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SUMMARY

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Law No. 23-2017 of May 24, 2017 approving the production sharing contract Tchendo II, signed on July 14, 2015 and amendment no. 1 to the Tchendo II production sharing contract, signed on February 9, 2017

The National Assembly and the Senate deliberated and adopted;

The President of the Republic promulgates the law the content of which follows:

Article 1: Are approved, the Tchendo II production sharing contract, signed on July 14, 2015 and amendment No. 1 to the Tchendo II production sharing contract, signed on February 9, 2017, the texts of which are attached to this law.

Article 2: This law will be published in the Official Journal and executed as State law.

Done in Brazzaville, May 24, 2017

By the President of the Republic,

Denis SASSOU-N'GUESSO

The Prime Minister, Head of Government,

Clement MOUAMBA

The Minister of Finance, Budget and the public portfolio,

Calixte NGANONGO

The Minister of Hydrocarbons,

Jean-Marc THYSTERE TCHICAYA

PRODUCTION SHARING AGREEMENT

PERMIT TCHENDO II

COME IN

THE REPUBLIC OF CONGO

THE NATIONAL OIL COMPANY OF CONGO

TOTAL E&P CONGO

ENI CONGO

AFRICA OIL & GAS CORPORATION

PETRO CONGO

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PRODUCTION SHARING AGREEMENT

COME IN

The **Republic of the Congo** (hereinafter referred to as the "**Congo**"), represented by Mr. Gilbert ONDONGO, Minister of State, Minister of Economy, Finance, Planning, Public Portfolio and Integration and Mr. André Raphaël LOEMBA, Minister of Hydrocarbons, duly authorized for the purposes hereof,

Firstly,

And

Société Nationale des Pétroles du Congo (hereinafter referred to as "**SNPC**"), a public industrial and commercial establishment, whose registered office is at Boulevard Denis Sassou-N'Guesso, PO Box 188, Brazzaville, Republic of Congo, registered at Trade and Credit Registry

Mobilier de Brazzaville under the number BZV-CGO

RCCM-02-B-018, represented by Mr. Jérôme KOKO, its Managing Director, Chairman of the Management Board, duly authorized for the purposes hereof,

TOTAL E&P CONGO, (hereinafter referred to as "**TEP Congo**"), a public limited company under Congolese law with

board of directors with a capital of 20,235,301.20 Dollars, formerly called "Elf Congo", whose registered office is located at avenue Poincaré, PO Box 761, Pointe-Noire, Republic of Congo, registered in the Trade and Credit Register Mobilier de Pointe Noire under number CG/PNR/08 B 625, represented by Mr. Pierre JESSUA, its Managing Director, duly authorized for the purposes hereof,

Eni **Congo SA** (hereinafter referred to as "**Eni Congo**"), a public limited company under Congolese law with a board of directors with share capital of USD 17,000,000, formerly known as "Agip Recherches Congo", whose registered office is located at avenue Charles de Gaulle, PO Box 706, Pointe-Noire, Republic of Congo, registered in the Commercial and Personal Property Credit Register of the Registry of the Commercial Court of Pointe-Noire under number RCCM 2007 M 287, represented by Mr. Lorenzo FIORILLO, his Managing Director, duly authorized for the purposes hereof,

The **company Africa Oil & Gas Corporation**, (hereinafter referred to as "**AOGC**"), a public limited company with a board of directors with a share capital of 100,000,000 FCFA, whose registered office is located at Level crossing, Rue Mbochis MOUNGALI, PO box 15073, Brazzaville, Republic of Congo, registered in the Trade and Personal Property Credit Register of the Registry of the Commercial Court of Brazzaville under the number RCCM 10 B 2401, represented by Mr. Pierre Narcisse LOUFOUA, its Managing Director, duly authorized for the purposes of present,

PETRO CONGO SA, (hereinafter referred to as "**PETCO**"), a public limited company with a board of directors with a share capital of 50,000,000 FCFA, whose registered office is located at 26 rue Sikou Doume, Quartier Ndji-Ndji, PO box : 1225, Pointe-Noire, Republic of Congo, registered in the Trade and Personal Property Credit Register of the Registry of the Commercial Court of Pointe-Noire under the number RCCM 14 B 734, represented by Mr. Bienvenu Cliff MATONDO BALONGANA, its Managing Director, duly authorized for the purposes hereof,

Hereinafter referred to collectively as "**the Contractor**" or individually as a "**Contractor Entity**",

on the other hand,

Congo, SNPC, TEP Congo, Eni Congo, AOGC and PETCO being hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**".

IT WAS PREVIOUSLY EXPOSED THAT:

A. TEP Congo carries out its oil activities in Congo within the framework of an establishment agreement signed on October 17, 1968 between the Republic and the Petroleum Research and Activities Company (to whose rights the companies Elf Aquitaine and Total SA), as amended by riders numbers one (1) to twenty (20), as well as by the agreement of June 30, 1989 between the Republic and the companies Elf Aquitaine and Elf Congo (the "**Agreement**");

B. By decree no. 88-569 of July 30, 1988, Elf Congo was granted the so-called "Tchendo" operating permit (the "**Tchendo Permit**");

C. Pursuant to Amendment No. 9 to the Agreement, Congo and TEP Congo have negotiated and agreed on the terms of their cooperation for the purposes of evaluation, development and exploitation of the exploitation permit Tchendo from the old research permit called "Pointe Noire Grands Fonds" awarded to TEP Congo by decree n° 73-222 of July 19, 1973.

These terms were repeated and supplemented in the production sharing contract entered into on November 23, 1995 between Congo, TEP Congo and Eni Congo (the "**PNGF Production Sharing Contract**");

D. Noting the existence of liquid hydrocarbon reserves that can still be exploited economically profitable in the area covered by the Tchendo Permit, TEP Congo and Eni Congo have expressed their desire to monitor the development of these reserves to their ultimate term;

E. TEP Congo and Eni Congo wanted to carry out this project by establishing a long-term partnership with Congo and SNPC;

F. By decree no. _____ of _____ 2015, the Tchendo Permit was returned to Congo and granted to SNPC (associated with TEP Congo, Eni Congo, AOGC and PETCO), with effect on the Effective Date (as defined below), a new operating license called "Tchendo II" (the "**Permit**"), on the permit area contained in the said decree (the "**Assignment Decree**");

G. In a memorandum of understanding dated 2015 (the "**Memorandum of Understanding**"), the Congo, SNPC, TEP Congo, Eni Congo, AOGC and PETCO have negotiated and agreed on the terms of their cooperation in this production sharing contract (the "**Contract**") for the purpose of developing the liquid hydrocarbon reserves of the Permit. . Amendment No. 20 to the Agreement excludes the Tchendo Permit from its scope;

H. The Congo and the Contractor Entities wish to incorporate the principles of the Memorandum of Understanding referred to in the paragraphs above into this Contract. The Agreement does not apply to this Agreement;

I. In addition, the Entities of the Contractor will enter into an association agreement between themselves establishing their respective rights and obligations for the performance of the Petroleum Works on the Tchendo II Permit (the “**Association Agreement**”).

IT WAS THEREFORE AGREED AS FOLLOWS:

Article 1 – Definitions

For the purposes of this Agreement, the following terms shall have the meaning set out in this article:

1.1 “Updating” means the application of the United States of America Gross Domestic Product Inflation Index, as published by the OECD in its Monthly Review, on the “*National Accounts*” page, under references: “*National Income and Product – United States – Implicit Price Level*”. The value of the index was 100 in 2010 and 107.3 in the 4th Quarter of 2014. If it is impossible to use the said benchmark, the Parties will consult to agree on a new benchmark.

1.2 “Calendar Year” means the period of twelve (12) consecutive months beginning on January 1 and ending on December 31 of each year.

1.3 “Barrel” or “bbl” designates the unit equal to forty two (42) US gallons (one (1) US gallon being equal to 3.78541 litres) measured at a temperature of fifteen (15) degrees Celsius.

1.4 “Bonus” means the bonus fixed by mutual agreement between the Parties within the framework of the Memorandum of Understanding.

1.5 “Budget” means the provisional estimate of the costs of a Work Program.

1.6 “Assignment” has the meaning given to it in Article 17.1.

1.7 “Hydrocarbons Code” is the code promulgated by Law No. 24-94 of August 23, 1994.

1.8 “Evaluation Committee” has the meaning given to it in article 4.10 of the Contract.

1.9 “Management Committee” means the body referred to in article 4 of this Contract.

1.10 “Extraordinary Management Committee” designates the management committee ruling on the end of the Tchendo Permit and the allocation of the Permit.

1.11 “Condensates” means Liquid Hydrocarbons at atmospheric pressure and ambient temperature extracted or recovered from Gaseous Hydrocarbons, commercially exploitable, resulting from separation by the use of conventional mechanical separators normally in service in the petroleum industry, at the exclusion of Liquefied Petroleum Gas.

1.12 “Contractor” means the group made up of SNPC, TEP Congo, Eni Congo, AOGC, PETCO and any other entity to which SNPC, TEP Congo, Eni Congo, AOGC or TEPCO may assign an interest in the rights and obligations of the this Agreement.

1.13 “Contract” means this production sharing contract and its appendices as well as any modification that may be made thereto.

1.14 “Contract of Association” has the meaning given to it in paragraph I of the preamble.

1.15 “PNGF Production Sharing Contract” has the meaning given to it in paragraph C of the preamble.

1.16 “Agreement” has the meaning given to it in paragraph A of the preamble.

1.17 “Cost Oil” means the share of Net Production allocated to the reimbursement of Oil Costs as defined in article 7.2 of the Contract.

1.18 “Cost Oil Guaranteed” means the level of recovery of Cost Oil as defined in Article 7.2.c) of the Contract.

1.19 “Cost Stop” means the maximum level of recovery of Petroleum Costs as defined in Article 7.2.a) of the Contract.

1.20 “Petroleum Costs” means all expenses and provisions relating to the Petroleum Works. The Petroleum Costs include the expenses actually incurred by the Contractor as well as the provisions constituted as a result of the Petroleum Works, calculated in accordance with the Accounting Procedure and recovered in accordance with article 7.

1.21 “Effective Date” means the effective date of the Contract as defined in article 18.1 of the Contract.

1.22 “Effective Date” means the effective date of the Contract as defined in article 18.1 of this Contract.

1.23 “Award Decree” has the meaning attributed to it in paragraph F of the Preamble. A copy of the Award Decree is attached as Annex 2 to the Contract.

1.24 “Second Period” means the period commencing from the end of the First Period and lasting for an accelerated period of six (6) years.

1.25 “Dollar” means the currency having legal tender in the United States of America.

1.26 “Excess Oil” means the share of Net Production as defined in article 7.2 b) of the Contract.

1.27 “Contractor Entity” individually designates a Party to the Contract, other than Congo, which is also a party to the Association Contract.

1.28 "Liquefied Petroleum Gas or LPG" means the mixture of hydrocarbons having molecules of 3 carbon atoms (propane and propylene) or 4 carbon atoms (butane and butene), gaseous at ambient temperature and atmospheric pressure but liquefiable at room temperature with moderate compression (2 to 8 atmospheres).

1.29 "Hydrocarbons" means Liquid Hydrocarbons and Gaseous Hydrocarbons discovered and/or or produced on the Permit.

1.30 "Gas Hydrocarbons " means natural gas, associated or not associated with Liquid Hydrocarbons, mainly comprising methane and ethane, which, at 15°C and atmospheric pressure (standard conditions), are in the gaseous state. and which are discovered and/or produced on the Permit.

1.31 "Liquid Hydrocarbons" means the Hydrocarbons discovered and/or produced on the Permit, including Condensates and LPG, with the exception of Gaseous Hydrocarbons.

1.32 "Operator" has the meaning given to it in article 3.2 of the Contract.

1.33 "Parties" means the parties to the Contract.

1.34 "Permit" has the meaning attributed to it in paragraph F of the preamble and will also designate the geographical area covered by the Permit as defined in the Award Decree.

1.35 "Tchendo Permit" has the meaning attributed to it in paragraph B of the preamble.

1.36 "PID" means the Provision for Diversified Investments as mentioned in article 10 of the Contract.

1.37 "First Period" designates the period beginning on January 1 , 2015 and lasting until the calendar month during which the cumulative Net Production since January 1 , 2015 reaches one million five hundred thousand Barrels.

1.38 "Fixed Price" means the price of each Quality of Liquid Hydrocarbons, as defined in Article 9.1 of the Contract.

1.39 "High Price" means the First Period High Price, Second Period High Price or Third Period High Price as the case may be.

1.40 "First Period High Price" means the value of forty (40) Dollars per Barrel, applicable during the First Period, determined on January 1 , 2015 and updated on a quarterly basis by application of the Update defined in Article 1.1 above. -above.

1.41 "Second Period High Price" means the value of ninety (90) Dollars per Barrel, applicable from the first day of the Second Period, determined on January 1 , 2015 and updated

on a quarterly basis by application of the Update defined in article 1.1 above.

1.42 "Third Period High Price" means the value of forty (40) Dollars per Barrel, applicable during the Third Period determined on the 1st January 2015 and updated on a quarterly basis by application of the Update defined in article 1.1 above.

1.43 "Accounting Procedure" means the accounting procedure which, after signature, forms an integral part of this Contract of which it constitutes Annex I.

1.44 "Net Production" means the total production of Liquid Hydrocarbons from the Permit less any water and any sediment produced, any quantities of Hydrocarbons reinjected into the deposit used or lost during the Petroleum Works.

1.45 "Profit Oil" means the share of the Net Production defined in article 8.2 of the Contract.

1.46 "Works Program" means the Petroleum Works program to be carried out during a determined period, approved by the Management Committee under the conditions stipulated in the Contract.

1.47 "Project Procurement Plan" has the meaning given to it in clause 3.9 of the Contract.

1.48 "Memorandum of Understanding" has the meaning given to it in paragraph G of the preamble.

1.49 "Provisions for Abandonment" means the annual provisions made by the Contractor in accordance with article 5.5 of the Contract in order to finance the costs relating to the Works for Abandonment.

1.50 "Quality of Liquid Hydrocarbons " means any quality of Liquid Hydrocarbons, delivered FOB at a Fixed Price, in accordance with the provisions of article 9 of this Contract, from one of the loading terminals in Congo.

1.51 "Mining Royalty" means the proportional mining royalty levied on the Net Production under the conditions provided for in Article 11.1 of this Agreement.

1.52 "Affiliated Company" means any company or legal entity which controls or is controlled by one of the Parties to the Contract, or which is controlled by a company or an entity which controls a Party to the Contract, it being understood that the term "**Control**" means, for the purposes of this definition, the direct or indirect ownership by a company or any other legal entity of more than fifty percent (50%) of the shares or shares giving rise to the majority of the voting rights. vote in an ordinary general meeting in a company or other legal entity.

1.53 "Super Profit Oil" means the share of the Net Production defined in article 8.1 of the Contract.

1.54 "Third Party" means any entity other than an entity constituting the Contractor or a related Affiliate Company.

1.55 "Works for Abandonment" means the Petroleum Works necessary for the dismantling and restoration of the exploitation sites located on the Permit as scheduled by the Management Committee.

1.56 "Development Works" means the Petroleum Works related to the Permit relating to the study, preparation and performance of operations such as seismic studies, drilling, installation of well equipment and production tests, construction and the installation of platforms, as well as all other related operations, and all other operations carried out with a view to the evaluation of deposits and their extensions, the production, transport, processing, storage and shipment of Hydrocarbons to loading terminals.

1.57 "Exploitation Works" means the Petroleum Works relating to the Permit and related to the operation and maintenance of the facilities for the production, processing, storage, transport and shipment of Hydrocarbons.

1.58 "Petroleum Works" means all activities carried out to enable the implementation of the Contract on the Permit, in particular studies, preparations and execution of operations, legal, tax, accounting and financial activities. Petroleum Works are divided into Development Works, Exploitation Works and Abandonment Works.

1.59 "Quarter" means the period of three (3) consecutive months commencing on the first day of January, April, July and October of any Calendar Year.

1.60 Third Period designates the period which begins from the end of the Second Period and will last until the expiry date of the Tchendo II Permit.

Article 2 - Object of the Contract

The purpose of the Contract is to define the terms according to which the Contractor will carry out the Petroleum Works on the Permit and according to which the Parties will share the resulting Hydrocarbon production.

Article 3 - Scope of the Contract – Operator

1.1 The Contract is a production sharing contract on the Permit governed by the provisions of the Hydrocarbons Code.

1.2 The Petroleum Works will be carried out in the name and on behalf of the Contractor by one of the Entities of the Contractor called the "**Operator**". The Operator is designated and chosen by the Entities of the Contractor within the framework of the Association Contract. On the Effective Date of the Contract, TEP Congo is the Operator designated by the Contractor for the Permit.

1.3 On behalf of the Contractor, the Operator will in particular have the task of:

- (a) Prepare and submit to the Management Committee the draft annual Work Programs, the corresponding Budgets and any amendments thereto;
- (b) Direct, within the limits of the Programs of Approved Works and Budgets, execution of Petroleum Works;
- (c) Prepare the Work Programs for Development, Exploitation Works and Abandonment Works relating to the deposits discovered on the Permit;
- (d) Subject to the application of the provisions of Article 3.6 below, negotiate and conclude with all Third Parties the contracts relating to the execution of the Petroleum Works;
- (e) Keep accounts of the Petroleum Works, prepare and submit annually to the Congo the accounts, in accordance with the provisions of the Accounting Procedure;
- (f) Conduct the Petroleum Works in the most appropriate manner and in general, implement all appropriate means in accordance with the rules of the art in use in the international petroleum industry, with a view to:
 - (i) the execution of the Work Programs under the best technical and economic conditions; and
 - (ii) the optimization of production while respecting the proper conservation of the deposits mined.

1.4 In the execution of the Petroleum Works, the Operator must, on behalf of the Contractor:

- (a) Diligently conduct all operations in accordance with generally accepted practices in the petroleum industry, comply with good oil field and civil engineering practices and perform such operations in an efficient and economical manner.

All Petroleum Works will be performed in accordance with the terms of the Contract.

- (b) Provide the personnel necessary to carry out the Petroleum Works taking into account the provisions of Article 14 of the Contract.
- (c) Allow a reasonable number of representatives of the Congo to have periodic access, at the Contractor's expense, and within reasonable limits, to the places where the Petroleum Works are taking place,

with the right to observe all or part of the operations carried out there. Congo may, through its duly authorized representatives or employees, examine all or part of the Operator's data and interpretations relating to the Petroleum Works, including, without this list being exhaustive, cores, samples of any kind, analyses, magnetic data, diagrams, maps, tables and surveys.

- (d) Set up and maintain in force, directly or through captive companies, all insurance coverage of types and amounts in accordance with generally accepted practices in the petroleum industry and with the regulations in force in the Congo .
- (e) Pay punctually all costs and expenses incurred in connection with the Petroleum Works.
- (f) Maintain in Congo a copy of all the data described in paragraph 3.4 c) above, except for such documents or materials which require special storage or preservation conditions, which must be maintained in a place chosen by the Parties, under the responsibility of the Operator, and to which Congo has access by right.
- (g) Upon Congo's request, provide Congo with a copy of the data described in paragraph 3.4 c) above.

1.5 The Contractor must execute each Work Program within the limits of the corresponding Budget and may not undertake any operation that is not provided for in an approved Work Program, nor incur expenses that would exceed the amounts entered in the Budget, subject to what follows:

- (a) If it proves necessary for the execution of an approved Work Program, the Contractor is authorized to incur expenses exceeding the adopted Budget, within the limit of ten percent (10%) of the Budget. The Operator shall report this overspending to the next Management Committee.
- (b) During each Calendar Year, the Contractor is also authorized to incur, within the framework of the Petroleum Works, unforeseen expenses not included in a Works Program (but which are linked to it) and not entered in a Budget, in however, the limit of a total of two million (2,000,000) Dollars or their equivalent in another currency. However, these expenditures must not be made to achieve objectives hitherto refused by the

Management Committee and the Operator must present a report relating to these expenses to the Management Committee as soon as possible.

When these expenses have been approved by the Management Committee, the authorized amount will again be increased to two million (2,000,000) Dollars or their equivalent in any other currency, the Contractor permanently having the power to spend this amount. under the conditions set out above.

- (c) In the event of an emergency in connection with the Petroleum Works, the Operator may incur such immediate expenses as it deems necessary for the protection of human life, property and the environment, and the Operator shall notify to the Management Committee of the circumstances of this emergency and these expenses.

1.6 Unless decided otherwise by the Management Committee, the Contractor shall call for tenders for materials and services whose cost is estimated to exceed one million five hundred thousand (1,500,000) Dollars for the Petroleum Works. The Entities of the Contractor may bid within the framework of these calls for tenders using their own means or those of their Affiliated Companies. The above procedure will not apply to geological and geophysical studies, processing and interpretation of seismic data, simulations and studies of deposits, analysis of wells, correlation and interpretation, analysis source rocks, petrochemical and geochemical analysis, supervision and engineering of the Petroleum Works, the studies necessary for the preparation of the Works for Abandonment and the performance of this work, the acquisition of software and the work requiring access to confidential information when the Entities of the Contractor have the possibility of providing the services from its means or those of its Affiliated Companies.

1.7 The amounts defined in articles 3.5 and 3.6 above, valid for the year 2015, will be updated each year in application of the index defined in article 1.1 of the Contract.

1.8 The Contractor exercises its functions as a diligent industrialist. Its liability can only be sought for losses and damages resulting from gross negligence on its part, as assessed with regard to international practices and customs of the oil industry and in compliance with applicable Congolese regulations.

1.9 Before undertaking Development Work related to a new project, the Contractor shall submit to the Management Committee a contract award plan (the " **Project Procurement**

Plan”) resulting from the Work Program. The Project Procurement Plan will determine for each contract:

- the extent of the works or services or materials to be provided;
- the estimated costs;
- contractual strategy.

The Project Procurement Plan must take into account the provisions of article 15.

Article 4 - Management Committee

1.1 As soon as possible after the Effective Date of the Contract, a Management Committee will be set up consisting of a representative of the Operator on behalf of the Contractor and a representative of Congo. The Congo and the Operator will each appoint a representative and an alternate. The alternate nominated by a Party shall act only in the event that the nominated representative is unavailable. Each Party shall have the right to replace its representative or alternate at any time by notifying the other Party in writing of this replacement before the next meeting of the Committee. The Congo and the Contractor may involve in the Management Committee a reasonable number of internal experts on any technical subject that could be discussed during the meetings of the Management Committee, taking into account the provisions of article 4.9.

1.2 The Management Committee examines all the questions on its agenda concerning the orientation, programming and control of the execution of the Petroleum Works. In particular, it examines the Work Programs and the Budgets which will be subject to approval. It will monitor the execution of the said Work Programs and Budget.

For the execution of these approved Work Programs and Budgets, the Operator, on behalf of the Contractor, takes all the decisions necessary for the performance of the Petroleum Works in accordance with the terms of this Contract.

1.3 The decisions of the Management Committee are taken in application of the following rules:

- (a) For the Development Works, the Exploitation Works and the Works for Abandonment, the Operator will present, on behalf of the Contractor, to the Management Committee, the orientations, the Work Programs and the Budgets that it proposes for approval. The decisions of the Management Committee on these proposals are taken unanimously.

In the event that a question cannot obtain unanimity at a meeting of the Management Committee, the examination of the question will be postponed to a second meeting of the Management Committee which will be held, at the call of the Operator,

at least ten (10) days after the date of the first meeting. During this period, the Congo and the Contractor will consult each other and the Operator will provide all the information and explanations requested by the Congo. It is understood that if during this second meeting the Congo and the Contractor do not reach an agreement on the decision to be taken, the decision will belong to the Contractor as long as the Entities of the Contractor have not recovered all of the Petroleum Costs. related to the Development Works.

- (b) For the determination of the provisions related to Works for Abandonment, the decisions of the Management Committee are taken unanimously.
- (c) The decisions of the Management Committee must not be likely to affect the rights and obligations resulting, for the Contractor, from the Contract or the Permit.

1.4 The Management Committee meets whenever the Operator so requests, upon notice sent fifteen (15) days in advance. The convocation contains the proposed agenda, the date, time and place of the meeting. The meetings of the Management Committee will be held in the Republic of Congo or in any other place decided unanimously between the representatives of Congo and the Contractor. The Operator sends Congo the information needed to make the decisions appearing on the agenda at least eight (8) days before the meeting.

1.5 The Congo may at any time request that the Operator convene a meeting to deliberate on specific issues which then form part of the agenda of said meeting. The Management Committee must meet at least twice during each Calendar Year to discuss and approve the Work Program and Budget, and to hear the Operator's report on the execution of the Budget relating to the Calendar Year. former. The Management Committee cannot decide on a question that is not on the agenda of the meeting, unless there is a unanimous decision to the contrary by the representatives of Congo and the Contractor.

1.6 The meetings of the Management Committee are chaired by the representative of Congo. The Operator provides the secretariat.

1.7 The Operator prepares written minutes of each meeting and sends a copy thereof to Congo within fifteen (15) days of the date of the meeting, for approval or remarks within thirty (30) days of the date of reception. Without a response from Congo within the said thirty (30) day period, the minutes will be considered approved by Congo.

In addition, the Operator draws up and submits for the signature of the representative of Congo and of the Contractor, before the end of each meeting of the Management Committee, a list

issues voted on and a summary of the decisions taken on each vote.

1.8 Any question may be submitted to the Management Committee for decision without a formal meeting being held, provided that this question is sent in writing by the Operator to Congo. In the event of such a submission, Congo must, within ten (10) days of receipt, communicate its vote in writing to the Operator, unless the question submitted to the vote requires a decision within a shorter period, stipulated by the Operator which, unless there are emergency conditions requiring a more rapid response, cannot be less than forty-eight (48) hours. In the absence of a response from Congo within the time limit, the Operator's proposal will be considered adopted as if a meeting had been held. Any question which receives an affirmative vote under the conditions provided for in Article 4.3 above shall be deemed to have been adopted as if a meeting had been held.

1.9 The Management Committee may decide to hear any person whose hearing is requested by the Congo or the Contractor. In addition, the Congo or the Contractor may, at its expense, have the meetings of the Management Committee attended by experts of its choice, provided that it obtains a confidentiality undertaking from the said experts, it being understood that the experts assisting the Congo must not present any link with competing oil companies of the Entities of the Contractor.

1.10 A committee in charge of the valuation of the Provisions for Abandonment is established, attached to the Management Committee (hereinafter referred to as the "**Valuation Committee**") and responsible for examining the following questions for recommendation to the Management Committee:

1. Work Programs for Abandonment and estimation of their costs;
2. Calculation of Provisions for Abandonment in accordance with the provisions of Article 5.5;
3. Calculation of the amount corresponding to the interest generated monthly by the Provisions for Abandonment;
4. Recommendation for allocation of said provisions.

The Provisions Evaluation Committee for Abandonment is made up of representatives (one incumbent and one alternate) of Contractor and Congo.

This Evaluation Committee will meet according to a frequency that will be determined by mutual agreement with a minimum of one (1) meeting per year.

The secretariat of the Evaluation Committee is provided by a representative of the Operator, also responsible for drafting a written report of each meeting which will be sent to all participants for approval.

The absence of a response within ten (10) working days following the transmission of said report will be deemed to constitute approval of its content.

Contractor's costs relating to the participation of its representatives and the operation of the Committee

Evaluation of the Provisions for Abandonment will be borne by the Contractor and will constitute a Petroleum Cost.

Article 5 - Work Programs and Budget

1.1 On behalf of the Contractor, the Operator shall submit to Congo, within a period of ninety (90) days from the Effective Date, the first Work Program that it proposes to carry out at course of the current Calendar Year, as well as the corresponding draft Budget.

Subsequently, no later than fifteen (15) November of each Calendar Year, the Operator shall submit to Congo the Work Program that it proposes to carry out during the following Calendar Year as well as the corresponding draft Budget. . When submitting the Work Program and Budget for each Calendar Year, the Operator presents in less detailed form a provisional Work Program and Budget for the following two (2) Calendar Years.

1.2 No later than fifteen (15) December of each Calendar Year, the Management Committee adopts the Work Program and the Budget for the following Calendar Year. When adopting a Work Program and Budget, the Management Committee shall examine, on a preliminary and indicative basis, and without adopting it, the Work Program and Budget for the following two (2) Calendar Years. As soon as possible after the adoption of a Work Program and a Budget, the Operator sends a copy to Congo.

1.3 Each Budget contains a detailed estimate, by Quarter, of the cost of the Petroleum Works provided for in the Work Program corresponding to the Quarter in question. Each Work Program and each Budget may be revised and modified by the Management Committee at any time during the year.

1.4 Within ninety (90) days following the end of a Calendar Year or, in the event of the end of the Contract within three (3) months of this expiry, the Operator must, on behalf of the Contractor, report to Congo on how the Budget for the past Calendar Year was executed.

1.5 The Provisions for Abandonment constituted until the Effective Date by TEP Congo and Eni Congo in accordance with the PNGF Production Sharing Contract in order to cover the costs relating to the abandonment and dismantling of the facilities located in the area covered by the Tchendo Permit will be reported in the accounts of the Permit. The terms and conditions for managing these Provisions for Abandonment will be set by mutual agreement.

The value of the Provisions for Abandonment established up to December 31, 2014 is one hundred sixteen million six hundred thousand (116,600,000) Dollars (including interest). The final value of Provisions for

Abandonment constituted on the Effective Date will be decided on the occasion of the Extraordinary Management Committee meeting for the opening of the Permit.

All Abandonment Provisions accrued after the Effective Date will be placed in an escrow account. The procedures for setting up these Provisions for Abandonment after the Effective Date and the procedures for managing the escrow account will be set by agreement of the Parties.

1.6 After the Effective Date, in accordance with the procedures for constituting the Provisions for Abandonment which will have been fixed between the Parties, the Operator, no later than fifteen (15) November of each Calendar Year, will submit to the Assessment Committee all the information necessary for the Valuation Committee to calculate the Provisions for Abandonment.

1.7 The Contractor's registers and accounting books relating to the Petroleum Works are submitted to Congo or its representatives for verification and periodic inspection.

If the Congo wishes to exercise this right of verification, it will inform the Contractor in writing. This verification will take place within forty-five (45) days following the notification and will be carried out either by calling on the personnel of the Congolese administration, or by calling on an internationally recognized independent firm, designated by him, and approved by the Contractor. The refusal of approval by the Contractor must be motivated.

For a given Calendar Year, Congo has a period of fifteen (15) months from the date of filing with Congo of the final accounts for the Calendar Year under verification to carry out these examinations all at once and verifications.

Congo may exercise its right of verification for several previous years up to a maximum of two (2) Calendar Years from the date of filing of the final accounts with Congo.

During these checks, the Congo will endeavor to carry out the checks in such a way as to inconvenience the Contractor as little as possible.

When Congo exercises this right of audit, the Budgets relating to this particular financial year are used for the realization of these controls.

The costs relating to this verification will be borne by the Contractor within the limit of an annual amount of one hundred thousand (100,000) Dollars and will constitute Petroleum Costs. This amount is updated each year by applying the Update.

When the verification is not carried out by the personnel of the Congolese administration, the independent firm approved by Congo and the Contractor carries out its mission in compliance with the terms of reference established by Congo for the examination of the application. rules defined in the Procedure

Accountant for the determination of Petroleum Costs and their recovery. Said terms of reference are communicated to the Contractor before the intervention of said firm. The final report of this check is communicated as soon as possible to the Contractor.

The accounts of the Affiliated Companies of the Operator which are in particular responsible for providing their assistance to the Contractor are not subject to the aforementioned verification but they may be audited in accordance with the provisions of article 22 of the Accounting Procedure.

For any contradictions, errors or anomalies noted during the inspections and verifications, Congo may present its objections to the Contractor in writing and in a reasonably detailed manner, within ninety (90) days following the end of these examinations and verifications.

The expenses charged to the Petroleum Costs and the calculations relating to the sharing of the Net Production during the said Calendar Year are considered as definitively approved when the Congo has not objected within the deadlines referred to above.

Any objection, dispute or well-founded claim raised by the Congo shall be the subject of consultation with the Operator. The Operator will rectify the accounts as soon as possible according to the agreements which will have been reached, this in application of the regulations in force in Congo. Any remaining disputes will be brought to the attention of the Management Committee before possibly being submitted to arbitration in accordance with the provisions of Article 21 of this Contract.

1.8 The registers and account books retracing the Petroleum Works are kept by the Operator in French and denominated in Dollars. The registers will be used to determine the share of the Petroleum Costs and of the production due to each of the Entities of the Contractor for the purposes of the calculation by the Operator of the quantities of Hydrocarbons due to them under Articles 7 and 8 of this Contract. .

It is understood that on the occasion of the conversion of foreign exchange and any other foreign exchange operations relating to the Petroleum Works, the Contractor shall not make any gain or loss which shall not be charged to the Petroleum Costs.

The terms and conditions relating to these operations will be specified in the Accounting Procedure.

Article 6 – Discovery of Gaseous Hydrocarbons

6.1 In the event of the discovery of Gaseous Hydrocarbons, the Congo and the Contractor shall consult together as soon as possible to examine the commercial exploitation of this discovery and, if possible, consider the adjustments that must be made to the Contract.

6.2 During a discovery, the Contractor may use Gaseous Hydrocarbons, associated or not, for the needs of the Petroleum Works, and carry out any Gaseous Hydrocarbons reinjection operation aimed at improving the recovery of Liquid Hydrocarbons.

The quantities of Gaseous Hydrocarbons thus used shall not be subject to any duty, tax or tax of any kind whatsoever. Subject to the regulations in force and particularly the provisions relating to "zero flaring", any associated Gaseous Hydrocarbon produced and not used directly for the Petroleum Works or not recoverable may exceptionally be flared or made available to Congo.

Article 7 - Reimbursement of Petroleum Costs

1.1 The Contractor shall ensure the financing of all Petroleum Costs.

1.2 For the purpose of reimbursement of Petroleum Costs, including Provisions for Abandonment, expenses related to Works for Abandonment and PID and excluding Bonuses, each Contractor Entity has the right to recover its share of the Petroleum Costs considered here, calculated according to the percentage of interest it holds in the Permit, by deducting each Calendar Year a share of the Net Production of the Permit which is hereinafter referred to as "**Cost Oil**".

a) Cost Stop

The Cost Stop is equal to the product of the Net Production, expressed in Barrels, by the lower of the Fixed Price and the High Price, multiplied by fifty percent (50%).

b) Excess Oil

If, during a Calendar Year, the cumulative amount of the Oil Costs to be recovered is less than the Cost Stop, the Cost Oil will correspond to the share of the Net Production which, valued at the Fixed Price, allows the reimbursement of the Oil Costs to be recovered.

In this case, the difference between the Cost Oil and the part of the Net Production which, valued at the Fixed Price, corresponds to the Cost Stop is the "**Excess Oil**". It is shared according to the following provisions:

- (i) If the cumulative production from the Effective Date is less than or equal to fifteen million (15,000,000) Barrels, at the rate of fifty percent (50%) for Congo and fifty percent (50%) for the Contractor; and
- (ii) if the cumulative production from the Effective Date is greater than fifteen million (15,000,000) Barrels, at the rate of seventy percent (70%) for Congo and thirty percent (30%) for the Contractor.

c) Cost Oil Garanti

The Guaranteed Oil Cost is equal to thirty-seven point five percent (37.5%) of the Net Production valued at the Fixed Price.

If, in a Calendar Year, the cumulative amount of Oil Costs to be recovered is greater than the Cost Stop :

- (A) If this cumulative amount of Oil Costs to be recovered is less than or equal to the Guaranteed Cost Oil, the Cost Oil will correspond to the part of the Net Production which, valued at the Fixed Price, allows reimbursement of the cumulative amount of Oil Costs to be recovered. The difference between the thirty-seven point five percent (37.5%) of the Net Production and the Cost Oil does not constitute Excess Oil.
- (B) If this cumulative amount of Oil Costs to be recovered is greater than the Guaranteed Cost Oil, the Cost Oil will be equal to the share of Net Production which, valued at the Fixed Price, is equal to the higher of the Guaranteed Cost Oil and the Cost Stop. The unrecovered Petroleum Costs will be carried over to the following Calendar Year until the date of total recovery or until the expiry date of the Contract if this occurs before, in accordance with the stipulations of article 7.4 below. .

1.3 Reimbursement of Petroleum Costs for each Calendar Year under the Permit will be made according to the following order of priority:

- the costs relating to the Exploitation Works;
- la PID ;
- the costs relating to the Development Works; - Provisions for Abandonment.

Petroleum Costs are reclassified in the categories of Petroleum Works above according to their nature.

1.4 If, during any Calendar Year, the Petroleum Costs are not fully recovered under articles 7.2 and 7.3 above, the surplus which cannot be recovered in the said Calendar Year in question will be carried over to the following Calendar Years until at full recovery or until the expiry date of the Contract if this occurs before. The Petroleum Costs whose recovery is deferred will be subject to an update on their date of payment by applying the Update.

1.5 The Contractor shall incur the expenses related to site restoration work after operation, in accordance with the provisions of this Contract and the Accounting Procedure.

All expenses related to site restoration work will constitute Petroleum Costs which will be deducted from the provisions made, said provisions being reversed for identical amounts being deducted from the corresponding Petroleum Costs.

Article 8 - Sharing of production

8.1 Super Profit Oil :

If the Fixed Price is higher than the High Price, the Super Profit Oil designates the share of Liquid Hydrocarbons which, valued at the Fixed Price, is equivalent to the difference between the Net Production valued at the Fixed Price and this same Net Production valued at the Fixed Price. High, minus the Mining Royalty applied to this same difference and the difference between the Cost Oil, valued at the Fixed Price, and the Cost Stop (if the Cost Oil valued at the Fixed Price is higher than the Cost Stop). It is shared according to the following provisions:

- (i) If the cumulative production from the Effective Date is less than or equal to fifteen million (15,000,000) Barrels, the Super Profit Oil will be shared between Congo and the Contractor at the rate of sixty-six percent (66%) for the Congo and thirty-four percent (34%) for the Contractor.
- (ii) If the cumulative production from the Effective Date is greater than fifteen million (15,000,000) Barrels, the sharing of the Super Profit Oil will be seventy percent (70%) for Congo and thirty percent (30%) for the Contractor.

8.2 Profit Oil :

8.2.1 Profit Oil is defined as the quantity of Liquid Hydrocarbons equal to Net Production, minus:

- the part of the Mining Royalty due to the State in accordance with article 11 below; - Cost Oil;
- de l'Excess Oil ;
- you Super Profit Oil.

8.2.2 The Profit Oil determined pursuant to article 8.2.1 above is shared between Congo and the Contractor as follows:

- (i) If the cumulative production from the Effective Date is less than or equal to fifteen million (15,000,000) Barrels, at the rate of fifty percent (50%) for Congo and fifty percent (50%) for the Contractor; and
- (ii) if the cumulative production from the Effective Date is greater than fifteen million (15,000,000) Barrels, at the rate of seventy percent (70%) for the

Congo and thirty percent (30%) for the Contractor.

Article 9 - Valuation of Hydrocarbons Liquids

9.1 For the purposes of recovering Petroleum Costs, sharing Profit Oil, determining the amounts to be paid as PID and collecting the Mining Royalty in cash, the price of Liquid Hydrocarbons (" **Price Fixed** ") is the fixed price reflecting the value of a Quality of Liquid Hydrocarbons, FOB loading terminal in Congo, on the international market, determined in Dollars per Barrel. The Fixed Price is determined jointly by the Contractor and Congo for each month.

To this end, the Contractor shall communicate to Congo the necessary information in accordance with the provisions set out in the Accounting Procedure.

9.2 In the month following the end of each Quarter, the Congo and the Entities of the Contractor will meet in order to determine by mutual agreement, for each Quality of Liquid Hydrocarbons produced, the Fixed Price for each month of the past Quarter. On this occasion, each Entity of the Contractor submits to Congo the information referred to in article 9.1 above and any relevant element relating to the situation and the evolution of the prices of Liquid Hydrocarbons on the international markets.

If, during this meeting, a unanimous agreement cannot be reached, the Parties will meet again by providing any useful additional information relating to the evolution of the prices of Liquid Hydrocarbons of similar qualities in order to obtain a unanimous decision before the end of the second month following the end of the considered Quarter.

For the purposes of managing this Contract, the Operator determines, as necessary, a provisional monthly price, which will reflect the level of the oil market at this period, for each Quality of Liquid Hydrocarbons, which it will apply until the final determination of the Fixed Price for the month in question. This provisional price will be brought to the attention of the Congo.

In the event of persistent disagreement between the Parties on the determination of the Fixed Price, either Party may submit the dispute to arbitration under the conditions provided for in Article 21 of the Contract.

Article 10 - Provision for Investments Diversified and

The Provision for Diversified Investments (the "PID") is fixed for each Calendar Year at one percent (1%) of the value at the Fixed Price(s) of the Net Production.

The amounts referred to in article 10 will be paid by each Entity of the Contractor into a bank account in the name of the Public Treasury of Congo according to the legislation in force, and in accordance with the Accounting Procedure.

The amounts allocated to the PID constitute Oil Costs.

Article 11 - Tax regime

11.1 The Mining Royalty due to Congo under the Permit for Liquid Hydrocarbons is fixed at fifteen percent (15%) of the Net Production.

Congo shall have the right to receive the Mining Royalty by bank transfer by notifying the Contractor of its choice at least ninety (90) days in advance.

If such notification is not made by the Congo, the Mining Royalty will then be collected by the Congo in kind at the point of removal.

The quantities of Liquid Hydrocarbons consumed by the Contractor during the Petroleum Works will be subject to payment in cash of the Mining Royalty. The amount of the Mining Royalty paid by the Contractor constitutes a Petroleum Cost.

11.2 The share of Liquid Hydrocarbons due to the Contractor at the end of the allocations and shares defined in articles 7, 8 and 11.1 above will be net of any tax, duty or tax of any kind whatsoever.

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The share of Liquid Hydrocarbons returning to the Congo at the end of the allocations and sharing defined in articles 7 and 8 above includes the tax on

companies.

Under no circumstances may Contractor Entities be required to pay any payment in respect of corporation tax. Congo indemnifies Contractor's Entities against any claim by Congo relating to the payment of corporation tax by Contractor's Entities. The tax declarations will be established in Dollars by each Entity of the Contractor. The corresponding tax clearances will be established in the name of each of the Entities of the Contractor to which they will be delivered.

The provisions of this article 11 shall apply separately to each Entity of the Contractor for all the Petroleum Works carried out under this Contract.

11.3 The Contractor is subject to the payment of the surface royalty in accordance with the provisions of the Hydrocarbons Code.

11.4 The Contractor shall be subject to the customs and tax arrangements provided for in Annex II to the Contract.

11.5 On the occasion of any assignment of rights and interests, total or partial, the Entities of the Contractor shall be exempt from any tax, duty or tax of any kind whatsoever in accordance with the Hydrocarbons Code.

Article 12 - Transfer of ownership and removal of Liquid Hydrocarbons

12.1 The Hydrocarbons produced will become the joint property of Congo and the Contractor on passing to the head of the production wells.

Ownership of the share of Liquid Hydrocarbons accruing to Congo and to each Entity of the Contractor pursuant to articles 7, 8 and 11.1 is transferred to them at the outlets of the storage facilities. In the case of shipment by tanker, the point of transfer of ownership is the connection point between the ship and the loading facilities.

Each Entity of the Contractor, as well as its customers and carriers, will have the obligation and the right to remove, freely from the removal point chosen for this purpose, the share of Liquid Hydrocarbons due to it pursuant to Articles 7, 8 and 11.1.

The Parties agree that, depending on the technical reality of the deposits discovered, several pick-up points may be established for the purposes of this Contract.

All costs relating to the transport, storage and shipment of Liquid Hydrocarbons to the point of removal will be part of the Oil Costs.

Acknowledging that, in accordance with the first paragraph of this Article 12.1, the Liquid Hydrocarbons become the joint property of Congo and the Contractor as soon as they pass the production wellheads, and further acknowledging that both Parties would be willing to provide insurance covering the risk of damage to these Liquid Hydrocarbons in the storage facilities, the Parties agree that the Contractor shall directly or indirectly take out such insurance on all of such Liquid Hydrocarbons, including the share of Congo, and that the cost of this insurance be included as an Oil Cost.

12.2 The Parties remove their respective share of Liquid Hydrocarbons, FOB loading terminal, on as regular a basis as possible, it being understood that each of them may, within reasonable limits, remove more or less than its share on the day removal, provided however that such over-removal or under-removal does not affect the rights of the other Party and is compatible with the production rate, storage capacity and characteristics of the vessels. The Parties will consult regularly to establish a provisional removal program based on the above principles.

The Parties will establish and agree on a removal procedure setting the terms of application of this article.

12.3 The Contractor is required, at the request of Congo, to sell in priority to Congolese industries, under the conditions defined below, the Hydrocarbons

Liquids due to him, including Cost Oil as well as Profit Oil, in order to satisfy the needs of these. Congo shall not require the Contractor to sell to Congolese industries for each Calendar Year quantities of Liquid Hydrocarbons greater than thirty percent (30%) of their share under the Contract. Congo may choose the Quality of Liquid Hydrocarbons most appropriate to the needs of Congolese industries from among the available qualities.

12.4 Insofar as the Management Committee determines that this is possible within the framework of the operations covered by the Contract, the Contractor will make commercially reasonable efforts to supply the industries designated by the Congo with the different Qualities of Liquid Hydrocarbons required. In the event that a mixture of Liquid Hydrocarbons has already been made, the Contractor undertakes, at the request of Congo, to carry out exchanges between the volume of Liquid Hydrocarbons returning to Congo pursuant to article 12.3 against the volumes of crude oil of different qualities which are at their disposal and produced in the Congo, taking into account the quality, the value and all other factors usually taken into consideration according to the practices in use in the oil industry.

12.5 Subject to the limit set in article 12.3 above, the Contractor's commitment to supply Liquid Hydrocarbons to Congolese industries is limited, for each Calendar Year, to a quantity equal to the total needs of said industries, multiplied by a fraction whose numerator is the quantity of Liquid Hydrocarbons of this quality due to this entity in respect of its participation and whose denominator is the total production of Liquid Hydrocarbons of this quality produced in Congo during the same Calendar Year.

12.6 In the event that there are several producers in Congo, but where due to the needs of Congolese industries, the Entities of the Contractor would be obliged, at the request of Congo, to deliver volumes greater than their obligation determined pursuant to articles 12.3 and 12.5 above, the Congo will bring together all the producers and will endeavor to have exchanges between them of the quantities of crude oil so as to establish between the different producers the equality described in articles 12.3 and 12.5, taking into account taking into account quantity, value and all other factors usually considered in the petroleum industry.

12.7 The delivery of quantities of Liquid Hydrocarbons to Congolese industries will take place at the point of removal on land or at sea, or at the exit from the storage facilities of these entities.

Article 13 - Ownership of movable and immovable property

13.1 Ownership of movable and immovable property of any kind acquired by the Contractor in the

Petroleum Works will be automatically transferred to Congo: (i) upon full reimbursement to the Contractor of the corresponding Petroleum Costs or (ii) in the event of Congo withdrawing the Permit in accordance with the provisions of the Hydrocarbons Code.

The subletting, assignment and/or sale of the property thus transferred to Congo is subject to prior written agreement from Congo. The products obtained will be paid in full to the Congo.

After the transfer of ownership to Congo, the Contractor may continue to use said real estate and movable property free of charge, for the entire duration of the Contract. This rule is also applicable to goods acquired within the framework of the Petroleum Works of the Tchendo Permit.

13.2 In the event that the goods mentioned above are the subject of sureties granted to Third Parties within the framework of the financing of the Petroleum Works, the transfer of the ownership of these goods to Congo will only take place after full reimbursement by the Contractor of the loans thus guaranteed and release of the sureties. The Parties agree that the sureties on the loans contracted within the framework of the financing of the Petroleum Works must, before their implementation, be approved beforehand by the Congo.

13.3 The above provisions do not apply:

- to equipment belonging to Third Parties and which is rented to the Contractor;
- movable and immovable property acquired by the Operator for operations other than the Petroleum Works and which could be used for the benefit of the Petroleum Works relating to the Permit.

13.4 The Operator shall carry out each Calendar Year an inventory and an evaluation of the movable and immovable property whose ownership has been transferred to Congo in accordance with article 13.1. The list of goods subject to transfer of ownership, as decided and carried out according to article 13.1 below, will be formalized through a report signed by Congo and the Operator.

Article 14 - Training and employment of Congolese personnel

14.1 Based on the training needs expressed by Congo, the Operator will implement a staff training program in the field of research, exploitation and marketing of Hydrocarbons, the annual budget of which will be equal, for each Calendar Year, to the sum of seventy-five thousand (75,000) Dollars. This amount will be updated each year by applying the Update. If it is impossible to use said reference, the Parties will consult to agree on a new reference.

The aforementioned training programs and budgets will be prepared by the Operator and presented to the Management Committee for discussion and approval.

The training actions will concern technical and administrative personnel of all levels in Congo, without the Operator's commitment to them, and will be carried out by means of internships in Congo or abroad, the allocation of scholarships to the abroad and, if necessary, the creation of a vocational training center in the Congo. In any case, the execution of said training actions will take place in accordance with the internal rules of the Operator.

Expenses corresponding to training actions will constitute Petroleum Costs.

14.2 The Operator shall ensure, with equal qualification, priority employment in its establishments and installations located in Congo, to personnel of Congolese nationality. In any case, the selection of said personnel will take place in accordance with the internal rules of the Operator. Insofar as it is not possible to find Congolese nationals with the necessary qualifications to fill the positions to be filled, the Operator may hire foreign personnel, in accordance with the regulations in force in Congo.

Article 15 - National products and services

15.1 Within the framework of the Petroleum Works, it is agreed that, while respecting the rules for the qualification of suppliers and the awarding of contracts by the Operator, priority will be given to Congolese companies for the awarding of contracts provided that they meet the required conditions, namely: to provide goods or services of equal quality to those available on the international market and offered at prices (item by item), all taxes included, competitive with those practiced by the subcontractors; foreign contractors for similar goods and services. Preference will be given in particular to services offered by companies registered in Congo and whose share capital is majority controlled by citizens of Congolese nationality, provided that they meet the conditions indicated above.

15.2 In accordance with the provisions of article 22 of the Hydrocarbons Code, the Contractor shall have recourse in priority to the services of the Petroleum Services Center installed in the Autonomous Port of Pointe-Noire in accordance with the principles set out in article 15.1.

Article 16 - Information - Confidentiality - Public Statements

16.1 In addition to the obligations to provide information to the Congolese authorities placed on the Contractor by oil regulations, the Operator shall provide Congo with a copy of the following reports and documents which will be drawn up after the Effective Date of the Contract:

- reports on geophysical activities;
- reports of geological synthesis studies as well as the related maps;

- Reports of geophysical measurements, studies and interpretation, maps, profiles, sections or other related documents, as well as, at Congo's request, the original of the recorded seismic magnetic tapes;
- implantation and end of drilling reports for each of the boreholes, as well as a complete set of recorded logs;
- reports of the tests or production trials carried out as well as any study relating to the commissioning or production of a well;
- reports concerning the analyzes carried out on carot; and
- production reports.

All maps, sections, profiles, logs and other geological or geophysical documents will be provided on a suitable medium for later reproduction. A representative portion of the drill cores and cuttings taken from each well as well as samples of the fluids produced during the production tests or trials will also be provided to Congo within a reasonable time. Upon expiry of the Contract, for whatever reason, the original documents and samples relating to the Petroleum Works, carried out after the Effective Date, will be returned to Congo.

Congo may at any time take cognizance of the Operator's reports on the Petroleum Works, at least one copy of which will be kept in Congo.

All technical data as quoted above belong to Congo. The transfer of data to Congo is financed by the Contractor.

The corresponding expenses constitute Petroleum Costs.

Congo will make available to the Contractor under the regulatory and technical conditions in force all the information and data accumulated prior to the Contract that is at its disposal, and will obtain on behalf of the

Contractor, the transmission of any data or information available in the hands of any Third parties, in particular the previous Contractor on the Permit.

16.2 The Contract as well as its Appendices and all information relating to the execution of the Contract are, vis-à-vis Third Parties, treated as confidential by the Parties. This obligation does not apply to:

- (i) information in the public domain;
- (ii) information already known by a Party before it is communicated to him within the framework of the Contract; (iii) information obtained legally from Third Parties who themselves obtained it legally and which are not subject to any disclosure restriction or confidentiality undertaking; and (iv) the information whose communication and

publication fall within the framework of transparency and good governance.

It is understood that the information which is subject to the confidentiality obligation of this article is, in accordance with the Hydrocarbons Code, only the technical information relating to the Contract and that all payments made in Congo or to a Congolese public authority or any legal person governed by public law or any other bodies emanating from it are not subject to this obligation of confidentiality.

The Parties or their Affiliated Companies may however communicate the information referred to in this article, as necessary, in particular:

- to their supervisory authorities and those of their Affiliated Companies or to any stock market authorities if they, or their Affiliated Companies, are legally or contractually obliged to do so, or
- to judicial or arbitration bodies in the context of legal or arbitration proceedings, if they are legally or contractually obliged to do so, or
- to their related Affiliate Companies, it being understood that the Party which communicates such information to a related Affiliate Company guarantees to the other Party compliance with the obligation of confidentiality, or - to banks and financial institutions in the framework of the financing of the Petroleum Works, provided that these banks and organizations undertake to keep them confidential.

The Operator may also communicate the information to Third-Party suppliers, contractors and service providers involved in the context of this Contract, provided however that such communication is necessary for the performance of the Petroleum Works and that the said Third Parties undertake to keep confidential.

All Contractor's Entities that plan to transfer all of their interests, or part of their interests, in accordance with article 17 below, may also communicate information to Third Parties with a view to transferring interests, provided that these Third Parties subscribe to a confidentiality agreement, a copy of which will be communicated to Congo.

16.3 Except in accordance with the provisions of this Agreement and in particular Article 16.2, no press release concerning the conditions and the provisions of this Agreement will be made or issued by, or on behalf of one of the Parties, without the prior approval writing of the other Parties. This consent may not be withheld without reasonable grounds.

Article 17 – Transfers

17.1 Any transfer of interest, in whole or in part, for consideration against payment in any form (including assets, shares or cash or a combination of these means of payment) by one

Entities of the Contractor (an “ **Assignment** ”) for the benefit of a Third Party shall be subject to the prior approval of Congo under the conditions set by article 36 of the Hydrocarbons Code.

17.2 The evaluation of the request for approval by the Congo will be made diligently, focusing on the technical and financial capacities of the transferee. The Congo may not refuse its agreement without valid reason.

17.3 Congo will respond, as soon as possible, to the transferor's request. Following a request for prior approval from Congo that remained unanswered within two (2) months from the acknowledgment of receipt of the initial request, the Assignment will be deemed to have been approved.

17.4 Assignments in the Permit between Contractor's Entities, as well as those made between a Contractor's Entity and a related Affiliate Company, can be made freely and at any time. The transferor is however required to inform the Minister in charge of hydrocarbons.

17.5 The Parties agree that if one of the Contractor's Entities plans an operation that would lead to its change of control, this project will be brought to the attention of Congo, as soon as possible.

Article 18 - Entry into Force - Effective Date - Duration - Amendments

18.1 The Agreement will enter into force on the day of publication of the law approving this Agreement in the Official Journal (the “ **Effective Date** ”), and will take effect on January 1 , 2015 (the “ **Effective Date** ”) .) .

18.2 The Contract will remain in force for the entire period between the Effective Date and the date on which the Contract ends under the conditions provided for in Article 22 below.

18.3 The terms of the Contract can only be modified by the written agreement of all the Parties.

Article 19 - Force majeure

19.1 No delay or failure by a Party to perform any of the obligations under the Contract shall be considered a breach of the Contract if such delay or failure is due to force majeure, c i.e. an event that is unforeseeable, irresistible and beyond the control of the Party invoking it, such as but not limited to, earthquake, flood, accidents, strike, lockout, riot, delay in obtaining rights of way, insurrection, epidemics, civil unrest, sabotage, acts of war or conditions attributable to war, submission of the Contractor to any ordinance, law, regulation, decision, obligation or any other cause beyond its control, similar or different from that already cited and which has

the effect of making it impossible to perform all or part of its obligations under the Contract (“ **Force Majeure** ”).

If, as a result of a case of Force Majeure, the performance of any of the obligations of the Contract is deferred, the duration of the resulting delay, increased by the time which may be necessary to repair the damage caused during the said delay and the resumption of the Petroleum Works, would be added to the period provided for in the Contract for the performance of the said obligation.

Similarly, the duration of the Permit would be extended by the duration corresponding to that of the Force Majeure.

19.2 When a Party considers that it is prevented from fulfilling any of its obligations due to a case of Force Majeure, it must notify the other Parties without delay, specifying the elements likely to establish Force Majeure, and take, in agreement with the other Parties, all the useful and necessary provisions to allow the normal resumption of the performance of the obligations affected as soon as the event constituting the case of Force Majeure ceases.

Obligations other than those affected by Force Majeure must continue to be performed in accordance with the provisions of the Contract.

Article 20 - Applicable law

The Contract will be governed by Congolese law according to which it will be interpreted.

Article 21 - Arbitration

21.1 All disputes arising from the Contract, which cannot be resolved amicably, will be settled definitively by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with these Rules. . The arbitration will take place in Geneva, Switzerland and will be conducted in the French language.

The Parties will maintain strict secrecy regarding the arbitration procedure. The judgment of the tribunal is rendered definitively and irrevocably. It is binding on the Parties and is immediately enforceable. The

Arbitration costs will be borne equally between the Parties, subject to the decision of the court concerning their distribution.

21.2 The Parties hereby waive the right to claim any immunity during any proceedings relating to the execution both of provisional or conservatory measures ordered by a third party pursuant to the above Rules and of any arbitration award rendered by a tribunal constituted in accordance with this Article 21, including any immunity with respect to service, any immunity from jurisdiction and any immunity from execution with respect to its property.

21.3 If the Congo and one of the Contractor's entities

disagree on the determination of the price of Liquid Hydrocarbons within the framework of article 9 above, the Congo or the said entity may request the President of *the Institute of Petroleum* in London, Great Britain to appoint a qualified international expert. to whom the dispute will be submitted. If the President of *the Institute of Petroleum* does not designate an expert, each of the Parties to the dispute may request the International Center for Expertise of the International Chamber of Commerce in Paris to proceed with this designation. Congo and said entity will provide the latter with all the information they deem necessary or that the expert may reasonably request.

21.4 Within thirty (30) days of the date of his appointment, the expert will communicate to Congo and to the said entity the price which, in his opinion, must be in application of article 9 above. This price will be binding on the Parties and will be deemed to have been set by mutual agreement between them. The costs and fees of *the Institute of Petroleum* in London or the International Chamber of Commerce will be shared equally between the Congo and the said entity.

The expert will not be an arbitrator, and the related procedures will not apply.

Article 22 – End of the Contract

22.1 The Contract ends: (i) when the Permit has expired or will not be renewed in accordance with the provisions of the Award Decree, or (ii) according to the cases provided for by the Hydrocarbons Code, or (iii) the Contractor contravenes seriously to the provisions of the Contract.

Notwithstanding any contrary provision(s) of the Hydrocarbons Code, the Parties agree that the Contractor may voluntarily terminate the Contract at any time. However, the termination cannot take place until the Contractor has fulfilled or taken the necessary steps to fulfill all the obligations applicable to the Permit at the time of the termination request, and more generally as long as one of the Parties remains liable for the other Party under the rights and obligations resulting from the Contract.

22.2 If a Contractor Entity wishes to withdraw voluntarily in accordance with the Association Agreement, Contractor shall notify the Management Committee. Congo and the remaining Entities of the Contractor will consult each other for the transfer of the participation of this entity.

22.3 If the Contract is terminated in accordance with article 22.1 above:

- a) in accordance with the provisions of article 12 above, the Contractor shall liquidate the operations in progress and the assets acquired under the Contract and report on

this liquidation to the Management Committee.
The costs of this liquidation will be borne by the Contractor;

- b) the Contractor shall pay all the charges for which payment is incumbent upon it under the terms of the Contract;

in accordance with the list defined in article 16.1 above above, the Contractor will make available to Congo any information not yet transmitted and relating to the latest Petroleum Works. Following the end of the Contract, the Contractor will no longer have any obligation to retain and/or transmit information relating to the Petroleum Works.

Article 23 – General warranties

23.1 Throughout the duration of the Petroleum Works, the Congo guarantees the Contractor the stability of the general, legal, financial, tax, customs and economic conditions under which each Entity of the Contractor carries out its activities, such as these conditions result from the Code of Hydrocarbons on the Effective Date of this Contract.

23.2 No legislative or regulatory provision subsequent to the Effective Date of the Contract may be applied to the Contractor which would have the direct or indirect effect of reducing the rights of the Contractor or aggravating its obligations under this Contract and of the legislation and regulations in force on the Effective Date of this Agreement, without the prior agreement of the Parties

23.3 Congo guarantees the Entities of the Contractor, their Affiliated Companies, their shareholders and their suppliers for the duration of the Contract, the possibility of freely transferring their income or distributions

to foreign banks of their choice, to maintain assets in foreign currencies in these banks, and more generally to make payments in foreign currencies without any restriction within the framework of operations carried out under the Contract.

Article 24 - Addresses

Any communication will be made to the Parties at the following addresses:

a) For Congo

Ministry of Hydrocarbons

B.P. : 2120 - Brazzaville

Republic of Congo

Tel: (242) 222 83 58 95

Fax : (242) 222 83 62 43

b) For SNPC

National Petroleum Company of Congo

B.P. : 188 - Brazzaville

Republic of Congo

Tel: (242) 222 81 09 64

Fax : (242) 222 81 04 92

c) For PET Congo

Total E&P Congo

Avenue Raymond Poincare

BP: 761 - Pointe-Noire

Republic of the Congo (Brazzaville)

Tel: (242) 22 294 60 00 – 22 06 662 79 07

Fax : (242) 22 294 63 39 – 22 294 68 75

d) For Eni Congo

Eni Congo

125-126, Avenue Charles de Gaulle

BP: 706 - Pointe-Noire

Republic of the Congo (Brazzaville)

Tel: (242) 05 550 11 01

Fax: (242) 22 294 11 54

e) For AOGC

Africa Oil & Gas Corporation Level

Passage, Rue Mbochis - Moundali

B.P. : 15073 - Brazzaville

Republic of the Congo (Brazzaville)

Tel: (242) 066 545 463 - 022 826 178

f) For PETCO

PETRO CONGO SA

Sikou Doume, Ndji-Ndji District, BP:

1225 - Pointe-Noire

Republic of the Congo (Brazzaville)

Article 25 – Notifications

All notices, notifications and other communications provided for in the Contract will be given in writing either:

- (i) by delivery to the qualified representative of the Congo or of the Contractor on the Management Committee;
- (ii) by mail with acknowledgment of receipt;
- (iii) or facsimile, addressed to the Party which must be notified at the appropriate address indicated above.

Unless expressly provided otherwise, these notifications, notices or communications shall be deemed to have been made by one Party on the day of their receipt by the other Party.

Section 26 – Miscellaneous

The annexes form part of the Contract.

Done in Brazzaville in seven (7) copies, July 14, 2015

For the Republic of Congo**Gilbert ONDONGO**

Minister of State, Minister of Economy, Finance, Planning, Public Portfolio and Integration

André Raphael LOEMBA

Minister of Hydrocarbons

For National Petroleum Company of Congo**Jerome Koko**

Chief Executive Officer, Chairman of the Management Board

For Total E&P Congo**Peter JESSUA**

General manager

For Eni Congo**Lorenzo FIORILLO**

General manager

For Africa Oil & Gas Corporation**Pierre Narcisse LOUFOUA**

General manager

For PETRO CONGO**Cliff MATONDO BALONGANA**

General manager

For Kontien Congo**Yaya MOUSSA**

General manager

APPENDIX I**ACCOUNTING PROCEDURE****CHAPTER I - GENERAL RULES****ARTICLE 1 - PREAMBLE AND PURPOSE**

This Accounting Procedure constitutes Appendix I to the Contract, of which it forms an integral part. It sets the accounting methods, rules and procedures with which the Contractor is required to comply with respect to the accounting for operations resulting from the performance of the Contract, as well as the reports, statements, declarations, documents, information and accounting information and financial, periodic or not, which must be provided to Congo in addition to those provided for by the tax and customs regulations applicable to the Contractor.

Terms used in this Schedule have the same meaning as given to them in the Agreement, unless the context clearly gives such terms a different meaning.

For the purposes of this Accounting Procedure, the " **Contractor** " may designate each of the entities that constitute it, in particular when it comes to the rights or obligations incumbent on them in a personal capacity.

Certain rights and obligations of the Contractor are exercised through the Operator, in particular when it comes to operations or accounts common to the entities that make up the Contractor.

In the event of contradiction or discrepancy between this Appendix and the stipulations of the Contract, the latter shall prevail.

ARTICLE 2 - ACCOUNTING OF TRANSACTIONS IN CURRENCY

In accordance with Article 5.8 of the Contract, the Contractor keeps its accounts in French and in Dollars.

The initial recording of expenses or receipts made in currencies, including the CFA Franc, other than the Dollar within the framework of the Petroleum Works will be made in Dollars on a provisional basis on the basis of the exchange rates prevailing in the period and calculated in accordance with the Contractor's usual methods.

The exchange difference observed between the initial registration and the amount resulting from the application of the exchange rate in force at the time of payment or receipt is charged to the same Petroleum Costs accounts as those which were moved by the registration. initial.

The Contractor shall send Congo, with the quarterly statements provided for in Chapter VII of this Accounting Procedure, a statement of the exchange rates used during the period, as quoted by the Banque de France.

It is the intention of the Parties that on the occasion of the conversion of currencies, the accounting in Dollars of amounts in currencies, including the CFA Franc, other than the Dollar and all other exchange or hedging transactions relating to the Petroleum Works, the Contractor does not realize any gain or loss that is not posted to the Petroleum Costs accounts.

ARTICLE 3 - KEEPING OF ACCOUNTS

The Contractor will keep an account of the Petroleum Costs (hereinafter the "Accounting") making it possible to distinguish the Petroleum Works governed by the Contract from other activities possibly carried out in Congo. Accounting corresponds to the analytical accounting of the Contractor or to additional monitoring and summary statements relating to the Petroleum Works.

All registers, accounts, books and accounting statements, as well as the original of supporting documents, contracts, invoices and other documents relating to Accounting are kept in Congo. The registers, accounts, books and accounting statements, as well as the originals of the contracts, invoices and other supporting documents relating to the Petroleum Costs must be presented at any request by Congo in accordance with the provisions of the Contract.

All the reports, statements, documents that the Contractor is required to provide to Congo either by virtue of the regulations in force, or in application of the Contract, must include all the information, information and indications useful for monitoring the Contract under the conditions, forms and deadlines indicated in Chapter VII of this Accounting Procedure.

Said reports, statements, documents must comply with the models established, where applicable, by Congo after consultation with the Contractor.

CHAPTER II - GENERAL ACCOUNTING

ARTICLE 4 – PRINCIPLES

I - The general accounting recording the activities of the entities constituting the Contractor, exercised within the framework of the Contract, must comply with the rules, principles and methods of the general accounting plan for companies in force in Congo (OHADA accounting plan).

However, the said entities have the option of applying the accounting rules and practices generally accepted in the oil industry insofar as they are not contrary to the OHADA chart of accounts.

II - Achievements in respect of Petroleum Works are debited or credited to the Petroleum Costs accounts as soon as the corresponding expenses or income are due or acquired.

Expenses and income may therefore include allocations of amounts already paid or received and amounts invoiced but not yet paid or received, as well as allocations corresponding to charges to be paid or income to be received, i.e. certain debts or receivables, not yet invoiced and calculated on the basis of available estimates. The Contractor must diligently ensure that any provisional allocation is regularized as soon as possible by recording the exact expense or revenue.

ARTICLE 5 - THE BALANCE SHEET

I - The general accounts must faithfully reflect the Contractor's financial situation, both active and passive, and allow the establishment of an annual balance sheet sufficiently detailed for Congo to be able to follow the evolution of each element of the contract. assets and liabilities and assess the financial situation of the Contractor.

The balance sheet must show, for each category of operations, the result of the said operations. This is made up of the difference between the values of the net assets allocated to it at the end and the opening of the Calendar Year, less any additional contributions corresponding to goods or cash newly allocated to said operations, and increased by deductions corresponding to the withdrawals, by the company, of goods or cash which were previously assigned to it.

The net assets means the excess of the asset values over the total formed, on the liabilities side, by the claims of third parties and Affiliated Companies of the Contractor, the authorized and justified depreciations and provisions.

The provisions of the preceding paragraphs apply only to the entities constituting the Contractor operating in a "mono-contractual" framework (only under the regime provided for by the Contract and the contracts of other fields relating to other operating permits outside the Permit where the Parties have interests).

II - With regard to the entities constituting the Contractor operating in a "multi-contractual" framework (regime of common law, concession regime or multiple Production Sharing regimes), the obligations relating to the balance sheet are those normally applied within the framework of the rules of the OHADA chart of accounts and in accordance with the methods usually used in the oil industry. Entities operating within this "multi-contractual" framework must periodically draw up statements corresponding to the elements of their balance sheet relating to fixed assets and stocks of equipment and consumable materials acquired, built, manufactured, created or carried out by the Contractor as part of the Petroleum Works. .

Each entity constituting the Contractor is responsible for keeping its own accounting records and must comply with its legal and tax obligations in this regard.

III - The goods belonging to Congo, in application of the stipulations of article 13 of the Contract are recorded in the Accounts making it possible to bring out clearly their legal status and their value of acquisition, construction or manufacture.

ARTICLE 6 - EXPENSE ACCOUNTS

I - All charges, losses and costs, whether actually paid or simply due, relating to the Calendar Year concerned, may be debited from the expense and loss accounts by nature, provided that they are justified and necessitated by the needs of the Petroleum Works and that they are effectively the Contractor's responsibility, excluding those whose charge is not authorized by the stipulations of the Contract.

II - Charges to be paid and income to be received, that is to say debts and receivables that are certain but not yet invoiced, paid or collected, are also taken into account; they are calculated on the basis of available estimates. The Contractor must do its utmost to ensure that any entry of this nature is regularized as soon as possible by accounting for the corresponding actual expense or income.

III - The expense and loss accounts by type will also be credited with the amounts actually recovered by the Contractor pursuant to special agreements, and debited or credited by the play of the transfers of Petroleum Costs between the Permit and the other fields relating to other operating permits outside the Permit where the Parties have interests.

ARTICLE 7 - ACCOUNTS OF PRODUCTS AND PROFITS

The products of any kind, related to the Petroleum Works, whether they are actually collected or payable by the Contractor, must be credited to the income and profit accounts by nature.

CHAPTER III - ACCOUNTING OIL COSTS

ARTICLE 8 - ELEMENTS OF OIL COSTS

I - In accordance with the rules and principles set out in articles 2 and 3 above, the Contractor shall keep, at all times, accounts showing the details of the expenses actually paid or incurred by him and giving the right to recovery pursuant to the provisions of the Contract and of this Appendix, the Petroleum Costs recovered by each Contractor's Entity, as and when the production intended for this purpose is allocated, as well as the sums which come in addition to or deduct from the Petroleum Costs.

II - Accounting must be sincere and exact. It is organized and the accounts kept and presented in such a way that the Petroleum Costs relating, in particular, to the expenses can be easily grouped together and identified:

- 1) Exploitation Works;
- 2) from the PID ;
- 3) Development Works;
- 4) Works for Abandonment and any provisions made with a view to carrying them out;
- 5) relating to all activities, including those related, ancillary or incidental, from the Effective Date until the Effective Date.

In addition, Cost Oil is aggregated and presented in the manner provided for in Section 7 of the Contract in order to facilitate the recovery of Cost Oil from Cost Oil.

III - For each of the above activities, Accounting must make it possible to come out:

- 1) expenditure relating to tangible fixed assets, in particular those relating to the acquisition, creation, construction or completion of:
 - a) land;
 - b) buildings (workshops, offices, stores, accommodation, laboratories, etc.);
 - c) industrial facilities for the production and processing of Hydrocarbons;
 - d) loading and storage facilities (quays, terminals, tanks, etc.);
 - e) access roads and general infrastructure works;
 - f) means of transporting Hydrocarbons (discharge pipes, tankers, etc.);
 - g) computer generals (furniture, equipment, etc.);
 - h) specific equipment and installations;
 - i) transport vehicles and engineering machinery civil ;
 - j) equipment and tools (whose normal duration of use exceeds one year);
 - k) development drilling;
 - l) other tangible fixed assets.
- 2) expenditure relating to intangible fixed assets, in particular those relating to:
 - a) field work in geology and geophysics, laboratory, seismic studies, reprocessing, deposit and reservoir studies, other studies, etc., carried out as part of the Petroleum Works);
 - b) other intangible fixed assets.
- 3) expenses relating to consumable materials and materials, including the Mining Royalty calculated on the Liquid Hydrocarbons consumed by the Contractor during the Petroleum Works in accordance with Article 11.1 of the Contract.

4) operating expenses. These are expenses of any kind not taken into account in paragraphs II (1) to (3) above, and are directly related to the study, conduct and execution of the Petroleum Works.

5) non-operating expenses. These are expenses borne by the Contractor, related to the Petroleum Works and relating to the direction and administrative management of said operations.

IV - In addition, Accounting must highlight, for each of the categories of expenditure listed or defined in paragraphs II, 1) to 5) above, the expenditure incurred for the benefit of:

- 1) from the Operator, for the goods and Services which it has provided itself and which are the subject of invoicing or analytical transfers;
- 2) entities constituting the Contractor, for the goods and services that they provided themselves;

3) related Affiliates;

4) Third Parties.

V - Accounting must make it possible to come out:

- 1) the total amount of Oil Costs paid or incurred by the Contractor for the execution of the operations of the Contract;
- 2) the amounts deducted from the Oil Costs, and the nature of the operations to which these amounts relate;
- 3) the total amount of recovered Oil Costs;
- 4) the amount of Oil Costs remaining to be recovered.

VI - Accounting records, as a debit, all expenses actually paid or incurred relating directly, pursuant to the Contract and the stipulations of this Appendix, to the Petroleum Works, and considered as attributable to the Petroleum Costs.

These expenses actually paid or incurred must both:

- 1) be necessary for the performance of the Petroleum Works in accordance with the practices of the Petroleum industry;
- 2) be substantiated and supported by supporting documents and documents allowing control and verification by the Congo.

VII - Accounting records, to the credit:

- the amount of Oil Costs recovered, as this recovery is carried out;

- receipts and products of any kind which are deducted from the Petroleum Costs as they are collected;

- the amounts re-invoiced to other permits within the framework of the Petroleum Works.

ARTICLE 9 - RECOVERY PRINCIPLES

From the start of the production of Hydrocarbons on the Exploitation License, each entity constituting the Contractor will begin to recover its share of the Petroleum Costs as defined in article 8 of this Accounting Procedure according to the provisions of article 7 of the Contract.

Oil Costs are recovered according to the order of the categories below:

1. the costs of the Exploitation Works;
2. la PID ;
3. the costs of the Development Works; 4. the provisions decided to cover the costs of the Works for Abandonment.

ARTICLE 10 - PRINCIPLES OF ALLOCATION

The allocation principles and the Contractor's usual analytical methods in terms of distribution and repayment must be applied in a homogeneous, equitable and non-discriminatory manner to all of its activities.

The Contractor shall submit to the Management Committee any substantial modification that it may be required to make to these principles and methods and shall comment on the effects thereof.

ARTICLE 11 - DEBIT OF COST ACCOUNTS OIL

Are charged to the debit of the accounts materializing the Petroleum Costs, the expenses, charges and costs below.

The corresponding allocations are made according to the usual methods and procedures of the Contractor's cost accounting, in accordance with the regulations in force in Congo:

- direct charge for all expenses or provisions incurred for Petroleum Works, which can be recognized immediately in the Petroleum Costs accounts: acquisition of equipment, installations, materials and consumable materials, services rendered by third parties external companies, Affiliated Companies or self-performers, subject to specific invoicing, etc.

- indirect allocation for expenses and costs incurred in respect of Petroleum Works, the recognition of which in the accounts of Petroleum Costs is based on internal work rates and distribution keys. These expenses and costs correspond in particular to the services of the functional or operational departments and services of the Contractor and to non-operational operating expenses.

ARTICLE 12 - ACQUISITION OF FIXED ASSETS AND TANGIBLE PROPERTY

1) The tangible assets built, manufactured, created or created by the Contractor within the framework of the Petroleum Works and effectively assigned to these Petroleum Works are accounted for at the cost price of construction, manufacture, creation or completion. It should be noted that certain major maintenance operations must be included in the assets, in accordance with the usual practices of the Contractor, and be accounted for as indicated above.

2) The equipment, materials and consumable materials required by the Petroleum Works and other than those referred to above are:

a) either acquired for immediate use, subject to delivery times and, if necessary, temporary storage by the Contractor (without, however, that they have been assimilated to its own stocks). This equipment, materials and consumable materials acquired by the Contractor are valued, for allocation to Oil Costs, at their delivered price on site (the " **Congo Delivered Price** ").

The Price Delivered Congo includes the following elements, imputed according to the analytical methods of the Contractor:

- 1 - the purchase price after discounts and rebates,
 - 2 - the costs of transport, insurance, transit, handling and customs (and any other taxes and duties) from the seller's store to that of the Contractor or to the place of use, as the case may be ;
 - 3 - and, where applicable, the operating costs of the Contractor's store including the depreciation of the buildings calculated in accordance with paragraph 5), b) of this article, the cost of managing the store, the costs of the services of local supply and, where applicable, outside Congo.
- b) either provided by one of the entities making up the Contractor from its own stocks:

1 - New equipment and materials, as well as consumable materials, supplied by one of the entities making up the Contractor from its own stocks or those of its other activities are valued, for allocation, at the last weighted average cost price, calculated in accordance with the provisions of paragraph (2)(a) above.

2 - The depreciable materials and equipment already used provided by one of the entities constituting the Contractor from its own stocks or those of its other activities, including those of its affiliated companies, are valued, for allocation to Oil Costs, according to the scale below:

i - New equipment (State "A"):

New equipment that has never been used: 100% (one hundred percent) of the net cost corresponding to the last weighted average cost price, calculated in accordance with the provisions of paragraph 2)a) above.

ii - Equipment in good condition (State "B"):

Used equipment in good condition and still usable in its initial destination without repair: 75% (seventy-five percent) of the net cost of new equipment as defined above.

iii - Other used equipment (State "C"):

Equipment still usable in its original destination, but only after repair and refurbishment: 50% (fifty percent) of the net cost of new equipment as defined above.

iv - Equipment in poor condition (State "D"):

Equipment not usable in its initial destination, but which can be used for other services: 25% (twenty-five percent) of the net cost of new equipment as defined above.

v - Scrap metal and scrap (State "E"):

Out of use and irreparable materials: current price of scrap.

To compensate for the financial charge caused by the need to maintain a minimum safety stock in its stores and to take into account scrap and stock financing costs, the value of the equipment and materials supplied by one of the entities constituting the Contractor to from its own stocks is increased by a compensating coefficient at most equal to the average rate calculated over a period of one year of the LIBOR (London Inter Bank Offered Rate) at three (3) months on Eurodollars and increased by 2, 5% (two point five percent).

The value of the equipment and materials supplied by one of the entities constituting the Contractor from stocks belonging to an association external to the Petroleum Works is determined according to the contractual provisions governing the said association.

3 - The Operator does not guarantee the quality of the new equipment referred to above beyond what the manufacturer or retailer of the equipment concerned does. In the event of defective new equipment, the Contractor shall do its utmost to obtain reimbursement or compensation from the manufacturer or the reseller. However, the corresponding credit is not posted until the reimbursement or compensation is received.

4 - In the event of a defect in the used equipment referred to above, the Contractor credits the Petroleum Costs account with the sums that it will have actually received in compensation.

5 - Use of materials, equipment and installations belonging to the Contractor.

The materials, equipment and installations belonging to the Contractor and used on a temporary basis for the needs of the Petroleum Works are charged to the Petroleum Costs for a rental amount covering, in particular:

- a) maintenance and repairs;
- b) a share proportional to the time of use for the Petroleum Works according to the analytical accounting rules of the Contractor for the investment and the remuneration of the invested capital;
- c) transportation and operating expenses and all other expenses not already charged elsewhere.

The price invoiced excludes any charge inherent in the additional costs due, in particular, to immobilization or abnormal use of the said equipment and installations within the framework of the activities of the Contractor other than the Petroleum Works.

In any event, the costs charged to Oil Costs for the use of such equipment and installations must not exceed those which would normally be charged in Congo by third-party companies under similar conditions of quality and availability.

6 - The tangible assets as well as the equipment, materials and consumable materials acquired for the needs of the Petroleum Works become the property of Congo under the conditions provided for in article 13 of the Contract.

ARTICLE 13 - OPERATIONAL EXPENSES

Operating expenses are charged to Petroleum Costs at the cost price for the Contractor of the services or charges concerned, as this price appears from the latter's accounts and as determined pursuant to the provisions of this Appendix.

These expenses include, in particular:

- 1) Taxes, duties and taxes paid in Congo.

The Mining Royalty and the corporation tax mentioned in article 11 of the Contract are not attributable to the Petroleum Costs with the exception of the Mining Royalty calculated on the Hydrocarbons consumed by the Contractor during the Petroleum Works.

- 2) Personnel and personnel environment expenses.

- a) Principles.

To the extent that they correspond to actual work and services and that they are not excessive having regard to the importance of the responsibilities exercised, to the work carried out and to customary practices, these expenses shall cover all payments made or charges incurred the occasion of the use and the environment of the personnel working in Congo for the conduct and execution of the Petroleum Works or for their supervision. This staff includes people recruited locally by the Contractor and those made available to it by its Affiliated Companies or third parties.

- b) Elements.

Personnel and environmental expenses include, on the one hand, all sums paid or reimbursed or incurred for the personnel referred to above, under legal and regulatory texts, collective agreements, employment contracts and regulations specific to

Contractor and, on the other hand, the expenses paid or incurred for the environment of this personnel, especially :

- 1 - wages and salaries for activity or leave, overtime, bonuses and other allowances;
- 2 - the related employer charges resulting from legal and regulatory texts, collective agreements and employment conditions, including the cost of pensions and retirement;
- 3 - expenses paid or incurred for the environment and the provision of personnel. These expenses represent

especially :

- i) expenses for medical and hospital assistance, social insurance and all other social expenses specific to the Contractor, in particular related to the schooling in Congo of the children of its personnel and to social works, according to the internal regulations in force;
- ii) transport expenses for employees, their families and their personal effects, when the payment of these expenses by the employer is provided for in the employment contract;
- iii) the early retirement and staff reduction plans in proportion to the duration of the assignment of said staff to the Petroleum Works;
- iv) staff housing expenses, including related benefits, when their payment by the employer is provided for in the employment contract (water, gas, electricity, telephone);

v) indemnities paid or incurred on the installation and departure of employees, or directly in connection with the provision of personnel by third parties or by Affiliated Companies;

we) expenditure relating to administrative staff rendering the following services: management and recruitment of local staff, management of expatriate staff, professional training, maintenance and operation of offices and accommodation, expenditures are not included in general expenses or under other rubrics;

office rental costs or their occupancy cost, the cost of collective administrative services (secretarial, furniture, office supplies, IT, telecommunications, etc.);

viii) training costs provided by the Contractor in Congo or abroad by its personnel or by third parties.

c) Conditions d'imputation.

Staff costs correspond to:

1) either to direct expenses charged directly to the corresponding Petroleum Costs account;

2) or indirect or common expenses charged to the Petroleum Costs account based on cost accounting data and determined in proportion to the time devoted to Petroleum Works.

Staff expenditure allocations are made for actual amounts or for provisional or fixed amounts and exclude any duplication of costs.

3) Expenses paid or incurred as a result of the provision of services provided by Third Parties, the companies constituting the Contractor and the Affiliated Companies.

These expenses include, in particular:

a) Services rendered by Third Parties, including by the Parties, which are charged to their accounting cost price for the Contractor, i.e. the price invoiced by the suppliers, including all duties, taxes and related charges possible; the cost prices are reduced by any rebates, rebates, rebates and discounts obtained by the Contractor, either directly or indirectly.

b) The cost of technical and professional services provided by the employees of any of the Contractor's Affiliated Companies, both inside and outside Congo, which consist in particular of wages, salaries, payroll employees who provide these services, in a share of the cost of the materials, equipment and installations which are made available during these services, as well as the general costs relating thereto. These costs are determined according to the usual full cost methods of the Affiliated Companies of the Contractor. They will be charged in accordance with the usual accounting practices of the Affiliated Companies on the basis of invoicing justified by statements of work units (the work units used to evaluate and invoice the technical assistance correspond to agent times and specific units of account with regard to certain services; in general, these units of work are allocated by individual entry after hierarchical validation).

Charges will cover services provided in particular in the following areas: engineering, geology, geophysics, drilling and production, deposit and reservoir studies, economic studies, drafting, accounting, finance, arranging and management of financing, treasury, taxation, law, relations with personnel and training, management, direction, data processing and purchases, transit, technical contracts, design.

c) The cost of using, for the evacuation of each quality of Liquid Hydrocarbons, the facilities of the Djeno Terminal and other terminals that will be used as the case may be, including a share of the operating costs calculated according to the methods of the terminal operator and a reasonable return on the capital invested by the co-owners of the terminals.

d) When the Contractor uses, for the Petroleum Works, material, equipment or installations which are the exclusive property of a company constituting the Contractor, it charges to the Petroleum Costs, in proportion to the time of use, the corresponding charge, determined according to its usual methods and according to the principles defined in paragraph b) above. This charge includes, in particular, a share:

1 - the annual amortization calculated on the Price Congo of origin challenged in Article 12 above;

2 - the cost of its implementation, insurance, routine maintenance, financing and periodic inspections;

3 - Storage costs

Warehousing and handling costs (staff costs and service operating costs) are charged to Petroleum Costs in proportion to the value of recorded goods issues;

4 - Transportation expenses

Costs for transporting personnel, material or equipment intended and assigned to the Petroleum Works and which are not already covered by the paragraphs above or which are not included in the cost price are charged to the Petroleum Costs.

4) Damage and losses affecting common property

All expenses necessary for the repair and restoration of goods following damage or loss resulting from fire, flood, storm, theft, accident or any other cause, are charged according to the principles defined in the this Appendix, subject to the provisions of Article 3.8 of the Contract.

The sums recovered from the insurance companies for these damages and losses are credited to the Oil Costs accounts.

Expenditures of this nature in excess of one (1) million Dollars will be brought to the attention of the Management Committee.

5) Current operating costs and maintenance expenses maintenance.

Current operating costs for materials, equipment and facilities assigned to Petroleum Works are charged to Petroleum Costs at their cost price for direct chargeable charges and on the basis of standard work or Contractor's distribution keys in force. for indirect charges.

Maintenance expenses (routine maintenance and major maintenance) of materials, equipment and installations assigned to Petroleum Works are charged to Petroleum Costs at the cost price.

6) Insurance premiums and expenses related to the settlement of claims.

Are charged to Petroleum Costs:

a) the premiums, commissions and costs relating to insurance taken out to cover the Hydrocarbons extracted, persons and property assigned to the Petroleum Works or to cover the Contractor's civil liability with regard to third parties in the context of said works;

b) the expenses borne by the Contractor in the event of a claim occurring within the framework of the Works

Oil tankers, those incurred in settlement of all losses, claims, damages and other ancillary expenses not covered by the insurance taken out;

c) expenses paid in settlement of losses, claims, damages or legal actions, not covered by insurance and for which the Contractor is not required to take out insurance. Amounts recovered from insurance under policies and guarantees are accounted for in accordance with Article 16-3)d) below.

7) Legal expenses

Shall be charged to the Petroleum Costs, the expenses relating to the costs of proceedings, investigation and settlement of disputes and claims (requests for reimbursement or compensation), which arise during the Petroleum Works or which are necessary to protect or recover the property, including, in particular, lawyers' or experts' fees, legal costs, costs of investigation or obtaining evidence, as well as the sums paid as settlement or final liquidation of any dispute or claim.

When such services are performed by Contractor's personnel or by Affiliated Companies, remuneration corresponding to the time and costs actually incurred is included in the Oil Costs. The price thus charged for the services rendered by the Affiliated Companies shall not be higher than that which would have been paid to third parties for identical or similar services, in terms of quality and availability.

8) Interest, agios and financial charges.

Interest, premiums, commissions, brokerage and other financial charges incurred by the Contractor, including with Affiliated Companies related to debts, loans and other means of financing related to the Petroleum Works are charged to the Petroleum Costs in accordance with the Article 7.4 of the Contract and the Petroleum Regulations.

9) Exchange losses.

Realized exchange losses related to Contractor's borrowings and debts as well as related hedging transactions are charged to Oil Costs.

However, the Contractor cannot be guaranteed against exchange risks or loss of earnings related to the origin of the equity capital invested and self-financing. Any losses incurred as a result cannot, under any circumstances, be considered as Petroleum Costs. They cannot, therefore, be entered in the Petroleum Costs accounts, nor give the right to recovery. The same applies to premiums and insurance costs that the Contractor may contract to cover such risks.

Foreign exchange losses realized and related to receivables relating to Petroleum Works and processed directly in currencies other than the Dollar are also attributable to Petroleum Costs.

ARTICLE 14 - OTHER EXPENSES

1) The costs incurred during the checks and verifications carried out by the Congo, in accordance with the provisions of the Contract, are included in the Petroleum Costs.

2) Expenses reasonably incurred by the Contractor on the occasion of the holding of the Committees of Management, Extraordinary Management Committees and Evaluation Committees for the organization of these Committees and to enable the Congo to participate in them.

3) Non-operating operating expenses.

Non-operating operating costs should be understood as the costs incurred by the Contractor in respect of the direction and administrative, financial and commercial management of the activities for which it is responsible and corresponding:

a) on the one hand, to the operating costs of the management and the administrative, financial and commercial services of the Contractor in Congo, whether these functions are exercised directly by the Contractor or by Affiliated Companies, to the amortization of the investments of a general nature of an industrial or administrative nature, to the remuneration of the corresponding invested capital, and to the costs incurred for the accomplishment of the legal formalities related to the Contractor's corporate form. A share of these costs is attributable to the Petroleum Costs at their cost price according to the Contractor's methods in force;

b) on the other hand, to general assistance intended to cover an equitable share of the general management and administrative costs of the Operator's group. This general assistance is attributable to the Petroleum Costs by application to the total of the Permit Petroleum Costs, of the fixed scale below:

1.5% (one point five percent) of Petroleum Costs corresponding to Development, Exploitation, Provisions and Abandonment Works.

4) Other expenses, including expenses paid or incurred as a result of the transportation of Hydrocarbons, Provisions for Abandonment, are included in Oil Costs. These are all expenses incurred or losses incurred in connection with the execution of the Petroleum Works in accordance with the customs of the petroleum industry and the charging of which to the Petroleum Costs is not excluded by the stipulations of the Contract or of this Annex.

5) The Contractor may charge to the Petroleum Costs any other expenses that have not been taken into account by the stipulations of articles 12 and 13 above, insofar as these expenses are incurred by the Contractor for the execution of the Petroleum Works. in accordance with the practices of the petroleum industry. These expenses include, in particular, expenses relating to any emergency concerning the safety of persons and property within the framework of the Petroleum Works.

6) Costs and provisions for site restoration.

The costs of restoring the sites will be recoverable as Petroleum Costs under the conditions determined in Article 7.5 of the Contract. It is exclusively:

- provisions constituted by the Contractor in execution of article 5.5 of the Contract. These provisions are recoverable in the quarter in which they occur;
- the costs of restoring the sites actually incurred during the execution effective date of the works, after deduction of the amount of the provisions made under article 5.5 of the Contract corresponding to these works.

ARTICLE 15 - NON-RECOVERABLE COSTS

Payments made in settlement of fees, charges or expenses excluded by the stipulations of the Contract or this Appendix are not taken into account and cannot therefore give rise to recovery.

These fees, charges and expenses include:

- 1) costs and expenses not related to the Works Oil tankers;
- 2) the Mining Royalty due to Congo in accordance with Article 11.1 of the Contract, with the exception of the Mining Royalty calculated on the Liquid Hydrocarbons consumed by the Contractor during the Petroleum Works.
- 3) corporation tax;
- 4) interest, agios and costs relating to loans not intended to finance the Works Oil tankers;
- 5) the interest relating to the loans granted by the Affiliated Companies of the Contractor in the insofar as these interests are not covered by the provisions set out in Article 13.8) above;

6) exchange losses which constitute loss of earnings resulting from risks linked to the origin of equity capital and the self-financing of the Contractor;

7) penalties or pecuniary sanctions pronounced by Congo against the Contractor for non-compliance with the regulations in force.

ARTICLE 16 - CREDIT OF COST ACCOUNTS OIL

For each entity of the Contractor, the Petroleum Costs must be deducted, in particular:

1) The value of the quantities of Hydrocarbons Liquids returning to the Contractor pursuant to the stipulations of article 7 of the Contract, according to their valuation provided for in article 9 of the Contract;

2) All other receipts, income, products and profits related to the Petroleum Works, in particular those from:

- (a) the sale of related substances;
- b) the transport and storage of products belonging to third parties in the facilities built as part of the Petroleum Works;
- c) exchange profits made on the claims and debts of the Contractor under the same conditions as charges of the same nature under article 13 above;
- d) reimbursements made by insurers for damage, losses or claims charged to Petroleum Costs;
- e) transactional settlements or liquidations, insofar as the related expenses have been charged to Oil Costs;
- f) assignments or leases of property acquired or carried out within the framework of the Petroleum Works;
- g) the provision of services, insofar as the related expenses have been charged to Oil Costs;
- h) the amounts re-invoiced to other permits within the framework of the Petroleum Works;
- i) discounts, rebates and rebates obtained, if they have not been deducted from the cost price of the goods to which they relate.

ARTICLE 17 - DISPOSAL AND USE OF GOODS

1) The materials, equipment, installations and consumables which are unused or unusable are removed from the Petroleum Works and made available to Congo by written communication to be either decommissioned or considered as "scrap and scrap", or bought back by the Contractor for its own needs, or sold to third parties or to its related Affiliates.

2) In the event of transfer of materials to the entities constituting the Contractor or to their Affiliated Companies, the prices are determined in accordance with the provisions of article 12. 2), b) of this Appendix, or, if they are higher than those resulting from the application of said article, agreed between the Parties.

When the use of the property concerned in the Petroleum Works has been temporary and does not justify the price reductions set out in the aforementioned article, the said property is valued in such a way that the Petroleum Costs are debited with a net charge corresponding to the value of the service rendered.

3) Sales to third parties of materials, equipment, installations and consumables are made by the Contractor at the market price. All reimbursements or compensation granted to a buyer for defective equipment are debited from the Petroleum Costs account to the extent and when they are actually paid by the Contractor.

4) With regard to goods which belong to the Congo by virtue of the stipulations of article 13 of the Contract, the Contractor shall communicate to the Management Committee the list of the goods transferred in accordance with paragraph 2) above.

5) The sales or withdrawals referred to above will be submitted to the Management Committee, which will determine the terms and conditions for carrying them out.

6) When the Petroleum Costs remaining to be recovered only represent operating expenses, the proceeds of these sales must be paid to Congo; payment must be made within thirty (30) days following the date of receipt of the price by the Contractor.

7) When an asset is used for the benefit of a third party or the Contractor for operations not covered by the Contract, the corresponding royalties are calculated at rates which, unless otherwise agreed by Congo, cannot be calculated on a lower basis at cost prices.

CHAPTER IV – INVENTORY

ARTICLE 18 – INVENTORY

The Contractor will keep a permanent inventory, in quantities and values, of all the movable and immovable property acquired or carried out within the framework of the Petroleum Works.

When stocks of equipment and consumable materials have been constituted within the framework of the Petroleum Works, the Contractor shall carry out, at reasonable intervals, but at least once a year, physical inventories, according to its current methods of rotating inventories.

The Contractor will communicate to Congo the provisional date of the inventories. If the Congo wishes to participate in one of these rotating inventory operations, it informs the Operator and the date is set by mutual agreement.

The reconciliation of the physical inventory and the accounting inventory, as it results from the accounts, will be done by the Contractor. A statement detailing the differences, plus or minus, will be provided to Congo.

The Contractor will make the necessary adjustments to the accounts as soon as the inventory operations are completed.

CHAPTER V - WORK PROGRAMS AND ANNUAL BUDGETS

ARTICLE 19 - GENERAL RULES

The Contractor submits the Work Programs and Budgets to the Management Committee in accordance with Article 5 of the Contract. These Work Programs and corresponding Budgets, which will be explained and commented on by the Contractor, if necessary, will include, in particular:

- 1) a detailed cost estimate, by type;
- 2) a valued statement of investments, by major categories;
- 3) an estimate of changes in stocks of equipment and consumables;
- 4) a forecast of production and production costs.

Concerning the production forecast for the following Calendar Year, this report will present a production plan detailing, by deposit and by month, the quantities of Liquid Hydrocarbons and Gaseous Hydrocarbons, the production of which is planned. As needed, the Contractor will send corrective statements.

ARTICLE 20 – PRESENTATION

Work Programs and Budgets are broken down into budget lines. The budget lines are broken down by type of operation: development, operation, transport, storage, major maintenance, other.

ARTICLE 21 - MONITORING AND CONTROL

The Work Programs and Budgets will also indicate the achievements and closing forecasts for the current Calendar Year, and will include explanations of the significant differences between forecasts and achievements, by budget line. Discrepancies of more than ten (10) percent or an amount equal to or greater than one million (1,000,000) Dollars are considered significant.

Within the first forty-five days of the Year, the Contractor sends Congo the list of analytical accounts constituting each budget line, with updates each quarter, if necessary, so as to allow the reconstitution of the achievements relating to the lines. approved annual Work Programs and Budgets.

CHAPTER VI - AUDIT OF ACCOUNTS

ARTICLE 22 - GENERAL RIGHT OF AUDIT

The Congo may verify the accounts of the Petroleum Costs, either through its own agents or through an independent international firm.

To this end, the Congo and the Contractor inform each other of the periods that suit them to carry out these checks and the dates on which these will take place are set, as far as possible, by mutual agreement, within the limits of the limitation periods provided for in Article 5.7 of the Contract.

The sections of the Contractor's cost accounting which record expenses relating both to the Petroleum Works and to other activities not covered by the Contract, will be subject to verification by the intermediary of the Contractor's auditors. required for this purpose, so that they can certify that the provisions of the Contract and of this Annex are properly applied and that the Contractor's accounting and financial procedures are correctly followed and applied without discrimination and in an equitable manner to the various operations concerned. These certificates will be made available to Congo annually.

The assistance costs invoiced by the Affiliated Companies linked to the entities constituting the Contractor, will be subject to the provision, at Congo's request, of a certificate from the international firm responsible for certifying the accounts of the companies concerned. This firm must certify that the fees charged to the oil operations have been determined in an equitable and non-discriminatory manner. The assistance services provided by the Affiliated Companies linked to the entities constituting the Contractor must be certified, by the said firm, as having been invoiced without element of profit for the said Affiliated Companies. The fees of the auditors will be paid by the Contractor as recoverable costs.

The Petroleum Costs recorded during any Calendar Year will be considered to be accurate and sincere, according to the provisions of article 5.7 of the Contract. The Congo may carry out a new verification of the only entries concerned by any written reservation thus expressed by the Congo and for which a disagreement remains after submission to the Management Committee. These accounts will remain open until the re-verification is completed and the disagreement is resolved in accordance with Section 5.7 of the Agreement.

CHAPTER VII - STATEMENTS OF ACHIEVEMENTS – SITUATIONS - REPORTS

ARTICLE 23 - OBLIGATORY STATEMENTS

In addition to the reports and information provided for elsewhere, the Contractor shall send Congo, under the conditions, forms and deadlines indicated in the articles below, the details of the operations and work carried out, as they are recorded in the accounts, documents, reports and statements kept or drawn up by him and relating to the Petroleum Works.

ARTICLE 24 - STATE OF WORK DEVELOPMENT AND OPERATION

Within sixty (60) days following the end of each of the first three (3) quarters of the Calendar Year and within ninety (90) days following the end of the fourth quarter, the Contractor sends the

Congo a statement of achievements indicating in particular, for the previous calendar quarter, the details and nature of the development and exploitation work carried out on the Permit and the related expenses, distinguishing in particular the work relating to:

- 1) Development drilling, per drilling campaign;
- 2) specific production facilities;
- 3) production wells, per drilling campaign;
- 4) the facilities and means of transport of Hydrocarbons;
- 5) storage facilities for Hydrocarbons, after primary treatment;
- 6) the restoration of operating sites whose abandonment is scheduled.

ARTICLE 25 - STATEMENT OF CHANGES IN FIXED ASSETS AND INVENTORY ACCOUNTS EQUIPMENT AND CONSUMABLES

Within sixty (60) days following the end of each of the first three (3) quarters of the Calendar Year and within ninety (90) days following the end of the fourth quarter, the Contractor sends the

Congo a statement of achievements indicating in particular, for the previous calendar quarter, the acquisitions and creations of fixed assets, equipment and consumable materials necessary for the Works

Oil tankers, by field and by major categories, as well as the exits (transfers, losses, destructions, decommissioning) of these assets.

ARTICLE 26 - PRODUCTION REPORT OF THE MONTH

This statement must be sent to Congo in accordance with Article 16.1 of the Contract no later than the 28th day of each month for the previous month.

It will indicate the quantities of Hydrocarbons actually produced during the previous month and the share of this production attributable to each of the Parties calculated on a provisional basis pursuant to the provisions of the Contract.

ARTICLE 27 - STATEMENT OF THE ROYALTY

This statement must reach Congo within sixty (60) days following the end of each of the first three (3) quarters of the Calendar Year and within ninety (90) days following the end of the fourth quarter.

It will indicate the quantities of Hydrocarbons removed under the Mining Royalty, the quantities of Hydrocarbons consumed by the Contractor in the Petroleum Works during the quarter

civil, as well as the sums paid by the Contractor in respect of the royalty on these latter quantities.

ARTICLE 28 - STATEMENT OF QUANTITIES OF HYDROCARBONS TRANSPORTED DURING OF THE MONTH

This state must reach the Congo no later than the 28th day of each month for the previous month.

It will indicate the quantities of Hydrocarbons transported during the previous month, between the deposit and the point of export or delivery, as well as the identification of the pipes used and the price of transport paid when this is carried out by third. The statement will also indicate the provisional distribution resulting from article 26 above between the Parties of the products thus transported.

ARTICLE 29 - STATUS OF ABDUCTIONS FOR THE MONTH

This state must reach the Congo no later than the 28th day of each month for the previous month.

It will indicate the qualities of Liquid Hydrocarbons removed for export or delivery by each Party or handed over to it, during the previous month, pursuant to the stipulations of the Contract.

In addition, each entity constituting the Contractor will send to Congo, within the same period and for its own account, a statement of the quantities of each quality of Liquid Hydrocarbons that it has removed for export or delivery, giving all indications concerning each collection or delivery operation (buyer, vessel, price, final destination, etc.).

Attached to this statement will be any other information relating to commercial sales.

of each entity of the Contractor, in particular the bills of lading and the invoices as soon as they are available.

Congo may, subject to reasonable notice, have access to contracts for the sale of Hydrocarbons to third parties.

ARTICLE 30 - STATUS OF RECOVERY OF OIL COSTS

Within sixty (60) days following the end of each of the first three (3) quarters of the Calendar Year and within ninety (90) days following the end of the fourth quarter, the Contractor sends the

Congo a statement of achievements presenting, for the previous quarter, the detail of the Costs account Oil companies allowing, in particular, to highlight for each Entity of the Contractor:

- 1) the Oil Costs remaining to be recovered at the beginning of the quarter;
- 2) the Petroleum Costs relating to the activities of the trimester ;
- 3) the Oil Costs recovered during the quarter with indication, in quantity and value, of the production allocated for this purpose;
- 4) Remaining Oil Costs to be recovered at the end of the quarter.

ARTICLE 31 - INVENTORY OF STOCKS OF LIQUID HYDROCARBONS

This state must reach the Congo no later than the 28th day of each month for the previous month.

It will indicate for the previous month by storage location and for each quality of Liquid Hydrocarbons:

- 1) stocks at the beginning of the month;
- 2) entries into stock during the month;
- 3) stock issues during the month;
- 4) stocks at the end of the month.

ARTICLE 32 - STATE OF MOVABLE PROPERTY AND BUILDINGS ACQUIRED, CREATED, LEASED OR MANUFACTURED

The Contractor shall permanently keep in the accounts a detailed statement of all movable and immovable property acquired, created, leased or manufactured for the needs of the Petroleum Works, distinguishing those which are the property of Congo by virtue of the stipulations of article 13 of the Contract and others.

This statement includes the description and identification of each asset, the related expenses, the cost price and the date of acquisition, creation or manufacture, and, where applicable, the end date. assignment to Petroleum Works (exit) and the fate reserved for him in the latter case.

The above statement is sent to Congo no later than the 90th day of each Calendar Year for the previous Calendar Year.

CHAPTER VIII - DECLARATIONS AND TAX RECEIPT

ARTICLE 33 - TAX DECLARATIONS

Each Contractor's Entity sends Congo a copy of all the declarations that it is required to submit to the tax authorities responsible for the tax base, in particular those relating to corporate tax, accompanied by all the annexes, documents and justifications attached thereto. Tax declarations will be established in Dollars.

Each Contractor Entity shall prepare and file a tax return covering its corporation tax and shall submit it to Congo with all the documentation required as supporting documents for its corporation tax obligations. Upon receipt of these income tax returns as well as supporting documents, Congo will provide each Contractor Entity free of charge with official receipts acknowledging receipt of payment of corporate tax issued in the name of each Contractor Entity by the fiduciary authorities. competent tax authorities of the Congo.

It is understood that the corporation tax as defined in article 11.2 of the Contract, will be paid on the due date by Congo, to the competent tax authorities, the amount of corporation tax referred to above. , in the name and on behalf of the Entities of the Contractor. Under no circumstances may Contractor Entities be required to pay any payment in respect of corporation tax. The annual tax declarations will be established in Dollars by each Entity of the Contractor. The corresponding tax clearances will be established in the name of each of the Entities of the Contractor to which they will be delivered.

APPENDIX II

CUSTOMS AND TAX REGIME

ARTICLE 1. CUSTOMS REGIME ON IMPORTS

In accordance with Article 11.4 of the Contract, during the term of the Contract, the Contractor benefits from the following customs advantages:

A - Full deductible admission

The equipment, materials, products, machinery, equipment and tools necessary for the Petroleum Works under Articles 2 and 3 of the Contract and actually assigned to the Petroleum Works, subject to the provisions of Article 4 of the Contract. This exemption applies to imports made by

the Operator on behalf of the Contractor, by third parties on its behalf and by its subcontractors.

The franchise regime applies to assemblies, sub-assemblies, their spare parts, the following products and consumables:

A1) Drilling and boring equipment

- Specific substructures and equipment for drilling rigs, boats and barges;
- Floor equipment;
- Equipment for manufacturing and processing drilling muds and cements;
- Products used in the manufacture of drilling muds and cements and packaging of these products;

- Drill winches;
- Blowout and fire fighting equipment, including fire extinguishers of any capacity;

- Well casing and casing, column cladding and cementing equipment;
- Measuring equipment;
- Wellheads and equipment;
- Surface equipment;
- Well testing equipment.

A2) Materials and production equipment

- Materials and chemicals for the treatment of crude oil and waste water;
- Storage and shipping materials;
- Off & on-shore construction materials on production sites, including offices;
- Data processing equipment techniques ;
- Surface materials:
 - Maintenance tools;
 - Electrical materials and equipment including cables;
 - Production laboratory equipment;
 - Materials telecommunications equipment on oil exploration, production, processing and storage sites;
 - Air conditioning devices and equipment for premises on oil exploration, production, processing and storage sites;
 - Radio guidance materials and equipment and microwave links;
 - Industrial coatings, specific paints for the maintenance of oil platforms and equipment;

• Safety equipment:

- Fire groups and extinguishers of any capacity;
- Shoes, helmets and life jackets;

- Laboratory materials;
- Background materials;
- Well casing, production wellheads, chokes, manifold, pig station and pigs;
- Production contract materials;
- Jackets, submerged and floating structures, including FPU, TLP and others;
- Logistics equipment:

- Navigation and mooring equipment;
- Submarine cables and hoses and repair accessories, materials and consumables;
- Spare parts for commercial vehicles and service vehicles.

A3) Other materials and products

• "Catering" intended for drilling rigs, boats and barges and for work barges, base camp barges, oil exploration, production, processing and storage sites;

• Lubricants intended for the maintenance and operation of machinery used in the research, exploitation, storage and transport of hydrocarbons;

• Fuels, including diesel in particular, intended for the operation of machines assigned to the research, exploitation, storage, transport of hydrocarbons, supply boats exclusively intended for the transport of equipment and personnel;

• Computers and calculators of all types, their accessories (software, printers, readers, floppy disk drives, hard disks, plotters, modems, screens, cables and sockets, networks and connection equipment, backup equipment, inverters and air conditioners) and storage media (floppy disks, external disks, USB keys, etc.);

• Audiovisual equipment, materials and accessories for training;

• Hospital materials and equipment, medicines.

This list is not exhaustive. It is advisable to reserve the possibility of updating it periodically, in the same spirit, to take into account in particular the evolution of techniques and the marketing of new materials.

B - Normal temporary admission with exemption deposit

Are imported under the normal temporary admission regime, by the Operator on behalf of the Contractor, by third parties on its behalf and by its subcontractors, all equipment, materials, products, machines, equipment and Petroleum Works by virtue of Articles 2 and 3 of the Contract and provided that these goods are intended, and effectively assigned to the Petroleum Works, and provided that they are to be re-exported at the end of their use. If such goods are lost or discarded, Operator shall provide a statement

under oath to that effect, and no duty or tax will be levied.

If for operational reasons such goods are required to remain in Congo, a reclassification as definitive import (IM4) is possible free of duties and taxes, subject to justification by the Operator.

The list of goods imported for temporary admission under the Contract with waiver of deposit is as follows:

- Drilling rigs, boats and barges;
- Work barges, life base barge, delivery boats, launches of all tonnage, liaison craft and rescue boats;
- Aéronefs ;
- Utility and service motor vehicles owned by the Operator (service vehicles for personnel, transporting personnel, transporting and handling materials);
- More generally, all equipment temporarily imported by the Operator as part of its hydrocarbon research, exploitation, storage and transport activities.

C - Admission at the reduced rate

Under the same conditions as above, the following equipment is admitted at the overall rate reduced to 5% of the duties and taxes payable on importation:

- Work clothes (overalls, oilskins, boots, gloves);
- Large format printing paper in the form of a roll and computer paper.
- On-shore construction materials, outside production and/or storage sites, including for the construction of offices for the Operator's use.

D - Admission to common law

The entities making up the Contractor will pay the customs duties and taxes under the common law regime applicable to the following imported goods:

- All materials, equipment, spare parts and accessories intended for the accommodation of the Operator's staff;
- Food and beverages other than those specified in paragraph A3;
- Office materials, equipment and supplies other than those specified in paragraph A3.

ARTICLE 2. EXPORT CUSTOMS A REGIME

The Contractor is exempt from all export taxes for Hydrocarbons, equipment, accessories and spare parts under repair, samples of crude, oil, chemical products, cores, samples and geological samples, equipment under warranty falling within the framework

exploration, exploitation, storage and transportation of Contractor's Hydrocarbons.

ARTICLE 3. CUSTOMS REGIME APPLICABLE TO THE OPERATOR'S SUBCONTRACTORS

Subject to compliance with their customs obligations, the Operator's subcontractors, and third-party importers on its behalf, subject to producing a certificate issued by the Operator and approved by the Customs Administration, benefit import and export regimes defined above.

ARTICLE 4. REGIME FISCAL

During the term of the Contract, the Contractor shall be exclusively subject to corporation tax and to mining and surface royalties according to the terms provided for in Articles 11.1 to 11.3 of the Contract.

Consequently, for the duration referred to above, the Contractor shall be exempt from all other taxes, duties, contributions, fees and levies of any kind, in force on the effective date of the Contract or which may be created subsequently.

In particular, the Contractor shall be, among other things, exempt from the license contribution, from the tax on income from securities for the sums received and paid by the Contractor, from all registration and stamp duties, from land built and unbuilt properties, value added tax and tax on the movement of funds.

In addition, Congo guarantees the Entities of the Contractor, their affiliated companies, their shareholders and their suppliers, for the duration of the Contract, the right to contract abroad the loans necessary for the execution of the Petroleum Works.

APPENDIX III

AWARD DECREE APPENDIX IV

AGREEMENT OF FEBRUARY 9, 2017

**AMENDMENT N° 1 TO THE SHARING AGREEMENT
OF PRODUCTION**

PERMIT TCHENDO II

COME IN

THE REPUBLIC OF CONGO

THE NATIONAL OIL COMPANY

FROM THE CONGO

PERENCO CONGO SA

HEMLA E&P CONGO

CONTINENT CONGO

AFRICA OIL & GAS CORPORATION

PETRO CONGO SA

**AMENDMENT N°1 TO THE SHARING AGREEMENT
OF PRODUCTION TCHENDO II**

Between

The **REPUBLIC OF CONGO** (hereinafter referred to as the "**Congo**"), represented by Mr. Jean-Marc THYSTERE-TCHICAYA, Minister of Hydrocarbons, and Mr. Calixte NGANONGO, Minister of Finance, Budget and Public Portfolio, duly authorized for the purposes hereof,

Firstly,

And

The **NATIONAL PETROL COMPANY OF CONGO** (hereinafter referred to as "**SNPC**"), a public industrial and commercial establishment, whose head office is located on Boulevard Denis SASSOU NGUESSO, PO Box 188, Brazzaville, Republic of Congo, registered in the Trade and Credit Register of Brazzaville under number BZV

CGO-RCCM-02-B-018, represented by Monsieur Jérôme KOKO, its Managing Director, Chairman of the Board,

The company **PERENCO CONGO SA** (hereinafter referred to as "**PERENCO CONGO**" or the "**Operator**"), a public limited company with a board of directors with a share capital of 500,000,000 FCFA, whose head office is located at Concession Liliane, Ndjindji district, PO Box 746, Pointe-Noire, Republic of Congo, registered in the Pointe-Noire Trade and Personal Property Credit Register under number RCCM CG/PNR/15B428, represented by Mr. Louis HANNECART, its Managing Director,

HEMLA E&P CONGO (hereinafter referred to as "**HEMLA**"), public limited company with advice

of directors with a share capital of 1,000,000,000 FCFA, whose registered office is located at 27, avenue Amilcar Cabral, Côte Mondaine, PO box 2722, Pointe-Noire, registered in the Pointe-Noire Trade and Personal Property Credit Register under the number RCCM CG/PNR/16B1414, represented by Eyas AA ALHOMOUZ RANDA, its Managing Director,

KONTINENT CONGO (hereinafter referred to as "**KONTINENT**"), a public limited company with a board of directors with a capital of 100,000,000 FCFA, whose head office is located at 3, boulevard Denis SASSOU-NGUESSO, PO Box 964, Brazzaville, Republic of Congo, registered in the Register of Trade and Credit Mobilier of the Registry of the Commercial Court of Brazzaville under the number RCCM 14 B 4889, represented by Mr. Yaya MOUSSA, its Managing Director,

The company **AFRICA OIL & GAS CORPORATION**, (hereinafter referred to as "**AOGC**"), a public limited company with a board of directors with a share capital of 100,000,000 FCFA, whose registered office is located Level crossing, Rue Mbochis Mougali, PO Box 15073, Brazzaville, Republic of Congo, registered in the Trade and

Crédit Mobilier du Greffe du Tribunal de Commerce de Brazzaville under number RCCM 10 B 2401, represented by Mr. Pierre Narcisse LOUFOUA, its Managing Director,

PETRO CONGO SA, (hereinafter referred to as "**PETCO**"), a public limited company with a board of directors with a share capital of 50,000,000 FCFA, whose registered office is located at 26 rue Sikou Doume, Quartier Ndjindji, PO box 1225, Pointe-Noire, Republic of Congo, registered in the Trade and Personal Property Credit Register of the Registry of the Commercial Court of Pointe-Noire under the number RCCM 14 B 734, represented by Mr. Meddy Espérance LIPIKA EDRE, its Managing Director, Below collectively referred to as the "**Contractor**" or individually a "**Contractor Entity**",

On the other hand, The Congo, SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO being hereinafter collectively referred to as the "**Parties**" or individually a "**Party**".

IT WAS PREVIOUSLY EXPOSED THAT:

- A. The "Tchendo" operating permit has expired (hereinafter the "**Expired Permit**");
- B. Noting the existence of hydrocarbon reserves that could still be subject to economically profitable exploitation in the areas covered by the Expired Permit, Congo has authorized the continuation of exploitation until the completion date the process of granting a new operating permit covering the geographical area of the Expired Permit;

C. On July 14, 2015, the Congo thus signed an agreement relating to the regime applicable to the " Tchendo II", "Tchibouela II" and "Tchibeli-Litanzi II" operating permits as of January 1, 2015 with a contracting group composed of SNPC (holder), Total E&P Congo (operator), Eni Congo SA, Africa Oil & Gas Corporation, Petro Congo SA and Kontinent Congo SA;

D. A production sharing contract relating to the "Tchendo II" exploitation permit with effect from January 1, 2015 was signed on July 14, 2015 between Congo and the contracting group referred to in paragraph C above (the " **Contract** ");

E. As part of the restructuring of their activities in the Republic of Congo, the companies Total E&P Congo (operator) and Eni Congo SA have decided to waive their participation in the Contract with effect from December 31, 2016. By letter referenced 16X11854/MHC/CAB of December 30, 2016, the Minister in charge of Hydrocarbons took note of their disengagement and the end of their rights and obligations under the "Tchendo II" operating permit;

F. On the basis of the foregoing, Congo has launched a tender procedure in order to reconstitute the contracting group as of the 1st January 2017;

G. On November 29, 2016, Congo set up a new contracting group for the "Tchendo II" exploitation permit (hereinafter the " **Permis** ") composed of the companies SNPC (holder), PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO (together the " **Contractor Entities** "), with effect from the 1st

January 2017 the respective interests of the Contractor's Entities in the Permit are fifteen percent (15%) for SNPC, forty percent (40%) for PERENCO CONGO, twenty percent (20%) for HEMLA, ten percent (10 %) for KONTINENT, ten percent (10%) for AOGC and five percent (5%) for PETCO ;

H. In an agreement dated February 9, 2017 (the " **Agreement** "), Congo and the Entities of the Contractor have negotiated and agreed upon the terms of their cooperation and the amendments to be made to the Contract;

I. Congo and the Entities of the Contractor have thus agreed on the terms and conditions of this addendum no. 1 to the Contract, incorporating the provisions agreed upon in the Agreement (hereinafter " **Addendum no. 1** ");

J. In addition, the Entities of the Contractor shall enter into an association agreement between themselves establishing their respective rights and obligations for the performance of the Petroleum Works on the Permit (the " **Association Agreement** ").

IT WAS THEREFORE AGREED AS FOLLOWS:

1. Entities of the Contractor

As of January 1, 2017, the Entities of the Contractor are as follows, with the respective interests in the Permit as set out below:

- SNPC (Holder): 15%;
- PERENCO CONGO : 40% ;
- HEMLA: 20%;
- CONTINENT: 10% ;
- AOGC: 10%; and
- PETCO : 5%.

2. Amendments to the Contract

The Parties agree to make the following modifications to the provisions of the Contract.

2.1 Changes to Article 1

2.1.1 The following new definitions are inserted in Article 1, in alphabetical order:

" **Agreement** " means the agreement relating to the regime applicable to the Tchendo II, Tchibouela II and Tchibeli-Litanzi II operating permits signed on February 9, 2017 between the Parties and appearing in Appendix IV of the Contract. »

" **Appendix** " means an appendix to the Agreement. The Appendices are listed in article 26 of the Contract."

All references to an " appendix " to the Agreement are replaced by "Appendix".

The other definitions appearing in Article 1.1 are renumbered accordingly.

2.1.2 The following definitions in Article 1 are deleted:

" **Extraordinary Management Committee** " designates the management committee ruling on the end of the Tchendo Permit and the allocation of the Permit. »

" **PNGF Production Sharing Contract** " has the meaning given to it in paragraph C of the preamble. »

" **Convention** " has the meaning given to it in paragraph A of the preamble. »

" **Protocol of Agreement** " has the meaning given to it in paragraph G of the preamble. »

Accordingly, all references to these terms in the Agreement are also deleted.

The other definitions appearing in Article 1.1 are renumbered accordingly.

2.1.3 The following definitions appearing in article 1.1 are modified and replaced by the following:

"Hydrocarbons Code" means Law No. 28-2016 of October 12, 2016 on the Hydrocarbons Code. »

"Contractor" means the group made up of SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC, PETCO and any other entity to which SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC or PETCO may assign an interest in the rights and obligations of the contract. »

"Contract" means this Production Sharing Contract and its Appendices, as consolidated and amended on the basis of the provisions of the Agreement as well as any modification which may be made thereto subsequently. »

"Award Decree" means the award decree appearing in Appendix III of the Contract. »

"First Period" means the period beginning on or after January 1, 2017 and continuing until the calendar month during which the cumulative Net Production since January 1, 2017 reaches one million five hundred thousand (1,500,000) Barrels. »

"Provisions for Abandonment" means the annual provisions made by the Contractor in accordance with articles 5.6 and 5.7 in order to finance the costs relating to the Works for Abandonment and rehabilitation of the sites. »

2.2 Amendments to Article 2

2.2.1 The title of Section 2 is amended and replaced with the following:

"Object of the Contract – Participations"

2.2.2 After the first paragraph, now numbered 2.1, a new article 2.2 is inserted as follows:

“ As of the Effective Date, the respective interests of the Entities of the Contractor in the Permit are:

- SNPC (Holder): 15%;
- PERENCO CONGO : 40% ;
- HEMLA: 20%;
- CONTINENT: 10% ;
- AOGC: 10%; and
- PETCO : 5%. »

2.3 Amendments to Article 5

2.3.1 After article 5.2, a new article 5.3 is inserted as follows:

“ The Operator will include in each Work Program a strategy for implementing the local content obligations provided for by the Hydrocarbons Code. The fulfillment of these local content obligations will be subject to evaluation and

periodic approval by the Management Committee in the same way as the Work Program and the Budget. »

The numbering of article 5 is modified accordingly.

2.3.2 Paragraphs 1 and 2 of article 5.6 below are deleted:

" The Provisions for Abandonment established until the Effective Date by TEP Congo and Eni Congo in accordance with the PNGF Production Sharing Contract in order to cover the costs relating to the abandonment and dismantling of the facilities located in the area covered by the Tchendo Permit will be reported in the accounts of the Permit. The terms and conditions for managing these Provisions for Abandonment will be set by mutual agreement.

The value of the Provisions for Abandonment established up to December 31, 2014 is one hundred and fifty million two hundred thousand (150,200,000) Dollars (including interest). The final value of the Provisions for Abandonment set up on the Effective Date will be determined during the Extraordinary Management Committee for the opening of the Permit. »

2.3.3 At the end of Article 5.6 a third sentence is inserted as follows:

"Congo guarantees and undertakes that the Contractor cannot be held liable for the creation, management and, where applicable, the restitution of provisions for abandonment for the period prior to the Effective Date. »

2.3.4 Article 5.8 is amended as follows:

The third paragraph of section 5.8 is amended and replaced by the following:

"For a given Calendar Year, Congo has a period of twenty-four (24) months from the date of validation by the Management Committee of the final accounts for the Calendar Year being verified to carry out in one (1) these examinations and verifications only once. »

The fourth paragraph of article 5.8 is amended as following :

"The Congo may exercise its right of verification for several previous fiscal years up to a maximum of two (2) Calendar Years from the date of validation of the accounts by the Management Committee. »

The following paragraph is added at the end of Article 5.8:

"Congo guarantees and undertakes that the Contractor cannot be held responsible for the management and treatment of oil costs within the framework of the period prior to the Effective Date. »

2.4 Amendments to Article 6

2.4.1 The title of Section 6 is amended and replaced with the following:

" Gas Hydrocarbons "

2.4.2 Section 6.2 is amended and replaced with the following:

“ The Contractor may use the Hydrocarbons Gaseous, associated or not, for the needs of the Works Oil Tankers, including by means of any Gaseous Hydrocarbons reinjection operation aimed at improving the recovery of Liquid Hydrocarbons, or proceed with the sale without loss or profit of the said Gaseous Hydrocarbons within the framework of the technical agreements put in place to meet the needs of the Petroleum Works of the exploitation permits neighbors.

The quantities of Gaseous Hydrocarbons thus concerned shall not be subject to any duty, tax or tax of any kind whatsoever. Subject to the regulations in force and particularly the provisions relating to "zero flaring", any associated Gaseous Hydrocarbon produced and not used directly for the Petroleum Works or not recoverable may exceptionally be flared or made available to Congo.

2.5 Amendments to Article 7

The following article 7.6 is added at the end of article 7:

“The Operator, on behalf of the Contractor, will present to Congo, within a reasonable time, a redevelopment plan aimed at increasing the production and recovery of the hydrocarbon reserves of the Permit. In this context, the Parties will meet to examine the proposals for adapting certain provisions of the tax framework applicable to the Permit”.

2.6 Amendments to Article 11

A new Article 11.5 below is added after Article 11.4:

“Congo warrants and undertakes that the Contractor cannot be held liable for tax obligations related to the period prior to the Effective Date. »

Former article 11.5 is deleted.

2.7 Amendments to Article 12

2.7.1 The second paragraph of Article 12.2 below is deleted and replaced by:

“The Parties may establish and agree on a removal procedure setting the terms of application of this article, if necessary. »

2.7.2 The following provisions are inserted at the end of Article 12.3:

“Congo shall notify each Contractor Entity at least ninety (90) days before the start of

of each Calendar Year, the quantities and Qualities of Liquid Hydrocarbons to be sold to Congolese industries for the Calendar Year in question. »

2.8 Amendments to Article 13

The last sentence of section 13.1 below is deleted:

“This rule is also applicable to property acquired as part of the Petroleum Works of the Tchendo Permit. »

2.9 Amendments to Article 14

The last paragraph of section 14.1 is amended and replaced with the following:

“The expenses corresponding to the training actions will constitute Petroleum Costs. All or part of the training budget that is not used during a given financial year may be carried over to the financial year.

following. »

2.10 Amendments to Article 15

Article 15.2 below is amended as follows:

“The Contractor shall use, in accordance with the provisions of article 140 of the Hydrocarbons Code, priority on the services of the Petroleum Services Center installed in the Autonomous Port of Pointe Noire in accordance with the principles set out in article 15.1. »

2.11 Amendments to Article 18

Section 18.1 is amended and replaced with the following:

“The Agreement will enter into force on the day of publication of the law approving this Agreement in the Official Journal (the "Effective Date "), and will take effect on January 1 , 2017 (the " Effective Date "). »

2.12 Amendments to Article 21

Section 21 is amended and replaced with the following:

“21.1 Any dispute in connection with or arising from the interpretation or execution of the Contract, with the exception of those referred to in Articles 21.5, 21.6 and 21.7 below, which may arise between Congo on the one hand and a or more of the Entities of the Contractor on the other hand, which cannot be resolved amicably, will be definitively settled by an arbitration tribunal constituted under the aegis of the International Center for the Settlement of Disputes relating to Investments (hereinafter referred to as "ICSID") established in accordance with the provisions of the convention for the settlement of investment disputes between States and nationals of other States (hereinafter referred to as the "ICSID Convention"), to which Congo is a party.

The Parties declare that for the purposes of Article 25(1) of the ICSID Convention, any dispute relating to the Contract is a legal dispute arising directly out of an investment, and the Parties waive any immunity from jurisdiction or execution from which they could benefit.

21.2 Congo, on the one hand, and each of the Entities of the Contractor concerned, on the other hand, will each appoint an arbitrator and will endeavor to agree on the appointment of a third arbitrator who will be the president of the tribunal arbitrator. Failing the appointment of an arbitrator or an agreement on the third arbitrator, the provisions of Article 38 of the ICSID Convention will apply.

21.3 The arbitration will take place in Geneva, Switzerland. The procedure will take place in French. During the arbitration procedure and until the award is pronounced, neither Party shall perform any act prejudicial to the rights of the other Party under the Contract. A judgment of exequatur may be rendered by any court or any competent authority or, as the case may be, an application may be brought before the said court or before the said other authority to obtain judicial confirmation of the award and an enforceable decision.

21.4 In the event that the tribunal constituted under the aegis of ICSID declares itself incompetent, the Parties agree that all disputes arising from the Contract or in connection with it will be settled definitively according to the arbitration rules of the Chamber of Commerce. International by one or more arbitrators appointed in accordance with these rules. The arbitration will take place in Geneva, Switzerland. The procedure will take place in French.

21.6 If the Congo and one of the Contractor's Entities disagree on the determination of the price of the Liquid Hydrocarbons within the framework of Article 9 above, the Congo or the said Contractor's Entity may ask the President of the Institute of Petroleum in London, Great Britain to appoint a qualified international expert to whom the dispute will be submitted. If the President of the Institute of Petroleum does not designate an expert, each of the Parties to the dispute may request the International Center for Expertise of the International Chamber of Commerce in Paris to proceed with this designation. Congo and said Contractor's Entity shall provide the Contractor with all the information they deem necessary or that the expert may reasonably request.

21.7 Within thirty (30) days of the date of his designation, the expert will communicate to Congo and to the said Entity of the Contractor the price in his opinion applicable in accordance with article 9 above. This price will be binding on the parties in conflict and will be deemed to have been decided by mutual agreement between them. The costs and fees of the London Institute of Petroleum or the International Chamber of Commerce will be shared equally between the Congo and the Contractor's Entity.

The expert will not be an arbitrator, and the related procedures will not be applicable. »

2.13 Amendments to Article 23

2.13.1 At the end of Article 23, a new Article 23.4 is inserted as follows:

“The Congo warrants and undertakes that the Contractor cannot be held liable for any action, claim, damage, claim or breach in connection with the petroleum operations carried out under the Permit prior to the Effective Date. As such, Congo will protect and guarantee the Contractor against any recourse relating to the oil operations carried out before the Effective Date. »

2.14 Amendments to Article 24

Section 24 is amended and replaced with the following:

“Any communication will be made to the Parties at the following addresses:

a) For Congo

Ministry of Hydrocarbons

PO Box: 2120

Brazzaville - Republic of Congo

Tel: (242) 222.83.58.95

Fax : (242) 222. 83.62.43

b) For SNPC

National Petroleum Company of Congo

PO Box: 188

Brazzaville - Republic of Congo

Tel: (242) 222.81.09.64

Fax : (242) 222.81.04.92

c) For PERENCO CONGO

Perenco Congo S.A.

Liliane Concession, Ndjindji District P.O.

Box: 746

Pointe-Noire - Republic of Congo Tel:

(242) 06 650 16 16 Fax: (33) 1 47 20 38

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d) For HEMLA

Hemla E&P Congo

27, avenue Amilcar Cabral

Socialite Coast

PO Box: 2722

Pointe-Noire - Republic of the Congo

Tel: (242) 06 467 61 61

Fax : (242) 22 004 59 02

e) For CONTINENT

Continent Congo

3, boulevard Denis SASSOU-NGUESSO

P.O. Box: 964

Brazzaville - Republic of the Congo

Tel: (242) 06 939 47 40

f) For AOGC

Africa Oil & Gas Corporation

Level crossing, Rue Mbochis - Mougali
PO Box: 15073
Brazzaville - Republic of the Congo
Tel: (242) 066 545 463 - 022 826 178

g) For PETCO

Petro Congo SA

Boulevard Charles De Gaulle, 2nd floor Building
Diamond
PO Box: 1225
Pointe-Noire - Republic of the Congo
Tel: (242) 06 511 82 45 / 06 511 16 99 »

2.15 Amendment to Article 26

Section 26 is amended and replaced with the following:

“ The Appendices are part of the Contract.

The Contract includes the following Annexes:

- Appendix I Accounting Procedure;
- Annex II Customs and Tax Regime;
- Annex III Allocation Decree;
- Annex IV Agreement of February 9, 2017.

Appendices II, III and IV of the Contract are those appearing in the appendix to Amendment No. 1. »

3. Entry into Force – Effective Date

This Amendment No. 1 to the Contract will enter into force on the day of publication of the law approving this Amendment No. 1 in the Official Journal, and will take effect on January 1, 2017.

Done in Brazzaville in eight (8) copies, on February 9, 2017

For the REPUBLIC OF CONGO

Calixte NGANONGO

Minister of Finance, Budget and Portfolio
Public

Jean-Marc THYSTERE TCHICAYA

Minister of Hydrocarbons

For the NATIONAL PETROL COMPANY OF CONGO

Jerome Koko

Chief Executive Officer, Chairman of the Management Board

For PERENCO CONGO SA

Louis HANNECART

General manager

For AFRICA OIL & GAS CORPORATION

Pierre Narcisse LOUFOUA

General manager

For HEMLA E&P CONGO

Eyas AA ALHOMOUZ RANDA Managing
Director

For PETRO CONGO SA

Meddy Esperance LIPIKA EDRE

General manager

For CONGO CONGO

Yaya MOUSSA

General manager

APPENDIX 1 – ACCOUNTING PROCEDURE

APPENDIX 2 – CUSTOMS AND TAX REGIME

ARTICLE 1. CUSTOMS IMPORT REGIME

In accordance with article 11.4, during the term of the Contract, the Contractor benefits from the following customs advantages:

A - Full deductible admission

The equipment, materials, products, machinery, equipment and tools necessary for the Petroleum Works under Articles 2 and 3 and actually assigned to the Petroleum Works, subject to the provisions of Article 4. This exemption applies to imports carried out by the Operator on behalf of the Contractor, by third parties on its behalf and by its subcontractors.

The franchise regime applies to assemblies, sub-assemblies, their spare parts, the following products and consumables:

A1) Drilling and boring equipment

- Specific substructures and equipment for drilling rigs, boats and barges;
- Floor equipment;
- Equipment for the manufacture and treatment of drilling muds and cements;
- Products used in the manufacture of drilling muds and cements and packaging of these products;

ÿÿ Drill winches;
ÿÿ Anti-blowout and fire-fighting equipment including fire extinguishers of any capacity;

ÿÿ Well casing and casing, column cladding and cementing equipment;
ÿÿ Measuring equipment;
ÿÿ Wellheads and equipment;
ÿÿ Surface equipment;
ÿÿ Well testing equipment.

A2) Materials and production equipment

ÿÿ Equipment and chemicals for the treatment of crude oil and waste water;
ÿÿ Storage and shipping materials;
ÿÿ Off & on-shore construction materials on production sites, including offices;
ÿÿ Technical data processing equipment
picnics;

ÿÿ Surface materials:

- Maintenance tools;
- Electrical materials and equipment including cables;
- Production laboratory equipment;
- Materials and equipment for telecommunications on oil exploration, production, processing and storage sites;
- Air conditioning devices and equipment for premises on oil exploration, production, processing and storage sites;
- Radio guidance materials and equipment and microwave links;
- Industrial coatings, specific paints for the maintenance of oil platforms and equipment;

ÿÿ Security equipment:

- Fire groups and extinguishers of any capacity;
- PPE shoes, helmets and life jackets, personal protective equipment;
- Detection equipment and other safety and evacuation equipment (lifeboats, life rafts etc.);

ÿÿ Laboratory materials;

ÿÿ Background materials;

ÿÿ Well casing, production wellheads, chokes, manifold, pig station and pigs;

ÿÿ Production contract materials;

ÿÿ Jackets, submerged and floating structures, including FPU, TLP and others;

ÿÿ Logistics equipment:

- Navigation and mooring equipment;
- Submarine cables and hoses and repair accessories, equipment and consumables;

- Spare parts for commercial vehicles and service vehicles.

A3) Other materials and products

ÿÿ "Catering" intended for drilling rigs, boats and barges and for work barges, base camp barges, oil exploration, production, processing and storage sites;

ÿÿ Lubricants for maintenance and operation of machines assigned to the research, exploitation, storage and transport of Hydrocarbons;

ÿÿ Fuels, including diesel in particular, intended for the operation of machines assigned to the research, exploitation, storage, transport of Hydrocarbons, supply boats exclusively intended for the transport of equipment and personnel;

ÿÿ Computers and calculators of all types, their accessories (software, printers, readers, floppy disk drives, hard disks, plotters, modems, screens, cables and sockets, networks and connection equipment, backup equipment, inverters and air conditioners) and storage media (floppy disks, external disks, USB keys, etc.);

ÿÿ Audiovisual equipment, materials and accessories for training;

ÿÿ Hospital materials and equipment, medicines.

This list is not exhaustive. It is advisable to reserve the possibility of updating it periodically, in the same spirit, to take into account in particular the evolution of techniques and the marketing of new materials.

(B) Normal temporary admission with deposit waiver

Are imported under the normal temporary admission regime, by the Operator on behalf of the Contractor, by third parties on its behalf and by its subcontractors, all materials, materials, products, machines, equipment and tools, necessary Petroleum Works by virtue of Articles 2 and 3 and provided that these goods are intended for and effectively allocated to the Petroleum Works, and provided that they are to be re-exported at the end of their use. If such property is lost or discarded, Operator shall provide an affidavit to that effect, and no duty or tax shall be levied.

If for operational reasons such goods are required to remain in the Congo, a reclassification as definitive import (IM4) is possible free of duties and taxes, subject to justification by the Operator.

The list of goods imported for temporary admission under the Contract with waiver of deposit is as follows:

ÿÿ Drilling rigs, boats and barges;

ÿÿ Work barges, life base barge, rescue boats

delivery, launches of all tonnage, liaison craft and lifeboats;

• Aéronefs ;
 • Utility and service motor vehicles owned by the Operator
 (service vehicles for personnel, transporting personnel,
 transporting and handling materials);

• More generally, all equipment temporarily imported by the
 Operator as part of its activities of research, exploitation,
 storage and transport of Hydrocarbons.

(C) Admission at reduced rate

Under the same conditions as above, the following equipment is
 admitted at the overall rate reduced to 5% of the duties and taxes
 payable on importation:

• Work clothes (overalls, oilskins, boots, gloves);

• Large format printing paper in the form of a roll and
 computer paper.

• On-shore construction materials, outside production and/or
 storage sites, including for the construction of offices for
 the Operator's use.

(D) Admission to Common Law

The Entities of the Contractor will pay customs duties and taxes
 under the common law regime applicable to the following imported
 goods:

• All materials, equipment, spare parts and accessories
 intended for the accommodation of the Operator's staff;

• Food and beverages other than those specified in
 paragraph A3;

• Office materials, equipment and supplies other than those
 specified in paragraph A3.

ARTICLE 2. CUSTOMS EXPORT REGIME

The Contractor is exempt from all export taxes for Hydrocarbons,
 equipment, accessories and spare parts under repair, samples of
 crude, oil, chemical products, cores, samples and geological
 samples, equipment under warranty falling within the framework
 of activities of research, exploitation, storage and transport of
 Hydrocarbons of the Contractor.

ARTICLE 3. CUSTOMS REGIME APPLICABLE TO THE OPERATOR'S SUBCONTRACTORS

Subject to compliance with their customs obligations, the
 Operator's subcontractors, and third-party importers on its behalf,
 subject to producing a certificate issued by the Operator and
 approved by the Customs Administration, benefit import and
 export regimes defined above.

ARTICLE 4. REGIME FISCAL

During the term of the Contract, the Contractor shall be exclusively
 subject to corporation tax and to mining and surface royalties
 according to the terms provided for in Articles 11.1 to 11.3.

Consequently, for the duration referred to above, the Contractor
 shall be exempt from all other taxes, duties, contributions, fees
 and levies of any kind, in force on the effective date of the Contract
 or which may be created subsequently.

In particular, the Contractor shall be, among other things, exempt
 from tax on income from securities for the sums received and paid
 by the Contractor, land contributions for built and unbuilt properties,
 value added tax and tax on the movement of funds.

In addition, Congo guarantees the Entities of the Contractor, their
 affiliated companies, their shareholders and their suppliers, for
 the duration of the Contract, the right to contract abroad the loans
 necessary for the execution of the Petroleum Works.

APPENDIX 3 – AWARD DECREE

APPENDIX 4 – AGREEMENT OF FEBRUARY 9, 2017

**AGREEMENT RELATING TO THE APPLICABLE REGIME
TO THE TCHENDO II OPERATING PERMITS,
TCHIBOUELA II AND TCHIBELI-LITANZI II**

BETWEEN THE UNDERSIGNED :

The **REPUBLIC OF CONGO**, hereinafter referred to as the "**Congo**", represented by Mr. Jean-Marc THYSTERE TCHICAYA, Minister of Hydrocarbons, and Mr. Calixte NGANONGO, Minister of Finance, Budget and Public Portfolio duly authorized for the purposes hereof,

FIRSTLY,

AND

The **NATIONAL PETROL COMPANY OF CONGO**, hereinafter referred to as "**SNPC**", a public industrial and commercial establishment, whose head office is located on Boulevard Denis SASSOU NGUESSO, PO Box 188, Brazzaville, Republic of Congo, represented by Mr. Jérôme KOKO, Chief Executive Officer, Chairman of the Management Board, duly authorized for the purposes hereof,

SECONDLY,

AND

PERENCO CONGO SA, hereinafter referred to as "**PERENCO CONGO**" or the "**OPERATOR**", a public limited company with a board of directors with a share capital of 500,000,000 FCFA, whose head office is located at Concession Liliane, Ndjindji district, box 746, Pointe-Noire, Republic of Congo, registered in the Pointe-Noire Trade and Personal Property Credit Register under the number RCCM CG/PNR/15B428, represented by Mr. Louis HANNECART, its Managing Director, duly authorized for the purposes of present,

THIRDLY,

AND

HEMLA E&P CONGO SA, hereinafter referred to as "**HEMLA**", a public limited company with a board of directors with a share capital of 1,000,000,000 FCFA, whose registered office is located at 27, avenue Amilcar Cabral, Côte Mondaine, PO box 2722, Pointe-Noire, registered in the Pointe-Noire Trade and Personal Property Credit Register under the number

RCCM CG/PNR/16B1414, represented by Mr. Eyas AA ALHOMOUZ RANDA, its Managing Director, duly authorized for the purposes hereof,

FOURTH PART,

AND

KONTINENT CONGO, hereinafter referred to as "**KONTINENT**", public limited company with advice

of directors with a capital of 100,000,000 FCFA, whose head office is located at 3 boulevard Denis SASSOU-NGUESSO, PO Box 964, Brazzaville, Republic of Congo, registered in the Register of Trade and Credit Mobilier of the Registry of the Commercial Court of Brazzaville under the number RCCM

14 B 4889, represented by Mr. Yaya MOUSSA, its Managing Director, duly authorized for the purposes hereof,

FIFTH PART

AND

AFRICA OIL & GAS CORPORATION, hereinafter referred to as "**AOGC**", a public limited company with a board of directors with a share capital of 100,000,000

FCFA, whose head office is located at Level crossing, Rue Mbochis, Moungali, post office 15073, Brazzaville, Republic of Congo, registered in the Register of Trade and Credit Mobilier of the Registry of the Commercial Court of Brazzaville under the number RCCM

10 B 2401, represented by Mr. Pierre Narcisse LOUFOUA, its Managing Director, duly authorized for the purposes hereof,

SIXTH PART,

AND

PETRO CONGO SA, hereinafter referred to as "**PETCO**", a public limited company with a board of directors with a share capital of 50,000,000 FCFA, whose registered office is located on Boulevard Charles De Gaulle, 2nd floor Immeuble Losange, PO Box 1225, Pointe -Noire, Republic of Congo, registered in the Register of Commerce and Personal Property Credit of the Registry of the Commercial Court of Pointe-Noire under the number RCCM 14 B 734, represented by Mr. Meddy Espérance LIPIKA EDRE, its Managing Director, duly authorized to fi n hereof,

OF SEPTEMBER PART,

Congo, SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

IT WAS PREVIOUSLY EXPOSED THAT:

D. The "Tchendo", "Tchi bouela" and "Tchibeli-Litanzi-Loussima" operating permits are expired (hereinafter the "**Permits Expired**");

AND. Congo, in accordance with the provisions of Decree No. 2008-15 of February 11, 2008 setting the procedure for granting mining titles for liquid and gaseous hydrocarbons (the "**Decree of February 11, 2008**"), had decided to

- continue to exploit its liquid and gaseous hydrocarbon resources and promote their long-term industrial development through the use of new technologies and in compliance with the principles of sustainable development and social and environmental responsibility;
- F. On July 14, 2015, the Congo thus signed an agreement relating to the regime applicable to the " Tchendo II", "Tchibouela II" and "Tchibeli-Litanzi II" operating permits as of January 1, 2015 with a contracting group comprising SNPC (holder), Total E&P Congo (operator), Eni Congo SA, Africa Oil & Gas Corporation, Petro Congo SA and Kontinent Congo SA;
- G. Three corresponding production sharing contracts with effect from January 1, 2015 were signed on July 14, 2015 between Congo and the contracting group referred to in paragraph C above (the " **PSC(s)** ");
- H. As part of the restructuring of their activities in the Republic of Congo, the companies Total E&P Congo (operator) and Eni Congo SA have decided to renounce their participation in the production sharing contracts referred to in paragraph D above, with effect from December 31, 2016. By referenced letter 16X11854/MHC/CAB of December 30, 2016, the Minister in charge of Hydrocarbons took note of their disengagement and the end of their rights and obligations under the " Tchendo II", "Tchibouela II" and " Tchibeli-Litanzi II" ;
- I. Based on the foregoing, Congo has launched a tender procedure to form a new contracting group as of January 1, 2017;
- J. On November 29, 2016, Congo formed a new contracting group for the "Tchibouela II" operating permits, "Tchendo II" and "Tchibeli-Litanzi II" (hereinafter together the " **Permits** ") composed of the companies SNPC (holder), PERENCO CONGO (operator), HEMLA, KONTINENT, AOGC and PETCO (together the " **Association** " or the " **Group Contractor** ") with effect from 1 January 2017;
- TO. Pending the implementation of the necessary legal and contractual documentation, Congo has, in a letter dated December 21, 2016 for the attention of the Contractor Group (ref: n°16X11777/MHC/CAB), authorized PE RENCO CONGO to ensure, on behalf of the Association, the oil operations
- necessary for the exploitation of the Permits from January 1, 2017, and this by way of derogation from the provisions of the Hydrocarbons Code (hereinafter the " **Letter** ");
- L. Given the age of the facilities assigned to the Permits and in order to allow their efficient and profitable operation, the Parties agree on the need to put in place an appropriate contractual framework;
- Mr. PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO intend to cooperate with the objective of developing liquid and gaseous hydrocarbon resources by establishing a long-term partnership with Congo and SNPC;
- N. The Parties propose to establish for each Permit an appropriate legal, economic and fiscal regime with work programs listed in Appendix 1 with regard to the Permit Tchendo II, in Appendix 2 relating to the Permit Tchibouela II and Annex 3 concerning the Per mis Tchibeli-Litanzi II (hereinafter referred to as " **Project(s)** ") in accordance with applicable regulations; and
- THE. The Parties have reached an agreement on the conditions for implementing the Projects which they have decided to formalize and specify in this agreement (the " **Agreement** ").

IT WAS THEREFORE AGREED AS FOLLOWS:

ARTICLE 1 : DEFINITIONS

The terms defined in this article shall have the following meaning throughout the Agreement:

" Agreement "	has the meaning given to it in paragraph L of the preamble;
" Calendar year "	means the period of twelve (12) consecutive months commencing on January 1 of each year;
" Annex "	means an annex to this Agreement; has the meaning
« Association »	given to it in paragraph G of the preamble;
"Addendum(s) CPP(s)"	has the meaning given to it in Section 3.1.1 (A);
"Barrel"	means the unit equal to 42 US gallons (one US gallon being equal to 3.78541 liters) measured at a temperature of sixty (60) degrees Fahrenheit;
"Hydrocarbons Code"	means Law No. 28-2016 of October 12, 2016;
"Contractor"	designates, for each of the Permits, the whole constituted by the SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO
« Cost Oil »	designates, for a Permit, the share of the Net Production allocated to the reimbursement of Petroleum Costs;
Cost Oil Guarantee	designates, for a Permit, the level of recovery of Petroleum Costs, as defined in articles 4.2.4 for the Tchendo II Permit, 4.3.4 for the Tchibouela II Permit and 4.4.4 for the TL II Permit;
« Cost Stop »	has the meaning given to it in article 4.1.4 and whose calculation methods are defined in articles 4.2.2 for the Tchendo II Permit, 4.3.2 for the Tchibouela II Permit and 4.4.2 for the TL Permit II;
"Oil Costs"	designates all the expenses and provisions related to the Petroleum Works, that is to say, the expenses actually incurred by the Contractor and the latter's firm commitments to pay, as well as the provisions constituted by the Contractor as a result of the Petroleum Works, calculated in accordance with the Accounting Procedure;
« CPP(s) »	has the meaning given to it in paragraph D of the preamble; means the date defined
" Effective Date "	in Article 3.3.1 (B) (2);
"Decree of February 11, 2008"	has the meaning given to it in paragraph B of the preamble;
"Decreets"	has the meaning given to it in Section 3.2.1 (A);
"Second Period"	has the meaning given to it in Articles 4.2.1 (B) for the Tchendo II Permit, 4.3.1 (B) for the Tchibouela II Permit and 4.4.1 (B) for the Tchibeli-Litanzi II Permit;
« Dollar »	means currency that is legal tender in the United States of America; means a period of
" Duration "	twenty-two (22) years, renewable once (1) for a period of five (5) years, or any other longer period that would be authorized by the legislative provisions in force at the time of the granting of the permit;
« Excess Oil »	has the meaning given to it in Article 4.1.5;
" Roadmap "	has the meaning given to it in Article 3.2.1;
" Natural gas "	means the gaseous hydrocarbons comprising mainly methane and ethane, which, at 15°C and at atmospheric pressure, are in the gaseous state, and which are discovered and/or produced on the Permit Area, after the extraction of natural gas liquids. Liquefied petroleum gases, or LPG, are, by way of exception, considered as Liquid Hydrocarbons insofar as they are sent to the delivery point in liquid form;
"Group(s) Contracteur(s) »	has the meaning given to it in paragraph G of the preamble;
"Hydrocarbons"	means Liquid Hydrocarbons and Natural Gas discovered and/or produced in the Permit Area;
"Liquid Hydrocarbons"	means Liquid Hydrocarbons and Natural Gas discovered and/or products in the Permit Area;
"JOA (s)"	means the association agreements to be concluded for each Permit in order to govern the relationship between SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO ; means
" Official newspaper "	the Official Journal of the Republic of Congo;
" Letter "	has the meaning given to it in paragraph H of the preamble;

"Laws"	has the meaning given to it in Section 3.2.1 (C);
"Parliament"	designates the National Assembly and the Senate of the Congo;
"Intermediate Period"	designates the period beginning on January 1, 2017 and ending with publication in the Official Gazette of the Laws; has the meaning given to it in paragraph G of the preamble and refers to the
"Permit"	Tchendo II, Tchibouela II and Tchibeli-Litanzi II Permits; has the meaning given to it in paragraph A of the preamble;
"Expired permits"	
"Permischendo II"	designates the operating license that will be awarded to SNPC, for the Duration in the geographical area defined in Appendix 1, in accordance with the terms set by the Agreement;
« Permis Tchibeli Litanzill » or « TL permit II »	designates the operating license that will be awarded to SNPC, for the Duration in the geographical area defined in Appendix 3, in accordance with the terms set by the Agreement;
« Permis Tchibouela II »	designates the operating license that will be awarded to SNPC, for the Duration in the geographical area defined in Appendix 2, in accordance with the terms set by the Agreement;
« PID »	has the meaning given to it in Article 4.1.2 (A);
« PNGF TO »	has the meaning given to it in Article 2.2.3;
" First period "	has the meaning given to it in Articles 4.2.1 (A) for the Tchendo II Permit, 4.3.1 (A) for the Tchibouela II Permit and 4.4.1 (A) for the Tchibeli-Litanzi II Permit;
" Fixed price "	means the price of each grade of Liquid Hydrocarbons determined in accordance with the applicable pricing methodology;
"High Price"	means the price per Barrel as referred to in Articles 4.2.1 for the Tchendo II Permit, 4.3.1 for the Tchibouela II Permit and 4.4.1 for the Tchibeli-Litanzi II Permit ;
“Accounting Procedure”	means the accounting procedure appended to each CPP;
“Net Output”	means the total production of Liquid Hydrocarbons, including liquefied petroleum gas or LPG, minus any water and sediment produced, less any quantities of Hydrocarbons Worked, the deposit, used or quantities of Hydrocarbons Worked;
« Profit Oil »	designates for a Permit the quantity of Liquid Hydrocarbons equal to the Net Production, less: <ul style="list-style-type: none"> - the share of the Proportional Mining Royalty due to the State in respect of the Net Production of the Permit in question; - Cost Oil; - de l'Excess Oil ; du Super Profit Oil ;
“Project(s)”	- has the meaning given to it in paragraph K of the preamble foreigner ;
“Mining Royalty Proportional »	means the fee set out in article 4.1.1 of this Agreement;
" Regulations Oil »	designates the Hydrocarbons Code and its implementing texts;
« Super Profit Oil »	means for a Permit, if the Fixed Price is higher than the High Price, the share of Liquid Hydrocarbons which, valued at the Fixed Price, is equivalent to the difference between the Net Production valued at the Fixed Price and this same Net Production valued at the High Price, minus the Mining Royalty applied to this same difference and the difference between the Cost Oil, valued at the Fixed Price, and the Cost Stop (if the Cost Oil valued at the Fixed Price is greater than the Cost Stop). It is shared between the Congo and the Contractor as indicated in articles 4.2.3 for the Tchendo II Permit, 4.3.3 for the Tchibouela II Permit and 4.4.3 for the Tchibeli-Litanzi II Permit ;
"Works of Abandonment"	designates the Petroleum Works necessary for the restoration of an exploitation site and duly provided for, the abandonment of which is scheduled by the management committee under the conditions set by the Accounting Procedure;

"Exploitation works"	means the Petroleum Works relating to the Permit(s) and related to the operation and maintenance of the facilities for the production, processing, storage, transport and shipment of Hydrocarbons;
"Petroleum Works"	designates all activities carried out to enable the implementation of the CPPs on the Permit Area, in particular studies, preparation and execution of operations, legal, accounting and financial activities, Exploitation Works and Abandonment Works;
"Third Period"	has the meaning given to it in Articles 4.2.1 (C) for the Tchendo II Permit, 4.3.1 (C) for the Tchibouela II Permit and 4.4.1 (C) for the Tchibeli-Litanzi II Permit;
"Permit Area"	designates all the areas covered by the Permit(s).

ARTICLE 2: GENERAL PROVISIONS

2.1 Purpose of the Agreement

1.1.1 The purpose of the Agreement is to define the terms and conditions for the implementation of the Projects by the Parties.

1.1.2 The Agreement is concluded in accordance with the Petroleum Regulations and in particular the Decree of February 11, 2008.

2.1 Provisions relating to mining titles

1.1 In accordance with the Hydrocarbons Code, Congo will concurrently award three Permits to SNPC. As of January 1, 2017, SNPC will join forces with PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO, on the Permit perimeters, as shown on the maps in Appendices 1, 2 and 3.

The allocation of Permits will be carried out in accordance with the following principles:

(A) Permits will be granted to SNPC, by decree issued by the Council of Ministers, in accordance with the Applicable Regulations. As of January 1, 2017, SNPC will join forces with PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO.

(B) Percentage holdings in Permits will be allocated as follows:

Permission Tchendo II:

- SNPC (Holder): 15%;
- PERENCO CONGO (Operator): 40%;
- HEMLA: 20%;
- CONTINENT: 10% ;
- AOGC: 10%; and
- PETCO : 5%.

Tchibeli-Litanzi II Permit:

- SNPC (Holder): 15%;
- PERENCO CONGO (Operator): 40%;
- HEMLA: 20%;
- CONTINENT: 10% ;
- AOGC: 10%; and
- PETCO : 5%.

Tchibouela II Permit:

- SNPC (Holder): 15%;
- PERENCO CONGO (Operator): 40%;

- HEMLA: 20%;
- CONTINENT: 10% ;
- AOGC: 10%; and
- PETCO : 5%.

(C) PERENCO CONGO will be the Permit Operator.

viii.0.1 The Parties also agree to negotiate in good faith an exploration permit (" **PNF BIS** ") covering the entire area returned for the Expired Permits and which has not been included in the Permits, such as fi appearing in Appendix 4 hereof.

As part of their negotiations, the Parties will agree in particular:

(i) the distribution of the percentages of participation in the PNGF BIS exploration permit, it being understood that PERENCO CONGO will be the Operator; as well as

(ii) the method of fi nancing petroleum exploration operations.

ARTICLE 3: IMPLEMENTATION OF PROJECTS

9.1 Project Contracts

9.1.1 The Parties agree that the conclusion of the contracts listed below is necessary for the implementation of the Projects:

(A) An addendum to each CPP, which will be concluded between Congo, SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO for each of the Permit (the " **Addendum(s) CPP(s)** ") which will ensure that the Contractor may continue to use, free of charge, the movable and immovable property acquired under the Expired Permits during the term of the CPP(s); and

(B) A JOA between SNPC, PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO for each of the Permits.

9.2 Roadmap

9.2.1 The Parties agree on the roadmap following (the " **Roadmap** "):

(A) Signing of the decrees granting the SNPC des Permis (the " **Decrees** ");

(B) Signature of (i) the CPP Addendum(s) in accordance with Article 4 of the Agreement and (ii) the JOAs;

(C) Adoption by Parliament of laws ratifying the CPP (s) and the above CPP (s) Addendum (s) " **Laws** ") as soon as possible; and

(D) Publication of Laws and Decrees in the Journal official heaven.

9.3 Methods of implementation

9.3.1 Congo warrants and undertakes the following:

(A) The draft CPP Addendum(s) will be submitted, for advice and comments, to the SNPC, PERENCO CONGO, HEMLA, KONTINENT,

AOGC and PETCO as soon as possible after the date of signing the Agreement;

(B) Permits will be issued to SNPC. The SNPC will associate, as of January 1 , 2017, with PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO in accordance with the Petroleum Regulations and the terms set out below:

(1) The Decrees will grant the three Permits to SNPC;

(2) SNPC will join forces with PERENCO CONGO (as operator), HEMLA, KONTINENT, AOGC and PETCO on the date the Laws are published in the Official Gazette, effective January 1 , 2017 (the " **Effective Date** ");

(3) It will be specified in the Decrees (i) that the Permits will have an initial duration of twenty-two (22) years from the 1st January 2015 and that they will be renewable once (1) for a period of five (5) years in accordance with the Petroleum Regulations; and (ii) that the entry into force of the Decrees will be deferred until the date of publication of the Laws in the Official Journal.

(C) The Contractor Group, and PERENCO CONGO acting as Operator, cannot be held liable for any action, claim, damage, claim or breach in connection with the petroleum operations carried out in the Permit Area prior to the Effective Date. As such, Congo will protect and guarantee the Contractor Group, and PERENCO CONGO acting as Operator, against all claims relating to petroleum operations carried out in the Permit Area prior to the Effective Date.

(D) The Contractor Group, and PERENCO CONGO acting as Operator, cannot be held responsible for the constitution, management and, where applicable, the restitution of provisions for abandonment as well as the management and processing of oil costs in under Expired Permits.

(E) The Contractor Group, and PERENCO CONGO acting as Operator, cannot be held liable for tax obligations related to Expired Permits.

(F) The CPP Addendum(s) will include as such the commitments and guarantees referred to in Articles 3.3.1(C), (D) and (E) above, as well as the economic and tax adjustments referred to in section 4 below. They will be submitted for the approval of Parliament after their signature.

9.3.2 The Laws will be published in the Official Journal as soon as possible after their approval by Parliament.

9.3.3 PERENCO CONGO, HEMLA, KONTINENT, SNPC, AOGC and PETCO undertake to negotiate and finalize a JOA for each of the Permits so that they are signed at the same time as the CPP Addendum(s).

9.3.4 PERENCO CONGO, HEMLA, KONTINENT, SNPC, AOGC and PETCO are prohibited from assigning all or part of their rights and obligations under the Permits and/or arising from the CPP Addendum(s) as long as (i) the JOAs will not have been signed by all the members of the Association, and that (ii) the Laws will not have been published in the Official Journal.

9.4 Intermediate Period:

9.4.1 In accordance with the provisions of the Letter, Congo authorizes PERENCO CONGO, from the beginning of the Intermediate Period and throughout the duration of the Agreement, to carry out, on behalf of the Association, the oil operations necessary to exploitation of the Permits; and this, by derogation from the provisions of the Hydrocarbons Code.

9.4.2 The provisions of the CPP Amendment(s) and those of the CPP(s) which are not modified by the CPP Amendment(s) will apply retroactively during the Intermediate Period.

9.4.3 The Association shall benefit, from the beginning of the Intermediate Period and throughout the duration of the Agreement, from full use of the stocks and installations formerly assigned to the Expired Permits. To this end, a detailed description of the facilities formerly assigned to the Expired Permits appears in Appendix 5 of this Agreement.

9.4.4 The transfer and enjoyment of the inventories and facilities referred to in article 3.4.3 above shall be free of any tax, tax (including parafiscal), duty (such as fixed duty, transfer duty, registration fee, customs duty or other) or royalty, of any nature whatsoever.

ARTICLE 4: ECONOMIC AND TAX REGIME

4.1 Principles common to Permits

Tax and customs system

- (A) Each Permit will be subject to separate accounting without any consolidation of losses and profits between them.
- (B) The rate of the Proportional Mining Royalty is fixed at fifteen percent (15%) of the Net Production of the Permits.
- (C) The Profit Oil accruing to the Congo will include the corporation tax of each member of the Contractor Group.

(D) The quantities of Liquid Hydrocarbons consumed by the Contractor during the Petroleum Works are subject to payment in cash of the Proportional Mining Royalty at the rate of fifteen percent (15%). The corresponding expenses constitute Petroleum Costs.

(E) For the purposes of the exploitation of the Permits, imports of equipment and consumable products will be carried out in accordance with the customs regime described in Annex 6 of this Agreement. Exports will be free of any tax, duty, or other charge.

(F) Within the framework of the exploitation of the Permits, the members of the Association (both individually and collectively) will not be subject to any tax, duty (including parafiscal), duty (such as fixed duty, transfer, registration duty, customs duty or other) or fee, of any nature whatsoever other than those referred to in Articles 4.1.1 (B), (C), (D) and (E) above.

b.0.1 Provision for diversified investments and provision for abandonment

(A) The amount of the provision for diversified investments (the "DPI") is fixed at one percent (1%) of the value at the Fixed Price(s) of the Net Production of each Permit.

(B) All amounts provisioned for surrender after the Effective Date will be placed in an escrow account. The procedures for constituting provisions for abandonment after the Effective Date and the procedures for managing the escrow account will be set by agreement of the Parties.

(C) Amounts allocated to PID and abandonment provisions constitute recoverable Cost Oil.

b.0.2 High Price Value

The values of the High Price referred to in paragraphs 4.2.1, 4.3.1 and 4.4.1 below are those as of January 1, 2015 and will be updated quarterly by application of the inflation index of the gross domestic product of the United States of America, as published by the OECD in its monthly review on the "National Accounts" page under the references "National Income and Product – United States-Implicit Price Level".

b.0.3 Cost Stop

The Cost Stop represents the limit of recovery of the Oil Costs, except application of the Cost Oil Guarantee. Provisions for abandonment and PID are included in these limits.

b.0.4 Excess Oil

If, during a Calendar Year, the cumulative amount of the Oil Costs to be recovered is less than the Cost Stop, the Cost Oil will correspond to the share of the Net Production which, valued at the Fixed Price, allows the reimbursement of the Oil Costs to be recovered. . In this case, the difference between the Cost Oil and the part of the Net Production which, valued at the Fixed Price, corresponds to the Cost Stop is the “ **Excess Oil** ”. It is shared according to the provisions of the following articles 4.2, 4.3 and 4.4.

b.0.5 Audit Budget

The costs relating to the verification of the Contractor's books and accounting entries constitute recoverable Petroleum Costs for the Contractor, within the limit of an annual amount of one hundred thousand (100,000) Dollars per Permit.

b.0.6 Training of Congolese personnel

The annual budget allocated to the training needs expressed by Congo will be:

- seventy-five thousand (75,000) Dollars for the Tchendo II Permit;
- two hundred thousand (200,000) Dollars for the Tchibouela II Permit; and
- seventy-five thousand (75,000) Dollars for the Chibeli Litanzi II Permit.

These amounts constitute recoverable Oil Costs.

b.0.7 Retroactivity of the provisions of the CPP Addendum(s) and those of the CPP(s) that are not modified by the CPP Addendum(s).

Once the Laws have been published in the Official Journal, the Parties shall adjust in good faith, within a maximum period of three (3) months from the publication of the Laws, the terms and conditions for adjusting the sharing due to the application retroactive effect of the tax provisions of the CPP Amendment(s) and those of the CPP(s) that are not modified by the CPP Amendment(s).

b.0.8 Marketing

The Operator may ensure the marketing of their share of Liquid Hydrocarbons on behalf of the members of the Contractor Group, it being understood that this marketing will not be subject to the payment of any tax, duty or other duty.

b.0.9 Redevelopment plan

The Operator, on behalf of the Contractor Group, will present to Congo, within a reasonable time, a redevelopment plan aimed at increasing the production and recovery of the hydrocarbon reserves of the Permits. In this context, the Parties will meet to examine the proposals for adapting certain provisions of the tax framework applicable to Permits. The modifications will be subject, where appropriate, to amendments to the CPP(s).

4.2 Conditions applicable to the Tchendo II Permit

The following conditions will apply to Permission Tchendo II:

i.4.1 High Price Value

- (A) The value of the High Price is set at forty (40) Dollars per Barrel from the 1st January 2015 and until the calendar month during which the cumulative production since January 1 , 2017 reaches one million five hundred thousand Barrels (1,500,000) (the “ **First Period** ”).
- (B) At the end of the First Period, the value of the High Price is fixed at ninety (90) Dollars per Barrel for an acceleration period of six (6) years (the “ **Second Period** ”).
- (C) At the end of the Second Period and until the expiry date of the Tchendo II Permit (the “ **Third Period** ”), the value of the High Price is fixed at forty (40) Dollars per Barrel.

i.4.2 Cost Stop

The Cost Stop is equal to the product of the Net Production, expressed in Barrels, by the lower of the Fixed Price and the High Price, multiplied by fifty percent (50%).

i.4.3 Production sharing will be done in accordance with the following principles:

- (A) If the cumulative production from the Effective Date is less than or equal to fifteen million (15,000,000) Barrels:
 - (1) Profit Oil: fifty percent (50%) for Congo and fifty percent (50%) for the Contractor;
 - (2) Excess Oil: fifty percent (50%) for Congo and fifty percent (50%) for Contractor;
 - (3) Super Profit Oil: sixty-six percent (66%) for Congo and thirty-four percent (34%) for Contractor; and
- (B) If the cumulative production from

the Effective Date, is greater than fifteen million (15,000,000) Barrels, the sharing of Profit Oil, Excess Oil and Super Profit Oil will be seventy percent (70%) for Congo and thirty percent (30%) for the Contractor.

i.4.4 Cost Oil Garanti

The Guaranteed Oil Cost is equal to thirty-seven point five percent (37.5%) of the Net Production valued at the Fixed Price.

If in a Calendar Year, the cumulative amount of Oil Costs to be recovered is greater than the Cost Stop :

(A) If this cumulative amount of Oil Costs to be recovered is less than or equal to the Guaranteed Cost Oil, the Cost Oil will correspond to the part of the Net Production which, valued at the Fixed Price, allows the reimbursement of the cumulative amount of Oil Costs to be recovered . The difference between the thirty-seven point five percent (37.5%) of the Net Production and the Cost Oil does not constitute Excess Oil.

(B) If this cumulative amount of Oil Costs to be recovered is greater than the Guaranteed Cost Oil, the Cost Oil will be equal to the share of the Net Production which, valued at the Fixed Price, is equal to the higher between the Guaranteed Cost Oil and the Coststop. Unrecovered Petroleum Costs will be carried over to the following Calendar Year until the date of total recovery or until the expiry date of the CPP of the Tchendo II Permit if this occurs before.

4.3 Conditions applicable to the Tchibouela II Permit

The following conditions will apply to Tchibouela II Permit:

3.3.1 High Price Value

(A) The value of the High Price is fixed at forty (40) Dollars per Barrel as of January 1 , 2015 and until the calendar month during which the cumulative production since January 1 , 2015

January 2017 reaches ten million Barrels (10,000,000) (the " **First Period** ").

(B) At the end of the First Period, the value of the High Price is fixed at ninety (90) Dollars per Barrel for an acceleration period of six (6) years (the " **Second Period** ")).

(C) At the end of the Second Period and until the expiry date of the Tchibouela II Permit (the " **Third Period** "), the value of the High Price is set at forty (40) Dollars per Barrel.

3.3.2 Cost Stop

The Cost Stop is equal to the product of the Net Production, expressed in Barrels, by the

lower between the Fixed Price and the High Price, multiplied by fifty percent (50%) during the First Period and the Third Period and by fifty-five percent (55%) during the Second Period.

3.3.3 Production sharing will be carried out in accordance with the following principles:

(A) If the cumulative production from the Effective Date is less than or equal to twenty million (20,000,000) Barrels sharing the Profit Oil and Excess Oil will be fifty percent (50%) for Congo and fifty percent (50%) for Contractor;

(B) If the cumulative production from the Effective Date, is greater than twenty million (20,000,000) Barrels, the Profit Sharing Oil and Excess Oil will be fifty-five percent (55%) for Congo and forty-five percent (45%) for Contractor; and

(C) The sharing of the Super Profit Oil will be sixty-six percent (66%) for Congo and thirty-four percent (34%) for the Contractor regardless of the level of production.

3.3.4 Cost Oil Guarantee

The Guaranteed Oil Cost is equal to thirty-five percent (35%) of the Net Production valued at the Fixed Price.

If in a Calendar Year, the cumulative amount of Oil Costs to be recovered is greater than the Cost Stop :

(A) If this cumulative amount of Oil Costs to be recovered is less than or equal to the Guaranteed Cost Oil, the Cost Oil will correspond to the part of the Net Production which, valued at the Fixed Price, allows the reimbursement of the cumulative amount of Oil Costs to be recovered .

The difference between the thirty-five percent (35%) of the Net Production and the Cost Oil does not constitute Excess Oil.

(B) If this cumulative amount of Oil Costs to be recovered is greater than the Guaranteed Cost Oil, the Cost Oil will be equal to the share of the Net Production which, valued at the Fixed Price, is equal to the higher between the Guaranteed Cost Oil and the Cost Oil Stop. The unrecovered Petroleum Costs will be carried over to the following Calendar Year until the date of total recovery or until the expiry date of the PSC of the Tchibouéla II Permit if this occurs before.

4.4 Conditions applicable to the Tchibeli Permit Litany II

The following conditions will apply to TL II permit:

1.4.1 High Price Value

(A) The value of the High Price is fixed at forty

(40) Dollars per Barrel from January 1, 2015 until the calendar month during which the cumulative production since January 1 January 2017 reaches two million Barrels (2,000,000) (the " **First Period** ").

(B) At the end of the First Period, the value of the High Price is fixed at ninety (90) Dollars per Barrel for an acceleration period of five (5) years (the " **Second Period** ").

(C) At the end of the Second Period and until the expiry date of the TL II License (the " **Third Period** "), the value of the High Price is fixed at forty (40) Dollars per Barrel.

1.4.2 Cost Stop

The Cost Stop is equal to the product of the Net Production, expressed in Barrels, by the lower of the Fixed Price and the High Price, multiplied by fifty percent (50%).

1.4.3 Production sharing will be carried out in accordance with the following principles:

- (A) The sharing of Profit Oil and Excess Oil shall be fifty percent (50%) for the Congo and fifty percent (50%) for the Contractor regardless of the level of production; and
- (B) If the cumulative production from the Effective Date is less than or equal to fifteen million (15,000,000) Barrels, the sharing of the Super Profit Oil will be sixty-six percent (66%) for the Congo and thirty four percent (34%) for the Contractor.
- (C) If the cumulative production from the Effective Date is greater than fifteen million (15,000,000) Barrels, the sharing of the Super Profit Oil will be seventy percent (70%) for Congo and thirty percent (30%) for the Contractor.

1.4.4 Cost Oil Guarantee

The Guaranteed Oil Cost is equal to thirty-seven point five (37.5%) of the Net Production valued at the Fixed Price.

If in a Calendar Year, the cumulative amount of Oil Costs to be recovered is greater than the Cost Stop :

- (A) If this cumulative amount of Oil Costs to be recovered is less than or equal to the Guaranteed Cost Oil, the Cost Oil will correspond to the part of the Net Production which, valued at the Fixed Price, allows the reimbursement of the cumulative amount of Oil Costs to be recovered . The difference between the thirty-seven point five percent (37.5%) of the Net Production and the Cost Oil does not constitute Excess Oil.
- (B) If this cumulative amount of Oil Costs to be recovered is greater than the Guaranteed Cost Oil, the Cost Oil will be equal to the share of the Production

Net which, valued at the Fixed Price, is equal to the highest between the Guaranteed Oil Cost and the Stop Cost. Unrecovered Oil Costs will be carried forward to the following calendar year until the date of full recovery or until the expiration date of the CPC of the Tchibeli-Litanzi II Permit if it occurs earlier.

ARTICLE 5: GENERAL WARRANTIES AND VARIOUS COMMITMENTS

1.1 General Warranties

The Congo undertakes to take all necessary steps with the authorities concerned by the Projects in any capacity whatsoever and to grant all the authorizations necessary for the Projects to be implemented in accordance with the terms and conditions provided for in the Agreement. .

The Parties will keep each other informed of the progress of the Projects and of any events likely to affect the Roadmap or the deadlines referred to in Article 3 above.

1.2 Bonus

The allocation of the Permits will give rise to the payment of a bonus of twenty-five million (25,000,000) Dollars by the entities making up the Contractor (with the exception of SNPC) for the benefit of Congo. This bonus will be paid in two installments. The first installment of an amount of twelve million five hundred thousand (12,500,000) Dollars will be paid after the publication of the last of the Laws in the Official Journal and the second installment of an amount of twelve million five hundred thousand (12 500,000)

Dollars will be paid on the anniversary date of the first payment one year later. This bonus is non-recoverable and the payment will be made by PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO, each for their respective part, in proportion to their respective interests in each Permit in a bank account of the Public Treasury of the Republic of Congo .

In the event of non-payment by one of the entities making up the Contractor, the other entities shall not be liable for the unpaid share in accordance with article 7.1 below.

1.3 Social projects

In addition to the bonus stipulated in article 5.2 above, the entities making up the Contractor (with the exception of SNPC) will contribute to the realization of social projects of public interest up to five million (5,000,000) of dollars. The costs of these social projects are non-recoverable and payment will be made by PERENCO CONGO, HEMLA, KONTINENT, AOGC and PETCO in proportion to their respective interests. The projects and their implementation methods will be defined in a specific agreement which will contain adequate provisions for compliance with the anti-corruption laws applicable to the parties to the said agreement.

ARTICLE 6: LOCAL CONTENT

PERENCO CONGO, in its capacity as Operator of the Contracting Groups, will include in each work program of the Permits, a strategy for implementing the local content obligations provided for by the Petroleum Regulations. The execution of the local content obligations will be subject to periodic evaluation and approval by the management committees in the same way as the work programs and budgets.

ARTICLE 7: MISCELLANEOUS PROVISIONS**7.1 Scope of Agreement**

The rights, duties, obligations and responsibilities of the Parties hereunder shall be joint and not joint and each Party shall only be liable for its commitments as stipulated in the Agreement, which is interpreted according to the laws and regulations in force in Congo at the date of signing the Agreement.

1.2 Execution Tolerances - Waiver

The tolerances or complacency, even implicit, from which one of the Parties will have benefited for the performance of its obligations under the Agreement will not entail novation.

Unless expressly notified in writing, failure by either Party at any time to strictly enforce any of the provisions of the Agreement does not imply that such Party waives its rights.

Each Party remains at all times entitled to demand the strict application of the stipulations of the Agreement.

1.3 Termination

The Parties agree to perform the obligations under the Agreement in good faith.

In the event of non-performance by one of the Parties of one or more of its obligations under the Agreement, the creditor Party of this obligation shall have the right to terminate it automatically after sending a letter of formal notice remained unsuccessful for a period of thirty (30) days.

1.4 Applicable law and dispute resolution

The Agreement will be subject to and interpreted according to Congolese law.

All disputes relating to its interpretation or performance shall be settled exclusively by arbitration under the rules of the International Center for the Settlement of Investment Disputes ("ICSID"), by three arbitrators appointed in accordance with the Convention for the Settlement of Disputes relating to investments. The seat of arbitration shall be located in Geneva, Switzerland. The language of the arbitration will be French. The arbitration award will be final and will be enforceable by any competent court.

The arbitration procedure will only be initiated if an amicable agreement proves impossible.

The Parties hereby waive the benefit of any jurisdictional advantage.

In the event of ICSID's incompetence for any reason whatsoever to adjudicate or resolve any dispute submitted to it pursuant to this article, any dispute, controversy or claim arising out of this Agreement or relating to this Agreement or to the non-compliance with any of the provisions of this Agreement, its resolution or its invalidity, will be settled by arbitration in accordance with the ICC Arbitration Rules currently in force. In this case, all the provisions of this article, with the exception of the one referring to the jurisdiction of ICSID will be applied, *mutatis mutandis*.

1.5 Confidentialité

The subject and content of the Agreement as well as any information of a legal, financial, economic, commercial, accounting or other nature relating to the Projects and/or to a Party and disclosed by one Party to another within the framework of the Agreement and acts arising therefrom shall be deemed confidential for the purposes of this Article.

The Parties expressly acknowledge that the documents and studies exchanged between the Parties prior to the signing of the Agreement constitute confidential information.

During the term of the Agreement, the Party receiving confidential information must (i) use it only for the purposes of the Projects and for no other purpose and (ii) keep it strictly confidential, protect it and not disclose it to third parties.

Each Party receiving confidential information agrees that this confidential information may not be: (i) cited, reproduced or disclosed in whole or in part to third parties without the prior written consent of the other Party, nor (ii) used to give any Party a competitive advantage in any way in any market.

In addition, each Party is prohibited from distributing any press releases and other public announcements in relation to the Projects or the Agreement without the prior written consent of the other Parties concerned.

1.6 Entire Agreement

The Agreement and its Appendices represent the entirety of the agreements reached between the Parties concerning the conditions for carrying out the Projects. The Agreement and its Annexes will be annexed to the Amendment(s) CPP(s).

The Agreement prevails over any prior agreement having the same purpose and over any proposal, exchange of prior letters as well as over any other provision appearing in documents exchanged between the Parties and relating to the subject hereof.

1.7 Entry into force and duration

The Agreement enters into force on the date of its signature by the Parties and will end when the commitments

taken under the various articles will have been carried out.

With the exception of the provisions of articles 2.2.3, 5.2, 5.3, 7.4 and 7.5 above, the Agreement will terminate, prematurely, in the following cases:

- By written agreement of the Parties;
- In the event of termination under the conditions set out in article 7.3 above; Where
- If the last of the Laws in the Official Journal has not been published in the Official Journal within three (3) years from the signing of the Agreement.

The Agreement is drawn up in eight (8) original copies in French.

Done in Brazzaville on February 9, 2017

For the **REPUBLIC OF CONGO**

Jean-Marc THYSTERE-TCHICAYA

Minister of Hydrocarbons

Calixte NGANONGO

Minister of Finance, Budget

and the Public Portfolio

For the **SNPC**

Jerome Koko

Chief Executive Officer, Chairman of the Management Board

For **PERENCO CONGO**

Louis HANNECART

General manager

For **HEMLA E&P CONGO**

Eyas AA ALHOMOUZ RANDA

General manager

For **CONGO CONGO**

Yaya MOUSSA

General manager

For **AFRICA OIL & GAS CORPORATION**

Pierre Narcisse LOUFOUA

General manager

For **PETRO CONGO**

Meddy Esperance LIPIKA EDRE

General manager

ANNEX 1

PRESENTATION OF THE WORK PROGRAM OF THE "TCHENDO" OIL FIELD AND TCHENDO II PERMIT CARD

1. Introduction

- 1.1 The Contractor proposes, within the framework of the PSC Amendment, to carry out a Work Program relating to the oil field relating to the Permit according to the development activities described in paragraph 2.2 below.
- 1.2 These development activities will enable the Contractor to develop the hydrocarbon reserves present within the perimeter of the Permit.
- 1.3 It should be specified, for all intents and purposes, that the development activities referred to below are indicative projections estimated on the basis of the documents of the Call for Tenders. They are therefore likely to be revised by the Contractor according to the evolution of technical, economic or financial criteria. financial resources so as to allow satisfactory implementation of the Valuation Project. It is recalled that the development activities of the Tchendo II Permit must ultimately be unanimously approved by the Contractor Group before their validation by the Management Committee as provided for in the CPP.

2. DEVELOPMENT OF THE OIL FIELD ACTION

2.1 History and characteristics of the Tchendo oil field

The "Tchendo" oil field has been in operation since 1991. Production from the Tchendo oil field is ensured through a production platform (TCFP) and a network of maritime connection lines and the export of hydrocarbons produced to the Djéno terminal. via the "Tchibouela" oil field.

Despite the commissioning started in the early 1990s, Contractor noted that the Tchendo oil field retained significant development potential due to the existence of hydrocarbon reserves that could still be subject to a profitable economic exploitation and making it possible to increase the ratio of recovery of the initial reserves in hydrocarbons.

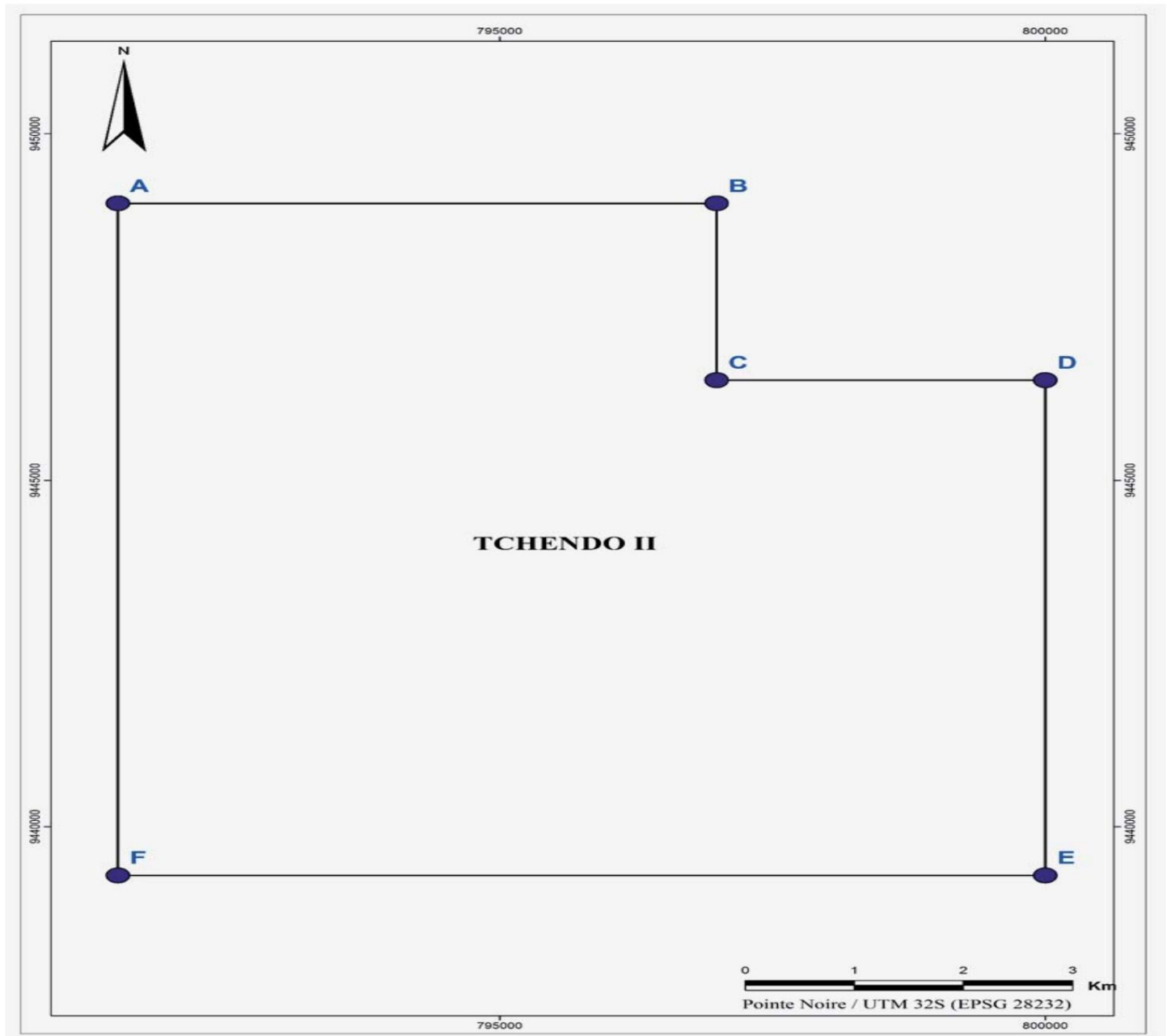
2.2 Description of the Tchendo Oil Field Work Program

To enable the development of the Tchendo oil field, the following activities are planned, for information only:

- (i) Maintenance and integrity work on existing facilities (including reported emergency work), necessary for continued operation. Underwater maintenance campaign to reinforce the *Conductor Pipes* of the TCFP platform;
- (ii) Review of logs and re-perforation campaign of non-produced areas on existing wells; isolation of the main areas with high water saturation and review of activation modes to favor submersible pumps (ESP);
- (iii) rehabilitation of water injection equipment; increase in flow and reliability of the injection quality.

3. COORDINATES and MAP of the Tchendo II Permit

PEX	Point	Is M)	Nord (m)	Latitude	Length Area (Km²)
TCHENDO II	A	791500,00 9449000,00 04° 58' 48"	791500,00 9449000,00 04° 58' 48"	530" S 11° 37' 42.728" E	74,8
	B	796986,00 9449000,00 04° 58' 47"	796986,00 9449000,00 04° 58' 47"	812" S 11° 40' 40.685" E	
	C	796986,00 9446448,00 05° 00' 10"	796986,00 9446448,00 05° 00' 10"	841" S 11° 40' 41.022" E	
	D	800000,00 9446448,00 05° 00' 10"	800000,00 9446448,00 05° 00' 10"	439" S 11° 42' 18.792" E	
	E	800000,00 9439300,00 05° 04' 02"	800000,00 9439300,00 05° 04' 02"	994" S 11° 42' 19.753" E	
	F	791500,00 9439300,00 05° 04' 04"	791500,00 9439300,00 05° 04' 04"	132" S 11° 37' 43.993" E	



APPENDIX 2**PRESENTATION OF THE FIELD WORKS PROGRAM
"TCHIBOUELA" OIL TANK AND TCHIBOUELA II PERMIT MAP****1. Introduction**

1.1 The Contractor proposes, within the framework of the CPP Amendment, to carry out a Work Program relating to the oil field relating to the Permit according to the development activities described in paragraph 2.2 below.

1.2 These development activities will enable the Contractor to develop the hydrocarbon reserves present within the perimeter of the Permit.

1.3 It should be specified, for all intents and purposes, that the development activities referred to below are indicative projections estimated on the basis of the documents of the Call for Tenders. They are therefore likely to be revised by the Contractor according to the evolution of technical, economic or financial criteria so as to allow a satisfactory implementation of the Work Program. It is recalled that the development activities of the Tchibouela II Permit must ultimately be unanimously approved by the Contractor Group before their validation by the Management Committee as provided for in the CPP.

2. Valuation of the TCHIBOUELA OIL FIELD**2.1 History and characteristics of the Tchibouela oil field**

The "Tchibouela" oil field has been in operation since 1987. Production is ensured through three drilling platforms (TAF1, TAF2 and TAFE), two production platforms (TAP and TAFP) and a network of maritime connection lines and export of hydrocarbons produced to the Djéno terminal.

Despite the commissioning started in the early 1990s, the Contractor noted that the Tchibouela oil field retained significant development potential due to the existence of hydrocarbon reserves that could still be subject to Profitable economic exploitation and making it possible to increase the recovery ratio of the initial hydrocarbon reserves.

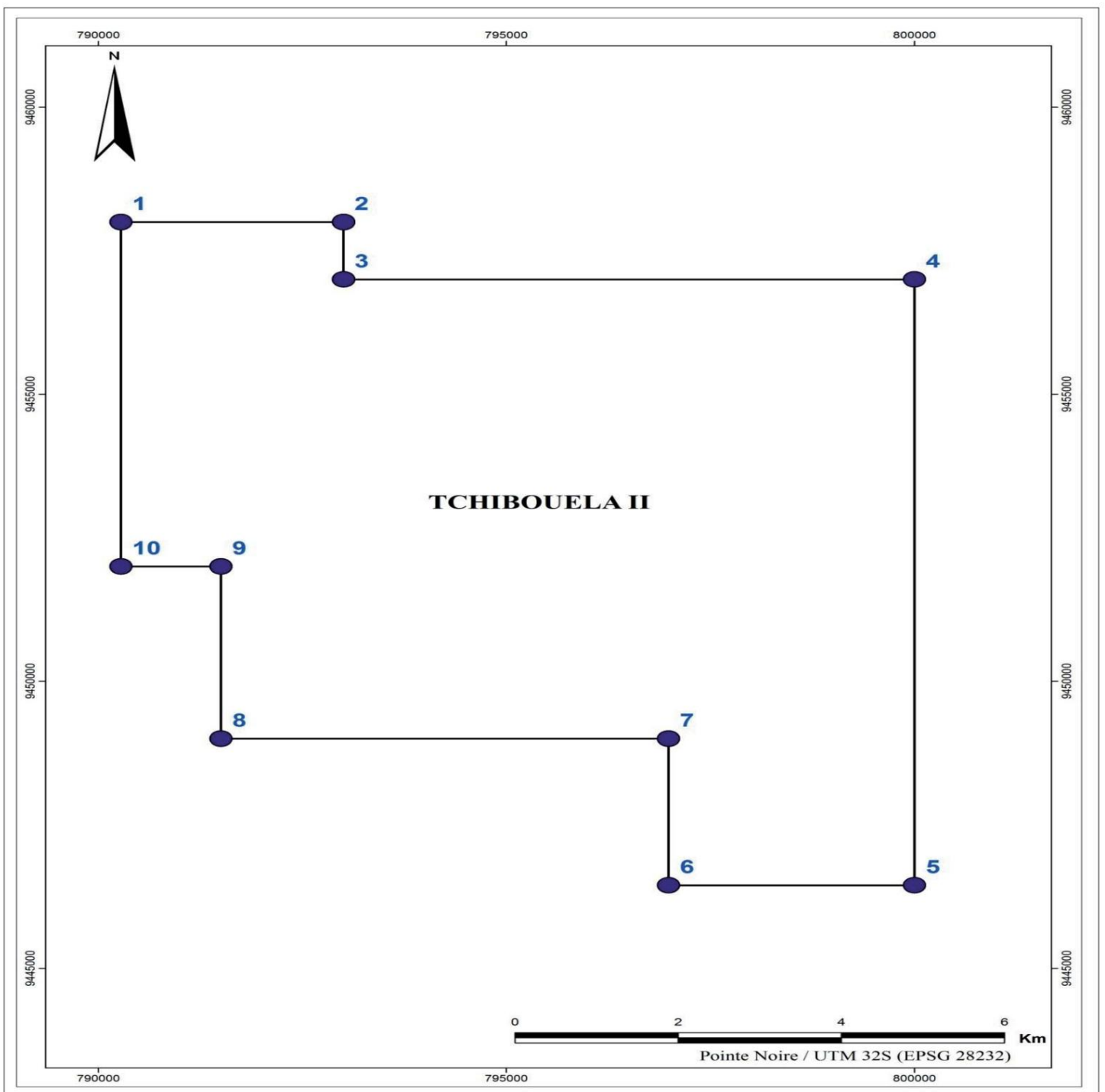
2.2 Description of the Tchibouela Oil Field Works Program

To enable the development of the Tchibouela oil field, indicative activities are planned following:

- (i) Maintenance and renovation work on existing facilities, necessary for continued operation. Replacement of PLCs and the platform supervision system (reliability and safety);
- (ii) Additional perforations, *water shut-off*, acidification, ESP reactivation of existing and closed wells (Tchibouela Main Turonian reservoir);
- (iii) Restart of the TAFE platform, unclogging and implementation of a maintenance program on the export line, restart / upgrade of the TAFE injection system.

4. COORDINATES AND Map of the Tchibouela II Permit

PEX	Point	East (m)	North (m)	Latitude	Longitude	Surface (km ²)
TCHIBOUELA II	1	790275,00	9458000,00	04° 53' 55.858" S	11° 37' 01.840" E	84,5
	2	793000,00	9458000,00	04° 53' 55.510" S	11° 38' 30.225" E	
	3	793000,00	9457000,00	04° 54' 28.046" S	11° 38' 30.354" E	
	4	800000,00	9457000,00	04° 54' 27.137" S	11° 42' 17.395" E	
	5	800000,00	9446448,00	05° 00' 10.439" S	11° 42' 18.792" E	
	6	796986,00	9446448,00	05° 00' 10.841" S	11° 40' 41.022" E	
	7	796986,00	9449000,00	04° 58' 47.812" S	11° 40' 40.685" E	
	8	791500,00	9449000,00	04° 58' 48.530" S	11° 37' 42.728" E	
	9	791500,00	9452000,00	04° 57' 10.921" S	11° 37' 42.341" E	
	10	790275,00	9452000,00	04° 57' 11.078" S	11° 37' 02.604" E	



APPENDIX 3**PRESENTATION OF THE FIELD WORK PROGRAM
TCHIBELI-LITANZI OILS AND TCHIBELI-LITANZI II PERMIT MAP II****1. Introduction**

- 4.1 The Contractor proposes, within the framework of the CPP Amendment, to carry out a Work Program relating to the oil field relating to the Permit according to the development activities described in paragraph 2.2.
- 4.2 These development activities will enable the Contractor to develop the hydrocarbon reserves present within the perimeter of the Permit.
- 4.3 It should be specified, for all intents and purposes, that the development activities referred to below are indicative projections estimated on the basis of the documents of the Call for Tenders. They are therefore likely to be revised by the Contractor according to the evolution of technical, economic or financial criteria so as to allow a satisfactory implementation of the Work Program. It is recalled that the development activities of the Tchibeli-Litanzi II Permit must ultimately be unanimously approved by the Contractor Group before their validation by the Management Committee as provided for in the CPP.

5. Valuation of TCHIBELI-LITANZI OIL FIELDS

- 5.1 **History and characteristics of the Tchibeli-Litanzi oil fields** The Tchibeli-Litanzi oil fields have been in operation since 2000 and 2006, respectively. Production is ensured for Litanzi through the TCFP production platform and for Tchibeli through the TBIF1 drilling platform (via an export to Nkossa) and a network of maritime connection lines and the export of hydrocarbons produced to the Djéno terminal .

The Contractor noted that the Tchibeli-Litanzi oil fields retained significant development potential due to the existence of hydrocarbon reserves that can still be economically exploited profitably and allow an increase in the recovery ratio of reserves. hydrocarbon initials.

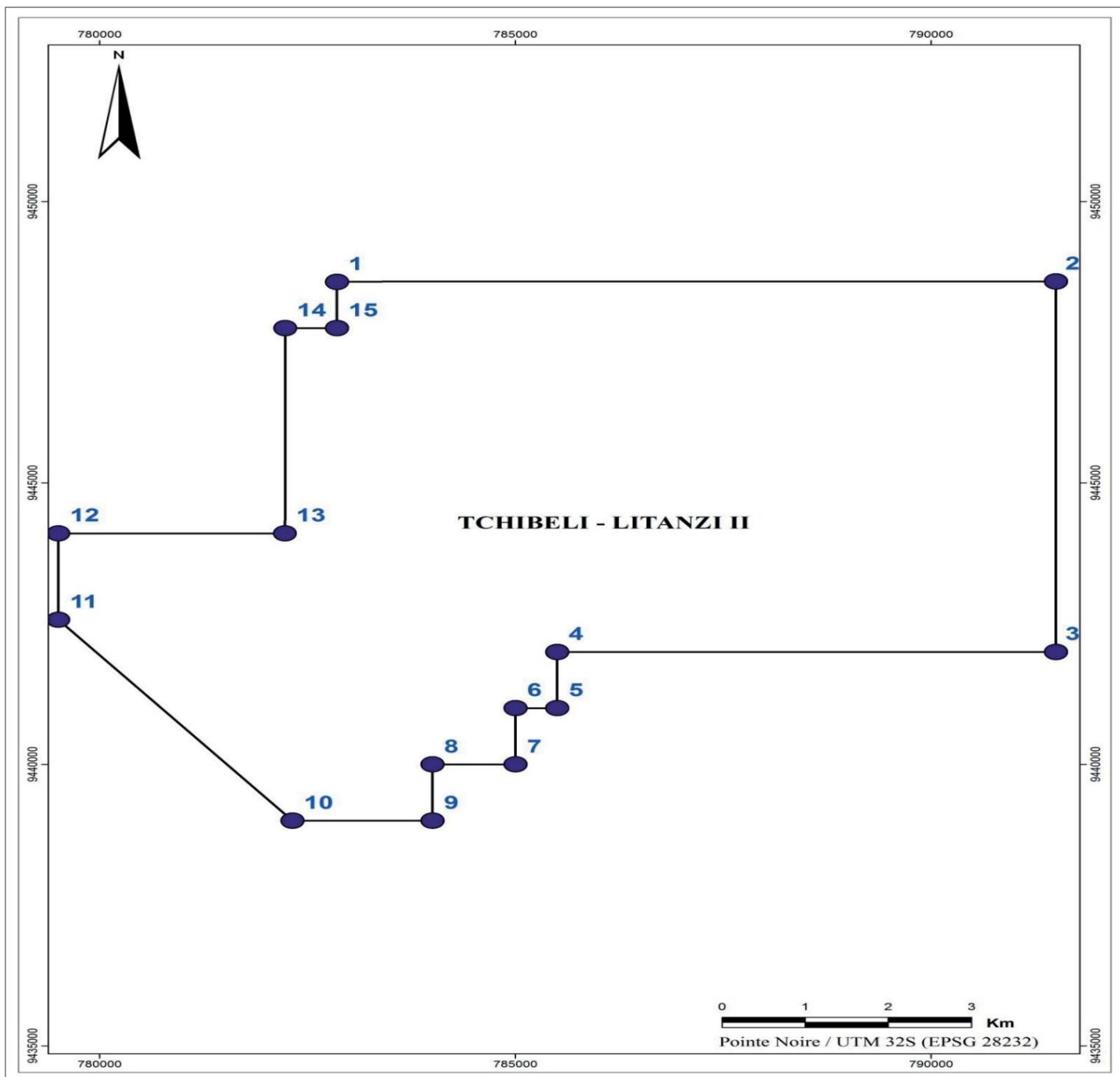
5.2 Description of the Works Program of the Tchibeli-Litanzi oil fields

To enable the development of the Tchibeli-Litanzi oil fields, the following are provided, for information purposes, following activities:

- (i) Maintenance and renovation work on existing installations, necessary for continued operation. Installation of a new automaton allowing the supervision of Tchibeli from the Tchibouela complex (improvement of safety and reliability of production);
- (ii) Separation of H₂S gas on the Tchibeli platform to reduce transport-related constraints and dispatch to neighboring facilities (improvement of safety and production reliability);
- (iv) Additional perforations, water *shut-off*, acidification, ESP reactivation of existing wells and closed.

6. COORDINATES AND MAP OF THE TCHIBELI-LITANZI II PERMIT

PEX	Point	East (M)	North (M)	Latitude	Longitude	Surface (Km²)
TCHIBELI - LITANZI II	1	782850.00	9449000.00	04° 58' 49.635" S 11° 33' 02.121" E		80,8
	2	791500.00	9449000.00	04° 58' 48.530" S 11° 37' 42.728" E		
	3	791500.00	9442000.00	05° 02' 36.284" S 11° 37' 43.638" E		
	4	785500.00	9442000.00	05° 02' 37.064" S 11° 34' 28.981" E		
	5	785500.00	9441000.00	05° 03' 09.601" S 11° 34' 29.109" E		
	6	785000.00	9441000.00	05° 03' 09.666" S 11° 34' 12.887" E		
	7	785000.00	9440000.00	05° 03' 42.203" S 11° 34' 13.016" E		
	8	784000.00	9440000.00	05° 03' 42.332" S 11° 33' 40.571" E		
	9	784000.00	9439000.00	05° 04' 14.870" S 11° 33' 40.699" E		
	10	782314.00	9439000.00	05° 04' 15.086" S 11° 32' 45.996" E		
	11	779500.00	9442570.00	05° 02' 19.280" S 11° 31' 14.244" E		
	12	779500.00	9444100.00	05° 01' 29.495" S 11° 31' 14.052" E		
	13	782225.00	9444100.00	05° 01' 29.152" S 11° 32' 42.461" E		
	14	782225.00	9447750.00	04° 59' 30.386" S 11° 32' 42.002" E		
	15	782850.00	9447750.00	04° 59' 30.308" S 11° 33' 02.278" E		

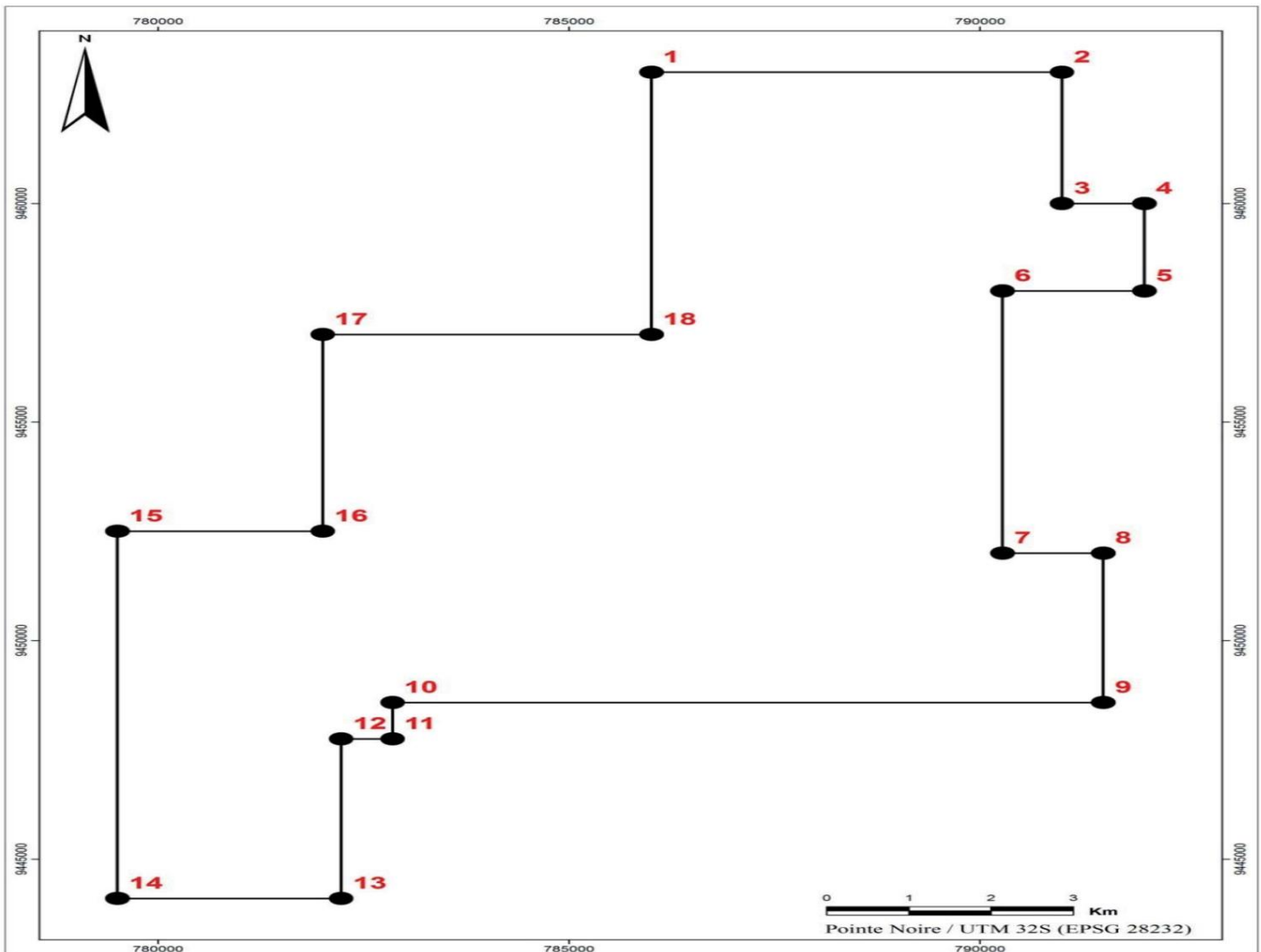


APPENDIX 4

CONTACT DETAILS AND MAPS OF THE PNGF BIS RESEARCH PERMIT
FROM ZONES RETURNED FROM FORMER PERMITS TCHENDO, TCHIBOUELA,
TCHIBELI-LITANZI-LOUSSIMA

Points	East (m)	North (m)	Latitude	Length Area (Km ²)
1	786 000,00	9 463 000,00	04° 51' 13.00" S	1° 34' 42.00" E
2	791 000,00	9 463 000,00	04° 51' 13.00" S	1° 37' 24.00" E
3	791 000,00	9 460 000,00	04° 52' 50.00" S	1° 37' 25.00" E
4	792 000,00	9 460 000,00	04° 52' 50.00" S	11° 37' 57.00" E
5	792 000,00	9 458 000,00	04° 53' 39.00" S	1° 37' 57.00" E
6	790 275,00	9 458 000,00	04° 53' 55.86" S	1° 37' 01.84" E
7	790 275,00	9 452 000,00	04° 57' 11.08" S	1° 37' 02.60" E
8	791 500,00	9 452 000,00	04° 57' 10.92" S	1° 37' 42.34" E
9	791 500,00	9 449 000,00	04° 58' 48.53" S	1° 37' 42.73" E
10	782 850,00	9 449 000,00	04° 58' 49.64" S	11° 33' 02.12" E
11	782 850,00	9 447 750,00	04° 59' 30.31" S	11° 33' 02.28" E
12	782 225,00	9 447 750,00	04° 59' 30.38" S	11° 32' 42.00" E
13	782 225,00	9 444 100,00	05° 01' 29.15" S	11° 32' 42.46" E
14	779 500,00	9 444 100,00	05° 01' 29.49" S	11° 31' 14.05" E
15	779 500,00	9 452 500,00	04° 56' 56.17" S	11° 31' 13.01" E
16	782 000,00	9 452 500,00	04° 56' 55.85" S	11° 32' 34.11" E
17	782 000,00	9 457 000,00	04° 54' 29.43" S	11° 32' 33.55" E
18	786 000,00	9 457 000,00	04° 54' 28.94" S	11° 34' 43.30" E

127,7



APPENDIX 5

Installations aff

Block	Field	Facility Short Name	Category	Type
ACTION	TCHENDO MARINE	10inch OIL TCFP / TAT OFFSHORE		Subsea rigid pipeline
ACTION	TCHENDO MARINE	10inch WATER TAT / TCFP	OFFSHORE	Subsea rigid pipeline
ACTION	TCHENDO MARINE	3*120 ELEC CABLE TCFP / LAFP	OFFSHORE	Subsea electrical cable
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-01	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-02	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-03	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-04	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-05	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-08	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	3inch WATER TCFP / TCDMI-09	OFFSHORE	Subsea fl exible pipeline
ACTION	TCHENDO MARINE	ELEC CABLE TAP / TCFP OFFSHORE		Subsea electrical cable
ACTION	TCHENDO MARINE	TCFP PLATFORM	OFFSHORE	Platform withwell
TCHIBOUELA TCHIBOUELA		10.5inch OIL TAF2/TAT (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		10inch OIL TAP / DOUKDAKA	OFFSHORE	Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		10inch OIL TAT / DOUKDAKA	OFFSHORE	Subsea rigid pipeline
TCHIBOUELA TCHIBOUELA		4inch GAS TAT / TAF2 (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		6inch WATER TAT / TAF2 (F)	OFFSHORE	Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		8inch GAS TAT / YAFP OFFSHORE		Subsea rigid pipeline
TCHIBOUELA TCHIBOUELA		8inch OIL TAF2 / TAT (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		8inch OIL TAFE / TAP (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		8inch OIL TAFP / TAT (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		ELEC CABLE TAFP / TAFE	OFFSHORE	Subsea electrical cable
TCHIBOUELA TCHIBOUELA		ELEC CABLE TAT / TAF2 OFFSHORE		Subsea electrical cable
TCHIBOUELA TCHIBOUELA		ELEC CABLE TAT / TAFP OFFSHORE		Subsea electrical cable
TCHIBOUELA TCHIBOUELA		S77 - 4" TAF2 / TAFP (F) OFFSHORE		Subsea fl exible pipeline
TCHIBOUELA TCHIBOUELA		TAF1 PLATFORM	OFFSHORE	Platform withwell
TCHIBOUELA TCHIBOUELA		TAF2 PLATFORM	OFFSHORE	Platform withwell
TCHIBOUELA TCHIBOUELA		TAFE PLATFORM	OFFSHORE	Platform withwell
TCHIBOUELA TCHIBOUELA		TAFP PLATFORM	OFFSHORE	Platform withwell
TCHIBOUELA TCHIBOUELA		TAP PLATFORM	OFFSHORE	Platform
TCHIBOUELA TCHIBOUELA		TAT BRIDGES (2)	OFFSHORE	Offshore bridge
TCHIBOUELA TCHIBOUELA		TAT PLATFORM	OFFSHORE	Flare platform
TLL	TCHIBELI	10/12inch OIL TBIF1 / NKF2	OFFSHORE	Subsea rigid pipeline
TLL	TCHIBELI	10inch WATER TCFP / TBIF1	OFFSHORE	Subsea rigid pipeline
TLL	TCHIBELI	ELEC CABLE TCFP / TBIF1	OFFSHORE	Subsea electrical cable
TLL	TCHIBELI	TBIF1 PLATFORM	OFFSHORE	Platform withwell

Block	Field	Wells	Name of location	Nature
TCHENDO PNGF	ACTION	TCDM 101	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 102	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 104	TCF 1	Water Injector
TCHENDO PNGF	ACTION	TCDM 105	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 108	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 110	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 111	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 112	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 113	TCF 1	Permanently plugged and abandoned
TCHENDO PNGF	ACTION	TCDM 114	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 115	TCF 1	Permanently plugged and abandoned
TCHENDO PNGF	ACTION	TCDM 116	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 117	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 118	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 119	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 120	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 121	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 122	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 123	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 124	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 125	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 126	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 127	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 128	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 129	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 130	TCF 1	Oil Producer
TCHENDO PNGF	ACTION	TCDM 131	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 132	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM 133	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM I01	TCF 1	Permanently plugged and abandoned
TCHENDO PNGF	ACTION	TCDM I02	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM I03	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM I04	TCF 1	Water Injector
TCHENDO PNGF	ACTION	TCDM I05	TCF 1	Permanently plugged and abandoned
TCHENDO PNGF	ACTION	TCDM I08	TCF 1	Temporary Plugged And Abandoned
TCHENDO PNGF	ACTION	TCDM I09	TCF 1	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA	TBM 101	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 102	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 103	KNOW 1	Appraisal
TCHIBOUELA PNGF	TCHIBOUELA	TBM 105	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 106	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 107	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 108	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 109	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 110Z	KNOW 1	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA	TBM 111Z	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 112	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 113Z	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 114	KNOW 1	Oil Producer

TCHIBOUELA PNGF	TCHIBOUELA	TBM 115Z	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 116	KNOW 1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 201	KNOW 2	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA	TBM 202	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 203	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 204	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 205	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 206	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 207	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 208	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 209	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 210	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 211	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 212	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 213	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 214	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 215	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM 216	KNOW 2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM117	TAF1	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM118	TAF1	Water Injector
TCHIBOUELA PNGF	TCHIBOUELA	TBM204	TAF2	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM301	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM302	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM303	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM304	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM305	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM306	TAF P	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA	TBM307	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA	TBM308	TAF P	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 101		TAFE	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 102		TAFE	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 103		TAFE	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 104		TAFE	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 105		TAFE	Oil Producer
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 106		TAFE	Temporary Plugged And Abandoned
TCHIBOUELA PNGF	TCHIBOUELA EST TBEM 107		TAFE	Oil Producer
TLL	LITANCES	LTZM1-01.T1	LTZM1-01. T1	Oil Producer
TLL	LITANCES	LTZM1-02	LTZM1-02. G1	Water Injector
TLL	TCHIBELI	TCHM1-01	TBIF 1	Oil Producer
TLL	TCHIBELI	TCHM1-02	TBIF 1	Oil Producer
TLL	TCHIBELI	TCHM1-03	TBIF 1	Oil Producer
TLL	TCHIBELI	TCHM1-07	TBIF 1	Water Injector
TLL	TCHIBELI	TCHM1-08	TBIF 1	Water Injector
TLL	TCHIBELI	TCHM1-10	TBIF 1	Water Injector

APPENDIX 6

Customs regime

1. CUSTOMS REGIME ON IMPORT

The Contractor benefits from the following customs advantages:

A - Full deductible admission

Materials, materials, products, machines, equipment and tools necessary for the Petroleum Works and actually assigned to the Petroleum Works, subject to the provisions of the Petroleum Regulations, are admitted free of all import duties and taxes. This exemption applies to imports carried out by the Operator on behalf of the Contractor, by third parties on its behalf and by its subcontractors.

The franchise regime applies to assemblies, sub-assemblies, their spare parts, the following products and consumables:

A1) Drilling and boring equipment

- ÿ Specific substructures and equipment for drilling rigs, boats and barges;
- ÿ Floor equipment;
- ÿ Equipment for the manufacture and treatment of drilling muds and cements;
- ÿ Products used in the manufacture of sludge and drilling cements and packaging for these products;
- ÿ Drill winches;
- ÿ Anti-eruption and fight against equipment the fire, in particular the extinguishers of all capacity;
- ÿ Well casing and casing, column cladding and cementing equipment;
- ÿ Measuring equipment;
- ÿ Wellheads and equipment;
- ÿ Surface equipment;
- ÿ Well testing equipment.

A2) Materials and production equipment

- ÿ Materials and chemicals for the treatment of crude oil and waste water;
- ÿ Storage and shipping materials;
- ÿ Off & on-shore construction materials on production sites, including offices;
- ÿ Technical data processing equipment;
- ÿ Surface materials:
 - Maintenance tools;
 - Electrical materials and equipment including cables;
 - Production laboratory equipment;
 - Materials and equipment for telecommunications on petroleum exploration, production, processing and storage sites;
 - Air conditioning devices and equipment for premises on oil exploration, production, processing and storage sites;
 - Materials and equipment for radio guidance and microwave links;

- Industrial coatings, specific paints for the maintenance of oil platforms and equipment;

Safety equipment:

- Fire groups and extinguishers of any capacity;
- PPE: shoes, helmets and life jackets, personal protective equipment;
- Detection equipment and other safety and evacuation equipment (lifeboats, life rafts, etc.);

ÿ Laboratory materials;

ÿ Background materials;

ÿ Well casing, production wellheads, chokes, *manifold*, *pig* station and pigs;

ÿ Production contract materials;

ÿ Jackets, submerged and floating structures, including FPU, TLP and others;

ÿ Logistics equipment:

- Navigation and mooring equipment;
- Submarine cables and hoses and repair accessories, materials and consumables;
- Spare parts for commercial vehicles and service vehicles.

A3) Other materials and products

ÿ "Catering" intended for drilling rigs, boats and barges and for work barges, base camp barges, oil exploration, production, processing and storage sites;

ÿ Lubricants intended for the maintenance and operation of machinery used in the research, exploitation, storage and transport of hydrocarbons;

ÿ Fuels, including diesel in particular, intended for the operation of machines used for research, exploitation, storage, transport of hydrocarbons, *supply boats*

exclusively intended for the transport of equipment and personnel;

ÿ Computers and calculators of all types, their accessories (software, printers, readers, floppy disk drives, hard disks, plotters, modems, screens, cables and sockets, networks and connection equipment, backup equipment, inverters and air conditioners) and supports storage (floppy disks, external disks, USB keys, etc.);

ÿ Audiovisual equipment, materials and accessories intended for training;

ÿ Hospital materials and equipment, medicines.

This list is not exhaustive. It is advisable to reserve the possibility of updating it periodically, in the same spirit, to take into account in particular the evolution of techniques and the marketing of new materials.

(B) Normal temporary admission with deposit waiver

Are imported under the normal temporary admission regime, by the Operator on behalf of the

Contractor, by third parties on its behalf and by its subcontractors, all equipment, materials, products, machines, equipment and tools, necessary for the Petroleum Works and provided that these goods are intended, and actually assigned to the Petroleum Works, and provided that they are to be re-exported at the end of their use. If such property is lost or discarded, Operator shall provide an affidavit to that effect, and no duty or tax shall be levied.

If for operational reasons such goods are required to remain in Congo, a reclassification as definitive import (IM4) is possible free of duties and taxes, subject to justification by the Operator.

The list of goods imported for temporary admission under the Contract with waiver of deposit is as follows:

- Rigs, boats and drilling barges;
- Work barges, life base barge, delivery boats, launches of all tonnage, liaison craft and rescue boats;
- Aircraft;
- Commercial and service motor vehicles owned by the Operator (service vehicles for personnel, transport of personnel, transport and handling of materials);
- More generally, all equipment temporarily imported by the Operator as part of its hydrocarbon research, exploitation, storage and transport activities.

(C) Admission at reduced rate

Under the same conditions as above, the following equipment is admitted at the overall rate reduced to 5% of the duties and taxes payable on importation:

- Work clothes (overalls, oilskins, boots, gloves) ;
- Large format printing paper in the form of a roll and computer paper.
- On-shore construction materials, outside the production and/or storage sites, including for the construction of offices for the Operator's use.

(D) Admission to Common Law

The entities making up the Contractor will pay the customs duties and taxes under the common law regime applicable to the following imported goods:

- All materials, equipment, spare parts and accessories intended for the accommodation of the Operator's staff;
- Food and beverages other than those specified in paragraph A3;
- Materials, equipment and office supplies other than those specified in paragraph A3.

2. CUSTOMS EXPORT REGIME

The Contractor is exempt from all export taxes for Hydrocarbons, materials,

accessories and spare parts being repaired, samples of crude, oil, chemical products, cores, samples and geological samples, equipment under warranty falling within the scope of research, exploitation, storage and transportation of Contractor's Hydrocarbons.

3. CUSTOMS REGIME APPLICABLE TO THE OPERATOR'S SUBCONTRACTORS

Subject to compliance with their customs obligations, the Operator's subcontractors, and third-party importers on its behalf, subject to producing a certificate issued by the Operator and approved by the Customs Administration, benefit import and export regimes defined above.

Decree No. 2017-37 of March 25, 2017 granting the National Petroleum Company of Congo a license to exploit liquid or gaseous hydrocarbons called " *Tchendo II* "

The president of the Republic,

Having regard to the Constitution;

Having regard to Law No. 28-2016 of October 12, 2016 on the Hydrocarbons Code;

Having regard to Law No. 1-98 of April 23, 1998 establishing the National Petroleum Company of Congo;

Having regard to Decree No. 2008-15 of February 11, 2008 setting the procedure for awarding mining titles for liquid or gaseous hydrocarbons;

Having regard to Decree No. 2010-595 of August 21, 2010 approving the statutes of the National Petroleum Company of Congo;

Having regard to Decree No. 2016-117 of April 23, 2016 appointing the Prime Minister, Head of Government;

Having regard to decree no. 2016-168 of April 30, 2016 appointing members of the Government;

In the Council of Ministers,

Decrees:

Article 1: As of January 1, 2015, the Société Nationale des Pétroles du Congo is granted an exploitation permit called " *Tchendo II* ", valid for liquid or gaseous hydrocarbons, for a period of twenty-two (22) years, renewable once for a period of five (5) years.

Article 2.- The area of the " *Tchendo II* " exploitation permit is equal to 74.76 km², included within the perimeter defined by the map and the geographical coordinates contained in appendix 1 of this decree. .

Article 3.- The National Petroleum Company of Congo is authorized to associate with other companies with a view to continuing to exploit the Tchendo field.

Article 4.- The associates of the national oil company of Congo will pay the Congolese State an allocation bonus according to the conditions defined in the agreements concluded with the Republic of Congo. This bonus is a non-recoverable cost.

Article 5.- The provisions of this decree shall enter into force on the date of publication in the Official Journal of the Republic of Congo of the law approving the production sharing contract relating to the Tchendo II exploitation permit.

Article 6.- The Minister in charge of Hydrocarbons and the Minister in charge of Finance, Budget and Public Portfolio are responsible for the execution of this decree, which will be registered and published in the Official Journal of the Republic of Congo.

Done in Brazzaville, March 25, 2017

By the President of the Republic,

Denis SASSOU-N'GUESSO

The Prime Minister, Head of Government,

Clement MOUAMBA

The Minister of Finance, Budget
and the public portfolio,

Calixte NGANONGO

The Minister of Hydrocarbons,

Jean-Marc THYSTERE TCHICAYA

