Export Gas Transportation Agreement

between

MYANMA OIL AND GAS ENTERPRISE

and

TOTAL MYANMAR EXPLORATION
AND PRODUCTION

and

UNOCAL MYANMAR OFFSHORE Co Ltd

and

PTTEP INTERNATIONAL LIMITED

and

MOATTAMA GAS TRANSPORTATION COMPANY
LIMITED
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### SCHEDULE 1

**MEASUREMENT OF NATURAL GAS AT THE POINT OF RECEIPT**

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UYP3 003381
This Contract is made on this 30th Day of January 1995.

BY and BETWEEN

THE MYANMA OIL AND GAS ENTERPRISE, an enterprise organised 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 the "MOGE");

AND

TOTAL MYANMAR EXPLORATION AND PRODUCTION, a company existing under the laws of France with its registered office at Tour TOTAL, 24, Cours Michelet - 92800 Puteaux (hereinafter referred to as "TOTAL");

AND

UNOCAL MYANMAR OFFSHORE Co Ltd, a company existing under the laws of Bermuda having an office at 1201 West 5th Street, Los Angeles CA90017 USA (hereinafter referred to as "UNOCAL");

AND

PTTEP INTERNATIONAL LIMITED, a company existing under the laws of Thailand, having its principal office at 555 Vibhavadi Rangsit Road, Bangkok 10900 (hereinafter referred to as "PTTEP");

with the MOGE, TOTAL, UNOCAL and PTTEP also called together the "Producers" and individually a "Producer":

OF THE FIRST PART

AND

MOATTAMA GAS TRANSPORTATION COMPANY LIMITED, a company existing under the laws of Bermuda having an office at Clarendon House, Church Street, Hamilton HMCX, Bermuda (hereinafter referred to as the "Transporter");

OF THE SECOND PART

UYP3 003382
WHEREAS

(1) Under and by virtue of a Production Sharing Contract ("PSC") dated 9th July 1992 and of a Memorandum of Understanding of even date, relating to the Yadana Gas Project operations have been carried out in the Contract Area by the Producers:

(2) the Export Gas Sales Agreement (EGSA) shall be entered into on February 2nd 1995 between the Producers (which are the Sellers in the EGSA) and the Buyer.

(3) each Producer separately owns its share in the Sales Gas:

(4) the Producers are willing to install the necessary facilities to produce gas from the Contract Area for export to Thailand, according to the EGSA:

(5) the Transporter is willing to install the necessary facilities to transport the Sales Gas produced from the Contract Area, from the Point of Receipt to the Point of Delivery; and

(6) the Producers and the Transporter have agreed that each Producer shall ship separately and the Transporter shall transport each Producer's share in the Sales Gas during the term of this Contract under the terms and conditions set out below.

NOW THEREFORE in consideration of the recitals and the mutual covenants and conditions herein contained, it is agreed as follows:

[Signature]
ARTICLE I - DEFINITIONS

In this Contract, reference to Articles, Clauses and sub-Claus es shall be unless otherwise indicated, reference to Articles, Clauses and sub-Clauses in this Contract and words indicating the singular may also include the plural and vice versa as the context requires and unless otherwise indicated the following words and expressions in this Contract, including the foregoing recitals, shall have the meanings set forth below:

1.1 Except otherwise expressly indicated in this Contract, all definitions used in the EGSA shall have the same meaning under this Contract.

1.2 Other definitions:

"Affiliate" with respect to any Producer or to any Shareholder means any company, or other legal entity:

a) in which any Producer or Shareholder holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of such Producer or Shareholder's shares entitled to vote, or

c) in which at least fifty percent (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 fifty percent (50%) of the shares of such Producer or Shareholder entitled to vote.

"Buyer" or "PTT" means the buyer of the Sales Gas in the EGSA.

"Contract" means this document, comprising Articles I to XXV together with Schedule 1, as may be amended from time to time in accordance with the provisions hereof.

"Contract Receipt Pressure" shall have the meaning set forth in Clause 4.1.

"Contract Transportation Tariff" shall have the meaning set forth in Article VIII.

"Delivery Point" means Point of Delivery under the EGSA.
"Domestic Gas Supply Agreement" is the Contract entered into between the Producers and the MOGE to supply the Myanmar domestic market with natural gas extracted from the Contract Area.

"Effective Date" shall be the date of signature of this Contract.

"Operator" shall have the meaning set forth in Article XIX.

"Party" means either any of the Producers and the Transporter. 
"Parties" means all of the Producers and the Transporter.

"Point of Receipt" or "Receipt Point" for the Natural Gas by Transporter shall be the flange weld or other agreed mark connecting the Producers facilities on the Producers central production platform to Transporter's facilities on the same platform.

"Sellers" means the sellers under the EGSA. The entities (i.e. at the present time: the MOGE, TOTAL, UNOCAL and PTTEPI), constituting the Sellers under the EGSA and those constituting the Producers under this Contract are the same.

"Shareholders" means the companies or entities detaining shares of the Transporter, which companies or entities are either the Producers or their Affiliates, and detains shares in the Transporter in the same respective proportions as the Producers detain interests in the PSC and "Shareholder" means any of them.

"Supply Gas" shall have the meaning set forth in the Domestic Gas Supply Agreement.

"Producers' Facilities" shall have the meaning set forth in Clause 5.1.

"Transporter's Facilities" shall have the meaning set forth in Clause 5.1.
ARTICLE II - COMMITMENTS AND OBLIGATIONS

2.1 The Sales Gas has to be produced and transported to the Point of Delivery. The Producers shall be in charge of its production and the Transporter of its transportation. Unless excused by other provisions of this Contract or of the EGSA, each Producer shall cause its share of Sales Gas to be produced to fulfil its commitments under the EGSA and have its share of Sales Gas transported through the Transporter, and the Transporter shall transport the total amount of Sales Gas in the manner and under the terms and conditions hereinafter set out in this Contract.

2.2 The Producers and the Transporter shall fulfil their respective obligations under this Contract as a Reasonable and Prudent Operator.

2.3 Except as otherwise provided in this Contract the Parties shall, so long as this Contract remains in force, maintain any licence, permit, agreement or other authorisation, or cause to be maintained any licence, permit, agreement or other authorisation, which is or are necessary to enable each to fulfil all of its obligations under this Contract.
ARTICLE III - QUALITY

3.1 Sales Gas delivered by the Producers to the Transporter shall, at the Point of Receipt, be in accordance with the specifications set out in the Second Schedule of the EGSA except for the temperature which will not be less than sixty (60) degrees Fahrenheit and not higher than one hundred and sixty (160) degrees Fahrenheit.

3.2 Sales Gas delivered by the Transporter to the Buyer at the Point of Delivery, shall be in accordance with the specifications set out in the Second Schedule of the EGSA.

Provided that, if any Sales Gas so transported is deficient in quality but is at the moment of its passage through the Point of Receipt, not known by the Operator to be deficient, the Producers shall compensate the Transporter for any damages suffered by the Transporter, and which the Transporter can properly claim in consequence of such deficiency up to an amount equal to the value of a quantity of Sales Gas six (6) times the DCQ then-in force at the Contract Price.

3.3 If at any time or from time to time during the Contract Period, the Sales Gas offered for delivery hereunder shall fail to conform to the relevant specifications set out in the Second Schedule of the EGSA, the liabilities resulting from such failure, which are set out in Article IV of the EGSA, shall be borne by the Producers in case such failure is a direct consequence of a failure to conform to specifications at the Point of Receipt, otherwise it will be borne by the Transporter.

3.4 Failing agreement within a period of thirty (30) Days, between the Producers and the Transporter, determining which Party has to bear the consequences of the failure referred to in Clause 3.3, any difference between the Parties which may arise under this Article shall (at the request of any Party or any Shareholder) be referred to an expert appointed pursuant to Article XVI.
ARTICLE IV - PRESSURE

4.1 Sales Gas shall be delivered by the Producers to the Transporter at the Receipt Point at such pressure (hereinafter called the "Contract Receipt Pressure") necessary to meet Buyer's notification under the EGSA, taking into account Transporter's back pressure at the Receipt Point at the time of delivery. The Contract Receipt Pressure shall not be greater than one thousand five hundred (1500) PSIA, except as otherwise agreed by the Parties.

4.2 Sales Gas shall be delivered to the Buyer at the Delivery Point at the Contract Delivery Pressure.

4.3 If at any time or from time to time during the Contract Period, the Sales Gas offered for delivery hereunder is not at the Contract Delivery Pressure, the liabilities resulting from such failure, which are set out in Article V of the EGSA, shall be borne by the Producers in case the Sales Gas is not at the Contract Receipt Pressure at the Point of Receipt, otherwise it shall be borne by the Transporter.

4.4 Falling agreement within a period of thirty (30) Days, between the Producers and the Transporter, determining which Party has to bear the consequences of the failure referred to in Clause 4.3, any difference between the Parties which may arise under this Article shall (at the request of any Party or any Shareholder) be referred to an expert appointed pursuant to Article XVI.
ARTICLE V - QUANTITIES

5.1 Producers' and Transporter's Facilities

The Producers shall, after the Effective Date and at their own expense, diligently proceed to provide and maintain facilities (the "Producers' Facilities") to enable them, on and after the Contractual Delivery Date, to produce and deliver Sales Gas at the Receipt Point at (the Contractual Delivery Capacity at the rate or rates calculated as hereinafter provided. The Producers Facilities include the offshore metering facilities and any offshore compression equipment (if necessary).

The Transporter shall, after the Effective Date and at its own expense, diligently proceed to provide and maintain facilities (the "Transporter's Facilities") to enable it, on and after the Contractual Delivery Date, to transport Sales Gas from the Receipt Point and to deliver it at the Delivery Point at the Contractual Delivery Capacity at the rate or rates calculated as hereinafter provided. The Transporter's Facilities include the onshore metering facilities for the Sales Gas, the onshore compression facilities (if necessary), the pig launcher and the pig receiver.

5.2 Commissioning

Prior to the commencement of deliveries, should it be necessary to commission the pipeline facilities with Natural Gas, the Producers shall provide free of charge such quantity of Natural Gas that will be necessary for such commissioning up to seven hundred (700) MMCF.

5.3 Commencement of Deliveries

The Commencement of Deliveries for the Producers and the Transporter shall be pursuant to the provisions of Clause 6.2 of the EGSA.

During the run-in period and until the completion of the test referred to in Clause 6.2.2 of the EGSA, the Contract Transportation Tariff will be reduced by 20%, as for the Contract Price.
5.4 Contractual Delivery Date

The Contractual Delivery Date for the Producers and the Transporter shall be according to the provisions of Clause 6.3 of the EGSA.

5.5 Daily Contract Quantity, its variations and Daily Deliveries

The Daily Contract Quantity its variations and the Daily Deliveries of Sales Gas to be delivered by the Producers at the Receipt Point and by the Transporter at the Delivery Point shall be governed by the provisions of Clause 6.4, 6.10 and 6.9 of the EGSA respectively.

In case a reduction is applied on the Contract Price during the Build-up Period, because deliveries to the Buyer are to exceed the DCQ as per sub-Clause 6.4.1 of the EGSA the corresponding Contract Transportation Tariff will be reduced by the same proportion for the quantities so delivered in excess of the DCQ.

5.6 Annual Contract Quantity, Minimum Annual Payment and Make-up

Both the Producers and the Transporter will benefit from the Minimum Annual Payment as defined in Clause 6.7 of the EGSA which relates to the Annual Contract Quantity defined in Clause 6.5 of the EGSA.

If in any one Contract Year Buyer has not taken at least the Net ACQ. and Buyer has paid to the Producers an amount of money as stipulated in Clause 6.7 and Article XII of the EGSA, then the Producers shall pay to the Transporter (in the manner set forth in Article IX) the arithmetic average of the Contract Transportation Tariff applicable in the relevant Contract Year for the quantity equal to the difference between the Net ACQ and the quantity of Sales Gas actually taken, by taking into account the provisions of sub-Clause 6.7 (i), (ii) and (iii) of the EGSA.

Conversely, when the Buyer takes free of charge a quantity of Sales Gas corresponding to its Make-Up Entitlements, as defined in Clause 6.8 of the EGSA, the transportation of such quantities shall also be free of charge.
5.7 Nominations

Both the Producers and the Transporter are concerned by the Nominations referred to in Clause 6.11 of the EGSA.

Regarding the possibility mentioned in sub-Clause 6.11 (c) of the EGSA, for the Buyer to call for the Nomination previously notified to be varied, the Transporter shall use reasonable endeavours to comply with such request, in the time frame given in sub-Clauses 6.11 (c) (i), (ii) and (iii) of the EGSA. The Producers will also have to use reasonable endeavours to comply with the same request at the Receipt Point provided that:

(i) Any request for a change of less than 10% shall be complied with within two (2) hours.

(ii) Any request for a change of 10% or greater but less than 25% shall be complied with within six (6) hours.

(iii) Any request for a change of 25% or greater shall be complied with within eighteen (18) hours.

5.8 Start-up after a cessation of deliveries of Sales Gas:

(a) After any event which causes a cessation of deliveries of Sales Gas, then for a period of twenty four (24) hours following the start-up of deliveries, the Producers, while using reasonable endeavours to meet nominations, shall be relieved from the consequences of any failure to deliver the nominated amounts in full.

(b) The provisions of Clause 6.13 of the EGSA shall apply to the Transporter. In case the Transporter fails to fulfil its obligations under such Clause 6.13, it shall bear the liabilities resulting from its failure, provided the Producers fulfilled their obligations under sub-Clause 5.9 (a), otherwise such liabilities shall be borne by the Producers.
5.9 Maintenance and Exceptional major works:

The Transporter is entitled to the same rights and obligations regarding maintenance and the exceptional major works as defined in Clauses 6.14 and 6.15 of the EGSA respectively.

The managed preventative maintenance of Producers’ and Transporter’s Facilities, which may cause a reduction of the DCQ, shall be made during the same time (Maintenance Period) every year, for the mutual benefit of the Producers and the Transporter. The Transporter shall exercise its best endeavour to make its managed preventative maintenance period coincide with that of the Producers.

5.10 Additional quantities of Natural Gas for the Transporter

In case the Transporter needs an additional quantity of Natural Gas to be used for the operations for the transportation, including but not limited to compression operations, the Producers shall deliver at the Receipt Point to the Transporter such additional quantities free of charge, which shall not be included in the Sales Gas.

5.11 Transportation of Supply Gas

In case MOGE exercise the option referred to in Clause 14.4 of the DGSA:

(a) MGTC shall construct and operate the necessary onshore measurement facilities and shall charge the corresponding expenses at cost to MOGE. The measurements norms and procedures of the DGSA shall apply to such facilities.

(b) MGTC shall transport such Supply Gas free of charge.

(c) The Sales Gas shall always have priority over such Supply Gas.
ARTICLE VI - EXTENSION TO OTHER DISCOVERIES

a) As a consequence of the provisions of Clause 6.4.2. of the EGSA, the Transporter will accept to transport Sales Gas from blocks M5 and M6 and/or adjacent blocks in Myanmar which belong to the Producers in the same proportion as the Sales Gas, provided that its quality is compatible with the quality of Sales Gas. In that case, the Parties undertake to proceed in good faith with any discussion regarding new investment.

b) Transportation of other Natural Gas

No Natural Gas other than considered under this Contract shall be transported by the Transporter in the Transportation Facilities described under this Contract without the unanimous written consent of the Producers.

[Signature]

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ARTICLE VII - CONFIDENTIALITY OF INFORMATION

7.1 As the Operator acts as representative for both the Producers and the Transporter all such information as may be reasonably required by the Producers or the Transporter from the other(s) to carry out its (their) obligations under this Contract, shall be deemed to have been provided to and received by the Transporter or the Producers, as appropriate, as soon as in possession of the Operator.

7.2 All information made available under this Article shall not be disclosed to any person not in the service or employment or professionally retained by the Producers or the Transporter or required by law or by bank(s) and/or financial institutions for the purpose of financing operations hereunder, in which case such disclosure shall be made only on condition that the recipient shall make no further disclosure thereof.

Each recipient shall treat as confidential all data and information properly designated as confidential as long as the same does not become public knowledge and shall take or cause to be taken such precautions as are necessary to prevent disclosure thereof to others.
ARTICLE VIII - TARIFF AND TARIFF ADJUSTMENT

8.1 The Transportation of Sales Gas delivered under this Contract from the Date of Commencement of Deliveries and onwards (or to be paid by the Buyer for whether taken or not by the Buyer) shall be paid for in the manner and at the tariffs following.

8.2 For the duration of this Contract, the Contract Transportation Tariff expressed in USD/MMBTU shall be calculated as a fraction “F” of the Contract Price defined in Article XI of the EGSA, and with:

\[ F = 0.41 \times \frac{C}{620} \]

C is equal to the MGTC capital expenditures and pre-operating expenses incurred before the Date of Commencement of Deliveries expressed in million of U.S. Dollars.

8.3 The final figure for the tariff payable in accordance with this Article shall be rounded to four (4) decimal places by rounding off the fifth decimal place, a five (5) in the fifth decimal place being rounded upwards.

8.4 The Producers shall pay the Transporter (in the manner set forth in Article VIII) for an amount of Sales Gas transported and delivered to the Buyer in accordance with Article V and in the following priority:

(i) Firstly, for such volumes of Sales Gas to which the reduced tariffs under Articles III, IV, and XII apply, at such reduced tariffs.

(ii) Secondly, for the remaining balance of the Net ACQ. at the Contract Transportation Tariff.

The transportation of any Sales Gas additional to the Net ACQ taken, where applicable, in each Contract Year shall be paid for as follows:

(i) Firstly, such volumes of Sales Gas as the Buyer has paid for but not taken in Debit Years, and taken in accordance with Article V shall be free of charge.

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(ii) Secondly, for the remaining balance, if any, of the volumes of Sales Gas to which a reduced tariff applies under either Article III, IV, or XII, at such reduced tariff.

(iii) Thirdly, for the remaining balance, at the Contract Transportation Tariff.
ARTICLE IX - BILLING AND PAYMENT

9.1 On or before the tenth day of each Month following the Date of Commencement of Deliveries hereunder, the Operator, acting as representative for the Transporter shall render to each of the Producers an invoice and a statement, showing all the information given in Clause 12.1 (i) to (viii) of the EGSA plus:

(i) The quantity of Shortfall Gas due to a default of the Transporter.
(ii) The sum due and owing to the Transporter under Article V for Sales Gas transported during the Month and any prior Month showing the quantities at the prevailing tariff or tariffs for each Month.
(iii) Any sum due and owing to each of the Producers; and
(iv) The net sum payable to the Transporter by each of the Producers.

9.2 On or before the last Day of the Month following each Contract Year, the Operator, acting as representative for the Transporter shall render or cause to be rendered to each of the Producers an invoice and a statement showing all the information given in Clause 12.2 (i) to (iv) of the EGSA plus:

(i) The net sum or sums (if any) payable by any Producer to the Transporter or by the Transporter to any Producer in respect of such transactions and of the provisions of sub-Clauses 16.4.2 of the EGSA.

9.3 The Transporter acknowledges the procedure defined in the EGSA Article XII, according to which the Sellers receive the Sales Gas payment from the Buyer (EGSA Clauses 12.3, 12.4 and 12.5), through the Paying Agent (EGSA Clause 12.6).

9.4 Each time the Paying Agent receives the payment for the Sales Gas from the Buyer, the Operator, acting as representative of the Producers will give to the Paying Agent the instruction to transfer immediately on a bank account or accounts designated by the Transporter, the amounts corresponding to the invoices mentioned in Clauses 9.1 and 9.2 of this Article.
The Transporter shall designate its original bank at least three (3) months before the Date of Commencement of Deliveries. In case the Transporter desires to change such bank, it shall ensure that the choice of a new bank and/or its location do not increase the taxes and duties, exchange charges, bank transfer charges and the like, chargeable to the Paying Agent, and the Operator, acting as representative shall have to notify such change to the Paying Agent with a thirty (30) Day prior notice.

When paying any amount due to each of the Producers, the Transporter shall arrange that such payment made to the bank or banks designated by each of the Producers shall be in the full amount due under this Contract, without any deduction for any taxes, duties, exchange charges or bank transfer charges.

Each of the Producers (i.e. at the present time the MOGE, TOTAL, UNOCAL and PTTEPI), shall designate its original bank at least three (3) months before the Date of Commencement of Deliveries.

In case any Producer desires to change such bank, they shall ensure that the choice of a new bank and/or its location do not increase the taxes and duties, exchange charges, bank transfer charges and the like, chargeable to the account of the Transporter, and shall have to notify such changes to the Operator, acting as the representative of the Transporter with a thirty (30) Day prior notice.

9.5 Should any Party fail to make payment to another of any sum due hereunder, interest thereon shall accrue for each day until paid in full at the annual rate of the London Inter-Bank Offered Rate (LIBOR) for USD for one month borrowing plus one percent (1 %) per annum as published by the Financial Times, London, or if not published as quoted by the National Westminster Bank in London, and valid on the latest working day in London the payment was due, except to the extent that the failure to make payment arose from an error on the part of the Party to whom payment was due to be made. For the avoidance of doubt, the above mentioned rate is presently available in the Financial Times in a tabulation called “Money Rates” under the heading “$ LIBOR FT London - Interbank Fixing”.

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9.6 The Producers and the Transporter shall have the right at reasonable hours to examine the books and other records of the other Party relative to this Contract to the extent necessary to verify the accuracy of any statement or computation made pursuant to any of the provisions of this Contract.

Provided that, for the purposes of this Contract,

(i) such books and other records need not be preserved longer than a period of four (4) Calendar years; and

(ii) if any such examination reveals any inaccuracy in any billing therefore made, the necessary adjustment shall be made promptly.
ARTICLE X - MEASUREMENTS

10.1 The responsibilities of the Producers and the Transporter in order to deliver Sales Gas to the Buyer at the Point of Delivery pursuant to the provisions of the EGSA regarding the Sales Gas quality specifications, its Contractual Delivery Pressure and the quantities to be delivered are defined in Articles III, IV and V of this Contract.

The metering station which will be used for measurements related to Sales Gas will be at the Point of Delivery and it will be a part of the Transporter's facilities.

In order to determine in case of default, or suspension or curtailment of deliveries the respective responsibilities of the Producers and the Transporter, there will be another metering station located at the Point of Receipt which will be a part of the Producers' Facilities.

The comparison of the indications of the two metering stations shall be made by taking into account the additional natural gas delivered to the Transporter pursuant to Clause 5.10 it will also take into account the limits of accuracy of the meters.

10.2 Measurements at Delivery Point:
The metering station is operated by the Transporter. The specifications regarding the measurements are those defined in the EGSA (Article XIII and fifth Schedule). All the provisions of Article XIII of the EGSA shall apply to the Transporter, in particular those concerning the rights of the Buyer described in the EGSA regarding the inspections and checks of the metering.

10.3 Measurements at Receipt Point:
The offshore measurement facilities will have the same specifications as those described in Schedule 1 of this Contract.

The provisions of Clause 13.5 and 13.6 of the EGSA regarding the verification of the measuring and testing equipment, the limits of its accuracy and the case it is out of service shall apply.

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ARTICLE XI - POINT OF DELIVERY, PROPERTY AND RISK

11.1 The Sales Gas shall be transported by the Transporter from the Receipt Point to the Delivery Point and shall be there delivered to the Buyer.

11.2 During its transportation the Sales Gas remains the property of the Producers.

11.3 The title and risk in the Sales Gas tendered for delivery by the Producers shall pass to Buyer at the Point of Delivery.

In case the Producers have to compensate the Buyer because the Sales Gas is deficient in quality, pursuant to the provisions of Clause 14.2 of the EGSA, the compensation shall be borne by the Producers if the Sales Gas quality deficiency at the Delivery Point is a consequence of Sales Gas Quality deficiency at the Receipt Point, otherwise, it shall be borne by the Transporter.
ARTICLE XII - DEFAULT, SUSPENSION OR CURTAILMENT

12.1 Except as otherwise provided in this Article XII and Clauses 3.2, 3.3, 4.3 and 11.3, any Producer shall be liable to the Transporter and the Transporter shall be liable to any Producer in the event of, as applicable, to such Producer's or Transporter's default or breach of an obligation hereunder only for actual costs, expenses and damages, (including loss of Sales Gas) incurred by such other Party as the direct result of such default or breach.

12.2 Suspension or curtailment of Sales Gas deliveries (“Shortfall Gas”):
The liabilities due to the suspension or curtailment of the Sales Gas deliveries are described in Article XV of the EGSA. These liabilities shall be charged to the Producers and the Transporter as follows:

a) Suspension or curtailment due to the Producers default.
The reduction of the ACQ shall affect both the Producers and the Transporter; the Export Gas Price reduction pursuant to Article XV of the EGSA shall be borne by the Producers only.

b) Suspension or curtailment due to Transporter’s default.
The reduction of the ACQ shall affect both the Producers and the Transporter; the Export Gas Price reduction pursuant to Article XV of the EGSA shall be borne by the Transporter only.

c) Suspension or curtailment due to Force Majeure:
Each of the Producers and the Transporter shall bear separately the consequence of the Force Majeure, pursuant to the provisions of this Contract and of the EGSA.

12.3 In no event shall either the Producers or the Transporter be liable to the other for indirect or special damages of any kind nor shall either be liable to the other for damages asserted or claimed to have been suffered by any third party (other than a Shareholder) not a Party to this Contract.
ARTICLE XIII - FORCE MAJEURE

13.1 The provisions of Article XVI ("Force Majeure") of the EGSA shall apply mutatis mutandis in this Contract.

13.2 In case the provisions of sub-Clause 16.4.2 of the EGSA apply:

(i) If the Sellers have to compensate the Buyer according to sub-Clause 16.4.2 (i) of the EGSA, then the amount for such compensation shall be shared between the Producers and the Transporter proportionally to their share of the gross revenues from the Sales Gas (and/or substitute gas).

(C) being the compensation, (CP) the Contract Price or Prices in effect during the Quarter or Quarters when the disruption of deliveries occurs and (CT) the corresponding Contract Transportation Tariff, then:

The Transporter shall be liable for: \[(C) \times \frac{(CT)}{(CP)}\]
The Producers shall be liable for: \[(C) \times \left[1 - \frac{(CT)}{(CP)}\right]\]

(ii) The same principle of proration between the Producers and the Transporter shall apply in case the Buyer has to compensate the Sellers according to sub-Clause 16.4.2.(ii) of the EGSA through the computation of the net ACQ.
ARTICLE XIV - PERIOD OF CONTRACT AND ITS TERMINATION

14.1 This Contract shall come into force on the Effective Date and shall continue to be in force until the termination of the EGSA. Rights and obligations accrued to and incurred by each Party prior to termination of this Contract shall survive such termination.

14.2 In case the Make-Up Entitlement has to be reimbursed by the Sellers pursuant to Clause 18.3 of the EGSA, then the amount to be reimbursed shall be reimbursed by the Party having hindered the provision of such Make-Up Entitlement.
ARTICLE XV - ASSIGNMENT, SUCCESSORS AND ASSIGNS

15.1 Each Producer (or one of its Affiliate) shall have and shall maintain the same participating interest in the PSC and in the Transporter.

15.2 The right of each Producer to sell, transfer, convey or otherwise dispose of all or any part of its rights and interests under this Contract to an Affiliate or other parties shall be subject to such Producer having complied with the provisions of sub-Section 17-2 g) of the PSC and to Article XIX of the EGSA.

15.3 MGTC shall not sell transfer, convey or otherwise dispose of all or any part of its rights and interests under this Contract without the consent in writing of all the Producers, which consent shall not be unreasonably withheld.

15.4 This Contract shall bind and enure to the benefit of the companies defined as the Producers and Transporter and their respective successors and permitted assigns.

15.5 Whenever any Party or Shareholder will consider the opportunity to finance through bank(s) and/or financial institution(s) part or all of its share in the expenses related to development, production and transportation operations under this Contract, such Party or Shareholder shall be free, notwithstanding any provision to the contrary, to assign or pledge or otherwise encumber any and all of its rights such bank(s) and/or financial institution(s) may request. The assigning Party or Shareholder shall inform each of the other Parties or Shareholders of the assignment as soon as possible and not later than thirty (30) days following the assignment.
ARTICLE XVI - EXPERT

16.1 Whenever in this Contract it is provided that any person is to be appointed an expert or any matter is to be referred to an expert or the Parties agree that a point of difference between them shall be resolved by an expert, the provisions of this Article XVI shall apply, being understood that for the purpose of the appointment of the expert, Operator shall act as both Producers' and Transporter's representative.

16.2 The procedure for the appointment of an expert shall be the following:

(i) The Party or the Shareholder requesting the appointment of an expert shall give notice in writing to that effect to the Operator and in such notice shall give details of the matter which is proposed shall be resolved by the expert.

(ii) The Operator, after consultation of the Parties and of the Shareholders shall designate a single expert to whom the matter in dispute shall be referred for determination.

(iii) If within twenty-one (21) Days from the service of the said notice the Operator has failed to designate an expert then the matter shall forthwith be referred by the Party or Shareholder requesting the appointment to be made to the President of the International Gas Union who shall be requested to make the appointment of the said expert within thirty (30) Days and may in so doing take such independent advice as he thinks fit.

(iv) Upon an expert being or selected under the foregoing provisions of this Article the Operator shall forthwith notify such expert of his selection and shall request him to state within fourteen (14) Days whether or not he is willing and able to accept the appointment.

(v) If such expert shall be either unwilling or unable to accept such appointment or shall not have accepted such appointment within the said fourteen (14) Days then unless the Operator appoints another expert who is willing and able to act, the matter shall again be referred to
the President of the International Gas Union who shall be requested to 
make a further appointment and the procedures shall be repeated until 
an expert is found who accepts the appointment.

16.3 Once the expert has accepted his appointment pursuant to Clause 16.2 (v) the 
Operator, acting on behalf of the Producers and the Transactor, shall within 
five (5) Days of such date set forth the points of difference to be resolved and 
shall fairly represent the position of each.

16.4 Not later than thirty (30) Days after the acceptance by an expert of his 
appointment the Operator shall submit to the expert and to the other Party all 
data, information and other submissions which each Party or Shareholder 
considers relevant to the matter for which the expert has been appointed, and 
so inform the Parties and the Shareholders, which may rebut any such data, 
information and submission within fifteen (15) days after the said thirty (30) Day 
period. The expert shall make his decision on such data, information and 
submissions made after such forty-five (45) Days unless the same are 
furnished in response to a specific request from him. The expert may examine 
physical evidence on site provided both the Producers and the Shareholders 
are accorded the opportunity to attend and participate in such examination.

16.5 Within a reasonable period, which shall not exceed ninety (90) Days after his 
appointment or in any other case after the appointment, the expert shall render 
a decision. If the expert does not so decide the matter within such time or 
within such extensions of time agreed upon by the Operator, the matter shall 
at the request of any Party and Shareholder, be referred to a new expert who 
shall be appointed under the provisions of this Article XV and upon the 
acceptance of appointment by such new expert the appointment of the 
previous expert shall cease.

Provided that if the previous expert shall have rendered a decision prior to the 
cate upon which the new expert accepts his appointment then such decision 
shall be binding upon the Parties and the Shareholders and the instructions to 
the new expert shall be withdrawn.

16.6 The report of the expert shall be in writing and shall set forth his decision and 
reasons therefor.
16.7 No person shall be appointed to act as the expert under this Article XVI

(i) unless he shall be qualified by education, experience and training to determine the matter in dispute.

(ii) who at any time has been an employee of or engaged by any Party or Shareholder.

16.8 The decision of the expert shall be final and binding upon the Parties on the matter under determination and may be entered thereon by any court of competent jurisdiction save in the event of:

(i) fraud:

(ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award:

(iii) failure of an expert to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence:

(iv) where an expert has awarded upon a matter not submitted to him, unless it is a matter not affecting the merits of the decision upon the matter submitted.

Each Party or Shareholder shall continue to fully perform all of its obligations under this Contract during the pendency of the determination.

16.9. Each Party or Shareholder shall bear the costs and expenses of all counsel, witnesses and employees retained by it but the cost and expenses of the expert shall be apportioned fifty/fifty between the Producers and Transporter.
ARTICLE XVII - ARBITRATION

17.1 Any and all disputes, controversies or claims between any Producer(s) and the Transporter arising out of or relating to this Contract or the performance, breach, termination or invalidity thereof which are not by this Contract referred for determination to an expert appointed in accordance with the provisions of Article XVI 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, one (1) for the Transporter, one (1) for the Producer(s); the third one to be designated in accordance with the said Rules.

17.2 The place of arbitration shall be Singapore.

17.3 In rendering an award, the arbitrators shall take account of the law of the Union of Myanmar and of the practice and usage of the international oil and gas industry.

17.4 The arbitral award shall be final and binding on all Parties on the matter under arbitration and judgment may be entered thereon by any court of competent jurisdiction save in the event of:

(i) fraud;

(ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

(iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence;

(iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

in which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules referred to in Clause 17.1.
Each Party shall continue fully to perform all of its obligations under this Contract during the pendency of the determination.
ARTICLE XVIII - APPLICABLE LAW

This Contract shall be governed by, construed and interpreted in accordance with the Laws of the Union of Myanmar.
ARTICLE XIX - THE OPERATOR

The Operator designated as the "Sellers' representative" pursuant to the provisions of Article XXIV of the EGSA will operate both the Producers and the Transporter's Facilities. Consequently, the Producers and the Transporter shall have one Operator only, and any notice from the Buyer to the Operator pursuant to the EGSA shall be deemed to be received by both the Producers and the Transporter.
ARTICLE XX - NOTICES

20.1 Each Producer and each Shareholder may send notices to the Operator, and conversely, according to the provisions of Article 25.1 of the EGSA, which are hereby incorporated, mutatis mutandis.

20.2 The initial address for service of notice of each Producer, the Transporter, each Shareholder and the Operator shall be as follows:

a) In case of the Producers:

MOGE:
74/80, Min Ye Kyaw Swa Road
P.O. Box 1049
YANGON, UNION OF MYANMAR
Telex: MYCORP BM 21307

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

UNOCAL:
1201 West 5th Street
P.O. Box 7600
LOS ANGELES, CALIFORNIA 90017
UNITED STATES OF AMERICA
Telex: 188334 UNOCAL UT

UYP3 003413
PTTEPI
555, Vibhavadi Rangsit Road
BANGKOK 10900
THAILAND
Telex: 21751 PTTE TH

b) In case of the Transporter:

TOTAL MYANMAR EXPLORATION and PRODUCTION,
(as representative for the Transporter)
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR
Telex: 0 8321434 TMEP BM

c) In case of the Shareholders

MOGE:
74/80, Min Ye Kyaw Swa Road
P.O. Box 1049
YANGON, UNION OF MYANMAR
Telex: MYCORP BM 21307

TOTAL PROFILS PETROLIERS
c/o TEP/EO
Tour TOTAL
Cedex 47
92069 PARIS LA DEFENSE
France
Telex: 615700 F

UYP3 003414
UNOCAL:
1201 West 5th Street
B.O. Box 7600
LOS ANGELES, CALIFORNIA 90017
UNITED STATES OF AMERICA
Telex: 188334 UNOCAL UT

PTTEPI:
555, Vibhavadi Rangsit Road
BANGKOK 10900
THAILAND
Telex: 20610 PTTEP TH

d) In case of the Operator

TOTAL MYANMAR EXPLORATION and PRODUCTION,
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR
Telex: 0 6321434 TMEP BM
with copy to:

TOTAL MYANMAR EXPLORATION AND PRODUCTION
C/o TEP/EO
Tour TOTAL
Cedex 47
92069 PARIS LA DEFENSE
France
Telex: 615700 F

20.3 Each Producer and each Shareholder shall promptly inform the others in writing of any change.
No waiver by either Party of any default or defaults by any of the other Parties in the performance of any of the provisions of this Contract shall operate or be construed as a waiver of any other or further default whether of a like or different character.
ARTICLE XXII - MARGINAL HEADINGS

The marginal headings in this Contract are inserted for convenience only and shall not affect the construction of this Contract.
ARTICLE XXIII - RELATIONSHIP AND LIABILITY

23.1 It is expressly agreed that it is not the purpose or intention of this Contract to create, nor in the same to be construed as creating, any form of legal partnership between the companies defined as the Producers.

23.2 This Contract contains separate transportation contracts between each Producer and Transporter which are combined into one document solely for convenience, and each Producer executes this Contract only in respect of its share in the Sales Gas. Any liability arising under the separate transportation Contracts between each Producer and Transporter shall be separate and not joint and several.
Each Party guarantees the other Parties that it has obtained all governmental authorisations made necessary for the signature of this Contract under the laws and regulations of its own country and of the Union of Myanmar.
ARTICLE XXV - ENTIRE CONTRACT

This Contract and the terms hereof shall constitute the entire Contract between the Parties hereto with respect to all matters herein and its execution has not been induced by, nor do either of the Parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein. This Contract may be modified or supplemented only by amendment in writing executed by the Parties hereto.

IN WITNESS WHEREOF each Party hereto has caused this Contract to be executed by its duly authorised representative as of the date first written above.

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

By
Title

WITNESSES
Signed, and delivered
on behalf of
TOTAL MYANMAR EXPLORATION AND PRODUCTION

By
Title
WITNESSES

Signed, and delivered
on behalf of
UNOCAL MYANMAR OFFSHORE Co Ltd

By
Title
WITNESSES
Signed, and delivered
on behalf of
PTTEP INTERNATIONAL LIMITED

By
Title

WITNESSES

Signed, and delivered
on behalf of
MOATTAMA GAS TRANSPORTATION COMPANY LIMITED

By
Title
Chairman

WITNESSES
SCHEDULE 1

MEASUREMENT OF NATURAL GAS AT THE POINT OF RECEIPT

1. METERING

The Natural Gas delivered to the Transporter under this Agreement shall be measured with meters constructed and installed, and whose computations of volume are made mutually agreed by both parties.

2. ADJUSTMENT FOR SUPERCOMPRESSIBILITY

Adjustment for the effect of supercompressibility shall be made according to the provisions of AGA Report No. 8 for the average conditions of pressure, flowing temperature and specific gravity at which the Natural Gas was measured during the period under consideration and with the proportionate values of all components including carbon dioxide and nitrogen, in the gas delivered included in the computation of the applicable supercompressibility factors. The Producers agree to exercise due diligence in measuring the initial fraction values of carbon dioxide, nitrogen, and all other components and to measure subsequent values of all components as may be required and agreed by the parties. Unless another method is agreed by the parties, super compressibility factors shall be calculated in accordance with clause 8.1 in the Transmission Measurement Committee Report No. 8 "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases", November, 1992.

3. TEMPERATURE

The temperature of the Natural Gas delivered to the Transporter shall be determined by a recording thermometer so installed that it will record the temperature of such gas flowing through the meters. The recording thermometer shall be installed and maintained by the Producers in accordance with the specifications set forth in said AGA Gas Measurement Committee Report No. 3.

4. SPECIFIC GRAVITY

Test to determine the Specific Gravity of the Natural Gas being metered shall be made in accordance with American Society for Testing and Materials (ASTM) Standard D 1070-85, or any subsequent revision thereof acceptable to both parties.

The Specific Gravity of the Natural Gas shall be determined by laboratory gravimeter.

The Specific Gravity so determined by any calculation shall apply to the Natural Gas metered from the commencement date of the sample used for compositional analysis until the next sample is taken for analysis.
5. HEATING VALUE DETERMINATION

The Gross Calorific Value of the Natural Gas in BTUs per Cubic Foot shall be determined from samples.

Tests to determine the calorific value of Natural Gas delivered may be made utilizing gas chromatograph measurements. In such case, calculations of Gross Calorific Value shall be made utilizing the method set forth in AGA Measurement Committee Report No. 3.

The Gross Calorific Value determined by any test shall apply to the Natural Gas metered from the commencement date of the sample until the next sample is taken for test.

Spot sampling shall be representative of the Natural Gas delivered at the time such samples are taken.

6. Notwithstanding anything contained herein the measurement of Natural Gas delivered may be carried out by alternative methods if the parties hereto agree.
GOVERNMENT OF THE UNION OF MYANMAR

MINISTRY OF ENERGY

Notification No. 1 (Extraordinary) / 95
GOVERNMENT OF THE UNION OF MYANMAR
MINISTRY OF ENERGY

Notification No. 1 (Extraordinary)/95

Yangon, 15th Waning Day of Pyatho, 1356
Myanmar Era
(30th January 1995)

In accordance with Section 4 of the State-owned Economic Enterprises Law, 1989, the Government of the Union of Myanmar grants permission to the Moattama Gas Transportation Company Limited to carry out the natural gas transportation works in Myanmar on the basis of the Agreement awarded by the Myanma Oil and Gas Enterprise of the Union of Myanmar.

By Order,

[Signature]

Khin Maung Thein
Minister,
Government of the Union of Myanmar,
Ministry of Energy.
The Myanmar Investment Commission

PERMIT

Permit No. 124/95

Date 27 January

The Myanmar Investment Commission issues this Permit under Section 11 of the Union of Myanmar Foreign Investment Law:

(a) Name of Promoter: DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT

(b) Citizenship: 

(c) Address: 23 FYA ROAD, YANGON

(d) Name and address of principal organization: MINISTRY OF ENERGY, 23 FYA ROAD, YANGON

(e) Place of incorporation: 

(f) Type of business in which investment is to be made: NATURAL GAS TRANSPORTATION AND ASSOCIATED ACTIVITIES

(g) Place(s) at which investment is permitted: GAS PIPELINE TRANSPORT FROM OFFSHORE BLOCKS A5 - A6 TO MYANMAR-THAILAND BORDER AT BAN THONG

(h) Amount of foreign capital: US $ 580 MILLION


(j) Total amount of capital (Kyat): EQUIVALENT OF US $ 580 MILLION

(k) Permitted duration of investment: 30 YEARS OF COMMERCIAL OPERATION

(l) Name of the economic organization to be formed in Myanmar: NO. TEN: GAS TRANSPORTATION COMPANY LIMITED

Chairman

The Myanmar Investment Commission

UYP3 003427

600
GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION
653 - 691 Merchant Street, Yangon.

Our Ref: Ya Ka-1/231/94 (2580)

Tel: 720049, 72855
Fax: 095-61-82101
Tlx: 21368 INVEST BM

CONFIDENTIAL
DOE v. UNOCAL
SUBJECT TO PROTECTIVE ORDER

Subject: Decision of the Myanmar Investment Commission on the Proposal for Transportation of Natural Gas and Associated Activities under the name of “Maotama Gas Transportation Company Limited”.

Reference: Ministry of Energy letter No. 008/43/Hla, dated 9-1-95

1. The Myanmar Investment Commission, at its meeting 1/95 held on 12-1-95 had reviewed the proposal for investment in “Transportation of Natural Gas and Associated Activities” under the name of “Maotama Gas Transportation Company Limited (MGTC)” incorporated in Bermuda with a branch to be registered in the Union of Myanmar. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (3/95) held on 18-1-95 resolved to permit the said project. Hence, the “Permit” is herewith issued in accordance with Chapter VI, Article 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Paragraph 13 of the Procedures relating to the said Law. Terms and conditions to the “Permit” are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (Thirty) years of commercial operation exclusive of construction period.

4. In issuing this “Permit”, the Commission has granted the following exemptions and reliefs:

   (a) As per Article-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

   (b) As per Article-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, MGTC shall apply for such exemption only after the 3-year tax holiday period.

   (c) As per Article-21(c), MGTC shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. MGTC shall have to apply to the Commission such rates of depreciation.

   (d) As per Article-21(e), MGTC shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

   (e) As per Article-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

   (f) As per Article-21(g) regarding the right to deduct from the assessable income such expenses in respect of research and development relating to the enterprise which
are actually required and are carried out within the State. MGTC shall apply upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Article-21(i), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, MGTC shall file the case, if any, to the Ministry of Finance and Revenue with regard to Article-4 of the Income Tax Amendment Law, 1991.

(h) As per Article-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required for use during the period of construction.

(i) As per Article-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional imports of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Energy.

5. MGTC shall have to sign all necessary Agreements with the agencies concerned for the operation. After signing such Agreements, (5) copies each of them shall be forwarded to the Commission.

6. MGTC, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall register the branch. After registration, (5) copies of Certificate of Registration of Branch in Myanmar shall have to be forwarded to the Commission.

7. The official date of operation shall be reported to the Commission.

8. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal.

9. In order to evaluate foreign capital in terms of kyats and for the purpose of its registration in accordance with the provision under Article-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed list of the type and value of foreign capital defined under Article-2(h) of the Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Subcommittee.

10. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed vide letter No. Na-Ya 91/10/92(416) dated 3-12-92 [Annexure(1)].

11. MGTC shall be responsible for the preservation of the environment at and around the area of the project site. Hence it shall observe the directive issued by the Commission vide letter No. Ya Kali/139/94(0440) dated 30-6-94 (Annexure (2)) to undertake all proper treatment systems and other necessary environmental control systems.

12. MGTC shall follow the procedures prescribed by the Commission vide letter No. Ya Kali/408/94(0424) dated 20-4-94 (Annexure(3)) to expedite the clearance of import of capital and inter-
industry use goods brought in as capital investment and raw materials required during the initial three-year operation period.

13 MGTB, in consultation with Myanmar Insurance, shall effect such types of insurance defined under Chapter VII, Paragraph 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order.

Bng.-Gen. D. O. Abel
Secretary
(Minister, Ministry of National Planning and Economic Development)

Director General,
Energy Planning Department
Ministry of Energy

cc 1 Office of the Chairman of State Law and Order Restoration Council.
2 Office of the State Law and Order Restoration Council.
3 Office of the Government of the Union of Myanmar.
4 Ministry of National Planning and Economic Development.
5 Ministry of Finance and Revenue.
6 Ministry of Trade.
7 Ministry of Energy.
8 Ministry of Foreign Affairs.
9 Ministry of Home Affairs.
10 Ministry of Labour.
11 Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar).
12 Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department).
13 Director General, Customs Department.
14 Director General, Internal Revenue Department.
15 Managing Director, Myanmar Insurance.
16 Director General, Directorate of Trade.
17 Director General, Immigration and Manpower Department.
18 Director General, Directorate of Labour.
19 Chairman, Union of Myanmar Chamber of Commerce and Industry.
20 Director, Department of Company Administration, Directorate of Investment and Administration.
Subject: Performance report of the Permitted Enterprises on their Initial Stage of Implementation.

The Myanmar Investment Commission, upon approval of the Cabinet, has issued Permit No. 124/91, dated 27th of July, 1991, for your proposal.

Since the progress of the Initial Stage of implementation is to be monitored and reported to the Commission, it is hereby requested to report to the Commission Office as per the attached form.

(Signed)

(Kaing Khine)
Joint Secretary
Myanmar Investment Commission
Report on the Performance of the Permitted Enterprise

(Initial Stage)

1. Name of Enterprise

2. Foreign Investment Permit No. and Date

3. Date of Signing Contract (J.V Agreement, BOT Agreement, Loan Agreement, Production Sharing Agreement etc.)

4. Date of Incorporation/Registration

5. Date of Approval of other Government Agency 1)

6. Date of Export/Import Registration

7. Amount of the Lead Use Premium, Deposit Fees/Termium Payment and the Date of Payment

8. Amount of Performance Guarantee and the Date of Issue

9. Amount of Capital Brought in (Currency: Assets: Tangible and Intangible)

10. Date of Ground-breaking/Construction/Innovation etc.

11. Progress in Construction, Renovation, Exploration etc.

12. Expected Date of Commencement of Operation

Note:

1) To specify - Licence to operate on Hotel Business and that of Tourism Business by the Directorate of Hotel and Tourism - Licence to carry out Fisheries, or as Joint Venture by the Fisheries Dept. - Registration at the Directorate of Regional Industrial Coordination and Industrial Inspection (Industrial Enterprises)

To Note - Should implementation is not affected according to the schedule as specified in the agreement, to state the reason.
Our Ref: Wa Ya 9/104/72 (415)

Date: 3rd December, 1992.

Subject: Instructions for evaluation and registration of foreign equity capital in terms of Kyat for permitted enterprises under Foreign Investment Law.

1. Chapter 12, article 24 of the Union of Myanmar Foreign Investment Law states that "The Commission shall evaluate the foreign capital in terms of Kyat in the manner prescribed, and register it in the name of investor. In so registering, the type of foreign capital and the type of foreign currency evaluated shall be stated."

2. In addition, Procedure Related to the Union of Myanmar Foreign Investment Law, Chapter 11, paragraph 24 prescribes that "In evaluating foreign capital in terms of Kyat for the purpose of registration by the Commission, the following shall be carried out:

(a) to cause to be brought in foreign currency in any type of foreign currency acceptable to the Myanmar Foreign Trade Bank, and to evaluate the same at the prevailing official rate of exchange;

(b) to cause the value of the types of foreign capital other than the foreign currency to be stated in any type of foreign currency acceptable to the Myanmar Foreign Trade Bank and to scrutinise whether the value of the respective foreign currency so stated is appropriate or not, and to evaluate such values so scrutinised at the prevailing official rate of exchange."

3. For the implementation of the above mentioned Law and Procedures, the following methods are being carried out by the Commission:

(a) Foreign Currency. The Myanmar Foreign Trade Bank (MFTB) or Myanmar Investment and Commercial Bank (MICB) issues pay-in slip/credit
advise form to the investor when they deposit their foreign capital in foreign currency, cheque, bank draft or in any form of inward remittance to their account. Copies of these bank slips/credit advisories have to be submitted to the Commission without fail, and the Commission shall evaluate and register the foreign capital in terms of Kyat by using the rate of exchange, prevailing at the date of issue of the pay in slips/credit advisories.

(b) Machinery, equipment and raw materials, etc:

Invoices, packing list for machinery, equipment, raw materials and such brought in as foreign capital by enterprises are to be submitted initially to the Foreign Capital Evaluating Committee. After scrutinizing the appropriateness of the value of the machinery, equipment and raw materials which is stated in terms of any kind of foreign currency, the Foreign Capital Evaluating Committee with its recommendation submits the evaluation, together with the shipping invoice and packing list to the Commission for its endorsement. The enterprises must submit the bill of entry or import declaration at the Customs Department for clearance of machinery, equipment and raw materials from the ship. After clearance, the copies of bill of entry/import declaration must be submitted to the Commission without fail. The Commission will register the capital in terms of Kyat based on the d.u.e., c.a.f.s or f.o.b. which is to be paid in foreign exchange at the prevailing rate of exchange on the day of submission of the bill of entry/import declaration and by referring to the contract. For clearance of machinery, equipment and raw materials by special order, the copies of the latest bill of entry/import declaration received from the Customs Department have to be forwarded to the Commission.
(c) Services and other expenses incurred of experts and technicians
and payment to sub contractors are to be carried out in accordance
with the contract. For those services charges which are paid abroad,
the copies of payment voucher, means of payment and date of payment
are to be submitted to the Commission.

4. As the amount of foreign capital is to be evaluated in terms of kyat,
the equivalent amount of foreign currency stated in the proposal or contract
would not be stipulated. For special cases, it can be evaluated either in kyat
or in foreign exchange according to the contract.

5. After completing the contribution of the amount of foreign capital in
terms of kyat as stated in the original proposal either by way in slips and
or bill of entry/export declarations, the foreign investment enterprises are
required to submit the statement of foreign capital committed to the Commission.

Ed. x x x
Brigadier B.O. Abel
Secretary
(Minister for Planning and Finance)

cc (1) Chairman,
Foreign Capital Evaluating Committee.

Translated Copy

UYP3 003436
609
(2) Director General,  
Customs Department.

(3) Director General  
Directorate of Trade.

(4) Managing Director,  
Nurarh Foreign Trade Bank.

(5) Managing Director,  
Nurarh Investment and Commercial Bank.

(6) ................

............  ..........
SUBJECT : PROTECTION OF ENVIRONMENT

1. The Myanmar Investment Commission, at its meeting on 3/94 held on 17th June 1994, has resolved that all projects established with the permission of the Commission shall be responsible for the preservation of the environment at and around the area of the project site. The enterprises are entirely responsible that they shall be able to control pollution of air, water and land, and other environmental degradation and that they can keep the project site environmentally friendly.

2. Consequently it is hereby notified that all projects already permitted by the Commission under the Union of Myanmar Foreign Investment Law 1990 shall compulsorily install sewage treatment plant, Industrial Waste Incinerator Plant and other pollution control procedures current and abide with the sanitary and hygienic rules and regulations set by the authorities concerned.

3. In the future proposals that are to be submitted to the Commission, either under the Union of Myanmar Foreign Investment Law or the Myanmar Citizens Investment Law, shall incorporate the provision in their contracts that they shall undertake proper sewage and industrial waste incinerator treatment systems and other environmental control systems. The ventures so used shall be in accordance with the rules and regulations specified by the respective Development Committees, and local authorities.
All permitted substrates

cc: 1. Chairman, State Law and Order Restoration Council
2. Office of the State Law and Order Restoration Council
3. Office of the Government of the Union of Myanmar
4. All Ministries
5. Yangon City Development Committee
6. Mandalay City Development Committee
7. Union of Myanmar Chamber of Commerce & Industry
8. Union of Myanmar Economic Holdings Ltd.