

YADANA GAS PROJECT - UNION OF MYANMAR

PAYING AGENT AGREEMENT

Dated as of 30th January 1995

TOTAL MYANMAR EXPLORATION AND PRODUCTION

UNOCAL MYANMAR OFFSHORE CO. LTD.

THE MYANMA OIL AND GAS ENTERPRISE

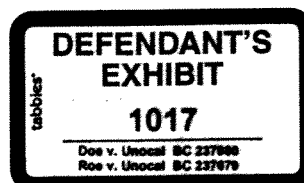
PTTEP INTERNATIONAL LIMITED

MOATTAMA GAS TRANSPORTATION COMPANY LIMITED

BNP JERSEY TRUST CORPORATION LIMITED

BANQUE NATIONALE DE PARIS

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PAYING AGENCY AGREEMENT entered into as of this 30th day of January 1995, among :

- (1) TOTAL MYANMAR EXPLORATION AND PRODUCTION, a company existing under the laws of France, with its registered office at Tour TOTAL, 24, Cours Michelet - 92800 Puteaux ("TOTAL") ;
- (2) UNOCAL MYANMAR OFFSHORE CO. LTD., a company existing under the laws of Bermuda, having an office at 1201 West 5th Street, Los Angeles, California 90017, United States of America ("UNOCAL") ;
- (3) THE MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of Myanmar, with its principal office at 74/80, Min Ye Kyaw Swa Road, Yangon ("MOGE") ;
- (4) PTTEP INTERNATIONAL LIMITED, Thailand, the principal office of which is located at 555 Vibhavadi Rangsit Road, Bangkok 10900 ("PTTEPI") ;
- (5) MOATTAMA GAS TRANSPORTATION COMPANY LIMITED, a company incorporated in Bermuda with a foreign branch to be registered in Myanmar, and its principal office located at Clarendon House, Church Street, Hamilton HMCX, Bermuda (the "MGTC") ;
- (6) BNP JERSEY TRUST CORPORATION LIMITED, a company existing under the laws of Jersey, with its registered office at BNP House, Anley Street, ST. Helier, Jersey, Channel Islands (the "Paying Agent") ; and
- (7) BANQUE NATIONALE DE PARIS, a financial institution existing under the laws of France, through its branch located at #01-01 Tung Centre, 20 Collyer Quay, Singapore 0104 (the "Depository Bank").

RECITALS

Capitalized terms used in this Agreement, including the recitals, shall have the meanings set forth in Section I.

1. MOGE and TOTAL entered into a Memorandum of Understanding for the Moattama Gas Project dated July 9, 1992 (the "MOU") which, together with a Production Sharing Contract for Appraisal, Development and Production of Petroleum in the Moattama Area of the same date, between the same parties (the "PSC"), describes and constitutes the agreement of the parties in relation to the Petroleum Operations for appraisal, development and production of two gas discoveries made by MOGE in the Contract Area.
2. With the approval of the Myanmar authorities (given on February 5, 1993), TOTAL assigned a Participating Interest of 47.5% to UNOCAL.

3. Pursuant to an assignment dated January 29th 1995 between TOTAL, UNOCAL and PTTEPI (the "PTTEPI Assignment"). TOTAL assigned a Participating Interest of 15.750% to PTTEPI and UNOCAL assigned a Participating Interest of 14.250% to PTTEPI.
4. Pursuant to a Production Operating Agreement for Moattama Area, Blocks M5 and M6 Offshore Myanmar effective as of June 1, 1994 (the "POA"), the parties thereto set out their respective rights and obligations in connection with their participation under the PSC and appointed TOTAL as the sole operator under the PSC and related documents.
5. Pursuant to the MGTC Documents and to the GPOA (both together referred as "GPPOA"), the parties thereto set out their respective rights and obligations in connection with the establishment and operations of the MGTC and the MGTC appointed TOTAL as the sole operator in respect of the MGTC's activities.
6. Pursuant to the Export Gas Sales Agreement dated February 2nd 1995, between PTT and the other parties named therein (the "EGSA"), each Seller (as defined therein) severally (and not jointly) agrees to sell, and PTT agrees to buy each Seller's share of the Sales Gas (as defined therein) on the terms and conditions specified therein.
7. Pursuant to the Domestic Gas Supply Agreement dated January 30th 1995, between MOGE and the Producers (the "DGSA"), each Supplier (as defined therein) will severally (and not jointly) agree to supply, and MOGE will agree to take, certain amounts of each Supplier's Supply Gas (as defined therein) by way of receipt in kind of revenues due to the Government and MOGE, in accordance with the MOU and PSC.
8. A pipeline will be constructed which will run offshore Myanmar for about 340 kilometers of its length from the Delivery Point and subsequently onshore Myanmar for approximately 65 kilometers to the border between Thailand and Myanmar (together with associated facilities, the "Export Pipeline").
9. Pursuant to the Export Gas Transportation Agreement dated January 30th 1995 between the Producers and the MGTC (the "EGTA"), the MGTC agrees to transport Export Gas produced by each of the Producers from the Delivery Point to the Export Gas Sales Point on the terms and conditions set out therein.
10. To finance the construction and commissioning of the Export Pipeline by the MGTC or ~~the Participating Interest of any Producer, the MGTC or any Producer may enter into~~ credit arrangements with lenders selected by it pursuant to which the lenders would agree to provide certain financial accommodation to the MGTC or to any Producer, on the terms and conditions to be agreed.
11. As part of the security which may be required by any future lenders to the MGTC or to any Producer, the MGTC or any Producer may enter into a security agreement in favor of a collateral agent. If and when such security arrangements become effective, the Parties acknowledge that this Agreement may require amendment to reflect those arrangements of the MGTC or any Producer and that the Parties will negotiate together in good faith at that

time to agree and implement all changes to this Agreement which are necessary to meet that objective.

12. To facilitate the on-going collection of revenues generated by the production, sale and transport of Natural Gas pursuant to the EGSA, DGSA and EGTA, each of the Producers and the MGTC wishes to appoint the Paying Agent, as its trustee and agent, in respect of its interest in the Receipts Account, held by the Paying Agent with the Depository Bank; the Paying Agent being responsible for instructing the Depository Bank to disburse those funds as described herein.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Interpretation: Definitions.

Unless the context of this Agreement otherwise requires:

- (a)(i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) references to a "person" include a reference to any individual, corporation, partnership, joint venture, trust, any other legal person and any government authority; (iv) 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 government authority, any person succeeding to its functions and capacities; (v) the terms "hereof", "herein", "hereby", "hereto" and similar words refer to this entire Agreement and not any particular Section, Clause or any other subdivision of this Agreement; (vi) references to "Section" or "Clause" are to this Agreement; (vii) 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; (viii) 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; (ix) 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; and (x) the headings contained in this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

- (b) the following terms shall have the following meanings:

"Accounts" means, collectively, the Receipts Account, the Gas Transportation Company Account and the Producers Accounts;

"Annual Domestic Supply Statements" (or "ADSS") means the annual statements which the Operator is required to issue to MOGE by Section 12.2 of the DGSA;

"Annual Export Sales Statements" (or "AESS") means the annual statements which the Operator is required to issue to PTT by Section 12.2 of the EGSA;

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"Annual Export Transport Statements" (or "AETS") means the annual statements which the MGTC is required to issue to the Operator by Section 9.2 of the EGTA ;

"Authorized Officer" means, in respect of the Operator, each person which will be severally authorized to execute Operator's Directions and any other notices or instructions to be given by the Operator to the Paying Agent under this Agreement. The names and titles of such persons shall be notified by Operator to the other Parties at least three (3) months before the Date of Commencement of Deliveries as defined in the EGSA.

"Contract Area" has the meaning assigned to that term in the PSC as at the date hereof ;

"Delivery Point" in relation to Export Gas or Domestic Gas as it relates to the MGTC has the meaning assigned to that term in Section 2.2. of the MOU as at the date hereof ;

"DGSA" means the Domestic Gas Supply Agreement described in recital 7 ;

"Dollars" or "\$" means dollars in the lawful currency of the United States of America ;

"Domestic Gas" means Natural Gas resulting from the Petroleum Operations, the supply of which is governed by the DGSA ;

"Domestic Gas Sales Point" has the meaning assigned to that term in Section 2.2 of the MOU as at the date hereof ;

"EGSA" means the Export Gas Sales Agreement described in recital 6 ;

"EGTA" means the Export Gas Transportation Agreement described in recital 9 ;

"Export Gas" means Natural Gas resulting from the Petroleum Operations, the sale of which is governed by the EGSA ;

"Export Gas Sales Point" has the meaning assigned to the term "Point of Delivery" in the EGSA ;

"Export Pipeline" means the pipeline to be built by or on behalf of the MGTC for the transportation of Natural Gas, as more particularly described in recital 8 ;

"Gas Sales Agreements" means, collectively, the EGSA and the DGSA ;

"Gas Transportation Company Account" means the account, denominated in Dollars, established in the name of the MGTC (or any trustee for, or lender to, the MGTC by way of security) which shall be notified by the MGTC to the other Parties at least three (3) months before the Date of Commencement of Deliveries as defined in the EGSA, or such other account as may be notified by the MGTC to the other Parties at any time and from time to time ;

"Gas Transportation Revenues" means the transportation tariff levied, or to be levied, by the MGTC, pursuant to the EGTA ;

"Government" means the Government of Myanmar ;

"GPOA" means the Gas Pipeline Operating Agreement between MGTC and the Operator pursuant to which the parties thereto set out their respective rights and obligations in connection with the operations of MGTC and the appointed Operator as the sole operator in respect of MGTC's activities;

"GPPOA" means the MGTC Documents and the GPOA as described in recital 5 ;

"Indemnified Matters" has the meaning assigned to that term in Section 6 ;

"MGTC Documents" means, collectively, the Shareholders Agreement, the Memorandum of Association and the Bye-Laws of MGTC;

"Monthly Domestic Supply Statements" (or "MDSS") means the monthly statements which the Operator is required to issue to MOGE by Section 12.1 of the DGSA ;

"Monthly Export Sales Statements" (or "MESS") means the monthly statements which the Operator is required to issue to PTT by Section 12.1 of the EGSA ;

"Monthly Export Transport Statements" (or "METS") means the monthly statements which the MGTC is required to issue to the Operator by Section 9.1 of the EGTA ;

"MOU" means the Memorandum of Understanding for the Moattama Gas Project described in recital 1 ;

"Myanmar" means the Union of Myanmar ;

"Natural Gas" has the meaning assigned to that term in the PSC as at the date hereof ;

"Operator" means TOTAL in its capacity as operator under the POA and GPOA respectively ;

"Operator's Direction" has the meaning assigned to that term in Section 3(b)(i) : a sample of which is hereto attached as Exhibit 1 ;

"Participating Interest" in relation to any Producer, means its undivided percentage interest in the rights and obligations under, collectively, the MOU, PSC, POA, at any time and from time to time ;

"Parties" means, collectively, the Producers, the MGTC, the Paying Agent and the Depository Bank and "Party" means any of them ;

"Petroleum Operations" has the meaning assigned to that term in Section 1.31 of the PSC and includes the transportation of Natural Gas by MGTC as contemplated by Section 2.3(b) of the MOU ;

"Petroleum Operations" has the meaning assigned to that term in Section 1.31 of the PSC and includes the transportation of Natural Gas by MGTC as contemplated by Section 2.3(b) of the MOU;

"POA" means the Production Operating Agreement for Moattama Area Blocks M5 and M6 Offshore Myanmar described in recital 4;

"Producers" means, collectively, TOTAL, UNOCAL, MOGE and PTTEPI and "Producer" means any of them;

"Producers Accounts" means, collectively, each account, denominated in Dollars in the name of a Producer (or any trustee for, or lender to, that Producer by way of security) which shall be notified by each Producer to the other Parties at least three (3) months before the Date of Commencement of Deliveries as defined in the EGSA, or such other account as may be notified by the relevant Producer to the other Parties at any time and from time to time;

"Project Documents" means, collectively, the MOU, PSC, Side Letter, POA, GPPOA, EGSA, DGSA and EGTA;

"PSC" means the Production Sharing Contract for Appraisal, Development and Production of Petroleum in the Moattama Area described in recital 1;

"PTT" means the Petroleum Authority of Thailand, an authority owned by the Government of Thailand, the principal office of which is located at 555 Vibhavadi Rangsit Road, Bangkok 10900 Thailand;

"PTTEPI Assignment" means the assignment of that name referred to in recital 3;

"Receipts Account" means the interest bearing account, denominated in Dollars, established with the Depository Bank, in the name of the Paying Agent as trustee and agent respectively for the benefit of: (x) the Producers under the POA, and (y) the MGTC under the EGTA, and numbered 501-30309-07;

"Side Letter" means the letter agreement dated July 9, 1992 from the Managing Director of MOGE to the President of TOTAL, as signed by way of agreement and acceptance on behalf of TOTAL;

"Successor" has the meaning assigned to that term in Section 5(f); and

"Statements" means, collectively, the ADSS, AESS, AETS, MDSS, MESS and METS.

Section 2. Establishment of Receipts Account.

Promptly upon execution of this Agreement by the Parties, the Paying Agent shall, with the co-operation of the Producers and the MGTC as necessary, establish the Receipts Account with the Depository Bank. Except as otherwise expressly provided herein, the Receipts Account will be under the sole control of the Paying Agent, acting as trustee and agent for the

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Producers and the MGTC to the extent of their respective interests therein and in strict accordance with directions from the Operator.

Section 3. Payments.

- (a) The Depository Bank hereby agrees that it will immediately credit the Receipts Account with all payments received for deposit therein from PTT pursuant to the EGSA. The Producers and the MGTC confirm that they have designated the Depository Bank as depository and provided for direct payment into the Receipts Account by PTT, in Section 12.6 of the EGSA.
- (b) Subject to clause (d) below, amounts on deposit in the Receipts Account at any time and from time to time shall be applied by the Paying Agent in accordance with the following procedures :
- (i) At the same time as the Operator prepares and delivers an invoice to PTT under the EGSA, it will, based on relevant current statements, prepare and deliver to the Paying Agent (with copies to each Producer and the MGTC) a statement of the net amount to be paid by PTT under the EGSA for deposit into the Receipts Account, together with details of the amounts to be transferred to the Gas Transportation Company Account and each of the Producers Accounts (or any other account as previously agreed among the Producers and the MGTC and notified to the Paying Agent). The Operator will issue a direction to the Paying Agent, executed by an Authorized Officer, to make those transfers in accordance with this Agreement (the "Operator's Direction") as referred in Exhibit 1 hereto attached. For the instance that this direction needs to be suspended and replaced the Operator shall issue a new Operator's Direction (which shall expressly stipulate the Operator's Direction that is being suspended and replaced) to the Paying Agent, executed by an Authorized Officer. Such replacement will only be given by the Operator when sufficient time remains before the receipt by the Depository Bank of funds into the Receipts Account.
- (ii) Immediately upon receipt by the Depository Bank of funds into the Receipts Account from PTT under the EGSA, the Paying Agent shall give written confirmation of such receipt to each Producer and the MGTC by fax or telex.
- (iii) After making the confirmation referred to in paragraph (ii) :
- (A) if funds have been credited to the Receipts Account in conformity with the Operator's Direction, the Paying Agent will instruct the Depository Bank to transfer funds, at same day value and without deduction, to the Gas Transportation Company Account and each of the Producers Accounts (or any other account as previously agreed among the Producers and the MGTC and notified to the Paying Agent) as described in the Operator's Direction :
- (B) if none, or less than all, of the funds specified by the Operator have been credited to the Receipts Account :

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- (1) the Paying Agent shall immediately notify each Producer and the MGTC of this fact, providing full details of all discrepancies with the Operator's Direction ; and
- (2) where some, but not all, of the expected funds have been received into the Receipts Account, the Paying Agent will instruct the Depository Bank to apply all available funds pro rata between the Gas Transportation Company Account and each Producers Account (or any other account as previously agreed among the Producers and the MGTC and notified to the Paying Agent), in proportion to the amounts that would have been received into each of those Accounts, had the full amount expected (as contemplated in the Operator's Direction) been paid into the Receipts Account by PTT.

The Depository Bank agrees that it will act under this Agreement solely in accordance with the instructions given to it by the Paying Agent pursuant to this Section 3 and that all transfers of funds to be effected by it will be so effected without deduction and at same day value.

- (c) If at any time revenues are generated under the DGSA and the Parties agree that such revenues are to be deposited into the Receipts Account and disbursed according to the provisions of this Agreement, the Parties shall negotiate together in good faith to agree and implement all changes to this Agreement which are necessary to meet that objective.
- (d) the application of amounts on deposit in the Accounts at any time and from time to time shall be effected subject to and in accordance with the following provisions :
 - (i) Each direction or instruction under this Section 3 to transfer funds out of the Receipts Account shall be given by a duly signed Operator's Direction with a tested telex or fax or authenticated message through the Society for Worldwide Interbank Financial Telecommunication. The Paying Agent shall not have any obligation to verify or query the correctness, purpose or reason for any instructions or directions given to it pursuant to this Agreement. If the Paying Agent is unable to carry out any directions or instructions pursuant to this Section 3 because it has insufficient information, the Paying Agent shall immediately notify the Operator of this fact and seek further direction.
 - (ii) All amounts standing to the credit of any Account and all amounts transferred or remitted therefrom shall be in Dollars only or, if received in a freely convertible currency, be converted into Dollars at a fair and reasonable rate on the day and in the place of transfer.
- (e) The Producers and the MGTC confirm that the Operator is authorized to give directions in respect of the Receipts Account to the Paying Agent.

Section 4. Interest on the Receipts Account.

Interest will be calculated on the funds standing to the credit of the Receipts Account from time to time and will accrue daily at the highest commercial rate that the Depository Bank offers to its best corporate customers for deposits of similar amount and similar maturity.

Accrued interest on the Receipts Account will be credited to that Account monthly. The Producers and the MGTC irrevocably direct the Paying Agent to issue such instructions as are necessary to the Depository Bank to ensure that the aggregate of all interest accrued on the daily credit balances of the Receipts Account in a month will be transferred to each of the Producers Accounts and the Gas Transportation Company Account, pro rata in proportion to each of those entity's entitlement to the proceeds of the Receipts Account in that month as set out in the relevant Operator's Direction.

Section 5. Appointment and Rights and Duties of Paying Agent.

- (a) Subject to the terms and conditions of this Agreement, each of the Producers and the MGTC hereby appoints and authorizes the Paying Agent to act as its trustee and agent (upon the written instructions of the Operator) in connection with the holding and administration of the Receipts Account (to the extent of its interest therein) as contemplated by this Agreement and the Project Documents.
- (b) The Paying Agent shall be entitled to rely upon any certification, notice, consent or other communication reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons.
- (c) If the Paying Agent is unsure : (i) as to the application of any provision of this Agreement, or (ii) as to any action to be taken by it hereunder, it may request and rely upon instructions given in connection with the Receipts Account, by the Operator.
- (d) The Paying Agent shall not have the power, right or authority to and it agrees that it will not, manage, control, use, sell, dispose of, pledge, hypothecate, transfer or release or otherwise deal with all or any part of the Receipts Account or amounts standing to the credit thereof, or take any other action hereunder, except as expressly provided by the terms hereof.
- (e) The Paying Agent shall not be required to keep itself informed as to the performance or observance by any person of any Project Document or any other document referred to or provided for therein or to inspect the properties or books of such person.
- (f) Subject to the appointment and acceptance of a successor Paying Agent (a "Successor") as provided below, the Paying Agent may resign at any time by giving 30 days prior written notice thereof to each other Party and the Paying Agent may be removed at any time with or without cause by the Operator giving such 30 days prior written notice. Upon any resignation or removal of the Paying Agent, the Operator shall have the right to appoint a Successor. Where the Paying Agent gives notice of its intention to resign, it shall use its best efforts, during the 30 day notice period, to identify a Successor acceptable to the Operator (taking into account financial standing and available taxation and regulation benefits). If no Successor shall have accepted appointment by the Operator within 30 days after the retiring Paying Agent's giving of notice of resignation or the removal of the retiring Paying Agent by the Operator, the retiring Paying Agent may appoint a Successor, which shall be a financial institution with a rating for short term operations of at least P-1 (Moody's) and A-1 or A1+ (S&P) and which is otherwise acceptable to the Operator : provided, however, that no resignation of the Paying Agent shall be effective unless all

governmental approvals required under applicable law in connection with or as a result of such resignation or appointment have been obtained and all documents necessary to vest title to the Receipts Account in the Successor and constitute the Successor the trustee and agent of each of the Producers and the MGTC has been executed and is in full force and effect. Upon the acceptance of any appointment as Paying Agent hereunder by any Successor, such Successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Paying Agent, and the retiring Paying Agent shall be discharged from any further duties and obligations hereunder, and upon the written request of the Successor, the retiring Paying Agent shall execute and deliver an instrument transferring to the Successor, subject to the terms hereof, all the properties, rights, powers and privileges of the retiring Paying Agent, and the retiring Paying Agent shall assign, transfer, deliver and pay over to the Successor all property (including all amounts standing to the credit of the Receipts Account) then held in the name of such retiring Paying Agent with the Depository Bank. After any retiring Paying Agent's resignation or removal hereunder, the provisions of Section 6 shall continue in effect for its benefit, and (in the event of claims arising from the gross negligence, misconduct or any breach by the retiring Paying Agent of its obligations under this Agreement) for the benefit of the other Parties hereto, in respect of any actions taken or omitted to be taken by it while it was acting as the Paying Agent hereunder.

- (g) Where the Paying Agent resigns or is removed in accordance with Section 5(f), the Producers and the MGTC will have the option to appoint a replacement depository bank upon 14 days notice to the Depository Bank. If the Producers and the MGTC exercise this option, the Depository Bank shall co-operate with those Parties to the fullest extent possible to effect a timely and smooth transition of the arrangements contemplated hereunder, to the replacement depository bank.

Section 6. Indemnity and Expenses.

- (a) The Paying Agent shall be liable to the Producers and the MGTC for any action taken or omitted under or in connection with this Agreement, where it has been grossly negligent or guilty of wilful default.
- (b) The Paying Agent shall be indemnified against and reimbursed for losses, liabilities (other than tax on the overall net income, including fees under this Agreement, of the Paying Agent), and properly incurred costs and expenses (other than any of the foregoing arising from its own gross negligence or misconduct or any breach by it of its obligations under this Agreement) which may be imposed upon, incurred by or asserted against it directly arising out of or resulting from this Agreement or any action to be taken by it hereunder (collectively, "Indemnified Matters") including any reasonable expenses incurred by it in connection with : (i) the administration of this Agreement (excluding normal administrative costs and expenses incident to the performance of its duties hereunder for which compensation is provided under Section 7), or (ii) the exercise or enforcement of its rights hereunder. Payments in respect of such indemnification or reimbursement shall be made by the Party or Parties directly responsible for the loss, liability, costs and expenses sustained by the Paying Agent as mentioned above, provided that no such payment shall be required to be made unless the relevant Party shall have been first presented with

documentary evidence supporting the entitlement thereto of the Paying Agent, and the relevant Party shall have approved such evidence.

- (c) The liability of the Producers under this Section 6 shall be several and not joint and no Producer shall have any liability under this Section in any circumstances where another Producer's actions have triggered a liability or potential liability owed to the Paying Agent.

Section 7. Compensation.

The Paying Agent shall be entitled to the following compensation for the services rendered by it hereunder :

- (a) For establishment of the Receipts Account and attending to all related matters, payment of a once-only establishment and on-going maintenance fee of \$30,000, payable to the Paying Agent upon the execution of this Agreement by the Operator. This fee shall include all legal and other fees, expenses, duties, imposts and taxes of any nature whatsoever incurred by the Paying Agent in connection with this Agreement or the performance of its duties hereunder.
- (b) A monthly administration fee of \$2,500, payable in arrears by the Operator, on the last day of each quarter, provided that no such fee will be payable until after the first monthly payment into the Receipts Account has been made in accordance with the terms and conditions of the EGSA, as set out in the first Operator's Direction delivered to the Paying Agent as contemplated herein.

The Depository Bank's compensation for its services under this agreement shall be included in the compensation of the Paying Agent provided in this section 7. The Producers and MGTC shall bear no liability towards the Depository Bank in respect of its compensation.

Section 8. Amendments-Waiver

The provisions of this Agreement may be amended, modified or waived only by an instrument in writing signed by the Parties.

Section 9. Account Information.

The Depository Bank shall promptly furnish to each other Party : (a) not later than the 5th day of each month, a detailed monthly statement regarding the activity in the Receipts Account during the preceding month and the cash balances held therein, and (b) if requested by any Party, a written confirmation of such balances within three days of any such request being delivered to the Paying Agent. The Depository Bank shall promptly furnish such other information in connection with the Receipts Account to each Producer and the MGTC.

The Receipts Account may be audited by a public accountant selected by the Operator, save that in no instance shall the public accountant be granted access to information or documents that are relevant to accounts other than the Receipts Account. The Paying Agent shall take all steps necessary (including the provision of access to books and records and to its employees and agents as reasonably requested by the Operator) to assist the accountant selected by the

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Operator to carry out its functions. Upon request, the said accountant shall be entitled to have access to copies of such information relating to the Receipts Account as is legally permissible for the Depository Bank to provide the accountant, which will enable it to perform its obligations hereunder. The Depository Bank shall use its best efforts to assist the said accountant in the performance of its obligations.

In conformity with the requirements of Section 47 of the Banking Act (Chapter 19) of Singapore, the Paying Agent hereby authorizes the Depository Bank to disclose, divulge, reveal or furnish any and all information, particulars and details relating to the Receipts Account to the Parties and to the public accountant appointed by the Operator pursuant to the provisions of this Section 9.

Section 10. Notices

- (a) Except as otherwise provided in this Agreement, all notices and other communications provided for herein shall be in the English language (or accompanied by an accurate English translation upon which each Party shall be entitled to rely conclusively and for all purposes) and shall be given or made in writing addressed to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof (or, as to any Party, at such other address as shall be designated by such Party in a notice to each other Party) and shall be deemed to have been duly given when received by the addressee thereof.
- (b) The Paying Agent undertakes to immediately transmit all instructions and notices received by it from the Operator to the Depository Bank and for the purposes of this Agreement, the Producers and the MGTC shall be entitled to assume that all instructions and notices given to the Paying Agent have also been received by the Depository Bank.

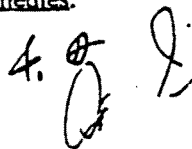

Section 11. Assignment - Termination

This Agreement shall : (a) remain in full force and effect until the earlier of (x) termination of the EGSA in accordance with its terms, and (y) notice of termination being delivered to the Paying Agent and Depository Bank by the Operator on behalf of the Producers and the MGTC, (b) be binding upon the Parties and their respective successors and permitted assigns, and (c) inure to the benefit of the Producers and the MGTC, in connection with their proportionate beneficial interests in the Receipts Account, and each of their respective successors and permitted assigns. The Paying Agent shall not assign any of its rights or obligations under this Agreement without the prior written consent of the Operator.

Section 12. Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the Parties may execute this Agreement by signing any such counterpart.

Section 13. No Waiver Remedies

4.  

No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right nor shall any single or partial exercise of any right under this Agreement preclude any other further exercise of such right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

Section 14. Governing law.

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

Section 15. Arbitration.

Any disputes, controversies or claims between the Parties arising out of or relating to this Contract or the performance, breach, termination or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said Rules.

The place of arbitration shall be Singapore.

Section 16. Waiver of Immunity.

Each of the Parties acknowledges and agrees : (a) that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and that it is not entitled to any right of immunity on the grounds of sovereignty or otherwise with respect to such activities or in any legal action or proceeding arising out of or relating to this Agreement in respect of itself and its properties, (b) that it expressly and irrevocably waives any such right of immunity which may now or hereafter exist (including any immunity from any legal process, from the jurisdiction of any court or from any execution or attachment in aid of execution prior to judgment or otherwise) or claim thereto which may now or hereafter exist, and (c) not to assert any such right or claim in any such action or proceeding, whether in the United States of America or elsewhere.

Section 17. Severability.

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, unenforceable or in violation of any applicable law, it shall be deemed null and void to the extent thereof without affecting the balance of this Agreement.

Section 18. Agreement Supersedes.

This Agreement supersedes all prior agreements, written or oral, among the Parties with respect to the subject matter of this Agreement.

[Handwritten signatures]

IN WITNESS WHEREOF, the Parties, by their respective officers duly authorized, have caused this Agreement to be duly executed and delivered as of the date first above written.

TOTAL MYANMAR EXPLORATION AND PRODUCTION

BY


Name: Jean Marie BEUQUE
Title: Directeur Général




Address for Notices :

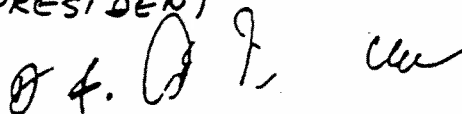
TOTAL MYANMAR EXPLORATION and PRODUCTION.
YANGON BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR
Telex: 0 8321434 TMEP BM
Fax : 95-1 30916
with copy to :

TOTAL MYANMAR EXPLORATION AND PRODUCTION
c/o TEP/EO
Tour TOTAL
Cedex 47
92069 PARIS LA DEFENSE
France
Telex: 615700 F
Fax : 33.1.41.35.30.12

UNOCAL MYANMAR OFFSHORE CO. LTD.

BY


Name: MARTY F. MILLER
Title: PRESIDENT



Address for Notices :

UNOCAL :
1201 West 5th Street
P.O. Box 7600
LOS ANGELES, CALIFORNIA 90017
UNITED STATES OF AMERICA
Telex: 188334 UNOCAL UT
Fax : (713) 2877340

THE MYANMA OIL AND GAS ENTERPRISE

BY

Name : U Pe Kyi
Title : Managing Director

Address for Notices :

MOGE:
74/80, Min Ye Kyaw Swa Road
P.O. Box 1049
YANGON, UNION OF MYANMAR
Telex : MYCORP BM 21307
Fax : 95.1.22964 / 22965

PTTEP INTERNATIONAL LIMITED

BY

Name : VLSGT CHOOPISAN
Title : CHAIRMAN AND PRESIDENT



040 1

cler

Address for Notices :

PTTEPI :
555, Vibhavadi Rangsit Road
BANGKOK 10900
THAILAND
Telex: 20610 PTTEP TH
Fax : (02) 537-3749 , 537-3645

MOATTAMA GAS TRANSPORTATION COMPANY

BY

Name: Jean Marie BEUYVE
Title: Chairman

Address for Notices :

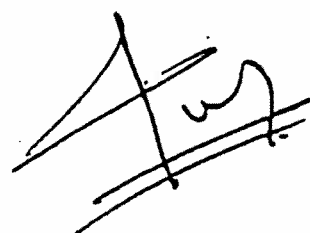
MOATTAMA GAS TRANSPORTATION COMPANY LIMITED
Attention General Manager
MYANMAR BRANCH
5 Pyay Road, 6th Mile
HLAING TOWNSHIP P.O. 11051
YANGON, UNION OF MYANMAR
Telex: 0 8321434 TMEP BM
with copy to:

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

BNP JERSEY TRUST CORPORATION LIMITED

BY

Name: CHRISTIAN GRAYDON
Title: BY GENERAL MANAGER



Address for Notices :

BNP Jersey Trust Corporation Limited
BNP House
PO Box 158
Anley Street
St Helier
Jersey
Channel Islands
Telex No: 4192174
Fax No: (1534) 39279
Telephone No: (1534) 25335

BANQUE NATIONALE DE PARIS

BY

Name: CHRISTIAN GIRARDON
Title: BY GENERAL MANAGER



Address for Notices :

Banque Nationale De Paris
BNP Singapore Branch
20 Collyer Quay
01-01 Tung Center
Singapore 0104
Telex No: NABAPAR RS24315
Fax No: (65) 224 3459
Telephone No: (65) 224 0211

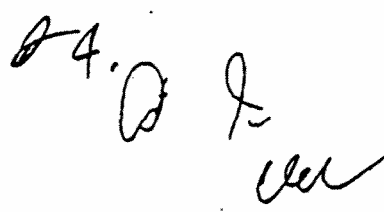


Exhibit I

TOTAL MYANMAR EXPLORATION PRODUCTION

Operator's Direction n° [xxx]

Test key: [xxx]

According to the Paying Agent Agreement dated [xxx], you will receive on [xxx] an amount of [xxx] from [xxx] on bank account n° [xxx] held in bank [xxx].

On receipt of these funds, please transfer to:

name of beneficiary	Bank and account number	Amount to be transferred
[xxx]	[xxx]	[xxx]
[xxx]	[xxx]	[xxx]

Name of the Authorized Person: [xxx]

Signature: [xxx]

[Handwritten signature]