

**PRODUCTION SHARING AGREEMENT BETWEEN
THE DEMOCRATIC REPUBLIC OF CONGO
AND**

**THE ASSOCIATION “DOMINION PETROLEUM CONGO & SOCO EXPLORATION - PRODUCTION RDC
& LA CONGOLAISE DES HYDROCARBURES”**

IN BLOC V IN THE ALBERTINE GRABEN

November 2007

(Extract, unofficial translation by Global Witness)

Article 8 – Exploration Permits – Minimal Works Programme – Budgets – Audits

8.1 The Exploration Permit will be granted to the Contractor by the State for an initial exploration period of five (5) years, following the materialisation of the ZERE (Exploration Zone) by the concerned state services and the Contractor assuming the works, starting from the effective date of the Contract.

8.2 Minimal Works Programme

During the initial exploration period, as defined in article 1.26, the Contractor will carry out – or will delegate to the Operator in the Exploration Zone – the hydrocarbon-related works indicated in the programme (below), divided into 5 sub-periods. For the initial exploration period the Contractor undertakes to carry out the following minimal hydrocarbon works programme, for a total minimum sum of expenses equivalent to twenty-five million US dollars (USD 25,000,000).

However, the distribution of this overall sum over the five sub-periods is made on an indicative basis only, and will be subject to supervision by the Operations Committee.

The first period for the Exploration Zone begins on the effective date [of the contract] and ends in five years at the latest.

First sub-period

- Collection of relevant geological and geophysical data, including the gravimetric and magnetometric soil surveys
- Geological studies of the terrain to evaluate the bedrock and potential reservoirs of anti-rift and synrift sequences
- Geochemical analyses of oil seepage samples
- Pilot biostrata surveys
- Environmental impact studies prior to the preparation of a seismic survey

At the end of this period, a number of “leads” will be determined, which will be the result of the acquisition and interpretation of the seismic data that could become drilling prospects.

The estimated total cost of the works in the first sub-period is one million US dollars (USD 1,000,000).

Second sub-period

- Acquisition of airborne gravity and magnetometric data (1,700 kilometres)
- Incorporation of the airborne gravity data into the data gained on the ground and interpretation of the results with a view to recommending seismic surveys
- First Regional Seismic acquisition phase (250 kilometres).

At the end of the period of acquisition of seismic data and the interpretation of complete data, a more precise position will be determined through the drilling of the first exploration well.

The first seismic data acquisition phase may be postponed to the third sub-period if all the environmental permits have not been granted, regardless of who the operator is.

If the Contractor considers that the data obtained in the second sub-period are sufficient, he may directly proceed with the seismic survey without any penalisation, and without doing the airborne gravity survey and the collection of magnetometric data.

The total estimated cost of the works in the second sub-period is seven million US dollars (USD 7,000,000).

Third sub-period

- Treatment and interpretation of the first phase of seismic data acquisition
- Programme for the second phase of seismic data acquisition, if the interpretation indicates that a further acquisition of data is necessary to define the drilling points
- Second phase of seismic data acquisition (50 kilometres)
- Environmental impact study for the preparation of the drilling of the first exploration well.

The total estimated cost of the works in the third sub-period is two million US dollars (USD 2,000,000).

Fourth sub-period

- Treatment and interpretation of the first phase of seismic data acquisition
- Drilling of the first exploration well
- Environmental impact study for the preparation of the drilling of the second exploration well.

The second exploration well may be put back to the fifth sub-period if all the environmental permits have not been granted, regardless of who the operator is.

The total estimated cost of the work in the fourth sub-period is eight million US dollars (USD 8,000,000).

Fifth sub-period

- Drilling of the second exploration well

The total estimated cost of the work in the fifth sub-period is seven million US dollars (USD 7,000,000).

At the end of each sub-period, a technical evaluation will be presented to the Operations Committee to assess the level of performance of the envisaged works for said exploration sub-period.

At the end of this initial five-year period, or, in case of a necessary extension consistent with the provisions of article 8.9, the Contractor will notify the State of its choice to:

- a) abandon the entire Exploration Zone, in which case the Exploration Permit will expire automatically, and the Contractor will no longer have any obligation to execute the works described in the Contract, or
- b) request a renewal of the Contract in accordance with article 8.5 below.