



## YADANA RISK PREMIUM - MITIGATING FACTORS

GAS SALES CONTRACT WITH THAILAND

YETAGUN PROJECT PROGRESS (CONTRACT IMMINENT)

COMPLETION RISK HAS BEEN SUBSTANTIALLY MITIGATED (GIVEN THIS PAST YEAR) :

ALL MAJOR FABRICATION CONTRACTS HAVE BEEN LET (528 \$MM)  
ONSHORE INFRASTRUCTURE WORKS ARE COMPLETED (WHARF,  
AIRSTRIIP, ROADS & BRIDGES) AS ONSHORE  
CONSTRUCTION ENTERS IT'S THIRD YEAR  
PLATFORM CONSTRUCTION (WP1, WP2, & PP) IS IN PROGRESS  
AND ON SCHEDULE BY MCDERMOTT ON BATAM ISLAND (200  
\$MM CONTRACT)  
DEVELOPMENT DRILLING CAMPAIGN IS IN FINAL DESIGN STAGES  
(12 HORIZONTAL WELLS, 2 VERTICAL WELLS BEGINNING IN  
10/97), ETC.

OTHER OPERATORS ACTIVELY PURSUING (AND OBTAINING) OTHER  
OFFSHORE BLOCKS

OBSERVER STATUS ACCORDED TO MYANMAR IN ASEAN

SUCCESS OF SOCIO-ECONOMIC AND SECURITY PROGRAMS IN  
CONSTRUCTION LOCATIONS

TRAINING UNDERWAY FOR MYANMAR NATIONALS (IMPROVE LOCAL  
PARTICIPATION)

WILLINGNESS OF JAPANESE BANK CONSORTIUM TO LEND TO THE  
YADANA PROJECT (MONEY PLUS RISK INSURANCE)

COMPARES FAVORABLY TO YEMEN AND AZERBAIJAN PROJECTS FOR  
RISK MITIGATION BY HAVING CONTRACTS IN PLACE

EXTERNAL OFFERS HAVE BEEN MADE FOR OUR EQUITY (MITSUI, Q4,  
1995; THEY WERE UNOFFICIALLY LOOKING FOR A 5% SHARE FOR \$30  
MM)

