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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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 ("PTTEP")
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 PTTEPI have entered into the MOUG, pursuant to which those parties agreed certain matters in connection with the sale of Natural Gas to PTT.
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 1.11 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 TMPE, 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 MOU, 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.
"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 Moattama 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 Myanmar 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 1.31 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.
"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
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 EGPDP.

"Transportation System" means the Export Pipeline, together with all modifications thereto and expansions thereof and all additional pipelines and spurs lines 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.

12. 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.
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.
ARTICLE 4 - OPERATION POLICY

4.1 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 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 GPA

The Shareholders agree that the provisions of the GPA (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.
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.

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§ 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.
ARTICLE 6 - SHARE CAPITAL AND SHAREHOLDERS

6.1 Authorised Share Capital

The authorised 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 organisation, 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:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No of Shares</th>
<th>Initial Shareholding Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>312,375</td>
<td>36.75 %</td>
</tr>
<tr>
<td>UNOCAL</td>
<td>282,625</td>
<td>33.25 %</td>
</tr>
<tr>
<td>PTTEPI</td>
<td>255,000</td>
<td>30.00 %</td>
</tr>
<tr>
<td></td>
<td>850,000</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>

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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.
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
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.
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 authorise 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;
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.

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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.
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 7.5. 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 7.5.1(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, if 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 Shareholder’s 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 7.6.1(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 7.6.1(c), but the Defaulting Shareholder shall continue to be a Shareholder subject to Section 7.6.1(b) and Section 7.6.1(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
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.

3) 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
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.

h) **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 7.5.
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.

[Signature]

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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).
(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 (if 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 prerequisite 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
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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connection with Shareholder Loans as provided in Section 7.2.1),
or the pledge or encumbrance of any assets or properties of
MGTC (other than purchase money encumbrances in connection
with authorized purchases or encumbrances arising by operation
of law);

(vii) declaration of dividends;

(viii) execution of, amendment of, waiver under or termination of, the
Transportation Project Documents to which MGTC is a party,
provided that compliance with this paragraph (viii) shall not
require a resolution of the Shareholders in addition to any
resolution passed by the Operating Committee relating to the
same subject matter;

(ix) relinquishment of the Export Pipeline, any other part of the
Transportation System or any other rights associated with the
Transportation Project;

(x) any proposal to transport Natural Gas in addition to MGTC's
obligations under the EGTA as contemplated in Section 5.6;

(xi) issuance of any additional Shares or other rights in MGTC; and

(xii) transfer of any Shares by a Shareholder

(xiii) initiation and settlement of arbitration or other legal or
administrative proceedings against MGTC under any
Transportation Project Document; and

(xiv) the undertaking by MGTC to guarantee the payment or
performance of the obligations of any third party; and

d) Decisions taken by the representatives of the Shareholders on the
Operating Committee under the GPOA shall be considered for all
purposes as decisions taken by the Shareholders in general meeting
and shall be binding upon all the Shareholders.

\[\text{Signature}\]

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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-transferable 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.
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 7.5 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.
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.
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.
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
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 9.5.

(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.
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.
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;
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 notice, 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
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
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.
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.
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 or 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.
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
caren 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
(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.
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
    fulfillment 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
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.
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.
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

\[signature\]

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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
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.
(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
(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
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.
22.15 **Counterparts**
This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original.
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 ASIQUE
Title: Directeur Général
TOTAL PROFILS PETROLIERS

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

By: V. ANIRUDDHA
Title: CHAIRMAN AND PRESIDENT
PTTEP INTERNATIONAL LIMITED
 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
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.
(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.
Schedule 2

- Certified Reserves -
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, 1992. 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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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:

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<tr>
<th>Proved Wet-Gas Reserves (Bcf)</th>
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<td>1.717</td>
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Submitted,

DeGOLYER and MacNAUGHTON

SIGNED: November 12, 1993

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

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