recital 1 and any extension, renewal or amendment thereof agreed to in writing by the parties to said instrument.

"Contract Area" has the meaning given to that term in Section 1.12 of the PSC.

"Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

"Defaulting Shareholder" has the meaning given to that term in Section 7.6.1(a).

"Deputy Chairman" has the meaning given to that term in Section 8.2.

"Development and Production Area" has the meaning given to that term in Section 1.18 of the PSC.

"Directors' Voting Rights" means, in respect of all directors of MGTC nominated by a Shareholder, a percentage equal to that Shareholder's Shareholding Interest.

"Dollars" and "\$" means dollars in the lawful currency of the United States of America.

"EGPDP" means the Export Gas Proceeds Distribution Procedure

"EGSA" means the Export Gas Sales Agreement, in the form annexed to the MOUG, executed by the parties thereto in connection with the sale by each Participant of its share of Natural Gas produced from the Production Project to PTT.

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"EGTA" means the Export Gas Transportation Agreement entered into between the Participants and MGTC in connection with the transportation of Natural Gas through the Export Pipeline.

"Export Pipeline" means the pipeline (together with all associated facilities) proposed to run offshore Myanmar for about 340 kilometers of its length from the Contract Area and subsequently onshore Myanmar for approximately 65 kilometers to the border between Thailand and Myanmar, at Ban I Tong.

"Force Majeure" has the meaning given to that term in Section 20.

"Gas Transportation Agreements" means, collectively, all agreements entered into by or on behalf of MGTC in connection with the transportation of Natural Gas by MGTC through all or part of the Transportation System, including the EGTA.

"General Manager" means the person appointed to be the General Manager of MGTC in the manner, and with the duties and functions, described in Article 10.

"Governmental Authorization" means any authorization, consent, concession, decree, permit, waiver, benefit, exemption and approval from, or filing with, or notice to, any Governmental Entity, required in relation to a party or activity by applicable law.

"Governmental Entity" means any government and any ministry, department, State enterprise, local authority, instrumentality, agency, authority, corporation or commission under the direct or indirect control of such government or any such other entity.

"GPOA" means the Gas Pipeline Operating Agreement of even date herewith between MGTC and Operator, in the form of Attachment 3.

"Memorandum" has the meaning given to that term in recital 3.

"MGTC" means Moaktama Gas Transportation Company Limited, a limited liability company incorporated pursuant to the laws of Bermuda with its

registered office at Clarendon House, Church Street, Hamilton HM CX, Bermuda.

"MGTC Account" has the meaning given to that term in the GPOA.

"MGTC Property" has the meaning given to that term in the GPOA.

"MGTC Bank Loan" means a loan made available to MGTC by a Bank which will reduce the Shareholders' funding commitment prorata their Shareholding Interests. Such loan may be guaranteed by the Shareholders, such guarantee being given by each Shareholder severally for its Shareholding Interest and not jointly.

"MGTC Documents" means, collectively, the Memorandum, the Bye-laws, the MGTC Agreement this Agreement and the GPOA.

"MGTC Operations" has the meaning given to that term in the GPOA.

"MIC" has the meaning given to that term in recital 8.

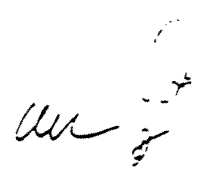
"Minimum Work Obligations" has the meaning given to that term in the GPOA.

"MOGE" means The Myanma Oil and Gas Enterprise, an enterprise organized and existing under the laws of Myanmar with its principal office at 74/80, Min Ye Kyaw Swa Road, Yangon, Myanmar.

"MOU" means the Memorandum of Understanding between MOGE and TMEP dated July 9, 1992 in connection with the establishment of the Petroleum Operations.

"MOUG" means the Memorandum of Understanding relating to the sale of Natural Gas produced from the Production Project to PTT dated September 9, 1994 between MOGE, TMEP, UNOCAL MYANMAR OFFSHORE CO LTD and PTT.

"Myanmar" means the Union of Myanmar



"Natural Gas" means all gaseous hydrocarbons produced from wells, including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

"Operating Committee" means the committee of that name formed pursuant to, and with the constitution, rights, powers and obligations described in, the GPOA.

"Operator" means TMEP, acting in its capacity as non-income earning operator for the Transportation Project, appointed to act as such pursuant to the GPOA.

"PAA" means the Paying Agent Agreement.

"Participants" means, collectively, TMEP, UNOCAL MYANMAR OFFSHORE CO. LTD., PTTEPI, and each other holder of a Participating interest at any time and from time to time and "Participant" means any of them.

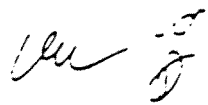
"Participating Interest" means in relation to any person its undivided percentage interest in the rights and obligations under the Contract and the Production Operating Agreement dated June 1st 1994 between TMEP and UNOCAL MYANMAR OFFSHORE CO. LTD. at any time and from time to time.

"Permit" has the meaning given to that term in recital 8.

"Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

"Petroleum Operations" has the meaning given to that term in Section 3.1 of the PSC and includes transportation of Natural Gas by MGTC as contemplated by Section 2.3(b) of the MOU.

"Petroleum Production Joint Venture" has the meaning given to that term in Section 2.3(a) of the MOU.



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"Production Project" means the development, financing, construction, ownership, operation and maintenance of that part of the Petroleum Operations relating to the exploration for, and production of, Petroleum by the Participants.

"PSC" means the Production Sharing Contract between MOGE and TMEP dated July 9, 1992 for the Appraisal, Development and Production of Petroleum in the Moattama Area, as at the date of this Agreement.

"PTT" means the Petroleum Authority of Thailand, having its principal office at 555 Vibhavadi Rangsit Road, Bangkok 10900.

"Replacement Advance" means an advance made in compliance with Sections 7.2.4 or 7.3.2, the terms of which are more particularly described in Schedule 1.

"Share" means any issued and outstanding share of the voting common stock of MGTC.

"Share Capital" means the subscribed capital.

"Shareholders" means, collectively, TOTAL, UNOCAL, PTTEPI, and each other holder of a Shareholding Interest from time to time, and "Shareholder" means any of them.

"Shareholder Advance" means the method of funding MGTC by the Shareholders the mechanics of which are more particularly described in Schedule 1.

"Shareholder Bank Loan" means a method of refinancing the mechanics of which are more particularly described in Schedule 1.

"Shareholder Loan" means a method of refinancing MGTC by the Shareholders the mechanics of which are more particularly described in Schedule 1.

"Shareholding Interest" means, in respect of any person, from time to

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time, its percentage of Share Capital in MGTC which is in the same respective proportion as its Participating Interest (or the Participating Interest of its Affiliate) as a Participant under the Contract.

"Side Letter" means the letter agreement dated July 9, 1992 from the Managing Director of MOGE to the Chairman of TMEP, signed by the Chairman of TMEP by way of acceptance, as at the date of this Agreement.

"Special Approval" has the meaning given to that term in Section 9.3 (c).

"TMEP" means TOTAL Myanmar Exploration and Production, a company existing under the laws of France, with its registered office at Tour TOTAL, 24, Cours Michelet, CEDEX 47, 92069 Paris La Defense.

"Transportation Project" means that part of the Petroleum Operations relating to the transportation of Natural Gas by MGTC including the development, financing, construction, ownership, operation and maintenance of the Transportation System.

"Transportation Project Documents" means collectively MGTC Documents, the Gas Transportation Agreements, the PAA and the EGDPD.

"Transportation System" means the Export Pipeline, together with all modifications thereto and expansions thereof and all additional pipelines and spurlines constructed, operated and maintained by or on behalf of MGTC in the Contract Area or other proximate areas, as agreed by the Shareholders.

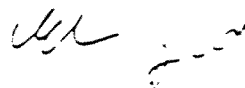
"Withdrawing Shareholder" has the meaning given to that term in Section 15.1.

1.2. Interpretation.

Unless the context of this Agreement otherwise requires

(a) words of any gender include each other gender

(b) words using the singular or plural number also include the plural or singular number, respectively.



- (c) references to a "person" include a reference to any individual, corporation, partnership, joint venture, trust, any other legal person and any Governmental Entity;
- (d) any reference to any person in any capacity includes a reference to its permitted successors and assigns in such capacity and, in the case of any Governmental Entity, any person succeeding to its functions and capacities;
- (e) the terms "hereof", "herein", "hereby", "hereto" and similar words refer to this entire Agreement and not any particular Article, Section or any other subdivision of this Agreement;
- (f) references to "Article", "Section", "Attachment" or "Schedule" are to this Agreement;
- (g) the words "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases or words of like import;
- (h) references to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (i) references to "this Agreement" or any other agreement or document shall be construed as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;
- (j) "this Agreement" and words of similar import shall mean this Agreement together with all Schedules and Attachments; and
- (k) the headings contained in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

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ARTICLE 2 - ORGANIZATION OF THE COMPANY

2.1. Building Up of MGTC Organization

The Shareholders shall build up, without delay, a company organization adequately equipped for MGTC's functions and responsibilities under and consistent with the Transportation Project Documents and the laws of Bermuda.

Each of the Shareholders shall use its best endeavours to ensure that MGTC is treated by all relevant authorities as being resident for taxation and other purposes in Bermuda. Subject to the requirements of Bermuda law, MGTC's records and corporate books shall be kept in Yangon (Union of Myanmar)

2.2. Myanmar Branch

The Shareholders will organize a Myanmar branch of MGTC under the laws of the Union of Myanmar as expeditiously as possible after the date of this Agreement



ARTICLE 3 - SCOPE OF ACTIVITIES

The scope of activities of MGTC shall be to implement the Transportation Project under the terms and conditions herein described for the transport of hydrocarbons and associated substances from fields which may be served by the Transportation System, initially from YADANA field to the Thailand border at BAN I TONG and possibly at a later stage from other fields offshore Myanmar. The scope of activities of MGTC shall also extend to matters directly connected therewith

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ARTICLE 4 - OPERATION POLICY4.1 Sound Business Principles

MGTC shall be managed and operated in accordance with sound business principles with a reasonable rate of return on the investment, determined in accordance with Section 2.1 of the MOU. Profits realized which are not allocated to reserves and depreciation in accordance with internationally recognized good business practices or to necessary working capital shall, unless otherwise resolved by the Shareholders in general meeting, be distributed to the Shareholders by way of dividend.

4.2 Promotion of Main Purposes

Shareholders and their representatives at Shareholders' meetings, on the Board, on the Operating Committee and in all standing committees shall be committed to:

- a) managing MGTC through Operator in order to give effect to the terms of this Agreement in accordance with the Contract, the MGTC Agreement and the Permit; and
- b) exercising all rights, powers and functions in a manner consistent with the promotion of the timely and the efficient construction and continuous profitable and safe operation of the Transportation System.

4.3 Appointment of Operator

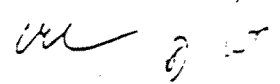
MGTC Operations, and any other aspect of MGTC's involvement in the Transportation Project as nominated by the Operating Committee, shall be undertaken on behalf of MGTC by Operator pursuant to the GPOA.

4.4 Approval of GPOA

The Shareholders acknowledge and approve the terms and conditions of the GPOA, and direct MGTC to enter into and perform that agreement promptly after the date hereof.

4.5 Operating Committee

The Shareholders agree that the Operating Committee shall be formed in the manner contemplated in the GPOA. Each Shareholder shall ensure at



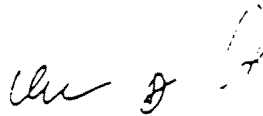
all times that its nominee on the Operating Committee is its non-Bermuda resident principal director.

4.6. Application of GPOA

The Shareholders agree that the provisions of the GPOA (including in connection with the constitution and function of the Operating Committee) shall be binding upon them, as if all such provisions were incorporated in full into this Agreement.

4.7. Transportation Project Documents

The Shareholders shall take all action necessary or desirable to assist the performance of the Transportation Project Documents by MGTC from time to time to achieve the timely and efficient implementation of the Transportation Project.

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ARTICLE 5 - THE TRANSPORTATION SYSTEM: ESTIMATED RESERVES

5.1 Export Pipeline

The Transportation System shall initially comprise the Export Pipeline, commencing at the Receipt Point (as defined in the EGTA) and terminating at the Point of Delivery (as defined in the EGSA), including all associated facilities between these two points.

5.2 Design Capacity - Gas

The initial design capacity of the Transportation System shall be 604 million cubic feet per stream day. The ultimate design capacity after installation of the necessary supplementary compressors shall be around 900 million cubic feet per stream day.

5.3 Determination of Capacity

After the Export Pipeline is placed in operation, the Operator, using sound engineering practice and concepts, shall perform tests and calculations to determine the capacity of the Export Pipeline.

5.4 Additional Capacity

The initial design capacity of the Transportation System, within its ultimate design capacity, shall be increased if and as additional recognized requirements for transport so justify. Modification and replacements to any installation or section of the Transportation system shall be made if and when such will insure to the overall benefit of the Transportation System.

5.5 Product Compatibility

It is understood between the Shareholders that MGTC must secure compatibility between Petroleum products transported by the Transportation System so that the quality achieved for additional products shall not be to the detriment of existing shippers.

5.6 Certified Reserves

The certified reserves of gas of YADANA field as of October 31, 1993, are shown in Schedule 2. These reserves may be reestimated from time to time.

5.7 Priorities

No Natural Gas other than considered under the EGTA shall be transported through the Transportation System without the Special Approval of the Shareholders.

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ARTICLE 6 - SHARE CAPITAL AND SHAREHOLDERS

6.1 Authorized Share Capital

The authorized share capital of MGTC for the commencement of business shall be \$ 30,000 divided into 1,000,000 ordinary shares, each share having a nominal value of \$0.03.

6.2 Increase of Share Capital

At the time of its organization, the subscriber shares in the capital of MGTC were allotted by the following Shareholders:

TOTAL 312,375 Shares

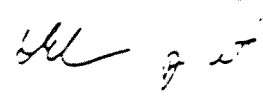
UNOCAL 282,625 Shares

In the event of an increase in the Share Capital of MGTC, following the subscription for shares of PTTEPI and MOGE, the Shareholders shall pay in their respective parts of such additional Share Capital in the same proportion as set out in Sections 6.3 and 6.4 below.

6.3 Issued Share Capital

At the date of this Agreement, each Shareholder shall hold the number of Shares indicated opposite its name below and shall have the initial Shareholding Interest in MGTC as shown:

<u>Shareholder</u>	<u>No. of Shares</u>	<u>Initial Shareholding Interest</u>
TOTAL	312,375	36.75 %
UNOCAL	282,625	33.25 %
PTTEPI	<u>255,000</u>	<u>30.00 %</u>
	850,000	100.00 %



6.4 Participation of MOGE

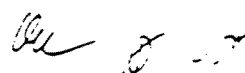
The Shareholders acknowledge that MOGE may invest in MGTC by exercising its option to acquire a Shareholding Interest of up to 15% in MGTC in accordance with Section 5(b) of the MOU. If and when MOGE exercises such option, each Shareholder shall take all action necessary to ensure that MGTC allots such number of Shares to MOGE as is required to constitute MOGE's Shareholding Interest in the agreed percentage and to maintain the agreed relativities between the Shareholding Interests.

Upon its acquisition of Shares in MGTC by MOGE, MOGE shall be required to adhere to this Agreement and the Shareholders hereby agree to take any action which shall be necessary to ensure such adherence.

6.5 Suspension of Shareholders' rights

In accordance with Bye-Law 48, the Share Capital of MGTC shall be divided into shares of a single class. However, in the case of a default as described in Section 7.6 and notwithstanding any of the provisions of the Bye-Laws, other than Bye-Law 48:

- (a) while any default under Section 7.6 has occurred and shall be continuing, no Shareholder who is in such default (a "Defaulting Shareholder") shall be entitled to vote in respect of such Shares; and
- (b) no proceeds from MGTC (dividends, payments under Shareholder Advances, Replacement Advances or Shareholder Loans) shall accrue or be declared or paid to a Defaulting Shareholder in respect of any period during which such Shareholder is in default; and
- (c) no proceeds from MGTC shall be paid to a Bank under a Shareholder Bank Loan if the relevant Shareholder is a Defaulting Shareholder.



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ARTICLE 7 - FUNDING

7.1. General


All funding or refinancing of MGTC made or supported by the Shareholders shall be made or supported on a several (and not joint) basis.

- (a) Subject to Sections 7.2.3, 7.2.4 and 7.3.2, the Shareholders hereby agree to the fundamental principle that all and any funding needed by MGTC shall be funded by the Shareholders in proportion to their respective Shareholding Interest and that such funding shall be made by way of Shareholder Advances. Pursuant to Section 7.2, the Shareholders may decide to authorise the refinancing of part or all of the funding requirement of MGTC initially met by Shareholder Advances. Pursuant to Section 7.3, the Shareholders may decide to reduce the Shareholders' funding commitments by authorising the implementation of MGTC Bank Loan(s).
- (b) When MGTC receives a written request for funding from the Operator, both in amount and manner in accordance with the GPOA, the General Manager shall immediately give notice thereof to the directors of MGTC and the Shareholders calling for a contribution by the Shareholders of the amount required for MGTC Operations (a "Call"). The notice shall provide details of the amount of funding required from each Shareholder, the due date for payment, the details of the account into which funds are to be credited and the application of those moneys and a copy of the written request of the Operator. The notice shall be given to Shareholders at least 20 days before the funds are required by MGTC.

Unless otherwise resolved by the Shareholders in accordance with Section 7.2, all Calls shall be satisfied by each Shareholder making a Shareholder Advance. Such Shareholder Advances shall be made by the Shareholders in proportion to their respective Shareholder Interests.

7.2. Refinancing of Shareholder Advances

7.2.1 The Shareholders may from time to time decide with the affirmative vote of



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at least 60% of the Director's Voting Rights to authorise the refinancing of part or all of Shareholder Advances by Shareholder Loans (as described in the Schedule 1). Once such authorisation has been given by the Shareholders, MGTC shall be entitled to treat any Shareholder Advances or any part thereof made available to it by a Shareholder as having been refinanced by a Shareholder Loan, notwithstanding the fact that the Shareholder in question may not have formally authorised the Shareholder Loan. The percentage of Shareholder Advances which are refinanced by Shareholder Loans, shall be identical for each Shareholder.

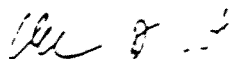
7.2.2 The Shareholders may approve by Special Approval, such approval not being unreasonably withheld, that any of the alternative methods of refinancing (as described in Schedule 1) may be substituted by any other form of approved refinancing and in particular, at the request of a Shareholder, the Shareholders may agree that part or all of such Shareholder's Shareholder Loan may be substituted by a Shareholder Bank Loan.

7.2.3 If MGTC cannot meet its obligations to make payments to a Shareholder under a Shareholder Loan, the relevant Shareholder shall be deemed to have made a Shareholder Advance to MGTC of an amount equal to the amount of such payments so that MGTC can fulfil such obligations to such Shareholder. Consequently the amount of any unpaid payment under a Shareholder Loan shall be treated as having been paid by reason of the making of such Shareholder Advance.

7.2.4 If MGTC cannot meet its obligations to make payments to a Bank under a Shareholder Bank Loan, the relevant Shareholder shall make a Replacement Advance to MGTC so that MGTC can fulfil such obligations to such Bank.

7.3 MGTC Bank Loan

7.3.1 The Shareholders may decide by Special Approval, to implement an MGTC Bank Loan. Thereafter, Shareholders' funding commitments pursuant to Section 7.1 may be reduced, to the extent of funds drawn down under an MGTC Bank Loan, such reduction being made pro rata to their respective Shareholding interests.



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7.3.2 (a) If MGTC cannot meet its obligations to make payments to a Bank under an MGTC Bank Loan in respect of which the Shareholders have issued their several guarantees, then each Shareholder shall make a Replacement Advance to MGTC in an amount which is proportionate to its respective Shareholding Interest in the aggregate amount required by MGTC so that MGTC can fulfil such obligations to such Bank.

7.3.2 (b) If MGTC cannot meet its obligations to make payments to a Bank under an MGTC Bank Loan in respect of which the Shareholders have not issued guarantees, and in respect of which the Shareholders have undertaken several obligations in favor of the Bank then each Shareholder shall make Replacement Advance only to the extent of its respective obligation in favor of such Bank.

7.4 Other financing or refinancing

The Shareholders may decide by Special Approval to authorize other forms of financing or refinancing which are consistent with the principles of this Agreement.

7.5 Allocation of the proceeds of MGTC

7.5.1 Subject to Section 7.5.3, MGTC shall apply the cash flow emanating from the elements in the owners tariff (as per Article 12 hereunder) in the following order:

1. payment of operating expenses;
2. payment of any taxes due by MGTC;
3. payment of capital expenditure, and allocation of the adequate working capital required under sound business principles and approximately equivalent to three months operating expenses and capital expenditures;
4. payment of interest attached to Shareholder Loans or Shareholder Bank Loans or MGTC Bank Loan;
5. payment of the scheduled repayment of principal of the Shareholder Loans or the Shareholder Bank Loans or MGTC Bank Loan; and
6. all MGTC funds which the Shareholders decides are not required for current and planned financial requirements of MGTC shall be distributed to the Shareholders either as reimbursement of Shareholder Advances or Replacement Advances or as dividends or as prepayment

of Shareholder loans and Shareholder Bank Loans

- 7.5.2 Application of cash flow under this Section 7.5. to pay interest attached to Shareholder Loans or Shareholder Bank Loans or to pay instalments of the principal of Shareholder Loans or Shareholder Bank Loans or to repay Shareholder Advances or Replacement Advances shall be made to each Shareholder in proportion to its Shareholding Interest, subject to Section 7.6.
- 7.5.3 If an MGTC Bank Loan is made available then MGTC will negotiate with the Bank the allocation of cash flow.
- 7.5.4 If cash flow emanating from the elements in the owners tariff is not sufficient to cover the cash requirements of items 1, 2 and 3 of Section 7.5.1, the Shareholders shall provide MGTC with additional funds in the form of Shareholder Advances for the shortfall.

7.6 Default

7.6.1 Shareholder Default under a Shareholder Advance

a) Default and Notice

Any Shareholder that fails to make Shareholder Advances when required to do so pursuant to a notice issued under Section 7.1 (b) to meet a Call (a "Defaulting Shareholder") shall be in default under this Agreement. The General Manager shall promptly give written notice of such default to such Shareholder and to each of the non-defaulting Shareholders and to Operator. The amount not paid by the Defaulting Shareholder shall bear interest from the date due until paid in full. Interest will be calculated using the Agreed Interest Rate.

b) Meetings and Data

After any default has continued for five (5) Business Days from the date of written notice of default under Section 7.6.1 (a) and for as long thereafter as the Defaulting Shareholder remains in default on any payment due under this Agreement, the representatives of the Defaulting Shareholder shall not be entitled to attend Shareholders.

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Board and Operating Committee meetings or to vote on any matter coming before such bodies during the period such default continues. Unless agreed otherwise by the non-defaulting Shareholder, the voting interest of the representatives of each non-defaulting Shareholder shall be in the proportion which its Shareholding Interest bears to the total of the Shareholding Interests of all the non-defaulting Shareholders. Any matters requiring Special Approval shall be deemed to exclude the vote of any representative of the Defaulting Shareholder. After the said five (5) Business Days and while the Defaulting Shareholder remains in default as aforesaid, neither the Defaulting Shareholder nor its representatives shall have access to any data or information relating to MGTC Operations, and non-defaulting Shareholders shall be entitled to trade data without such Defaulting Shareholder's consent. Further, the Defaulting Shareholder shall have no right to any data received on such trade unless and until its default is remedied in full. Notwithstanding the foregoing, the Defaulting Shareholder and its representatives shall be deemed to have approved, and shall join with the non-defaulting Shareholders in taking any action to maintain and preserve the existence of the MGTC.

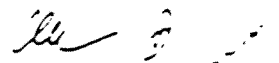
c) Allocation of Defaulted Accounts

- (A) The General Manager shall, either at the time of giving notice of default as provided in Section 7.6.1(a), or by separate notice, notify each non-defaulting Shareholder of the sum of money it is to pay as its portion (such portion being in the ratio that each non-defaulting Shareholder's Shareholding Interest bears to the aggregate of the Shareholding Interests of all non-defaulting Shareholders) of the amount in default. Each non-defaulting Shareholder shall, if such default continues, pay MGTC, within five (5) Business Days after receipt of such notice, its share of the amount which the Defaulting Shareholder failed to pay. If any non-defaulting Shareholder fails to pay its share of the amount in default as aforesaid, such non-defaulting Shareholder shall thereupon be in default and shall be a Defaulting Shareholder subject to the provisions of this Section 7.6. The non-defaulting Shareholders which pay the amount owed by any Defaulting Shareholder shall be entitled to receive their respective share of the principal and interest payable by such Defaulting Shareholder pursuant to Section 7.6.1(a).

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- (B) The total of all amounts paid by the non-defaulting Shareholders for the Defaulting Shareholder, together with interest accrued on such amounts, shall be entered in the accounts of MGTC as a debt due and owing by the Defaulting Shareholder to MGTC and by MGTC to the non-defaulting Shareholders in proportion to such amounts paid. In addition, the non-defaulting Shareholders may in the manner contemplated by this Article, satisfy such debt (together with interest) and may accrue an amount equal to the Defaulting Party's Shareholding Interest share of the estimated cost to abandon any MGTC Property.
- (C) A Defaulting Shareholder may remedy its default by paying to MGTC the total amount due, together with interest calculated as provided in Section 7.6.1(a) at any time prior to transfer of its interest pursuant to Section 7.6.1(d), and upon receipt of such payment MGTC shall remit to each non-defaulting Shareholder its proportionate share of such amount.
- (D) The rights granted to each non-defaulting Shareholder pursuant to this Section 7.6, shall be in addition to, and not in substitution for any other rights or remedies which each non-defaulting Shareholder may have at law or in equity or pursuant to the other provisions of this Agreement.
- d) Transfer of Shareholding Interests.
 - (A) For thirty (30) Days after each failure by the Defaulting Shareholder to remedy its default by the thirtieth (30th) Day following notice of default without prejudice to any other rights of the non-defaulting Shareholders to recover the amounts paid for the Defaulting Shareholder together with interest accrued on such amount, each non-defaulting Shareholder shall have the option to give notice to the Defaulting Shareholder requiring the Defaulting Shareholder to transfer its Shareholding Interest to the non-defaulting Shareholders. To that end, any of the non-defaulting Shareholders so elect, the Defaulting Shareholder shall be deemed to have transferred and to have empowered the electing non-defaulting Shareholders to execute on said Defaulting Shareholders behalf any documents required to effect



a transfer of all of its Shareholding Interest, right, title and beneficial interest in and under its Shares, this Agreement, MGTC and MGTC's assets, and the Transportation Project Documents, to the electing non-defaulting Shareholders. If requested, each Shareholder shall execute a Power of Attorney in the form prescribed by the Board. The Defaulting Shareholder shall, without delay following any request from the non-defaulting Shareholders, do any and all acts required to be done by applicable law or regulation in order to render such transfer legally valid, including, without limitation, the obtaining of all requisite Governmental Authorizations, and shall execute any and all documents and take such other actions as may be necessary in order to effect prompt and valid transfer of the interests described above, free of all liens and encumbrances. In the event all requisite Governmental Authorizations are not timely obtained, the Defaulting Shareholder shall hold its Shareholding Interest in trust for such non-defaulting Shareholders who elected to assume such Defaulting Shareholder's Shareholding Interest.

- (B) In the absence of an agreement among the non-defaulting Shareholders to the contrary, any such transfer to the non-defaulting Shareholders shall be in the proportion that the non-defaulting Shareholders have paid the amounts due from the Defaulting Shareholder.

e) Continuation of Interest

If within thirty (30) Days after each failure by the Defaulting Shareholder to remedy its default by the thirtieth (30th) Day following notice of default the non-defaulting Shareholders elect to not acquire the Defaulting Shareholder's Shareholding Interest as provided in Section 7.5.1(d) and to continue to bear the Defaulting Shareholder's unpaid Calls, then the non-defaulting Shareholders shall accumulate all such liabilities and expenses as a debt pursuant to Section 7.5.1(c), but the Defaulting Shareholder shall continue to be a Shareholder subject to Section 7.5.1(b) and Section 7.5.1(g). If MGTC disposes of any MGTC Property or any other credit or adjustment is made to the MGTC Account, then in respect of the Defaulting Shareholder's Shareholding Interest share of the proceeds of such disposal, credit or

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adjustment or sale, MGTC shall be entitled to retain and to set off the same against all amounts, together with interest accrued on such amount, due and owing from the Defaulting Shareholder plus an accrued amount equal to the Defaulting Shareholder's Shareholding Interest share of the estimated cost to abandon any MGTC Property. Any surplus remaining after setting off the same as aforesaid shall be paid promptly to the Defaulting Shareholder.

f) Abandonment

If, within thirty (30) Days after the failure by the Defaulting Shareholder to remedy its default by the thirtieth (30th) Day as aforesaid, no non-defaulting Shareholder elects to acquire the Defaulting Shareholder's Shareholding Interest as provided in Section 7.6.1(d), or to bear the Defaulting Shareholder's Shareholding Interest share of unpaid Calls as provided in Section 7.6.1(e), then no transfer shall be made and MGTC Operations shall be abandoned subject to any necessary consents and notices being given, and each Shareholder, including the Defaulting Shareholder shall pay its Shareholding Interest share of all costs of abandoning and relinquishing the Transportation Project. If abandonment occurs as aforesaid, all monies paid by the non-defaulting Shareholders for the Defaulting Shareholder pursuant to Section 7.6.1(c), together with interest accrued on such amount, shall remain a debt due and owing by the Defaulting Shareholder.

g) Distribution of proceeds

If a Shareholder defaults and has not remedied the default by the thirtieth (30th) Day as aforesaid, then, after the commencement of commercial activity of the MGTC, during the continuance of such default (i) the Defaulting Shareholder shall not be entitled to its Shareholding Interest share of the MGTC's proceeds (which include but are not limited to any amount which would have been otherwise allocated to the Defaulting Shareholder such as reimbursement of Shareholders Advances and Replacement Advances, principal and interest on Shareholder Loans and dividends), and (ii) any Bank (which has previously contracted a Shareholder Bank Loan with MGTC with the guarantee of such Defaulting Shareholder) shall not be entitled to,

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its share of MGTC proceeds which would otherwise have been allocated to it as payment of interest or principal under such Shareholder Bank Loan. Such proceeds as referred to in (i) and (ii) above shall vest in and be the property of the non-defaulting Shareholders, and MGTC shall have such proceeds paid proportionately to the non-defaulting Shareholders which proceeds shall be credited against all monies advanced pursuant to Section 7.6.1(c), together with interest accrued thereon. Any surplus remaining shall be paid to the Defaulting Shareholder, and any deficiency shall remain a debt due from the Defaulting Shareholder to MGTC and from MGTC to the non-defaulting Shareholders. Notwithstanding any such distribution of proceeds by MGTC, the provisions of Section 7.6.1(d) shall continue to apply.

n) No Right of Set-Off

Each Shareholder acknowledges and accepts that a fundamental principle of this Agreement is that each Shareholder pays its Calls as and when required. Accordingly, any Shareholder which becomes a Defaulting Shareholder shall not, in respect of either any exercise by the non-defaulting Shareholders of any rights under, or the application of any of the provisions of, this Section 7.6, raise by way of set-off or invoke as a defense, whether in law or in equity, any failure to pay amounts due and owing under this Agreement or any alleged or unliquidated claim that such Shareholder may have against MGTC or any other Shareholder, whether such claim arises under this Agreement or otherwise. A Defaulting Shareholder shall not raise by way of defense, whether in law or in equity, that the nature or the amount of the remedies granted to the non-defaulting Shareholders is unreasonable or excessive.

7.6.2 Shareholder Default under a Replacement Advance

In the event that (i) a Shareholder Bank Loan has been obtained by MGTC or an MGTC Bank Loan has been obtained by MGTC and such MGTC Bank Loan is guaranteed by the Shareholders severally (ii) MGTC defaults on any payment due under such Shareholder Bank Loan or MGTC Bank Loan and (iii) a Shareholder ("Defaulting Shareholder") does not or is unable to

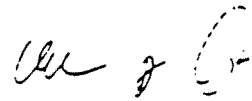
make Replacement Advances as required under Section 7.2.4 and 7.3.2 or to make the payments required under its guarantee, then

- (a) the provisions of Sections 7.6.1(a), 7.6.1(b) and 7.6.1(g) shall apply to the Defaulting Shareholder; and
- (b) one or more of the other Shareholders may, at their option, purchase all the Shares of MGTC then currently held by the Defaulting Shareholder for the consideration defined in Section 7.6.3. In the event more than one Shareholder wishes to purchase the Shares of such Defaulting Shareholder, then the quantity of Shares purchased by each shall be in proportion to their then-current Shareholding Interests (unless otherwise agreed upon by such purchasing Shareholders). The transfer of Shares shall occur once the purchasing Shareholders have paid the amount due by the Defaulting Shareholder.

7.6.3 Consideration

As consideration for the transfer of the Shares, as set forth in Section 7.6.2(b) above, the purchasing Shareholder(s) shall (i) assume the obligations arising from ownership of the Defaulting Shareholder's Shares, and (ii) make any required Replacement Advances and assume the guarantees and/or other assurances given by the Defaulting Shareholder to third parties in respect of obligations undertaken by MGTC, which guarantees and/or other assurances have been agreed to by the other Shareholders of MGTC.

- 7.6.4 The provisions of Section 14.1.H shall have no application in connection with the transfers made pursuant to this Section 7.6.



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ARTICLE 8 - BOARD OF DIRECTORS

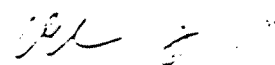
8.1. Board of Directors

- (a) In accordance with the Bye-laws, the business of MGTC shall be managed by the Board, initially consisting of 4 principal directors. As provided in the Bye-laws, each Shareholder holding at least 10% of all Shares from time to time shall be entitled to nominate 2 principal directors, one of whom shall be ordinarily resident in Bermuda, and one alternate director for each such principal director in all cases for election by the Shareholders in general meeting and shall have the right to remove and replace such directors and to fill any vacancy in the directors elected by it. An alternate director shall have the right to attend and vote at any meeting of the Board in lieu of the principal director for whom he is the alternate in the event such principal director is absent from the meeting.
- (b) When electing or removing any director or alternate director of MGTC in general meeting, the Shareholders shall vote in such manner as will ensure that the Board is at all times comprised of the nominees of each Shareholder as contemplated in this Section 8.1. In particular, each Shareholder shall vote in favour of any proposal by another Shareholder to appoint or remove a director or alternate director nominated by that other Shareholders.

8.2 Chairman and Deputy Chairman

The Board shall elect one of the principal directors to be the Chairman of the Board (the "Chairman") and shall also have the power to remove such Chairman and to appoint and remove any successor Chairman. The Board shall also elect a Deputy Chairman (the "Deputy Chairman") and shall have the power to remove such Deputy Chairman and to appoint and remove any successor Deputy Chairman. The Deputy Chairman shall have the same powers as the Chairman in the Chairman's absence. The Chairman shall have the following powers

(a) to call, propose and prepare the agenda for and to preside over meetings of the Shareholders and of the Board, and



- (b) to cause to be implemented the resolutions of the meetings of the Shareholders, and of the Board.

Neither the Chairman nor the Deputy Chairman shall have a casting vote Unless removed earlier by the Board, the Chairman and Deputy Chairman shall hold office for a period of two (2) years.

8.3 Board Meetings

(a) Meetings

The Board shall meet at least twice in every financial year of MGTC upon the notice of the Chairman and more frequently if required upon notice of any director. A meeting shall be convened by the Chairman, by any director or by the Secretary upon the request of a director, by giving each of the other directors and the Secretary not less than 20 days' notice of the time, place, date and agenda of the meeting. If circumstances require, the Chairman or any director can call a meeting of the Board upon 5 days' notice of the time, place, date and agenda of the meeting. Any such meeting may be held on shorter notice if all of the directors so agree in writing. The agenda of any meeting shall include any item placed thereon by any director by notice given to each of the other directors and the Secretary not less than 10 days before the date of the meeting. The Shareholders agree that to the extent practicable, all meetings of the Board shall be held in Myanmar and that the corporate books and records of MGTC (except those required to be kept in Bermuda) and the management of the day-to-day activities of MGTC shall be located in Myanmar.

(b) Quorum for Board Meetings

The quorum for a duly convened Board meeting shall be one director nominated by each of the Shareholders. If within two hours from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to a date five days after such meeting at the same time and place and at least three days' notice of such adjourned meeting shall be given to all directors. If at the adjourned meeting a quorum is not present within one hour from the time appointed for such meeting, the directors holding such percentage of Directors' Voting Rights as required to approve any matter pursuant to Section 8.4 shall constitute the quorum for such matter.

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(c) Director's Consent in lieu of Meeting

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board and such consent is filed with the minutes of the proceedings of the Board.

8.4 Voting Requirements at Board Meetings

(a) Except as expressly provided in Section 8.4 (b), action of the Board shall require the affirmative vote of at least 60% of the Directors' Voting Rights, with all directors nominated by a Shareholder voting their Directors' Voting Rights as a block (without splitting).

(b) The following actions shall require the unanimous vote of the Directors' Voting Rights

(i) submission to the Shareholders of a proposal that the corporate existence of MGTC be extended.

(ii) the granting of a power of attorney on behalf of MGTC, provided that in no event shall the authority of the Board to determine matters set forth in this Section 8.4 (b) be delegated

(iii) the commencement or settlement of any material litigation (other than as described in Section 9.3 (c) xiii) except in instance where action must be taken in an expedient manner to assure that the rights of MGTC are protected. The Board shall determine the meaning of material litigation in accordance with this Section 8.4 (b).

(iv) submission to the Shareholders of a proposal to create, acquire or dispose of any subsidiary of MGTC or any shares in any such subsidiary

v) the acquisition of, purchase of or subscription for any shares, debentures or other securities of any company other than subsidiaries of MGTC)

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- (vi) establishment of MGTC's internal organizational structure and regulations .
- (vii) establishment of branches of MGTC (other than those established in Myanmar and otherwise under this Agreement) .
- (viii) approval of MGTC's annual report, balance sheet, profit and loss statement and other financial documents for submission to the Shareholders ;
- (ix) the election or removal of the General Manager ;
- (x) the election or removal of the Secretary.

8.5. Standing Committees

The Board may establish one or more standing committees to advise the Board and the General Manager within their respective fields of special competence.

8.6. Special Advisor

(a) The directors shall appoint a person nominated by the Ministry of Energy of the Union of Myanmar to be a special advisor to the Board (the "Special Advisor"). The Special Advisor shall have the right to receive notice of Board meetings (upon the provision of the applicable address details to the Secretary by such advisor) and attend at and participate in all such meetings. The Special Advisor shall not have any right to vote at Board meetings.

(b) The specified duties, functions and remuneration of any of the Special Advisor shall be as resolved by the directors from time to time



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ARTICLE 9 - SHAREHOLDERS' ACTIONS

9.1 Shareholders' Meetings

The Shareholders shall have a general meeting at least once in each Calendar year of MGTC (the "annual general meeting") and shall meet more frequently if required in a special general meeting. The annual general meeting may be called by the Chairman, Deputy Chairman or any two directors. A special general meeting may be called by the Chairman, Deputy Chairman, any Shareholder, any two directors, or any director and the Secretary. A meeting of the Shareholders shall be convened by giving each of the other Shareholders, the Chairman, the Secretary and the directors not less than 20 days' notice of the date, time, place and agenda of the meeting. If circumstances require, a special general meeting of the Shareholders may be held upon five (5) days' notice of the date, time, place and agenda of the meeting. A special general meeting may be held on shorter notice if all the Shareholders agree in writing. The agenda of any general meeting shall include any item placed thereon by any Shareholder by notice given to each of the other Shareholders, the Chairman, the directors and the Secretary not less than ten days before the date of the meeting. A Shareholder may be represented at a Shareholders' meeting by any natural person appointed by it including any of the directors nominated by it.

Notwithstanding the foregoing, where a special general meeting is to be constituted by a meeting of the Operating Committee, such meeting may be validly called by Operator and otherwise be convened in accordance with the requirements of the GPOA. Provided that the requirements of the GPOA in connection with convening meetings of the Operating Committee are satisfied, this Section 9.1, shall not impose any further procedures as a pre-requisite to the validity of such meeting.

9.2 Quorum for Shareholders' Meetings

The quorum for a duly convened Shareholders' meeting shall be such number of persons as at that time represent by appointment or by proxy at least two Shareholders holding in aggregate at least 60% of the Shares. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to a date five days after such meeting at the same time and place and at least three days' notice of such adjourned meeting shall be given to all Shareholders and directors. If at the

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adjourned meeting a quorum is not present within one hour from the time appointed for such meeting, the Shareholders present in person or by proxy, and together holding such percentage of Shares as required to approve any matter pursuant to Section 9.3 shall constitute the quorum for that matter.

9.3 Voting Requirements at Shareholders' Meeting

- (a) Each Share held in the capital of MGTC shall have one vote on all matters presented for a vote of the Shareholders.
- (b) Except as expressly provided in Section 9.3(c), action of the Shareholders of MGTC at any meeting shall require the affirmative vote of such persons representing by appointment or proxy at least two Shareholders holding in aggregate at least 60% of the Shares of MGTC carrying voting rights and then entitled to vote at the time the vote is taken.
- (c) The following actions of the Shareholders shall require the affirmative vote of such persons representing by appointment or proxy 99 % of the Shares of MGTC carrying voting rights at the time the vote is taken ("Special approval"):
- (i) the proposed merger, amalgamation, consolidation or reorganization of MGTC with or into another person
 - (ii) any proposed amendment of the Memorandum or Bye-laws except any amendment necessary to give effect to an increase in capital in accordance with the laws of Bermuda
 - (iii) any proposed dissolution or liquidation of MGTC
 - (iv) any proposed change in the scope of MGTC's business
 - (v) the sale, mortgage or any other transfer of title of substantially all of the assets of MGTC, including any mortgage in connection with third party financing of all or any part of the Transportation Project
 - (vi) the incurrence or assumption of any indebtedness (excluding in

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9.4 Shareholders' Consent in lieu of Meeting

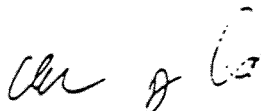
Any action required or permitted to be taken at a meeting of the Shareholders may be taken without a meeting, provided that a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof.

9.5 Licence to Past Work Products

The Shareholders agree to grant to MGTC a non-transferrable right to use the product of any work, document or other thing related to the Transportation Project, including as produced pursuant to the Contract, and shared among the Shareholders before the date hereof.

9.6 Transfer of Shares by PTTEPI to an Affiliate

The transfer by PTTEPI of all of its Shares to one of its Affiliates, which transfer is expected to occur within twelve months of the date of this Agreement, is hereby approved.



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ARTICLE 10 - OTHER OFFICERS OF MGTC

10.1 General Manager and Secretary

The Board shall appoint suitably qualified and experienced persons nominated by Shareholders to be the General Manager and the Secretary of MGTC. While TMEP is Operator, the General Manager shall be appointed from among persons nominated by TOTAL.

10.2 General Manager Functions

The General Manager shall have such powers as are conferred upon him by the laws of Bermuda and by this Agreement.

The Shareholders shall ensure that the following responsibilities in connection with MGTC's implementation of the Transportation Project are delegated to the General Manager:

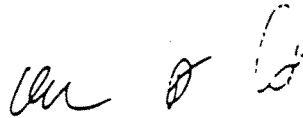
- (a) managing the day-to-day business of MGTC, as required and instructed by the Board or the Shareholders in accordance with MGTC Documents;
- (b) conducting a quarterly review of the status, work programs, budget, employment and procurement plans for the Transportation Project including a review of performance versus plans, and providing the Board with a report on such quarterly review;
- (c) co-ordinating the employment and training of Myanmar nationals with Operator and other contractors in accordance with the Contract the MGTC Agreement and the GPOA;
- (d) signing on behalf of MGTC the contracts awarded in accordance with Section 6.4 of the GPOA;
- (e) giving notice of Calls to the Shareholders in accordance with the provisions of Section 7.1(b) and notices of default in accordance with Section 7.6.1(a);
- (f) acting in whatever manner is necessary or desirable on behalf of

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MGTC to ensure that MGTC discharges all of its obligations under Section 7.6.

- (g) attending all Operating Committee meetings and causing to be implemented the resolutions of the meetings of the Operating Committee.
- (h) preparing and releasing public announcements in accordance with Section 22.9; and
- (i) doing such other acts or things as may be requested by the Board or the Shareholders in accordance with the MGTC Documents.

The General Manager shall be present at Board meetings (unless otherwise decided by the Board) and shall carry out all resolutions of the Board. He shall have registered power of procuration and shall ex-officio be member of all standing committees.



ARTICLE 11 - RELATIONSHIP OF THE SHAREHOLDERS AND MGTC

11.1 General

Nothing contained in this Agreement is intended, nor shall it be construed, as creating an agency relationship among the Shareholders.

No Shareholder shall have the authority or right, nor shall any Shareholder hold itself out as having the authority or right to assume, create or undertake any obligation of any kind whatsoever, express or implied, on behalf of or in the name of MGTC or any other Shareholder without the express prior written consent of MGTC or such other Shareholder. The undertakings of the Shareholders pursuant to this Agreement shall be several and not joint, nor joint and several.

11.2 Conflict of Interest

(A) Each Shareholder undertakes that it shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of MGTC and the other Shareholders respectively in dealing with suppliers, customers and all other organizations or individuals doing, or seeking to do, business with MGTC or the Shareholders in connection with activities contemplated by this Agreement.

(B) The provisions of the preceding paragraph shall not apply to a Shareholder's acquisition of products or provision of services from any of its Affiliate, or the sale or provision thereof to any such Affiliate, made in accordance with rules and procedures established under the GPOA.

ARTICLE 12 - TARIFF

For transportation of Petroleum, including royalty Petroleum, MGTC shall be entitled to a transportation charge (hereinafter called "Tariff")

Initially MGTC's income will primarily be derived from the payment of Tariff to MGTC pursuant to the EGTA.

For gas transportation pursuant to Gas Transportation Agreements other than EGTA, the applicable Tariff in each case will be specified in such agreements.

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It is the Shareholders' intention that gas transported by MGTC for third parties shall be charged according to a negotiated tariff derived on a reasonable commercial basis.

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ARTICLE 13 - BILLING, PAYMENT, ACCOUNTS AND DEPRECIATION

13.1 Billing and Payment

Billing and payment shall be made at the times and in the manner provided in the applicable Transportation Project Documents.

13.2 MGTC Accounts

Subject to Section 13.3, the accounting for MGTC shall be prepared in accordance with generally accepted accounting practices used in the international petroleum industry. Shareholders shall be provided with all budgetary and accounting information by the Board as they may reasonably require.

13.3 MGTC Myanmar Branch Accounts

The annual accounts of the Myanmar branch of MGTC, including the declaration of profit and the annual report, shall be prepared in accordance with the provisions of the Myanmar Companies Act.

13.4 Audit of MGTC Accounts

Annual audits of MGTC's accounts shall be prepared by an internationally recognized accounting firm selected by the directors. The first auditors of MGTC shall be CAUVIN ANGLEYS ST PIERRE INTERNATIONAL.

13.5 Depreciation

A depreciation plan shall be established by the Shareholders, consistent with the Contract and the Transportation Project Documents.

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ARTICLE 14 - RESTRICTIONS ON TRANSFER AND ENCUMBRANCES

14.1 Obligations

- (A) Except as provided in Section 7.6.4, and Section 9.6, the transfer of all or part of a Shareholder's Shareholding Interest shall be effective only if it satisfies the terms and conditions of this Article 14 and of the Bye-Laws.
- (B) Any transfer of Shares by a Shareholder under this Agreement and the other MGTC Documents (other than to an Affiliate of such Shareholder) shall correspond to an identical and simultaneous transfer of a Participating Interest held by it or by its Affiliate so that the principle that each Shareholder (or an Affiliate of that Shareholder at all times) has the same participation share in the Transportation Project and the Production Project, as stated in Section 5 of the MOU, is complied with.
- (C) Except in the case of a Shareholder transferring all of its Shares, no transfer shall be made by any Shareholder which results in the transferor or the transferee holding less than ten percent (10 %) of MGTC Share Capital.
- (D) The transferring Shareholder shall, notwithstanding the transfer, be liable to the other Shareholders for any obligations, financial or otherwise which may have vested, matured or accrued under this Agreement and under the other MGTC Documents prior to such transfer. Such obligations shall include any proposed expenditure approved by the Shareholders prior to the transferring Shareholder notifying the other Shareholders of its proposed transfer.
- (E) The transferee shall have no rights in and under this Agreement and under the other MGTC Documents unless and until it obtains necessary Governmental Authorizations and expressly undertakes in writing to perform the obligations of the transferor under this Agreement and the other MGTC Documents in respect of the Shares being transferred to the satisfaction of the non-transferring

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Shareholders.

- (F) The transferee shall have no rights in and under this Agreement and under the other MGTC Documents unless each non-transferring Shareholder has consented in writing to such transfer, which consent shall be denied only if such transferee fails to establish to the reasonable satisfaction of each non-transferring Shareholder its financial or technical capability to perform its obligations under this Agreement and the other MGTC Documents.
- This Section 14.1 (F) shall not apply to the transfer by PTTEPI of all of its Shares to one of its Affiliates as described in Section 9.6.
- (G) Nothing contained in this Article 14 shall prevent a Shareholder from mortgaging, pledging, charging or otherwise encumbering all or part of its interest in MGTC and under this Agreement for the purpose of raising finance for the Transportation Project provided that:
- (1) Such Shareholder shall remain liable for all obligations relating to such interest;
 - (2) The encumbrance shall be subject to any necessary Governmental Authorizations and be expressly subordinated to the rights of the other Shareholders under this Agreement;
 - (3) Such Shareholder shall ensure that any such mortgage, pledge, charge or encumbrance shall be expressed to be without prejudice to the provisions of this Agreement.
- (H) Any transfer of all or a portion of a Shareholding Interest whether directly or indirectly by assignment, merger, consolidation, or sale of stock, or other conveyance, other than with or to an Affiliate shall be subject to the following procedure:
- (1) Once the transferor Shareholder and a proposed transferee (a third party or another Shareholder) have fully negotiated the final terms and conditions of a transfer, such final terms and conditions shall be disclosed in detail to all non-transferring Shareholders in a written notification from the transferor. Each

non-transferring Shareholder shall have the right to acquire the Shareholding Interest from the transferor on the same terms and conditions agreed to by the proposed transferee if, within thirty (30) days of transferor's written notification, such Shareholder delivers to all other Shareholders a counter-notification that it accepts the agreed upon terms and conditions of the transfer, without reservations or conditions. If no Shareholder delivers such counter-notification, the transfer to the proposed transferee may be made, subject to the other provisions of this Article 14, under terms and conditions no more favourable to the transferee than those set forth in the notice to the non-transferring Shareholders, provided that the transfer shall be concluded within one hundred eighty (180) Days from the date of the notice plus such reasonable additional period as may be required to secure Governmental Authorizations.

- (2) If more than one Shareholder counter-notifies that it intends to acquire the Shareholding Interest which is the subject of the proposed transfer, then each such Shareholder shall acquire a proportion of the Shareholding Interest to be transferred equal to the ratio of its own Shareholding Interest to the total Shareholding Interests of all the counter-notifying Shareholders, unless they otherwise agree, and
- (3) In the event that a Shareholder's proposed transfer of part or all of its Shareholding Interest involves consideration other than cash or involves other properties included in a wider transaction (package deal) then the consideration payable for the Shareholding Interest exclusively shall be allocated a reasonable and justifiable cash value by the transferor in any notification to the other Shareholders. Such other Shareholders may satisfy the requirements of this Section 14.1 (H) by agreeing to pay such cash value in lieu of the consideration payable in the third-party offer.

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14.2 Rights

- (A) Each Shareholder shall have the right, subject to the provisions of Section 14.1, to freely transfer its Shareholding Interest.
- (B) If the transfer of all or a portion of a Shareholder's Shareholding Interest whether directly or indirectly by assignment, merger, consolidation, sale of stock, or other conveyance is part of a wider transaction (package deal) involving such assets, such transfer shall be subject to Section 14.1(H), only if such prospective transferor's Shareholding Interest represents more than twenty per cent (20 %) of the value of such wider transaction.

14.3 Registration of Share Transfers

Any transfer of Shares which occurs in accordance with the provisions of this Agreement (as reflected in the Bye-laws) shall promptly be registered by MGTC. Once a transfer has been effected in accordance with this Agreement, the transferee shall be considered to be a "Member" for the purposes of the Bye-laws, notwithstanding any delay that may occur between completion of the transfer and recording of that transaction in MGTC's share register.

14.4 Restrictive Legend

Each Shareholder shall cause MGTC to include on all certificates evidencing the Shares the following restrictive legend:

THE SALE, ASSIGNMENT, AND TRANSFER OF THE SHARES OF MOATTAMA GAS TRANSPORTATION COMPANY LIMITED EVIDENCED BY THIS CERTIFICATE, OR ANY INTEREST IN THE SHARES, IS RESTRICTED BY THE TERMS OF A SHAREHOLDERS' CONTRACT AGREEMENT DATED JANUARY 30TH, 1995. NO SUCH SALE, ASSIGNMENT, OR TRANSFER, SHALL BE EFFECTIVE UNLESS THE TERMS AND CONDITIONS OF THE AFORESAID SHAREHOLDERS' CONTRACT AGREEMENT SHALL HAVE BEEN COMPLIED WITH IN FULL."

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ARTICLE 15 - WITHDRAWAL FROM AGREEMENT

15.1 Right of Withdrawal

- (A) Subject to the provisions of this Article, any Shareholder ("Withdrawing Shareholder") may withdraw from this Agreement and the other/Transportation Project Documents by giving notice to all other Shareholders stating its decision to withdraw and specifying a proposed effective date of withdrawal which shall be at least sixty (60) days, but not more than one hundred eighty (180) days after the date of such notice. Such notice shall be unconditional and irrevocable when given.
- (B) Notwithstanding Section 15.1(A) a Shareholder shall not have the right to withdraw from this Agreement and the other Transportation Project Documents until the Minimum Work Obligations have been fulfilled. However, if the Operating Committee decides to accept new Minimum Work Obligations, a Shareholder that voted against such decision shall not be prevented from withdrawing; provided that such Shareholder delivers notice of its withdrawal to MGTC and to all other Shareholders within thirty (30) days of such vote and fully satisfies its outstanding Minimum Work Obligations, if any.
- (C) Subject to Sections 15.1(A) and (B) and Section 15.5, the effective date of withdrawal for a withdrawing Shareholder shall be the later of:
 - (1) The date proposed in the notice of withdrawal; and
 - (2) The date that the Withdrawing Shareholder has fulfilled its obligations under this Article.

15.2 Partial Withdrawal

- (A) Within thirty (30) days of receipt of each Withdrawing Shareholder's notification, each of the other Shareholders may also give notice that it desires to withdraw from this Agreement and the other Transportation Project Documents. Should all Shareholders give notice of withdrawal.

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the Shareholders shall proceed to terminate this Agreement and other the Transportation Project Documents. If less than all of the Shareholders give such notice of withdrawal, then the Withdrawing Shareholders shall take all steps to withdraw from this Agreement and the other Transportation Project Documents on the earliest possible date and execute and deliver all necessary instruments and documents to assign their Shareholding Interest to the Shareholders which are not withdrawing, without any compensation whatsoever, in accordance with the provisions of Section 15.6.

- (B) If any part of the Withdrawing Shareholder's Shareholding Interest remains unclaimed after sixty (60) days from the date of the first notice of withdrawal, the Shareholders shall be deemed to have decided to withdraw from this Agreement and other the Transportation Project Documents, unless at least one Shareholder agrees to accept the unclaimed Shareholding Interest together with all rights and obligations attached thereto.

15.3 Voting

After giving its notification of withdrawal, a Shareholder shall not be entitled to vote on any matters, other than matters for which such Shareholder has financial responsibility.

15.4 Obligations and Liabilities

- (A) A Withdrawing Shareholder, prior to its withdrawal, shall satisfy all obligations and liabilities (including any amount such Shareholder may still owe under a Call made by General Manager on behalf of MGTC pursuant to Section 7.1.(b)) it has incurred or are attributable to it prior to its withdrawal, including, without limitation, any expenditures budgeted and/or approved by the Operating Committee prior to the Withdrawing Shareholder's written notification of withdrawal (development projects included), and any liability for acts, occurrences or circumstances taking place or existing prior to its withdrawal. Furthermore, any liens, charges and other encumbrances which the Withdrawing Shareholder placed on its Shareholding Interest prior to its withdrawal shall be fully satisfied or released, at the Withdrawing Shareholder's expense, prior to its withdrawal. A Shareholder's

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withdrawal shall not relieve it from liability to the non-withdrawing Shareholders with respect to any obligations or liabilities attributable to the Withdrawing Shareholder which are not identified or identifiable at the time of withdrawal.

- (B) Notwithstanding the foregoing, a Shareholder shall not be liable for any operations or expenditures it voted against if it sends notification of its withdrawal within five (5) days of the Board or Shareholders' vote approving such operation or expenditure, nor shall such Shareholder be liable for any operations or expenditures approved by the Board or Shareholders, excluding those approved pursuant to Section 15.5, after notice has been given pursuant to Section 15.1.
- (C) Should a Withdrawing Shareholder use its right under Section 15.4(B) above not to participate to certain expenditures, the remaining Shareholders shall promptly be offered an opportunity to revise their vote related to such expenditures.

15.5 Emergency

A Shareholder's notification of withdrawal shall not become effective if prior to the proposed date of withdrawal a fire, sabotage or other emergency occurs in connection with the Transportation System. The notification of withdrawal shall become effective only after the emergency has been contained and the Withdrawing Shareholder has paid, or has provided, security satisfactory to the other Shareholders for its Shareholding Interest share of the costs of such emergency.

15.6 Assignment

A Withdrawing Shareholder shall assign its Shareholding Interest to each of the non-withdrawing Shareholders which shall be allocated to them in the proportion which each of their Shareholding Interests (prior to the withdrawal) bears to the total Shareholding Interests of all the non-Withdrawing Shareholders (prior to the withdrawal), unless the non-withdrawing Shareholders agree otherwise. The expenses associated with the withdrawal and assignments shall be borne by the Withdrawing Shareholder.

15.7 Approvals

A Withdrawing Shareholder shall promptly join in such actions as may be

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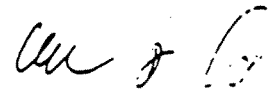
necessary or desirable to obtain any Governmental Authorizations required in connection with the withdrawal and assignments, and any penalties or expenses incurred by the Shareholders in connection with such withdrawal shall be borne by the Withdrawing Shareholder.

15.8 Abandonment Security

- (A) A Withdrawing Shareholder shall provide Security satisfactory to the other Shareholders to satisfy any such obligations or liabilities which were approved or accrued prior to notice of withdrawal, but which become due after its withdrawal, including, without limitation, Security to cover the costs of an abandonment, if applicable.
- (B) "Security" for the purpose of this Section 15.8 means a standby letter of credit issued by a Bank or an on-demand bond issued by a corporation, such Bank or corporation having a credit rating indicating it has sufficient worth to pay its obligations in all reasonably foreseeable circumstances, or, failing the provision of either of those, cash contributed to a secure fund administered by independent trustees and invested in London.

15.9 Withdrawal or Abandonment by all Shareholders

In the event all Shareholders decide to withdraw or are required to do so pursuant to this Article, the Shareholders agree that they shall be bound by the terms and conditions of this Agreement for so long as may be necessary to wind up the affairs of the Shareholders with all relevant Governmental Entities to satisfy any requirements of applicable law or to facilitate the sale, disposition or abandonment of property or interests held by MGTC.



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ARTICLE 16 - TERM AND TERMINATION

16.1 Entry into Force

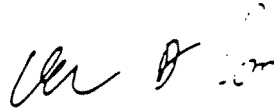
This Agreement shall enter into force upon signature by the contracting parties.

16.2 Termination

This Agreement shall remain in full force and effect until terminated by mutual agreement between the Shareholders.

16.3 Survival

Without intending to exclude the provisions hereof which by their nature survive, the provisions of Articles 17, 21 and of Sections 22.8 and 22.9 shall survive the termination of this Agreement.



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ARTICLE 17 - APPLICABLE LAW AND DISPUTE RESOLUTION

17.1 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with English law, excluding any conflict of law rules which would refer the matter to the laws of another jurisdiction.

17.2 Dispute Resolution

- (A) Any dispute, controversy or claim arising out of or in relation to in connection with this Agreement or the operations carried out under this Agreement, including without limitation any dispute as to the validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by arbitration, and any Shareholder may submit such a dispute, controversy or claim to arbitration by notice given to the other Shareholders.
- (B) The arbitration shall be held and determined by three (3) arbitrators. Each side shall appoint an arbitrator of its choice within thirty (30) days of the submission of a notice of arbitration. The party-appointed arbitrators shall in turn appoint a presiding arbitrator of the tribunal within twenty (20) days following the appointment of both party-appointed arbitrators. If the party-appointed arbitrators cannot reach agreement on a presiding arbitrator of the tribunal and/or one party refuses to appoint its party-appointed arbitrator within said twenty (20) day period, the appointing authority for the implementation of such procedure shall be designated in accordance with UNCITRAL Arbitration Rules as at present in force. All decisions and awards by the arbitration tribunal shall be made by majority vote.
- (C) Unless otherwise expressly agreed in writing by the parties to the arbitration proceedings:
 - (1) The arbitration proceedings shall be held in Singapore
 - (2) The arbitration proceedings shall be conducted in the English language and the arbitrators shall be fluent in the English language

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- (3) The arbitrators shall be and remain at all times wholly independent and impartial.
- (4) The arbitration proceedings shall be conducted in accordance with the UNCITRAL Arbitration Rules as at present in force.
- (5) Any procedural issues not determined under the arbitral rules, selected pursuant to Section 17.2.(C) (4) shall be determined by the law of the place of arbitration, other than those laws which would refer the matter to another jurisdiction.
- (6) The costs of the arbitration proceedings (including attorneys' fees and costs) shall be borne in the manner determined by the arbitrators.
- (7) The decision of a majority of the arbitrators shall be reduced to writing ; final and binding without the right of appeal ; the sole and exclusive remedy regarding any claims, counterclaims, issues or accountings presented to the arbitrators ; made and promptly paid in Dollars free of any deduction or offset ; and any costs or fees incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement.
- (8) Consequential, punitive or other similar damages shall not be allowed ; provided, however, the award may include appropriate punitive damages where a party has engaged in delaying and dilatory actions.
- (9) The award shall include interest from the date of any breach or violation of this Agreement, as determined by the arbitral award, and from the date of the award until paid in full, at the Agreed Interest Rate.
- (10) Judgement upon the award may be entered in any court having jurisdiction over the person or the assets of the party owing the judgement or application may be made to such court for a judicial acceptance of the award and an order of enforcement.

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as the case may be.

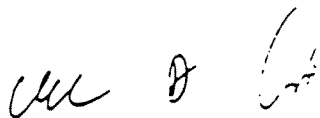
- (11) Whenever the parties are of more than one nationality, the presiding arbitrator shall not be of the same nationality as any of the parties or their ultimate parent entities.

17.3 Continuing Performance

Unless otherwise agreed in writing, the parties shall continue to perform their respective obligations under this Agreement during any proceeding by the parties in accordance with this Article 17.

17.4 Exercise of Rights and Remedies

Except with respect to disputes regarding payments due and owing, no provision of this Article 17 shall be construed to prevent or preclude any party from exercising any of its respective rights or remedies set out in this Agreement.



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ARTICLE 18 - WINDING UP OF MGTC

18.1 General

Upon termination of this Agreement pursuant to Article 16, MGTC shall be liquidated in accordance with the laws of Bermuda, and the requirements of this Article 18.

18.2 Appointment of Liquidator

Subject to applicable law, a third party liquidator (not being an Affiliate of any Shareholder) reasonably acceptable to the Shareholders shall be appointed who shall use reasonable commercial efforts to sell or otherwise liquidate, or make a custodian arrangement for, the assets of MGTC, either as a going concern or as separate items and shall seek to maximize the proceeds received for such assets and shall use his best efforts to obtain the best prices for such assets. The Shareholders shall be bound by the terms of any sale or disposition effected by the liquidator.

18.3 Purchase by Shareholders

Subject to applicable law and the provisions of Section 18.2, each Shareholder may bid for and purchase the assets of MGTC to be sold or disposed of by the liquidator.

18.4 Distribution

After establishment of such cash reserves as the liquidator determines to be reasonably necessary to fund any contingent or foreseeable liability or obligation of MGTC, the liquidator shall distribute the proceeds of liquidation in the following order, subject to the provisions of any applicable law:

- (a) first, to the payment of the liquidator's reasonable expenses in liquidating MGTC;
- (b) secondly, to the payment of the reasonable expenses in causing MGTC to be liquidated or wound up;
- (c) thirdly, to creditors of MGTC (including the Operator) other than the Shareholders; and

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(d) fourthly, to the extent of any surplus, to the Shareholders

If any Shareholder receives from the liquidator proceeds in excess of what it is entitled to receive under this Section 18.4, it shall hold such excess proceeds in trust for the other Shareholders in proportion to their respective Shareholding Interests and shall promptly distribute such excess proceeds to the other Shareholders.

18.5 Liability

In no event shall any Shareholder incur any liability to any of the other Shareholders in connection with :

- (a) the exercise of any of the rights to give notice of termination referred to in this Article 18 ; or
- (b) save in the case of fraud on the part of such Shareholder, the actions of, or the results obtained by, the liquidator.

18.6 Termination on Completion of Liquidation

Upon completion of the liquidation of MGTC, this Agreement shall be terminated for all purposes, save as provided in Section 16.3. Termination of this Agreement in accordance with the provisions of this Section 18.6 shall not affect any rights or obligations which may have accrued to any Shareholder before such termination.

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ARTICLE 19 - REPRESENTATIONS AND WARRANTIES

Each Shareholder represents and warrants to each other Shareholder that

- (a) it is duly organized and validly existing as an entity under the laws of its constituting jurisdiction and has all requisite power and authority to own its property and assets and conduct its business as presently conducted or proposed to be conducted under this Agreement in its capacity as such an entity ;
- (b) it has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement in its capacity as an entity, and its assets are and shall remain subject to civil and private commercial law and suit with respect to its obligations under this Agreement and the Transportation Project Documents to which it is or will be a party ;
- (c) all necessary action has been taken to authorize its execution, delivery and performance of this Agreement, and this Agreement constitutes its valid, legal and binding obligation enforceable against it in accordance with its terms ;
- (d) no Governmental Authorization is required for its valid execution, delivery and performance under this Agreement except such as have been duly obtained or made ;
- (e) none of the execution or delivery of this Agreement, the performance of the obligations in connection with the transactions contemplated hereby, or the fulfilment of the terms and conditions hereof will (i) conflict with or violate any provision of its constituting documents or enabling statutes (ii) conflict with, violate or result in a breach of any applicable law currently in effect, or (iii) conflict with, violate or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest or other encumbrance under any term or condition of any mortgage, indenture or any other agreement or instrument to which it is a party or by which any of its properties or assets are bound and

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ARTICLE 20- FORCE MAJEURE

20.1 Obligations

If as a result of Force Majeure any Shareholder is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due including the making of Shareholder Advances and Replacement Advances or to furnish security, then the obligations of the Shareholder giving such notice, to the extent that those obligations are affected by Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. Any Shareholder claiming Force Majeure shall notify the other Shareholders of the Force Majeure situation within a reasonable time after the occurrence of the facts relied on and shall keep all other Shareholders informed of all significant developments. Such notice shall give reasonably full particulars of the relevant event of Force Majeure, and also estimate the period of time which the affected Shareholder will probably require to remedy the Force Majeure. The affected Shareholder shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in an economic manner, but shall not be obligated to settle any labor dispute except on terms acceptable to it and all such disputes shall be handled within the sole discretion of the affected Shareholder.

20.2 Definition of Force Majeure

For the purpose of this Agreement, "Force majeure" shall include the results of war, political disturbances, riots or civil commotions, total or partial breakdown or stoppage of airplanes, steamships or other means of transportation, fires, thefts, floods, earthquakes, epidemics or any other cause beyond a Shareholder's reasonable control.

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ARTICLE 21- INDEMNIFICATION AND LIABILITY

21.1 Liability and Indemnity

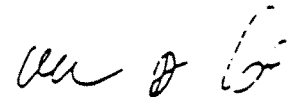
Subject to Section 21.2, each Shareholder agrees to indemnify and hold harmless each other Shareholder and its Affiliates and its and their respective directors, employees, servants and agents against its Shareholding Interest share of any liability, loss, damage, claim or expense including reasonable legal fees and expenses and fines or penalties of whatever nature arising out of or in connection with any breach or misrepresentation by such Shareholder under this Agreement or any Transportation Project Document to which it is a party.

21.2 No Consequential Damages

Notwithstanding anything to the contrary elsewhere in this Agreement, no Shareholder shall, in any event, be liable under this Agreement to any other Shareholder for any incidental, indirect, special or consequential damages, including but not limited to, loss of revenue, loss of profits, loss of product, cost of capital, Transportation System downtime, inability to proceed with any aspect of the Transportation Project, and loss of business reputation or opportunity, whether such liability arises out of contract, tort (including negligence), strict liability, statute or otherwise.

21.3 Of the Essence

This Article 21 shall be of the essence of this Agreement and shall prevail over any conflicting or inconsistent provisions contained in this Agreement.



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ARTICLE 22 - MISCELLANEOUS

22.1 Notices

Except as otherwise specified in this Agreement, any notice, demand for information or documents required or authorized by this Agreement to be given to a Shareholder shall be given in writing and shall be sufficiently given if delivered by registered mail, courier or hand delivered against written receipt, or if transmitted and clearly received by facsimile transmission addressed as set out below, or if sent to such Shareholder by registered mail, courier or hand delivery to such other address as such party may designate for itself by notice given in accordance with this Section 22.1. Any such notice shall be effective only upon actual delivery or receipt thereof. All material notices given by telex or facsimile shall be confirmed in writing, delivered or sent as aforesaid. The address for the delivery of notices, information or documents to each party and the respective telephone and facsimile numbers are as follows:

TOTAL PROFILS PETROLIERS
TOUR TOTAL
24, Cours Michelet
CEDEX 47
92069 PARIS LA DEFENSE
FRANCE
Attention : Mr J.M. BEUQUE

Tel (33) 1 31.45.32.81
Fax (33) 1.31.45.30.12
Telex 615700F

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UNOCAL INTERNATIONAL PIPELINE CORPORATION
1201 West 5th Street
P O Box 7600 LOS ANGELES, CALIFORNIA 90017
UNITED STATES OF AMERICA
Attention : Marty F. MILLER

Tel (713) 2875495
Fax (713) 2877340
Telex 188334 UNOCAL UT

PTTEP INTERNATIONAL LIMITED
555 Vibhavadi Rangsit Road
BANGKOK 10900 THAILAND
Attention : Mr Viset CHOOPIBAN

Tel (02) 537 3600
Fax (02) 537-3749, 537-3643
Telex 20610 PTTEP TH

22.2 Amendments

No amendment or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by each party, and in the case of waivers, shall be effective only in the specific instance and for the specified purpose for which it was given.

22.3 Successors and Assigns

This Agreement shall binding upon and inure to the benefit of the Shareholders and their respective successors and permitted assigns

22.4 No Waiver

No failure on the part of any Shareholder to exercise and no course of dealing with respect to and no delay in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof

22.5 Entire Agreement

(a) This Agreement together with the Memorandum and Bye-Laws

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constitutes the entire understanding between the Shareholders and supersedes any and all previous understandings, whether written or oral, between the parties with respect to the constitution and operation of MGTC.

- (b) In the case of any discrepancy or ambiguity between this Agreement and the Bye-Laws, this Agreement shall prevail and the Shareholders shall procure that the Bye-Laws be altered to accord with the provisions hereof.

22.6 Severability

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

22.7 Executed Originals

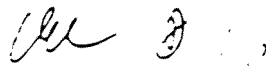
The parties shall execute three originals of this Agreement, one to be delivered to each Shareholder.

22.8 Confidential Information

- (a) Subject to the provisions of the Contract, the Shareholders agree that all information and data acquired or obtained by any Shareholder in relation to MGTC and the Transportation Project shall be considered confidential and shall be kept confidential and not be disclosed during the term of this Agreement and for a period of five years after the expiration or earlier termination of this Agreement to any person or entity who is not a Shareholder, except

- (i) to an Affiliate of that Shareholder provided that such Affiliate maintains confidentiality as provided in this Section 22.8

- (ii) to a Governmental Entity when required by an applicable law



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- (iii) to the extent that such data and information are required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a party
- (iv) subject to Section 22.8 (b), to potential contractors, contractors, consultants and attorneys employed by any party where disclosure of such data or information is essential to such contractor's, consultant's or attorney's work
- (v) subject to Section 22.8 (b), to a bona fide prospective transferee of a Shareholder's Shareholding Interest (including an entity with whom a Shareholder is conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or any of its Affiliate's shares) ;
- (vi) subject to Section 22.8 (b), to a Bank or other financial institution to the extent necessary for a Shareholder arranging for funding of its obligations under this Agreement
- (vii) to the extent that such data and information must be disclosed pursuant to any rules or requirements of any Governmental Entity or stock exchange having jurisdiction over such party, or its Affiliates, provided that if any party desires to disclose information in an annual or periodic report to its or its Affiliates' shareholders and to the public and such disclosure is not required pursuant to any rules or requirements of any Governmental Entity or stock exchange, then such party shall comply with Section 22.9
- (viii) to its respective employees acting in connection with MGTC or the Transportation Project, subject to each party taking customary precautions to ensure such data and information are kept confidential and

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- (ix) where any data or information which, through no fault of a party, becomes part of the public domain.
- (b) Disclosure pursuant to paragraphs (iv), (v) and (vi) of Section 22.8. (a) shall not be made unless before such disclosure the disclosing party has obtained a written undertaking from the recipient party to keep the data and information strictly confidential and not to use or disclose the data and information except for the express purpose for which disclosure is to be made.

22.9 Public Announcements

- (A) The General Manager shall be responsible for the preparation and release of all public announcements and statements regarding this Agreement and the Transportation Project: provided that, no public announcement or statement shall be issued or made unless prior to its release all the parties have been furnished with a copy of such statement or announcement and the approval of at least two (2) non-Affiliated Shareholders holding sixty per cent (60%), or more, of the Shareholding Interests has been obtained. Where a public announcement or statement becomes necessary or desirable because of danger to or loss of life, damage to property or pollution as a result of activities arising under the Transportation Project documents, General Manager is authorized to issue and make such announcement or statement without prior approval of the parties, but shall promptly furnish all the parties with a copy of such announcement or statement.
- (B) If a Shareholder wishes to issue or make any public announcement or statement in any way connected with this Agreement, MGTC or the Transportation Project, it shall not do so unless before its release, the Shareholder furnishes all the other Shareholders with a copy of such announcement or statement and obtains the approval of at least two (2) non-Affiliated Shareholders holding at least sixty per cent (60 %) of the aggregate of all Shareholding Interests, provided that, notwithstanding any failure to obtain such approval, no Shareholder shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order

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to comply with the applicable laws, rules or regulations of any Governmental Entity, legal proceedings or stock exchange having jurisdiction over such Shareholder as set out in Section 22.8 (a) (iii) and (vii).

22.10 Further Assurances

If any Shareholder reasonably determines that any further instruments or any other acts or things are necessary or desirable to carry out the terms of this Agreement, the other Shareholders shall execute and deliver all such instruments and assurances and do all such things as the first party reasonably deems necessary or desirable to carry out the terms of this Agreement (the cost of such acts or things to be shared among the Shareholders in proportion to their respective Shareholding Interests).

22.11 Set-Off

All payments to be made by any Shareholder under this Agreement shall be made without set-off or deduction on any account whatsoever

22.12 No Third Person Rights

This Agreement is not for the benefit of any person or entity other than the Shareholders and MGTC, and no other person or entity shall be deemed to be a third party beneficiary hereof or entitled to any benefits hereunder.

22.13 Currency of Payment

(a) Payments made or to be made by any Shareholder hereunder shall be both denominated and payable in Dollars, unless otherwise determined by MGTC (taking into account Operator's requests in relation to funding required for MGTC Operations) to be in another freely exchangeable currency.

(b) Except where otherwise expressly provided herein, all payments under this Agreement shall be made by transfer or credit of funds to the designated account of the party entitled to receive such payment

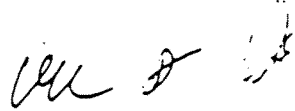
22.14 Organizing Expenses

The expenses of organizing MGTC shall be borne by the Shareholders in proportion to their Shareholding Interests

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22.15 Counterparts

This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original.

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ARTICLE 23 - GOVERNMENTAL APPROVALS

The Shareholders' obligations under this Agreement are subject to the following consents and approvals being obtained :

- a) Notification by the Ministry of Energy to grant permission to MGTC to build, own and operate gas transportation facilities in Myanmar;
- b) Permit ;
- c) Permit to trade issued by the Ministry of Trade under the Myanmar Companies Act.

EXECUTED as of the day and year first above written in three originals.

By : Jean Marie BEUQUE
Title : Director General
TOTAL PROFILS PETROLIERS

[Signature]

[Signature]

By : MARTY F. MILLER
Title : PRESIDENT
UNOCAL INTERNATIONAL PIPELINE CORPORATION

[Signature]

[Signature]

[Signature]



[Signature]

[Signature]

By : WISIT CHONGCHITAN
Title : CHAIRMAN AND PRESIDENT
PTTEP INTERNATIONAL LIMITED

[Signature]

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Schedule 1 MGTC FUNDING

1 - Shareholder Advances

(a) The terms and conditions of every Shareholder Advance shall be identical. A Shareholder Advance shall: (i) be non-interest bearing, (ii) on a winding-up or dissolution of MGTC, rank pari passu with Replacement Advances and rank for priority of repayment behind the payment to, or repayment of, unsubordinated creditors, but ahead of the Share Capital, (iii) be repayable pro rata with Replacement Advances to the extent that MGTC considers it would be able to do so without breach of MGTC's obligations in respect of unsubordinated debt in compliance with the intention expressed in Section 7.5.1, provided always that, subject to Section 7.6, MGTC will have paid any instalments due under any MGTC Bank Loan, under any Shareholder Loans or under any Shareholder Bank Loans. While any such debt remains outstanding the rights of a Shareholder to require repayment of a Shareholder Advance are subordinated to the unsubordinated debts of all other creditors of MGTC.

(b) Any repayments to Shareholders of Shareholder Advances and Replacement Advances shall be made pro rata to the aggregate of the outstanding amount of all Shareholder Advances and Replacement Advances. On a winding-up or dissolution of MGTC, all Shareholder Advances and Replacement Advances, shall rank pari passu and be repaid to Shareholders pro rata to the aggregate amount thereof.

2 - Replacement Advances

(a) Sections 7.2.4 and 7.3.2 of this Agreement provide that under certain conditions the Shareholders shall make Replacement Advances.

(b) The terms and conditions of every Replacement Advance shall be identical and substantially similar to every Shareholder Advance. A Replacement Advance shall: (i) be non-interest bearing, (ii) on a winding-up or dissolution of MGTC rank pari passu with Shareholder Advances and rank for priority of repayment behind the payment to or repayment of, unsubordinated creditors but ahead of the Share Capital, (iii) be repayable, pro rata with Shareholder Advances, to the extent that

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MGTC considers it would be able to do so without breach of MGTC's obligations in respect of unsubordinated debt in compliance with the intention expressed in Section 7.5.1, provided always that subject to Section 7.6 MGTC will have paid any instalments due under any MGTC Bank Loan, under any Shareholder Loans or under any Shareholder Bank Loans. While any such debt remains outstanding the rights of a Shareholder to require repayment of a Replacement Advance are subordinated to the unsubordinated debts of all other creditors of MGTC.

(c) Any repayments to Shareholders of Shareholder Advances and Replacement Advances shall be made pro rata to the aggregate of the outstanding amount of all Shareholder Advances and Replacement Advances. On a winding-up or dissolution of MGTC, all Shareholder Advances and Replacement Advances shall rank pari passu and be repaid to Shareholders pro rata to the aggregate amount thereof.

3 - Alternative Forms of Refinancing

Section 7.1 of this Agreement further provides for the refinancing from time to time of Shareholder Advances by means of alternative financing methods. The Shareholders in general meeting shall be free to choose whichever alternative means of finance they may deem to be appropriate in the circumstances which prevail at the time such decision is made. Such alternatives may include any one or more of the following methods of refinancing:

- (a) by way of a Shareholder Loan: all Shareholder Loans created at the same time shall have terms substantially identical and shall (i) bear interest at a rate consistent with market conditions prevailing at that time and to be approved by the Shareholders by resolution passed with the majority vote referred to in Section 7.2.1 and (ii) be repayable in instalments in accordance with an agreed schedule. Any interest which is due on a Shareholder Loan, but which is not paid on the due date (as agreed under the Shareholder Loan agreement) for such payment shall be capitalised and form part of the instalment which is due on such date. In the event that any such instalment (including capitalised interest) is not actually paid by MGTC on its due date (as agreed under the Shareholder Loan agreement), the amount of the unpaid instalment shall automatically be deemed to become a Shareholder Advance.

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- (b) by way of a Shareholder Bank Loan, made by a Bank to MGTC in substitution for a Shareholder Loan as described in paragraph 3(a) above. A Shareholder Bank Loan will be made on the same terms and conditions as regards the applicable rate of interest and the schedule of repayment instalments as the Shareholder Loan that it replaces. If MGTC is unable to pay any interest or instalment of principal on the Shareholder Bank Loan it shall be entitled to require that the Shareholder in question make a Replacement Advance to meet the amount thereof. The benefit of the undertaking of each Shareholder in Section 7.2.4 may be assigned by MGTC to the Bank making a Shareholder Bank Loan and the Shareholder in question may covenant directly with the Bank in similar terms. In consideration of such assignment by MGTC or of the direct covenant by the relevant Shareholder to the Bank, the Bank shall be required to limit its rights of recourse to MGTC or any of its assets or any other Shareholder, to the obligations of the relevant Shareholder to make Replacement Advances.

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Schedule 2

- Certified Reserves -

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OFFICE OF
GENERAL INVESTIGATION

OF

YADAN

IN THE

CITY OF

STATE OF

OCTOBER 1991



UYP3 008114

DEGOLYER AND MACNAUGHTON
ONE ENERGY SQUARE
DALLAS, TEXAS 75206

CERTIFICATE OF GAS RESERVES

As Independent Engineer, we have made an estimate of the wet-gas reserves of the Yadana field in blocks M5 and M6 in the Gulf of Martaban, Union of Myanmar. We have been provided with geological and engineering information and data from the field and have consulted with officers and employees of TOTAL Myanmar Exploration and Production (TOTAL), the operator. All information and data were accepted as represented.

We have estimated the proved gas reserves of the field, as of October 31, 1993. Proved reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs as of the date the estimate is made, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The gas reserves are classified as follows:

Proved — Reserves that have been proved to a high degree of certainty by analysis of the producing history of a reservoir and/or by volumetric analysis of adequate geological and engineering data. Commercial productivity has been established by actual production, successful testing, or in certain cases by favorable core analysis and electrical-log interpretation when the producing characteristics of the formation are known from nearby fields. Volumetrically, the structure, areal extent, volume, and characteristics of the reservoir are well defined by a reasonable interpretation of adequate subsurface well control and by known continuity of hydrocarbon-saturated material above known fluid contacts, if any, or above the lowest known structural occurrence of hydrocarbons.

The estimates of gas reserves were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The volumetric method was used to estimate volumes of gas in place. Structure and isopach maps were prepared to aid in evaluating reservoir volumes. Well logs, core analyses, fluid analyses,

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Dec 8/93

DeGolyer and MacNaughton

bottom-hole pressures, and other available data were used to prepare these maps and to determine the volumes of gas contained in the reservoirs. Where the method was applicable, gas reserves were estimated by extrapolation of historical trends of pressure decline as a function of cumulative production. Estimates of reserves took into account the type of energy inherent in the reservoirs, reservoir performance, and well performance.

Gas reserves in this certificate are expressed in billions of cubic feet (Bcf) at a temperature base of 60 degrees Fahrenheit and a pressure base of 14.65 pounds per square inch absolute. The gas reserves estimated herein are wet-gas reserves, which are defined as the total volume of gas to be produced from the field.

In our opinion, we have made the investigations necessary to enable us to estimate the gas reserves reported in this certificate.

The proved wet-gas reserves, as of October 31, 1993, of the Yadana field in the Gulf of Martaban, Union of Myanmar, are estimated below:

Proved
Wet-Gas
Reserves
(Bcf)

3,717

Submitted.

DeGolyer and MacNaughton
DeGOLYER and MacNAUGHTON

SIGNED November 12, 1993



L. Dean Jones, P.E.
L. Dean Jones, P.E.
Senior Vice President
DeGolyer and MacNaughton

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Attachment 4

Gas Pipeline Operating Agreement

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GAS PIPELINE OPERATING AGREEMENT
FOR GAS TRANSPORTATION COMPANY
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EXHIBIT "A" - Accounting Procedure

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GAS PIPELINE OPERATING AGREEMENT

THIS AGREEMENT is made as of the Effective Date among MOATTAMA GAS TRANSPORTATION COMPANY LIMITED, a limited liability company incorporated in Bermuda (hereinafter referred to as "MGTC"), on the one part and TOTAL MYANMAR EXPLORATION AND PRODUCTION a company incorporated in France (hereinafter referred to as "TMEP" or "Operator"), on the other part. The companies named above may sometimes individually be referred to as "Party" and collectively as the "Parties".

RECITALS

Capitalized terms used in this Agreement, including the Recitals, shall have the meanings set out in Article 1.

WHEREAS on July 9th 1992 TOTAL MYANMAR EXPLORATION AND PRODUCTION has entered into a Production Sharing Contract, a Memorandum of Understanding and a Side-Letter (together hereinafter referred to as the "Contract") with MYANMA OIL AND GAS ENTERPRISE (hereinafter referred to as "MOGE") covering certain areas located in the Union of Myanmar, referred to as the Contract Area:

WHEREAS in accordance with the terms and conditions of the Contract, the MGTC has been established and its Shareholders have entered on the same date as this Agreement a Shareholders Contract Agreement ("the Shareholders Agreement") to govern their rights and obligations in respect of MGTC.

WHEREAS, the EGSA shall be entered into on February 2nd 1995 and the gas sold under the EGSA shall be transported by MGTC, pursuant to the EGTA entered into on the same date as this Agreement:

WHEREAS, the Parties desire to define their respective rights and obligations with respect to the operations to be conducted by MGTC.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements and obligations set out below and to be performed, the Parties agree as follows

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ARTICLE 1 - DEFINITIONS

As used in this Agreement, the following words and terms shall have the meaning ascribed to them below:

- 1.1 Accounting Procedure means the rules, provisions and conditions set forth and contained in Exhibit A to this Agreement.
- 1.2 AFE means an authorization for expenditure pursuant to Article 6.5.
- 1.3 Affiliate has the meaning given to that term in the Shareholders Agreement.
- 1.4 Agreed Interest Rate means interest compounded on a monthly basis at the rate per annum equal to the one (1) month term LIBOR rate for U.S. Dollar deposits, as published by The Wall Street Journal or if not published, then by the Financial Times of London, plus four percent (4 %), applicable on the first Business Day prior to the due date of payment and thereafter on the first Business Day of each succeeding one (1) month term. If the aforesaid rate is contrary to any applicable usury law, the rate of interest to be charged shall be the maximum rate permitted by such applicable law.
- 1.5 Agreement means this agreement, together with the Exhibit attached to this agreement.
- 1.6 Business Day means a day on which the banks in the Union of Myanmar are customarily open for business.
- 1.7 Calendar Year or Year means a period of twelve (12) months commencing with January 1 and ending on the following December 31 according to the Gregorian Calendar.
- 1.8 Contract means the instrument concluded between MOGE and TMEP identified in the first recital to this Agreement and any extension, renewal or amendment thereof agreed to in writing by the parties to said instrument.
- 1.9 Contractual Delivery Date has the meaning given to that term in the EGSA.
- 1.10 Contract Area means the surface area which is described in the Contract.
- 1.11 Crude Oil means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms including condensate and other substances extracted or separated from Natural Gas.
- 1.12 Day means a calendar day unless otherwise specifically provided.
- 1.13 Defaulting Party shall have the meaning ascribed in Article 7.1.
- 1.14 Effective Date means the date this Agreement comes into effect as stated in Article 2.

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- 1 15 EGSA means the Export Gas Sales Agreement, in the form annexed to the MOUG, executed by the parties thereto in connection with the sale by each Participant of its share of Natural Gas produced from the Production Project to PTT
- 1 16 EGTA means the Export Gas Transportation Agreement entered into between the Participants and MGTC, in connection with the transportation of Natural Gas through the Export Pipeline.
- 1 17 General Manager means the person appointed to be the General manager of MGTC in the manner and with the duties and functions, described in Article 8 of the Shareholding Agreement
- 1 18 Government means the government of the Union of Myanmar
- 1 19 Government Oil Company means MOGE and its successor(s).
- 1 20 Gross Negligence means any act or failure to act (whether sole, joint or concurrent) by a Party which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such Party knew, or should have known, such act or failure would have had on the safety or property of another person or entity, but shall not include any error of judgment or mistake made by such Party in the exercise in good faith of any function, authority or discretion conferred on the Party employing such under this Agreement.
- 1 21 Implementation Plan has the meaning given to that term in Article 6.1
- 1 22 MGTC Account means the account maintained by Operator in accordance with the provisions of this Agreement and of the Accounting Procedure for MGTC Operations
- 1 23 MGTC Documents means the Shareholders Agreement, the Memorandum of Association and the Bye-Laws, related to MGTC, and includes this Agreement.
- 1 24 MGTC Operations means those operations and activities carried out by Operator pursuant to this Agreement, the costs of which are chargeable to MGTC
- 1 25 MGTC Property means, at any point in time, all facilities, equipment, materials, information, funds and the property held for the MGTC Account.
-
- 1 26 ~~Minimum Work Obligations means those work and/or expenditure obligations which must be performed by MGTC until the Contractual Delivery Date to transport Sales Gas from the Receipt Point and to deliver it at the Point of Delivery under the conditions provided for in the EGTA to which MGTC is a party~~
- 1 27 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas
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- 1 28 Operating Committee means the committee of Shareholders of MGTC constituted in accordance with Article 5
- 1 29 Operator means a Party to this Agreement designated as such in accordance with this Agreement
- 1 30 Party means any of the entities named in the first paragraph to this Agreement and includes any respective successors or assigns in accordance with the provisions of this Agreement
- 1 31 Point of Delivery has the meaning given to that term in the EGSA
- 1 32 Receipt Point has the meaning given to that term in the EGTA
- 1 31 Sales Gas has the meaning given to that term in the EGSA
- 1 32 Shareholders has the meaning given to that term in the Shareholders Agreement
- 1 33 Shareholding Interest has the meaning given to that term in the Shareholders Agreement
- 1 34 Senior Supervisory Personnel means any supervisory employee of a Party or of any of its Affiliates who functions as such Party's designated manager or supervisor who is responsible for or in charge of construction or transportation and related operations, or any other gas transportation operations, and any employee of such Party who functions at a management level equivalent to or superior to such supervisory employee or an officer or a director of such Party.
- 1 34 Special Approval has the meaning given to that term in the Shareholders Agreement.
- 1 35 Work Program and Budget means a work program for MGTC Operations and budget therefore as described and approved in accordance with Article 5.

ARTICLE 2 - EFFECTIVE DATE AND TERM

This Agreement shall have effect from the 30th Day of January, 1995 and shall, subject to Paragraphs (A) and (B) below continue in effect as long as MGTC is in existence or, otherwise until such time as all materials, equipment and movable property used in connection with the MGTC Operations have been removed and disposed of, and final settlement has been made among the Parties

To prevent the premature termination of obligations continuing after the termination of this Agreement as set forth above, those Articles referenced in (A) and (B) below and all other portions of this Agreement directly and necessarily related thereto, shall remain in effect until

- A) all obligations, claims, arbitrations and lawsuits have been settled or otherwise disposed of in accordance with Article 4.5 and Article 11 and

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- (B) the time relating to the protection of confidential information and proprietary technology has expired in accordance with Article 8

ARTICLE 3 - OBLIGATIONS AND LIABILITIES

Unless otherwise provided in this Agreement, all liabilities and expenses incurred by Operator in connection with MGTC Operations shall be charged to the MGTC Account and all credits to the MGTC Account shall belong to MGTC.

ARTICLE 4 - OPERATOR

4.1 Designation of Operator

TMEP is hereby designated as Operator, and agrees to act in accordance with the terms and conditions of this Agreement and of the other MGTC Documents, which terms and conditions shall also apply to any successor Operator.

4.2 Rights and Duties of Operator

- (A) Subject to the terms and conditions of this Agreement, Operator shall have all of the rights, functions and duties of Operator under the MGTC Documents and shall have exclusive charge of and shall conduct all MGTC Operations. Operator may employ the services of its parent company, as well as independent contractors and/or agents in such MGTC Operations.

- (B) in the conduct of MGTC Operations Operator shall

- (1) Perform MGTC Operations in accordance with the provisions of the MGTC Documents and the instructions of the Operating Committee.
- (2) Conduct all MGTC Operations in a diligent, safe and efficient manner in accordance with good and prudent oil and gas industry practices generally followed by the international petroleum industry under similar circumstances, and with all applicable laws and regulations.
- (3) Subject to Article 4.6, neither gain a profit nor suffer a loss as a result of being the Operator under this Agreement.

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- (4) Perform the duties for the Operating Committee set out in Article 5 and prepare and submit to the Operating Committee the proposed Work Programs, Budgets and AFE as provided in Article 5.

- (5) Acquire on behalf of MGTC all permits, consents, approvals, surface or other rights that may be required for or in connection with the conduct of MGTC Operations.

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- (5) Permit the representatives of MGTC or members of the Operating Committee to have at all reasonable times, in a manner which will not unduly interfere with operations and at their own risk and expense reasonable access to the MGTC Operations with the right to observe all such MGTC Operations and to inspect all MGTC Property and to conduct financial audits as provided in the Accounting Procedure
- (7) Promptly pay and discharge all liabilities and expenses incurred in connection with the MGTC Operations and use its reasonable efforts to keep and maintain the MGTC Property free from all liens, charges and encumbrances arising out of MGTC Operations
- (8) Pay to the Government for the MGTC Account, all applicable taxes, fees and other payments pertaining to MGTC Operations
- (9) Have in accordance with the decisions of the Operating Committee, the exclusive right and obligation to represent MGTC in all dealings with the Government and with MOGE with respect to matters arising under the MGTC's Operations. Members of the Operating Committee shall have the right to attend meetings on matters materially affecting MGTC or the rights and obligations of the parties under the MGTC Documents but only in the capacity of observers, the Operator being the spokesman for MGTC and the members of the Operating Committee. Operator shall notify MGTC and the members of the Operating Committee as soon as possible of such meetings
- (10) In the case of an emergency including but not limited to severe accidents to pipeline or other transportation installations take without consideration of any budget limitation all necessary and proper measures for the protection of life, health, the environment and property provided, however, that Operator shall as soon as practicable notify MGTC and the members of the Operating Committee of the details of such emergency and measures

4.3 Employees of Operator

Operator shall determine the number of employees, the selection of such employees, the hours of work and the compensation to be paid to all such employees in connection with the MGTC Operations. Operator shall employ only such employees, agents and contractors as are reasonably necessary to conduct MGTC Operations.

Operator shall advise his foreign personnel appointed under this Agreement to abide by the Laws of the Union of Myanmar and to not interfere with the political affairs of the Union of Myanmar.

4.4 Information Supplied by Operator

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- (A) Operator shall provide MGTC and each member of the Operating Committee the following data and reports as they are currently produced or compiled from the MGTC Operations:
- (1) Engineering studies, development schedules and monthly progress reports on development projects
 - (2) Reports and information from the activities pursuant to this Agreement or as instructed by the Operating Committee and
 - (3) Subject to Article 8.3, such additional information for each member of at the Operating Committee as it from time to time may request. Each member of the Operating Committee shall consult with Operator regarding such request so that the preparation of such information will not unduly burden Operator's administrative and technical personnel
- (B) Operator shall give MGTC and each member of the Operating Committee access at all reasonable times to all other data acquired in the conduct of MGTC Operations. Any member of the Operating Committee may make copies of such other data at its sole expense.

4.5 Settlement of Claims and Lawsuits

Operator shall promptly notify MGTC and each member of the Operating Committee of any and all suits and of any and all claims in excess of U.S. Dollars fifty thousand (U.S.\$ 50,000) and such other claims as the Operating Committee may direct which arise out of MGTC Operations or relate in any way to MGTC Operations or MGTC property. Operator shall represent MGTC and defend or oppose the claim or suit. Operator may in its sole discretion compromise or settle any such claim or suit or any related series of claims or suits for an amount not to exceed the equivalent of U.S. Dollars two hundred and fifty thousand (U.S.\$ 250,000), exclusive of legal fees. Operator shall obtain and act in accordance with the approval and direction of the Operating Committee in respect of proceedings for amounts in excess of the above stated amount.

4.6 Liability of Operator

- (A) Except as set out in this Article 4.6, the Party designated as Operator shall bear no cost, expense or liability resulting from performing the duties and functions of the Operator under this Agreement.
- (B) MGTC shall be liable for and shall defend and indemnify Operator, its mother company and their respective consultants, agents, employees, officers and directors (the "Indemnitees") from any and all costs, expenses (including reasonable attorneys' fees) and liabilities incident to claims, demands or causes

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of action of every kind and character brought by or on behalf of any person or entity for damage to or loss of property or damage to the environment or for injury to illness or death of any person or entity, which damage loss injury illness or death arises out of or is incident to any act or failure to act by Indemnitees in the conduct of or in connection with MGTC Operations regardless of the cause of such damage, loss, injury, illness or death and EVEN THOUGH CAUSED IN WHOLE OR IN PART BY A PRE-EXISTING DEFECT THE NEGLIGENCE (WHETHER SOLE JOINT OR CONCURRENT) GROSS NEGLIGENCE STRICT LIABILITY OR OTHER LEGAL FAULT OF OPERATOR (OR ANY SUCH INDEMNITEE) , provided that if any Senior Supervisory Personnel of Operator or of any of its Affiliates engage in Gross Negligence that proximately causes MGTC to incur cost, expense or liability for such damage, loss, injury, illness or death then Operator shall bear all such costs expenses and liabilities

- (C) Notwithstanding the foregoing under no circumstances shall any Indemnitee (except as a Shareholder to the extent of its Shareholding Interest) bear any cost expense or liability for environmental, consequential, or any other similar indirect damages or losses, including but not limited to those arising from business interruption, inability to transport gas, loss of profits, pollution control and environmental amelioration or rehabilitation

4.7 Insurance Obtained by Operator

- (A) Operator shall obtain and maintain, or cause to be obtained and maintained, such insurances as are necessary to comply with applicable laws, rules and regulations and all costs thereof shall be charged to the MGTC Account
- (B) Operator undertakes to recommend to the Operating Committee such additional insurance as it deems appropriate and shall obtain and maintain, or cause to be obtained and maintained, such additional insurances as shall be determined by the Operating Committee and all costs thereof shall be charged to the MGTC Account
- (C) MGTC shall be free to obtain and maintain for its own account and benefit any insurance in addition to the insurances as mentioned above.
- (D) Any insurances as mentioned above, whether maintained by Operator or MGTC, shall contain waivers of subrogation by the insurers in favour of the Operator and MGTC, as appropriate, or shall name them as co-insured
-
- (E) All losses, damages, liabilities, judgments and associated expenses including legal services incurred in or arising out of the conduct of MGTC Operations howsoever caused, which are not recoverable from the insurances maintained or caused to be maintained by Operator in accordance with the provisions of this Article 4.7 shall be borne by MGTC
- F Operator shall use its reasonable efforts to require all contractors performing work in

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respect of MGTC Operations to obtain and maintain any and all insurance in the types and amounts required by any applicable laws, rules and regulations or any decision of the Operating Committee and shall use its reasonable efforts to require all such contractors to name Operator and MGTC as additional insureds on contractor's insurance policies or to obtain from their insurers waivers of all rights of subrogation in favour of Operator and MGTC.

4.8 Commingling of Funds

Operator shall not commingle with its own funds the monies which it receives from or for the MGTC Account pursuant to this Agreement.

4.9 Resignation of Operator

Subject to Article 4.11, Operator may resign as Operator at any time by so notifying MGTC and each member of the Operating Committee at least one hundred and twenty (120) Days prior to the effective date of such resignation.

4.10 Removal of Operator

(A) Subject to Article 4.11, Operator shall be removed upon receipt of notice from MGTC at the direction of the Operating Committee if

- (1) An order is made by a court or an effective resolution is passed for the dissolution, liquidation, winding up, or reorganization of Operator;
- (2) Operator dissolves, liquidates or terminates its corporate existence;
- (3) Operator becomes insolvent, bankrupt or makes an assignment for the benefit of creditors; or
- (4) A receiver is appointed for a substantial part of Operator's assets.

(B) Subject to Article 4.11, Operator may be removed by the decision of MGTC made at the direction of the Operating Committee if Operator has committed a material breach of this Agreement which Operator has failed to commence to rectify within thirty (30) Days of receipt of a notice from MGTC detailing the alleged breach. Any decision of the Operating Committee that MGTC should give notice of breach to Operator or remove Operator under this Article 4.10(B) shall be made by the unanimous vote of all representatives of the Shareholders on the Operating Committee (excluding the Operator's Affiliates representatives).

(C) If there is a direct or indirect change in control of Operator (other than a transfer of control to an Affiliate of Operator), Operator shall be required to promptly notify MGTC and the members of the Operating Committee. The Operating Committee shall vote within fifteen (15) Days of such notification on whether or



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not a successor Operator should be named pursuant to Article 4.11. For purposes of this Article, control means the ownership directly or indirectly of more than fifty per cent (50%) of the shares or voting rights of Operator.

4.11 Appointment of Successor Operator

When a change of Operator occurs pursuant to Article 4.9 or Article 4.10:

- (A) The Operating Committee shall meet as soon as possible to designate for appointment by MGTC a successor Operator pursuant to the voting procedure of Article 5.9. However, no person may be appointed successor Operator against its will.
- (B) If the Operator disputes commission of or failure to rectify a material breach alleged pursuant to Article 4.10(B) and proceedings are initiated pursuant to Article 11, no successor Operator may be appointed pending the conclusion or abandonment of such proceedings.
- (C) If an Operator is removed other than in the case of Article 4.10(C), no Affiliate of Operator shall have the right to vote for itself or for any of its Affiliates on the appointment of a successor Operator, nor be considered as a candidate for the successor Operator.
- (D) A resigning or removed Operator shall be compensated out of the MGTC Account for its reasonable expenses directly related to its resignation or removal, except in the case of Article 4.10(B).
- (E) The Operating Committee shall arrange for the taking of an independent inventory of all MGTC Property and an audit of the books and records of the removed Operator. Such inventory and audit shall be completed, if possible, no later than the effective date of the change of Operator. The liabilities and expenses of such inventory and audit shall be charged to the MGTC Account.
- (F) The resignation or removal of Operator and its replacement by the successor Operator shall not become effective prior to receipt of any necessary governmental approvals.
- (G) Upon the effective date of the resignation or removal, the successor Operator shall succeed to all duties, rights and authority prescribed for Operator under this Agreement. The former Operator shall transfer to the successor Operator custody of all MGTC Property, books of accounts, records and other documents maintained by Operator pertaining to the Contract Area and to MGTC Operations. Upon delivery of the above-described property and data, the former Operator shall be released and discharged from all obligations and liabilities as Operator accruing after such date.

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ARTICLE 5 - OPERATING COMMITTEE5.1 Establishment of Operating Committee

To provide for the overall supervision and direction of MGTC Operations there is established an Operating Committee composed of the General Manager and representatives of each Shareholder. The General Manager shall be a non-voting participant on the Operating Committee. Each Shareholder shall appoint one (1) representative and one (1) alternate representative to serve on the Operating Committee. Each Shareholder shall as soon as possible after the date of this Agreement give notice in writing to MGTC, Operator and the other Shareholders of the name and address of its representative and alternate representative to serve on the Operating Committee. Each Shareholder shall have the right to change its representative and alternate at any time by giving proper notice to such effect to MGTC, Operator and the other Shareholders.

5.2 Powers and Duties of Operating Committee

The Operating Committee shall have power and duty to authorize and supervise MGTC Operations that are necessary or desirable to fulfil the purpose of MGTC (as described in the MGTC Documents) in accordance with this Agreement and in a manner appropriate in the circumstances.

5.3 Authority to Vote

The representative of a Shareholder, or in his absence his alternate representative shall be authorized to represent and bind such Shareholder with respect to any matter which is within the powers of the Operating Committee and is properly brought before the Operating Committee. Each such representative shall have a vote equal to the Shareholding Interest of the Shareholder such person represents. Each alternate representative shall be entitled to attend all Operating Committee meetings but shall have no vote at such meetings except in the absence of the representative for whom he is the alternate. In addition to the representative and alternate representative, each member of the Operating Committee may also bring to any Operating Committee meetings such technical and other advisors as it may deem appropriate. Notwithstanding the foregoing provisions of this Article 5, no representative of a Shareholder shall have any right to vote or attend meetings of the Operating Committee if the Shareholder whom he represents is in default under the Shareholders' Agreement or otherwise disentitled by the terms of that agreement from participating in the Operating Committee.

5.4 Subcommittees

The Operating Committee may establish such subcommittees including technical subcommittees as the Operating Committee may deem appropriate. The functions of such subcommittees shall be in an advisory capacity or as otherwise determined unanimously by the members of Operating Committee.



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5.5 Notice of Meeting

- (A) Operator may call a meeting of the Operating Committee by giving notice to MGTC the Shareholders and the General Manager at least fifteen (15) Days in advance of such meeting.
- (B) Any member of the Operating Committee may request a meeting of the Operating Committee by giving proper notice to MGTC Operator and all the other Shareholders. Upon receiving such request, Operator shall call such meeting for a date not less than twenty (20) Days nor more than thirty (30) Days after receipt of the request.
- (C) The notice periods above may only be waived with the unanimous consent of MGTC Operator and all the members of the Operating Committee.

5.6 Contents of Meeting Notice

- (A) Each notice of a meeting of the Operating Committee as provided by Operator shall contain:
 - (1) The date, time and location of the meeting; and
 - (2) An agenda of the matters and proposals to be considered and/or voted upon.
- (B) MGTC Operator or any member of the Operating Committee by notice to the other such parties given not less than ten (10) Days prior to a meeting may add additional matters to the agenda for a meeting.
- (C) On the request of MGTC Operator or any member of the Operating Committee, and with the unanimous consent of all such parties, the Operating Committee may consider at a meeting a matter or proposal not contained in such meeting agenda.

5.7 Location of Meetings

All meetings of the Operating Committee shall be held in Yangon (Myanmar) or elsewhere as may be decided by the Operating Committee.

5.8 Operator's Duties for Meetings

- (A) With respect to meetings of the Operating Committee and any subcommittee Operator's duties shall include, but not be limited to:
 - (1) Timely preparation and distribution of the agenda.

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- (2) Organization and conduct of the meeting, and
 - (3) Preparation of a written record or minutes of each meeting
- (B) Operator shall have the right to appoint the chairman of the Operating Committee and of all subcommittees. Such chairman shall have no voting right.

5.9 Voting Procedure

5.9.1 The Special Approval of the members of the Operating Committee shall be required for the following matters:

- (a) Decision with respect to the Implementation Plan for the construction of the gas pipeline
- (b) Decision for subsequent compression facilities to be built in Article 6.1
- (c) Decision for connecting of any future pipeline to the existing pipeline
- (d) Approval of Work Programs and Budgets related to operations mentioned in (a), (b) and (c) hereabove

5.9.2 All other decisions of the Operating Committee require the affirmative vote of at least two representatives of the Shareholders not being Affiliates of each other and representing at least an aggregate Shareholding Interest of sixty per cent (60 %) of the aggregate of all Shareholding Interests. However if the concurrence of such representatives cannot be reached for decisions relating to a Work Program which has to be carried out in order to comply with the Minimum Work Obligations, decisions will be taken on a simple majority basis and, absent a simple majority vote, then the Operator's proposal (restricted to those Minimum Work Obligations) shall be deemed approved by the Operating Committee.

5.10 Record of Votes

The Chairman of the Operating Committee shall appoint a secretary who shall make a record of each matter or proposal voted on and the results of such voting at each Operating Committee meeting. Each member of the Operating Committee shall sign and be provided a copy of such record at the end of such meeting and it shall be considered the final record of the decisions of the Operating Committee.

5.11 Minutes

The secretary shall provide Operator, MGTC and each member of the Operating Committee with a copy of the minutes of the Operating Committee meeting within fifteen (15) Days after the end of the meeting. Each such party shall have fifteen (15) Days after receipt of such minutes to give notice of its objections to the minutes to the secretary. A failure to give notice specifying correction to such minutes within said fifteen

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(15) Day period shall be deemed to be approval of such minutes. In any event, the votes recorded under Article 5.10 shall take precedence over the minutes described above.

5.12 Voting by Notice

- (A) In lieu of a meeting, Operator may submit any matter or proposal for a decision of the Operating Committee by giving each member of that committee proper notice describing the matter or proposal so submitted. Each member of the Operating Committee shall communicate its vote by proper notice to Operator and the other members of that Committee within one of the following appropriate time periods after receipt of Operator's notice:
 - (1) Forty-eight (48) hours in the case of operations which involve the use of a pipe-laying barge that is standing by and accumulating charges to the MGTC Account.
 - (2) Fifteen (15) Days in the case of all other matters or proposals, provided however that in case of urgency such time period may be reduced as notified by Operator to the extent rendered necessary by the circumstances.
 - (3) Twenty (20) Days in the case a revision of a current budget is submitted for approval pursuant to Article 6.5 (B).
- (B) Except in the case of Article 5.12 (A) (1), MGTC or any member of the Operating Committee may by notice delivered to Operator, MGTC and to each representative on the Operating Committee within two (2) Days of receipt of Operator's notice request that the matter or proposal be decided at a meeting rather than by notice. In such an event, that matter or proposal shall be decided at a meeting duly called for that purpose.
- (C) Except as provided in Article 6.5, any member of the Operating Committee failing to communicate its vote in a timely manner shall be deemed to have voted against such matter or proposal.
- (D) If a meeting is not requested, then at the expiration of the appropriate time period, Operator shall give MGTC and each member of the Operating Committee a confirmation notice stating the tabulation and results of the vote.

5.13 Effect of Vote

All decisions taken by the Operating Committee pursuant to this Article shall be conclusive and binding on Operator and MGTC. Further, decisions taken by the members of the Operating Committee (being representatives of the Shareholders) under this Agreement shall be considered for all purposes as decisions taken by the Shareholders in general meeting and shall be binding.

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upon all the Shareholders

ARTICLE 6 - WORK PROGRAMS AND BUDGETS

6.1 Proposal and approval of Implementation Plan for construction and related Work Programs and Budgets

- (A) The Operator shall, as soon as practicable, deliver to MGTC and each member of the Operating Committee an implementation plan ("Implementation Plan") for the construction of the transportation facilities together with the first annual Work Program and Budget and provisional Work Programs and Budgets for the remainder of the construction of the facilities, which shall contain, inter alia:
- (1) Details of the proposed work to be undertaken, personnel required and expenditures to be incurred, including the timing of same, on a Calendar Year basis;
 - (2) An estimated date for the completion of the construction works;
 - (3) A construction plan for the pipeline to be laid between the production facilities on the Contract Area and the Point of Delivery of the gas on the Myanmar-Thailand border;
 - (4) A description of compression facilities to be built later on;
 - (5) Any other information requested by the Operating Committee.
- (B) After receipt of the Implementation Plan, or earlier if necessary to meet any applicable deadline under the EGTA, the Operating Committee shall meet to consider, modify and then either approve or reject the Implementation Plan and the first annual Work Program and Budget for construction submitted by Operator. If the Implementation Plan is approved by the Operating Committee, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of the Implementation Plan by the Government and Government Oil Company. In the event the Government or Government Oil Company requires changes in the Implementation Plan, the matter shall be resubmitted to the Operating Committee for further consideration.

- (C) If the Implementation Plan is approved, such work shall be incorporated into and form part of annual Work Programs and Budgets, and Operator shall, on or before the 15th of September of each Calendar Year submit a preliminary Work Program and Budget for construction for the following Calendar Year to MGTC and each member of the Operating Committee. On or before October 15th of each Calendar Year Operator shall deliver the proposed final Work Program and Budget for the following Calendar Year for consideration of the Operating Committee and within thirty (30) days after such submission the Operating

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Committee shall endeavour to agree to such Work Program and Budget, including any necessary or appropriate revisions to the Work Program and Budget for the approved Implementation Plan.

5.2 Proposal and approval of Work Programs and Budgets for Operations

Not later than September 15th of each Calendar Year, Operator shall deliver to MGTC and each member of the Operating Committee for review a proposed preliminary Work Program and Budget detailing the MGTC Operations to be performed for the following Calendar Year. On or before October 15th of each Calendar Year, Operator shall deliver the proposed final Work Program and Budget for the following Calendar Year for consideration of the Operating Committee, and within thirty (30) Days of such delivery, the Operating Committee shall meet to consider and to endeavor to agree on such Work Program and Budget.

The Work Program and Budget agreed pursuant to this Article shall include the Minimum Work Obligations or at least that part of such Minimum Work Obligations required to be carried out during the Calendar Year in question.

If within the time periods prescribed in this Article the Operating Committee is unable to agree on such Work Program and Budget, Operator shall take such actions, but only such actions for the MGTC Account as are necessary to fulfill the MGTC's obligations and duties.

5.3 Itemization of Expenditures

- (A) During the preparation of the proposed Work Programs and Budgets contemplated in this Article 5, Operator shall consult with the Operating Committee regarding the contents of such Work Programs and Budgets.
- (B) Each Work Program and Budget submitted by Operator shall contain an itemized estimate of the costs of MGTC Operations and all other expenditures to be made for the MGTC Account during the Calendar Year in question.
- (C) The Work Program and Budget shall specify the kind and extent of such operations in such details as the Operating Committee may deem suitable.

5.4 Contract Awards

Unless otherwise agreed by the Operating Committee and except for the services of its parent company, the Operator shall invite competitive bids for all contracts pertaining to the performance of MGTC Operations and anticipated to require payments in excess of one million U.S. Dollars (U.S.S. 1,000,000) and shall notify each member of the Operating Committee when a contractual commitment is entered into and supply each such member, at its request, with copies of each such contract and of any subsequent revisions thereto. Operator shall take into account the current availabilities of the international market and the Operator's own availabilities.

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6.5 Authorization for Expenditure ("AFE") Procedure

- (A) Operator shall be entitled to make or commit to such expenditures for the MGTC Account as it shall consider necessary and prudent in order to carry out a good and workmanlike operation for the MGTC Account provided however that Operator shall not make or commit to an expenditure for the MGTC Account for any single capital budget item or identifiable project of a value in excess of two million (2,000,000) U.S. Dollars without AFE approval having been given by the Operating Committee in respect of such operations. For identifiable heavy maintenance works to be performed, such level shall be reduced to one million (1,000,000) U.S. Dollars. Such respective two million (2,000,000) and one million (1,000,000) U.S. Dollars levels may be adjusted by the Operating Committee to reflect inflation.

Such AFE shall contain information describing the type of operation concerned, and the purpose, location and estimated cost thereof.

- (B) An AFE will require approval of representatives at the Operating Committee representing at least an aggregate Shareholding Interest of sixty (60) per cent of the aggregate of all Shareholding Interests, and the Shareholders shall be bound by such approval.
- (C) Representatives receiving an AFE not exceeding twelve million (12,000,000) U.S. Dollars shall, within twelve (12) Days of receipt thereof, give written notice to the other, stating approval or disapproval, and return to the Operator the signed or rejected AFE.
- (D) Representatives receiving an AFE exceeding twelve million (12,000,000) U.S. Dollars but not exceeding thirty-six million (36,000,000) U.S. Dollars shall, within twenty-one (21) Days of receipt thereof, give written notice to the other representatives, stating approval or disapproval, and return to the Operator the signed or rejected AFE.
- (E) Representatives receiving an AFE exceeding thirty-six million (36,000,000) U.S. Dollars shall, within twenty-six (26) Days of receipt thereof, give written notice to the other representatives, stating approval or disapproval, and return to the Operator the signed or rejected AFE.

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- (F) The representatives shall exercise all their reasonable endeavours to return the AFE within the aforementioned twelve (12), twenty-one (21) or twenty-six (26) Day period dependent upon the value of the AFE.

Failure to return an AFE within the aforementioned twelve (12), twenty-one (21) or twenty-six (26) Day period shall be deemed to be an approval of the AFE.

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- (G) Representatives having approved budget items may not reject AFEs for those budget items, unless the costs shown on the AFEs are more than ten (10) per cent greater than the estimate of costs included in the budget or, unless there are sound technical reasons for rejection of the AFE, which shall be indicated in writing
- (H) Irrespective of the value, any member of the Operating Committee shall have the right of access to the documents associated with any AFE
- (I) The restriction contained in this Article shall be without prejudice to Operator's rights to make expenditures as set out in Article 4.2.(B) (10)

6.6 Over expenditures of Work Programs and Budgets

- (A) For expenditures on any line item of an approved Work Program and Budget, Operator shall be entitled to incur, without as the case may be furnishing a supplemental AFE, overexpenditures for such line item up to ten per cent (10 %) of the authorized amount for such line item, provided that cumulative total of all overexpenditures for a Calendar Year shall not exceed five per cent (5 %) of the total Work Program and Budget in question
- (B) At such time that Operator is certain that the limit of five percent (5%) of Article 6.6 (A) will be exceeded, Operator shall submit a revision of the current budget to the Operating Committee for its approval and shall provide each member of at the Operating Committee with full details of such overexpenditures. Operator shall promptly give notice of the amounts of overexpenditures when actually incurred
- (C) Subject to Article 4.2.(B) (10), Operator may not undertake expenditures, with respect to activities or operations not contemplated by the approved Budget aggregating in excess of the equivalent of five hundred thousand United States Dollars (U.S. \$ 500,000) without first obtaining the express approval of the Operating Committee.

If the Operator expends all or a portion of the equivalent of five hundred thousand United States Dollars (U.S. \$ 500,000), it may obtain the approval of all representatives on the Operating Committee in respect thereto and thereafter the amount so approved may be available for such non anticipated expenditures prior to the approval of the next annual budget. This is intended by the representatives on the Operating Committee to provide the Operator with a single limited discretionary contingency fund which would be replenished after the details of its expenditures have been reported to and received the approval of the Operating Committee

ARTICLE 7 - MGTC DEFAULT

- A. If MGTC fails to fund when due any amount accrued pursuant to this Agreement then

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MGTC shall be in default under this Agreement. Operator shall promptly give written notice of such default to MGTC and the members of the Operating Committee.

- (B) MGTC may remedy its default by the payments of all amounts so in default.

ARTICLE 8 - CONFIDENTIAL INFORMATION - PROPRIETARY TECHNOLOGY

8.1 Confidential Information

- (A) Subject to the provisions of the Contract, the Parties agree that all information and data acquired or obtained by either Party in respect of MGTC Operations shall be considered confidential and shall be kept confidential and not be disclosed during the term of the Contract and for a period of five (5) years after expiration of the Contract to any person or entity not party to this Agreement, except:

- (1) To an Affiliate, provided such Affiliate maintains confidentiality as provided in this Article.
- (2) To a governmental agency or other entity when required by any applicable law.
- (3) To the extent such data and information is required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a Party.
- (4) Subject to Article 8.1(B), to potential contractors, contractors, consultants and attorneys employed by either Party where disclosure of such data or information is essential to such contractor's, consultant's or attorney's work.
- (5) Subject to Article 8.1(B), to a bona fide prospective transferee of a Shareholder's Shareholding Interest (including an entity with whom a Shareholder is conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares).
- (6) Subject to Article 8.1(B), to a bank or other financial institution to the extent appropriate to a Shareholder arranging for funding for its obligations under the Shareholders Agreement.
- (7) To the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party or its Affiliates, provided that neither Party

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desires to disclose information in an annual or periodic report to its or its Affiliates' shareholders and to the public and such disclosure is not required pursuant to any rules or requirements of any government or stock exchange, then such Party shall comply with Article 12.2.

(8) To its respective employees for the purpose of MGTC Operations subject to each Party taking customary precautions to ensure such data and information is kept confidential and

(9) Where any data or information which, through no fault of a Party, becomes a part of the public domain.

(B) Disclosure pursuant to Article 8.1 (A) (4), (5) and (6) shall not be made unless prior to such disclosure the disclosing Party has obtained a written undertaking from the recipient party to keep the data and information strictly confidential and not to use or disclose the data and information except for the express purpose for which disclosure is to be made.

8.2 Continuing Obligations

Any Party ceasing to be a Party during the term of this Agreement shall nonetheless remain bound by the obligations of confidentiality and any disputes shall be resolved in accordance with Article 11.

8.3 Proprietary Technology

Nothing in this Agreement shall require a Party to divulge proprietary technology to the other Party.

ARTICLE 9 - FORCE MAJEURE

9.1 Obligations

If as a result of Force Majeure a Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due or to furnish security, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The Party claiming Force Majeure shall notify the other Party of the Force Majeure situation within a reasonable time after the occurrence of the facts relied on and shall keep that other Party informed of all significant developments. Such notice shall give reasonably full particulars of said Force Majeure and also estimate the period of time which said Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in an economic manner, but shall not be obligated to settle any dispute except on terms acceptable to it and all such disputes shall be handled

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within the sole discretion of the affected Party

9.2 Definition of Force Majeure

For the purpose of this Agreement, "Force Majeure" shall include the results of war, political disturbances, riots or civil commotions, total or partial breakdown or stoppage of airplanes, steamships or other means of transportation, fires, thefts, floods, earthquakes, epidemics or any other cause beyond a Party's reasonable control.

ARTICLE 10 - NOTICES AND INFORMATION

10.1 Notices

Except as otherwise specifically provided, all notices authorized or required between the Parties or the members of the Operating Committee by any of the provisions of this Agreement, shall be in writing, in English and delivered in person or by registered mail or by courier service or by any electronic means of transmitting written communications which provides confirmation of complete transmission, and addressed to such Parties as designated below. The originating notice given under any provision of this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article with respect to written notice delivered pursuant to this Agreement shall be the receipt by the sender of the written acknowledgment, whether obtained electronically or otherwise. Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another person at another address by giving written notice thereof to the other Party.

MOATTAMA GAS TRANSPORTATION COMPANY LIMITED:

Attention: General Manager
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR

with copy to

MGTC
c/o Clarendon House
Church Street, Hamilton HM CX
Bermuda
Attention: Mr. Donald MACGOM

[Handwritten signature]

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TOTAL MYANMAR EXPLORATION AND PRODUCTION.
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P O 11051
YANGON UNION OF MYANMAR
Telex 0 8321434 TMEP BM

with copy to

TOTAL MYANMAR EXPLORATION AND PRODUCTION
Tour TOTAL
TEP/FEO
92069 PARIS LA DEFENSE FRANCE
Attention Mr J M BEUQUE

To the members of the Operating Committee to the respective addresses of the Shareholders set out in the Shareholders Agreement

10.2 Information

Where this Agreement provided that information is to be delivered or made available to MGTC, such requirement shall be satisfied by delivering or making such information available to the General Manager

ARTICLE 11 - APPLICABLE LAW AND DISPUTE RESOLUTION

11.1 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with English law, excluding any conflict of law rules which would refer the matter to the laws of another jurisdiction

11.2 Dispute Resolution

(A) Any dispute, controversy or claim arising out of or in relation to in connection with this Agreement or the operations carried out under this Agreement, including without limitation any dispute as to the validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by arbitration, and either Party may submit such a dispute, controversy or claim to arbitration

B) The arbitration shall be held and determined by three (3) arbitrators. Each side shall appoint an arbitrator of its choice within thirty (30) Days of the submission of a notice of arbitration. The Party-appointed arbitrators shall jointly appoint a presiding arbitrator of the tribunal within twenty (20) Days following the appointment of both Party-appointed arbitrators. If the Party-appointed

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arbitrators cannot reach agreement on a presiding arbitrator of the tribunal and/or one Party refuses to appoint its Party-appointed arbitrator within said twenty (20) Day period, the appointing authority for the implementation of such procedure shall be designated in accordance with the UNCITRAL Arbitration Rules as at present in force. All decisions and awards by the arbitration tribunal shall be made by majority vote.

(C) Unless otherwise expressly agreed in writing by the Parties to the arbitration proceedings:

- (1) The arbitration proceedings shall be held in Singapore.
- (2) The arbitration proceedings shall be conducted in the English language and the arbitrators shall be fluent in the English language.
- (3) The arbitrators shall be and remain at all times wholly independent and impartial.
- (4) The arbitration proceedings shall be conducted in accordance with the UNCITRAL Arbitration Rules as at present in force.
- (5) Any procedural issues not determined under the arbitral rules selected pursuant to Article 11.2.(C) (4) shall be determined by the law of the place of arbitration, other than those laws which would refer the matter to another jurisdiction.
- (6) The costs of the arbitration proceedings (including attorneys' fees and costs) shall be borne in the manner determined by the arbitrators.
- (7) The decision of a majority of the arbitrators shall be reduced to writing, final and binding without the right of appeal, the sole and exclusive remedy regarding any claims, counterclaims, issues or accountings presented to the arbitrators, made and promptly paid in U.S. Dollars free of any deduction or offset, and any costs or fees incident to enforcing the award, shall to the maximum extent permitted by law be charged against the Party resisting such enforcement.
- (8) Consequential, punitive or other similar damages shall not be allowed provided, however, the award may include appropriate punitive damages where a Party has engaged in delaying and dilatory actions.
- (9) The award shall include interest from the date of any breach or violation of this Agreement, as determined by the arbitral award, and from the date of the award until paid in full, at the Agreed Interest Rate.
- (10) Judgment upon the award may be entered in any court having jurisdiction over the person or the assets of the Party owing the

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judgment or application may be made to such court for a judicial acceptance of the award and an order of enforcement as the case may be.

- (11) Whenever the Parties are of more than one nationality, the presiding arbitrator shall not be of the same nationality as any of the Parties or their ultimate parent entities.

ARTICLE 12 - GENERAL PROVISIONS

12.1 Conflicts of Interest

- (A) Each Party undertakes that it shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of the other Party in dealing with suppliers, customers and all other organizations or individuals doing or seeking to do business with the Parties in connection with activities contemplated under this Agreement.
- (B) The provisions of the preceding paragraph shall not apply to
- (1) A Party's performance which is in accordance with the local preference laws or policies of the host government; or
 - (2) A Party's acquisition of products or services from an Affiliate or the sale thereof to an Affiliate, made in accordance with rules and procedures established by the Operating Committee.

12.2 Public Announcements

- (A) Operator shall be responsible for the preparation and release of all public announcements and statements regarding this Agreement or the MGTC Operations provided that, no public announcement or statement shall be issued or made unless prior to its release all members of the Operating Committee have been furnished with a copy of such statement or announcement and the approval of at least two representatives of the Shareholders not being Affiliates of each other and representing at least an aggregate Shareholding Interest of sixty per cent (60%) of the aggregate of all Shareholding Interests has been obtained. Where a public announcement or statement becomes necessary or desirable because of danger to or loss of life, damage to property or pollution as a result of activities arising under this Agreement, Operator is authorized to issue and make such announcement or statement without prior approval of the Operating Committee, but shall promptly furnish all the members of the Operating Committee with a copy of such announcement or statement.
- (B) If a Shareholder wishes to issue or make any public announcement or statement regarding this Agreement or the MGTC Operations, it shall do so

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unless prior to its release, such Shareholder furnishes Operator, MGTC and the members of the Operating Committee with a copy of such announcement or statement, and obtains the approval of at least two representatives of the Shareholders not being Affiliates of each other and representing at least an aggregate Shareholding Interest of sixty per cent (60 %) of the aggregate of all Shareholding Interests, provided that, notwithstanding any failure to obtain such approval, no Shareholder shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with the applicable laws, rules or regulations of any government, legal proceedings or stock exchange having jurisdiction over such Shareholder as set forth in Articles 8.1 (A) (3) and (7).

12.3 Successors and Assigns

Subject to the limitations on transfer contained in the MGTC Documents, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

12.4 Waiver

No waiver by any Party of any one or more defaults by the other Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as expressly provided in this Agreement no Party shall be deemed to have waived, released or modified any of its rights under this Agreement unless such Party has expressly stated, in writing, that it does waive, release or modify such right.

12.5 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

12.6 Modifications

Except as is provided in Article 12.5, there shall be no modification of this Agreement except by written consent of both Parties.

12.7 Headings

The topical headings used in this Agreement are for convenience only and shall not be construed as having any substantive significance or as indicating that all or the provisions of this Agreement relating to any topic are to be found in any particular Article.

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12.8 Singular and Plural

Reference to the singular includes a reference to the plural and vice versa

12.9 Gender

Reference to any gender includes a reference to all other genders

12.10 Counterpart Execution

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes, provided no Party shall be bound to this Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Operator is authorized to detach the signature page from one or more counterparts and after signature thereof by MGTC, and itself attach each signed signature page to a counterpart.

12.11 Entirety

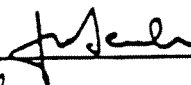
This Agreement is the entire agreement of the Parties concerning the matters covered hereunder and supersedes all prior understanding and negotiations of the Parties

However this Agreement is not intended to supersede any particular obligations (such as carrying obligations) that any Party may have undertaken towards the other Party under separate agreements such as farm-in agreements

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument on the date indicated below such representative's signature

MOATTAMA GAS TRANSPORTATION COMPANY

By Jean Marie BEVQUE



Title Chairman

Date 30/01/1995



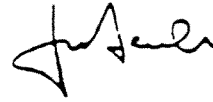
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TOTAL MYANMAR EXPLORATION AND PRODUCTION

By Jean Pierre BEQUE

Title Director General

Date 20/01/1995



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EXHIBIT A
ACCOUNTING PROCEDURE

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EXHIBIT A

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APPENDIX 1 - STANDARD RATES FOR PERSONNEL
AND SERVICES AS OF 01/01/1994

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EXHIBIT A

ACCOUNTING PROCEDURE

Attached to and made part of the Gas Pipeline Operating Agreement (GPOA) hereinafter called the "Agreement", effective as of the 30th day of January, 1995, by and between MGTC and TOTAL MYANMAR EXPLORATION AND PRODUCTION acting in its capacity of Operator.

SECTION I

GENERAL PROVISIONS

1.1. Purpose

- 1.1.1. The purpose of this Accounting Procedure is to establish equitable methods for determining charges and credits applicable to operations under the Agreement which reflect the cost of MGTC Operations to the end that neither the Operator nor MGTC shall gain or lose in relation to each other.
- 1.1.2. The Parties agree that if any of such methods prove unfair or inequitable to Operator or MGTC, the Parties shall meet and in good faith endeavour to agree on changes in methods deemed necessary to correct any unfairness or inequity.

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1.2. Conflict with Agreement

In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement to which this Accounting Procedure is attached, the provisions of the Agreement shall prevail.

1.3. Definitions

The definitions contained in Article 1 of the Agreement to which this Accounting Procedure is attached, shall apply to this Accounting Procedure and have the same meanings when used herein. In addition certain terms used herein are defined as follows :

"Country of Operations" shall mean : the Union of Myanmar

"Material" shall mean any equipment, machinery, materials, articles, supplies and consumables either purchased or leased, or rented, or transferred by Operator and used in MGTC Operations.

"Controllable Material" shall mean Material which the Operator subjects to record control and inventory in accordance with good international petroleum industry practice.

1.4. MGTC Account Records and Currency Exchange

1.4.1. Operator shall at all times maintain and keep true and correct records of all revenues, costs and expenditures under the Agreement, as well as other data necessary or proper for the settlement of accounts between the Parties hereto in connection with their rights and obligations under the Agreement and to enable MGTC to comply with applicable income tax and other laws.

1.4.2. Operator shall maintain accounting records pertaining to MGTC Operations in accordance with generally accepted accounting practices used in the international petroleum industry and any applicable statutory obligations of the Country of Operations as well as the provisions of the Agreement

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- 1.4.3. MGTC Accounts shall be maintained by Operator in the English language and in U.S. Dollars.
Any costs incurred or proceeds received in a currency other than U.S. Dollars, including the currency of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange of the day on which the costs or expenditures were paid or the proceeds were received.
- 1.4.4. Any currency exchange gain or loss shall be credited or charged to MGTC Account.
- 1.4.5. The accrual basis for accounting shall be used in preparing accounts concerning MGTC Operations.

1.5. Statements and Billings

- 1.5.1. Operator shall submit monthly to MGTC within thirty (30) days after the end of each month (within forty five (45) days for the month of March), statements of the revenues, costs and expenditures incurred during the prior month, indicating by appropriate classification the nature thereof, the corresponding budget category, and a comparison of actual cost incurred to each AFE outstanding.

Operator shall submit a complete yearly statement not later than the end of February of the following year.

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Monthly and Yearly statements shall contain the following information :

- advances of funds setting forth the currencies received from MGTC.
- summary of costs, credits, and expenditures on a current month, year-to-date, and inception-to-date basis.

1.5.2. Operator shall, upon request, furnish a description of the accounting classifications used by it.

1.5.3. Amounts included in the statements and billings shall be expressed in U.S. dollars.

1.6. Payments and advances

If Operator so requests, MGTC shall advance the amount of estimated cash requirements for the operating month concerned. Not later than the 5th of the operating month concerned, the Operator shall make a written request to MGTC and will also give a tentative estimate for the next two months cash requirements.

The due date for payment of such cash calls shall be set by Operator, but shall be at least twenty (20) days after receipt of such cash calls by MGTC. The request shall set out the funds in U S Dollars or Japanese Yen, Swiss Franc, French Franc, Deutsche Mark, Sterling Pound as Operator may select. This list of currencies shall be extended as and when the Central Bank of Myanmar will authorize other currencies to be utilized by MOGE.

Cash calls submitted by Operator shall be so detailed or contain such explanations as to permit reference of each item therein to the appropriate item in the approved budget and to the relevant AFE, if applicable.

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Should Operator be required to pay any large sums of money for MGTC Operations, which were unforeseen at the time of providing MGTC with monthly estimated cash requirements, the Operator may make a written request to MGTC for special advances covering such payments. MGTC shall make such special advance within fifteen (15) days of receipt of such notice.

If a cash advance exceeds the cash expenditures the next succeeding cash call, after such determination, shall be adjusted accordingly.

All payments by MGTC shall be made at a place designated by Operator and Operator shall provide the names and addresses of such banking institutions where funds are to be credited to the Operator's account as well as the Operator's account number.

All payments by MGTC shall be made to an interest-bearing account established for MGTC Operations on or before the due date, and if not so paid, the provisions of Article 7. of the Agreement shall apply.

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1.7. Adjustments

Payments of any advances or billings shall not prejudice the right of MGTC to protest or question the correctness thereof ; provided, however, all bills and statements rendered to MGTC by Operator during any Calendar Year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of such Calendar Year, unless within the said twenty-four (24) month period MGTC takes written exception thereto and makes claim on Operator for adjustment. Failure on the part of MGTC to make claim on Operator for adjustment within such period shall establish the correctness thereof and preclude the filing of exceptions thereto or making claims for adjustment thereon. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of the specific stock as provided for in Section 3.7. Operator shall be allowed to make adjustments to MGTC Account after such twenty-four (24) month period if these adjustments result from audit exceptions outside of this Agreement, third party claims, or Government requirements. Any such adjustments shall be subject to audit within the time period specified in Section 1.8.1.

1.8. Audits

1.8.1. Upon sixty (60) days written notice to Operator, MGTC shall have the right, within the twenty four (24) month period following the end of any Year to audit MGTC Accounts and records relating to the operations made under this Agreement for such Year.

Any such audit shall be conducted within forty-five (45) days.

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The right of audit includes the right of access at all reasonable times during normal business hours to all accounts, books and records pertaining to MGTC Account maintained by Operator. If MGTC desires verification of charges representing a proportionate share in the cost of the Operator's other activities, it may do so to the extent the Operator is able to present such information without infringing the confidential or proprietary nature of such information. In case such infringement might occur, MGTC may request to obtain an audit certificate from an independant external auditor of international standing acceptable to the Operator. Operator shall make every reasonable effort to cooperate with MGTC and, where appropriate, the independant auditors as the case may be and will provide reasonable facilities and assistance.

1.8.2. At the conclusion at the Operator's premises of each audit, MGTC shall endeavour to settle outstanding matters and a written report will be remitted to Operator within three (3) months of the conclusion at the Operator's premises of each audit. The report shall include all claims arising from such audit together with comments related to the operation of the accounts and records. Operator shall reply in writing to the report as soon as possible and in any event not later than three (3) months following the receipt of the report.

1.8.3. All adjustments resulting from an audit agreed between Operator and MGTC shall be made promptly in MGTC Account by Operator and reported to MGTC.

Any unresolved dispute arising in connection with an audit shall be submitted to arbitration in accordance with Article 11.2 of the Agreement.

1.8.4. Any information obtained by MGTC under the provisions of this Section 1.8 shall be kept confidential.

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SECTION II

CHARGEABLE COSTS AND EXPENDITURES

Operator shall charge MGTC Account for all reasonable costs necessary to conduct MGTC Operations. Such costs shall include, but are not limited to :

2.1. Licences, Permits, etc

All direct costs if any attributable to the acquisition, maintenance renewal or relinquishment of licences, permits, contractual and/or surface rights acquired for MGTC Operations, when paid by Operator in accordance with the provisions of the Agreement.

2.2. Labour and related costs

2.2.1. Operator's locally recruited employees

The actual cost of all the Operator's locally recruited employees who are directly engaged in the conduct of MGTC Operations. Such costs shall include all employee salaries, benefits and government benefits for employees and taxes and other charges levied on the Operator as an employer, transportation and relocation costs of the employee and such employee's family limited to spouse and dependent children.

If such employees are engaged in other activities in addition to MGTC Operations, the cost of such employees shall be allocated on an equitable prorata basis according to sound and acceptable accounting principles.

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2.2.2. Assigned personnel

The cost of the personnel of the Operator's Affiliates working in Country of Operations or in third countries other than France (hereinafter referred to as "Countries of Assignment") for MGTC Operations. The cost of these personnel shall be as per rates representing the Operator's Affiliates actual cost excluding overhead allocations, according to Operator's Affiliates's usual practice.

Such rates shall not include furnished accommodation in the Country of Operations, medical and dental treatment of the employee and immediate family, local schooling expenses and any other local employment costs paid by the Operator, according to Operator's usual practice. Such costs shall be charged separately to MGTC Account.

As early as possible, in each Calendar Year, Operator shall provide MGTC with the provisional rates referred to above applicable for such Year as per Appendix 1.

As soon as possible after the end of each Calendar Year, the actual costs incurred by the Operator's Affiliates during the concerned year as the basis for such rates shall be audited by an internationally recognized independent firm of auditors.

Any difference between the costs charged by the Operator's Affiliates during the year on the basis of provisional rates and the final certified costs shall be adjusted accordingly and corresponding audit costs shall be charged to MGTC Account.

If such employees are engaged in other activities in Countries of Assignment in addition to MGTC Operations, the costs of such employees shall be allocated on an equitable prorata basis according to sound and acceptable accounting principles.

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2.2.3. Personnel of Operator's Affiliates based outside Countries of Assignment working for MGTC Operations on a time sheet basis

The costs of such personnel shall be charged at rates which represent the Operator's Affiliates actual cost excluding overhead allocation. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside the country where such personnel is based, the rate will be charged from the date such personnel leave the town where they usually work until their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employee from his employment in Operator's home country. No charge will be made for overtime.

As early as possible, in each Calendar Year, Operator shall provide MGTC with the provisional rates referred above for such Year as per Appendix 1.

As soon as possible after the end of each Calendar Year, the actual costs incurred by the Operator's Affiliates during the concerned year as the basis for such rates shall be audited by an internationally recognized independent firm of auditors.

Any difference between the costs charged by the Operator's Affiliates during the year on the basis of provisional rates and the final certified costs shall be adjusted accordingly and corresponding audit costs shall be charged to MGTC Account.

2.2.4. Provisions common to Sections 2.2.2. and 2.2.3.

Sections 2.2.2. and 2.2.3. above have been agreed upon considering the present structure of the Operator and its Affiliates. Should the Operator be changed, or should the Operator's Affiliates change their present structure or organization, these sections shall be revised accordingly.

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2.2.5. Employees training expenses

Training expenses for the employees resident in the Country of Operations and the contribution to training under Article 7 of the MGTC Agreement

2.3. Material

Cost, net of discounts taken by Operator, of Material purchased or furnished by Operator for use in MGTC Operations as provided under Section III. Such costs shall include but are not limited to vendor's invoice price, transportation charges, loading, unloading fees, export and import duties associated with the procurement of material. So far as it is practicable and consistent with safe, efficient and economical operations, such material shall be purchased or furnished by Operator when required for use in MGTC Operations and the accumulation of surplus stock shall be avoided.

2.3.1. Purchasing charges

When required for the benefit of MGTC Operations, Operator may request its Affiliates to provide purchasing and forwarding services. Charges to MGTC Account for the provision of these purchasing and forwarding services shall be charged as per Section 2.2.3 of this Accounting Procedure.

2.4. Transportation and employee Relocation Costs

2.4.1. Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2. Transportation of employees as required in the conduct of MGTC Operations, including employees of Operator whose salaries and wages are chargeable under Sections 2.2.2. and 2.2.3. of this Accounting Procedure.

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- 2.4.3. Relocation costs to or from the Countries of Assignment of employees permanently or temporarily assigned to MGTC Operations, except when employee is reassigned to or from another location classified as a foreign location by Operator, in which event the actual relocation costs chargeable to MGTC Account shall not exceed the costs which would have been incurred had the employee been reassigned to or from France.

Such costs shall include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the Operator's Affiliates usual practice.

2.5. Services

No services shall be rendered unless it has been requested by Operator. The services may include but are not limited to :

- 2.5.1. Outside services : the cost of consultants, contract services and utilities procured from third parties.

2.5.2. Operator's Affiliates

The cost of services provided by Operator's Affiliates technical and professional personnel not located within the Countries of Assignment including, but not limited to, laboratory services, geochemical analysis, geological and geophysical studies and interpretation, engineering, and related computer services and data processing, accounting and professional services.

Costs shall include personnel costs charged at rates as per Section 2.2.3. Costs shall also include all other costs, if any, necessary for such technical and professional personnel to perform such services such as, but not limited to, laboratory analysis, documentation, computer support and supplies, which costs shall be according to the Operator's Affiliates standard price-lists provided each Calendar Year as per Appendix 1.

2.6. Damage and Loss to MGTC Property

All costs or expenses necessary for the repair or replacement of MGTC Property resulting from damage or loss incurred by fire, flood, storm, theft, accident, or any other causes. Operator shall as soon as practical furnish to MGTC written notice of each incident causing damage or loss in excess of US \$ 100 000 (one hundred thousand).

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2.7. Insurance

- 2.7.1. Premiums for insurances placed for the account of MGTC.
- 2.7.2. The actual expenditure incurred by Operator in settlement of any and all losses, claims, damages, judgments and any other expenses, including legal services, for the benefit of MGTC Operations.
- 2.7.3. All losses, damages, expenses and other liabilities and financial consequences arising from MGTC Operations and materials acquired under this Agreement and not recoverable from insurances obtained and maintained pursuant to Article 4.7 of the Agreement shall be borne by MGTC.

All proceeds or recoveries from joint insurance obtained and maintained pursuant to Article 4.7 of the Agreement shall be credited to MGTC Account.

2.8. Legal Expenses

All costs or expenses not already provided for under Sections 2.5.2. and 2.7.2. hereof, for handling, investigating, defending and settling litigation or claims arising by reason of MGTC Operations or necessary to protect or recover MGTC Property including, but not limited to attorney fees, court costs, cost of investigation or procuring evidence, and amounts paid in settlement or satisfaction of any such litigation or claims.

2.9. Duties and Taxes

All duties and taxes except Operator's income taxes.

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2.10. Offices, Camps and other Facilities

Cost of staffing, establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities established for the main purpose of supervising, controlling or serving MGTC Operations shall be charged to MGTC Account. If such facilities are used to supervise and control other MGTC Operations or serve operations in addition to MGTC Operations the costs shall be allocated according to sound and acceptable accounting principles approved by the Operating Committee.

2.11. Overheads

2.11.1. The contribution of the Operator's Affiliates to MGTC Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2. The basis for applying this overhead charge shall be the total costs and expenditures incurred in, or in connection with, the conduct of MGTC Operations during each Financial Year, being a period of 12 months commencing with 1st April and ending with 31st March next following, or fraction thereof, but excluding overhead as allowed under this Section 2.11, and corporate income taxes.

The sliding scale percentage shall be the following .

For the first 5 Million U.S. Dollars per Financial Year	four	(4)	percent
For the next 3 Million U.S. Dollars per Financial Year	two	(2)	percent
For the next 4 Million U.S. Dollars per Financial Year	one	(1)	percent
Over 12 Million U.S. Dollars per Financial Year	half	(0.5)	percent

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If during a given Financial Year, the amount calculated for such services on the basis of these percentages is less than One Hundred Thousand U.S. Dollars (U.S. \$ 100,000) such amount shall be increased up to said amount of Dollars.

2.12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions which are incurred by the Operator and its Affiliates for the necessary, proper and reasonable conduct of MGTC Operations.

SECTION III - MATERIAL

3.1. Purchases from third Parties

Material purchased shall be charged at the net cost to the Operator ; such net cost shall include the price paid by the Operator to the vendor after deduction of all discounts actually received. Net cost shall include but shall not be limited to such items as transportation, insurance, duties, licence fees plus a charge to cover purchasing and forwarding costs.

3.2. Specific Stock of Material for MGTC Operations

After receiving the approval of the Operating Committee, the Operator shall maintain in Country of Operations a specific stock of material for MGTC Operations (hereinafter "MGTC Stock"). Such MGTC Stock shall be financed and owned by MGTC.

The cost of acquisition of such MGTC Stock shall be included in the cash calls sent to MGTC as per Section 1.6 above.

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3.3. Material furnished by the Operator

Material required for operations or for maintaining MGTC Stock shall be purchased directly whenever practicable, except that Operator may furnish such material from its own stocks inside and/or outside Country of Operations, in which case such material shall be charged as follows :

A) Material and equipment :

The Operator may charge the cost of such material furnished for use in MGTC Operations on the following conditions and in accordance with the provisions of the Agreement :

- (1) New material (Condition "A") which has never been used, shall be priced at the delivered net price which shall not exceed the price prevailing in normal arm's length transaction on the open market.
- (2) Used material (Condition "B")
 - (a) Material which is in sound and serviceable condition and is suitable for re-use without reconditioning shall be classified as Condition "B" and priced at not more than seventy five percent (75 %) of new material as specified in (1) above
 - (b) Material which cannot be classified as Condition "B" but which :
 - (i) after reconditioning will be further serviceable for its original function as good second-hand material Condition "B", or
 - (ii) is serviceable for its original function but is substantially unsuitable for reconditioning,

shall be classified as Condition "C" and priced at no more than fifty percent (50 %) of the price of new material as specified in (i) above. Any cost of reconditioning shall be charged to the unconditioned material provided that the Condition "C" material value plus the cost of reconditioning does not exceed the value of Condition "B" material of the same type

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B) Consumables

Consumables shall be priced at the weighted average price for the warehouse stock of the consumable in question.

3.4. Warranty

In the event of faulty material, any reimbursement from the supplier shall be credited to MGTC Account.

Operator does not warrant the material furnished.

In case of defective material, credit shall not be passed to MGTC Account until adjustment has been received by Operator from manufacturers or their agents.

3.5. Disposals

- Operator shall have the right to dispose of surplus material on behalf of MGTC but shall not sell major items (being item exceeding US \$ 50 000 in value) of physical assets owned by MGTC without obtaining the prior approval of the Operating Committee.
- If there is no market for junk or obsolete material which has been charged to MGTC Account, the cost, if any, of disposing of such material shall be charged to MGTC Account.
- Proceeds from all sales shall be credited to MGTC Account at the net amount actually collected.

3.6. Material distributed in kind or purchased by one of the Parties

- New material shall be valued at the prevailing market price for similar material.
- Used material shall be priced at seventy five (75) percent of the prevailing market price for similar new material.

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- Other used material shall be priced at a value commensurate with its use, as approved by the Operating Committee.
- Proceeds from all sales shall be credited to MGTC Account at the net amount actually collected.

3.7. Inventories

Operator shall maintain separately detailed records of Specific Stock.

a) Periodical inventories

At reasonable intervals, but at least once a year, inventories of all Controllable Material shall be taken by Operator. Operator shall give at least sixty (60) days advance written notice of intention to take such inventories to allow the Operating Committee to be represented when any inventory is taken. Failure of the Operating Committee to be represented shall bind the Operating Committee to accept the inventory taken by Operator.

Reconciliation of inventory with MGTC Account shall be made and a list of overages and shortages shall be furnished to the Operating Committee within sixty (60) days of the completion of the inventory. Any inventory adjustment shall be made to MGTC Account accordingly.

b) Special inventories

Whenever there is a sale or the assignment of any Shareholding Interest to a third party, a special inventory may be taken by the Operator, provided the seller and/or purchaser of such Shareholding Interest agrees to bear all the expense thereof. In such cases, both the seller and the purchaser shall be entitled to be represented and shall be bound by the inventory so taken.

Within thirty (30) days of change of Operator, a MGTC Account inventory should be taken.

B

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Appendix 1Standard rates for personnel and servicesas of 1/1/19941. Assigned personnel based in Yangon

C1	-	126 000	FF/month
C2	-	106 800	FF/month
C3	-	84 000	FF/month
C4	-	57 000	FF/month

2. Assigned personnel on a rotation basis in Myanmar (Yangon + Moattama)

C1	-	6 840	FF/working day
C2	-	5 488	FF/working day
C3	-	4 192	FF/working day
C4	-	3 384	FF/working day

3. Personnel of Operator's Affiliates based outside Myanmar working for Joint Operations on a time sheet basis

FF/hour	M MANAGER EXPERT	S SENIOR	P PROFESSIONAL	C CLERK
DIR/DDP/DE	1100	805	585	375
Additional charges for mission YANGON	311	204	130	96
Additional charges for mission MOATTAMA	390	300	238	200
MOATTAMA	414	324	262	233

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4. Services

TYPE OF SERVICE	WORKING UNIT	UNIT PRICE (FF)
Process calculation	U1 CPU process	1
Reservoir simulation	Lump sum	
Photo Laboratory	U1 Laboratory hour	1 300
Singapore office	U1 1/2 day senior	7 100
	U2 1/2 day manager	9300
DE/Intergraph	U1 Monthly subscription	4 500
	U2 Batch CPU second	1.10
	U3 Graph resident per hour	430
	U4 Numbering hour	300
	U5 Lump sum per 1/2 day	1 000
DE/Integral	U1 Integral CPU	1
	U2 Micro GGG 1/2 day	1 000
DE/Documentation	U1 Quarterly subscription	46 000
	U2 Documentary information per minute	11
	U3 Geological data record. per minute	9
	U4 Transcription well tapes on NOD/per tape	600
	U5 Extraction of data files off NOD/per file	300
Convex 310 supply	U1 Computer resource unit	1.15
HP 9000 supply	U1 Working unit plotting	1.15
	U2 Large format colour	290
	U3 Other format. colours	230
	U4 Black and White	200
	U5 Black and White. large format	220
HP 3000 supply	U1 Working unit HP 3000	1.15
	U2 Working unit HP 3935	1.15
	U3 Working unit HP 3DEI	1.15
	U4 Working unit HP 3DVLP	1.15
Convex 220 supply	U1 Computer resource unit	1.15
DE/MASS spectrometer	U1 Analysis	1 800

D

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