OIL EXPLORATION LICENCE

THIS DEED made the 13th day of January, 1971, between the President and Commander-in-Chief of Guyana and OXOCO (GUYANA) Ltd. (hereinafter referred to as the "Licensee") of the other part.

WHEREAS the Licensee in accordance with the conditions laid down in the Regulations for the time being in force for the granting of oil exploration licences has applied to the President for an oil exploration licence in respect of the lands specified in the Annex marked "A" hereunder (hereinafter referred to as "the said lands") and has entered into a Bond in the form set out in the Annex marked "B" hereunder with the Commissioner in the sum of conditioned for the due and faithful carrying out of the provisions contained in this Deed:

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of the sum of Two thousand, six hundred dollars, which has before the execution hereof been paid by the Licensee to the Commissioner on behalf of the President, the sole right and licence is hereby granted by the President to the Licensee, for the term of one year from the date hereof, subject to the rights of any holder of any right, title or interest, in or over the said lands or any part thereof and subject to the restrictions, conditions, and provisions, hereinafter contained, to explore and search the surface of the lands described in the Annex marked "A" hereunder for petroleum, and for that purpose to make geological and geophysical and topographic examinations on the ground.

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and from the air, and to dig and turn up the surface
of the said lands to the extent necessary for
efficient exploration and drill geological information
boreholes which shall not except with the consent of
the Commissioner exceed a depth of five hundred feet.
Reserving nevertheless to the President full power
and liberty at all times to enter into and upon
and to grant or demise to any persons whomsoever
liberty to enter into and upon such Crown or State
lands as may be included in the said lands for all
and every purpose other than that for which this
Licence is granted but subject to the rights of the
Licensee under this Licence:

Provided, however, that the limits of the
said lands shall be revised by the President if at
any time as a result of any negotiations between
the Government of Guyana and the Governments of any
adjoining territories, it is determined that any
portion of the said lands lies outside the
jurisdiction of the Government of Guyana and it is
necessary to exclude such portion of the said lands
from the provisions of this Licence, or if it is
determined that areas outside of the said lands lie
within the jurisdiction of the Government of Guyana
and it is necessary to revise the said limits to
include such areas within the area covered by this
Licence.
2. Subject to the rights of holders of surface rights, the Licensee may erect and bring upon the said lands such temporary huts, sheds and structures, steam and other engines, machinery and conveniences, chattels and effects as shall be proper and necessary for effectually carrying out the operations hereby licensed and subject as aforesaid the Licensee shall be entitled at any time to dismantle and remove the same.

3. The Licensee shall before commencing any operations in the said lands furnish to the Commissioner the name and address of the Manager resident in the locality of the said lands under whose supervision such operations are to be carried on. Any notice which is required by any law for the time being in force or which the President, or any person authorized by him, is, in accordance with the terms of the licence required or entitled to serve upon the Licensee shall be sufficiently served if the same shall be delivered or sent by post to such Manager at such address.

4. The Licensee shall with all reasonable despatch commence to examine geologically and/or by geophysical methods the said lands and shall during the subsistence of this Licence continue with due diligence to carry out such geological and/or geophysical work as may be necessary to determine the structure of the said lands.

5. All excavations or borings which may have been made in the said lands during the subsistence of this Licence shall, unless the Commissioner in the case of unoccupied Crown or State lands, or the holder of the surface right in the case of other
lands, otherwise determines, be filled up, and so far as possible the surface of the land shall be restored to its condition prior to such excavations or borings, and the Licensee, shall indemnify the President and the Government against all claims and demands which may be made by any person for damage shown to result from the exercise of the powers hereby conferred.

6. (1) The Licensee shall furnish to the Commissioner a quarterly report (which he hereby undertakes to have prepared) indicating the progress of his operations under this Licence in and upon the said lands and containing a map on a scale to be agreed between the Commissioner and the Licensee, which shall show as far as is reasonably practicable the true topographic position of any land geologically or geophysically surveyed, examined or mapped. The quarterly report and map shall include full particulars of any discovery or indication of petroleum or petroleum bearing strata and of any mineral of commercial value other than petroleum. Any officer authorised in writing by the Commissioner may at all reasonable times inspect and make abstracts or copies of any logs, records, plans or maps prepared by the Licensee in the course of his operations under this Licence. All information supplied under clause by the Licensee shall (except with the consent in writing of the Licensee, which shall not be unreasonably withheld) be treated by the Commissioner as confidential but the Commissioner shall nevertheless be entitled at any time to make use of any information received from the Licensee for the purpose of preparing and
publishing aggregated returns and general reports
on the extent of oil prospecting or oil mining
operations in Guyana and for the purposes of any
arbitration or litigation between the President and
the Licensee.

(2) Within two months after the end of the
term hereby granted, or any renewal thereof, the
Licensee shall furnish to the Commissioner a record in
a form from time to time approved by the Commissioner,
of the operations conducted in the said lands during
each year together with maps, technical field reports
both geological and geophysical and all well records
including geophysical and other well logs.

7. The Licensee may remove any specimens or
samples of petroleum found by him in or upon the
said lands in the course of his operations under this
Licensee, but shall furnish the Commissioner as soon
as possible with full information of all such specimens
and samples so removed and shall upon demand made
within thirty days of the receipt by the Commissioner
of such information, provide the Commissioner with
such representative specimens and samples as may
be required, not exceeding one-half of any individual
specimen or sample so removed by the Licensee and the
Commissioner shall be entitled to retain any specimen
or sample so delivered.

8. The Licensee shall not form or endeavour
to form or procure or permit to be formed any
company syndicate or association incorporated or not
incorporated, nor appeal publicly by means of a
prospectus or otherwise, for money for the purpose of
exploiting the lands which are the subject of this
Licence or any portion thereof without the permission in writing of the President to be obtained where he deems such lands or portion thereof to have been thoroughly and efficiently examined geologically or by geophysical methods.

9. The Licensee shall not grant or assign any interest under this Licence nor part with the possession of any of the rights hereby granted to any person or persons whatsoever without the previous consent in writing of the President who may (without prejudice to his right to make such consent subject to any other conditions he may deem meet) require, as a condition of giving such consent, the said person or persons at his or their expense to execute a deed of covenant to observe and perform any covenants and conditions on the part of the Licensee in these presents contained.

10. The Licensee shall not assign nor attempt to assign the rights granted by this Licence to any person or any company without the previous consent in writing of the President; such consent shall be with-hold if the assignee is neither a citizen of Guyana nor incorporated nor registered in Guyana.

11. If the Licensee shall cease to be a citizen of Guyana or incorporated or registered in Guyana, he shall forthwith inform the President and shall apply to him for his consent in writing to the assignment of the rights granted by the Licence in accordance with clause 10 (Assignment of Licence) hereof and in the event of the Licensee failing to obtain such consent within such time as the President may appoint, the President may revoke this Licence. The revocation
of this Licence in pursuance of the foregoing provisions
of this clause shall be subject and without prejudice
to any obligation or liability imposed by or incurred
under the terms and conditions thereof.

12. In the event of the inclusion by
 inadvertence in the said Annex marked "A" of lands
or areas in respect of which the oil rights have
already been granted to other individuals or
companies, the Licensee shall immediately release
to the President any such lands or areas when required
to do so by the Commissioner.

13. Notwithstanding the rights conferred on
the Licensee under this Licence, the President shall
have power at any time to require the exclusion from
the lands included in the said Annex marked "A" of
any area or areas which may from time to time be
required for villages, new villages, village extensions,
water reserves, drainage or sea defence purposes,
farm lands or any other public purpose:

Provided that during the subsistence of
this Licence, or any renewal thereof the area or
areas so excluded shall not exceed in all
square miles:

Provided further that upon the Licensee
showing that the exclusion of any such area will
interfere with his proposed operations and
indicating an equivalent area which can be selected
for exclusion with the least interference to his
operations, the President may select the same
accordingly.
14. This Licence shall not confer any surface rights to the foreshore and no use shall be made thereof by the Licensee unless and until the authority of the President (which shall not be unreasonably withheld) is first obtained.

15. Such works or installations (if any) as may be erected by the Licensee on the submarine area shall be of such nature and shall be so constructed, placed, marked or buoyed as to minimise their constituting a danger or obstruction to shipping and the Licensee if required by the Harbour Master to do so shall illuminate between the hours of sunset and sunrise, in a manner satisfactory to the Harbour Master, all platforms, derricks, piers, survey marks or any other installations erected within the said areas. The means of illumination shall be such as is approved or required by the Harbour Master.

16. The Licensee shall adopt all practical precautions (including the provision of modern equipment) to prevent any pollution of the sea or inland waters by oil, mud, or any other fluid or substance which might contaminate the same or any shore thereof.

17. If the Licensee shall at any time refuse or neglect to observe or perform any of the terms and conditions of this Licence the President may by notice in writing signed by him and served upon the Licensee summarily declare that the Licence hereby granted shall thenceforth determine and the Licence and all rights and liberties conferred hereby or enjoyed hereby or hereunder shall forthwith
determine, without prejudice to the rights and remedies
of the President in respect of any prior breach or
non-performance of any or all of the terms and
conditions hereof on the part of the Licensee:

Provided always that the aforesaid power
shall not be exercisable unless and until notice
has been given to the Licensee specifying the
particular breach complained of and if the breach is
capable of remedy, requiring the Licensee to remedy
the breach and, in any case, requiring the Licensee
to make compensation in money for the breach, and
the Licensee, fails within a reasonable time
thereafter, to remedy the breach if it is capable
of remedy, and to make such reasonable compensation
in money for the breach as the President deems
satisfactory.

16. The President may on an application made
in that behalf by the Licensee on three months'
otice in writing delivered to the Commissioner grant
a renewal of this Licence in respect of the whole
of the said lands, or any part thereof not having
an area of less than 8 square miles, for a further
term of twelve months subject to the payment by the
Licensee of so much of the sum mentioned in clause 1
(Fee) hereof as corresponds in ratio to such
proportion of the area originally licensed hereby
as is retained.

19. On or before the expiration of this Licence
or any renewal thereof the Licensee observing and
performing the terms and conditions herein contained
shall have a right (subject to the provisions prescribed
in the Regulations then in force for granting oil

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prospecting licences) to an Oil Prospecting Licence or Licence in respect of so much of the said lands as the Licencee may select.

20. (1) Failure on the part of the Licencee to fulfil any of the terms and conditions of this Licence shall not give the President any claim against the Licencee or be deemed a breach of this Licence in so far as such failure arises from force majeure and if through force majeure fulfilment by the Licencee of any of the terms and conditions of this Licence be delayed the period of such delay shall be added to the periods fixed by this Licence.

(2) In this clause the expression "force majeure" includes the act of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the Licencee could not reasonably prevent or control.

21. If at any time during the continuance of the licence or after the determination thereof any question or dispute shall arise regarding this Licence or any matter or thing connected herewith or the powers, duties, or liabilities of the Licencee hereunder then and in all cases the matter in difference shall be referred to arbitration in accordance with the provisions of the Arbitration Ordinance or any Ordinance or law amending or replacing the same for the time being in force.

22. The marginal notes are for convenience only and do not form part of this Licence.
23. Notwithstanding anything aforementioned
in this licence the Licensee shall expend a sum of
not less Three Hundred Thousand
dollars on exploration during the first year.

IN WITNESS WHEREOF the President has hereunto
set his hand and caused the public seal of the
Country to be hereunto affixed and the Licensee has
signed these presents the day and year first herein
above written.

[Signature]
President

Oxoco (Guyana) Limited

by

[Signature]
Licensee

Witnesses to the signature of the Licensee
this 13th day of January, 1971

1. W. Foster
2. M. Davar

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