

**THE GOVERNMENT OF
VIETNAM**

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SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, July 01, 2023

DECREE

ELABORATING THE LAW ON PETROLEUM

Pursuant to the Law on Government Organization dated June 19, 2015; the Law on amendment to the Law on Government Organization and the Law on Local Government Organization dated November 22, 2019;

Pursuant to the Law on Petroleum dated November 14, 2022;

At request of the Minister of Industry and Trade;

The Government promulgates Decree elaborating the Law on Petroleum.

Chapter I

GENERAL PROVISIONS

Article 1. Scope and regulated entities

1. This Decree elaborates the Law on Petroleum regarding petroleum screening; list of oil blocks; selection of contractors for signing of petroleum contracts; petroleum contracts; safety in petroleum operation; dossiers and procedures for implementing petroleum operation, petroleum projects; preferential treatment in petroleum operations; salvaging of operation of oil fields, groups of oil fields and oil blocks; finalization of costs of petroleum operations on land, islands, and sea waters of the Socialist Republic of Vietnam.

2. This Decree applies to Vietnamese and foreign agencies, organizations, individuals related to petroleum screening and petroleum operations in Vietnam.

Article 2. Definitions

In this Decree, terms below are construed as follows:

1. “bidders” mean organizations and individuals registering for selection of contractors for petroleum contracts.

2. “set of electronic documents” means a set of documents produced from electronic papers of set of original documents, except confidential documents as per the law.
3. “set of original documents” consists of papers, documents, instruments that are either original copies, master registers, or legitimate copies. Regarding documents and texts presented in foreign languages, their original copies must undergo consular legalization procedures unless they are exempt from consular legalization as per Vietnamese laws and international treaties to which Vietnam is a signatory.
4. “minimum work obligations and minimum expenditure obligations” mean the minimum work and expenditure obligations guaranteed by the contractors in a specific amount of time under petroleum contracts.
5. “legitimate documents” mean documents containing adequate contents according to the Law on Petroleum and this Decree.
6. “profit oil, profit gas ratio” means product distribution ration between relevant parties depending on total production after paying for resource royalty and recovering costs agreed upon under petroleum contracts.

Chapter II

PETROLEUM SCREENING

Article 3. Development and approval for list of petroleum screening schemes

1. List of petroleum screening schemes shall be developed and approved for every 5-year stage in a manner that adheres to energy, resource, and mineral strategies, planning, planning execution plans; reviewed and updated on an annual basis.
2. Organizations satisfying conditions under Article 12 of the Law on Petroleum and Article 4 of this Decree shall send petroleum screening scheme proposal for the next 5-year socio-economic development stage to the Vietnam National Oil and Gas Group (hereinafter referred to as “PVN”) before March 1 of the final year of 5-year socio-economic development stage for consideration, assessment, consolidation, and proposition of list of petroleum screening schemes, including schemes implemented by the PVN and schemes implemented by state authorities.
3. The PVN shall send 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to propose list of petroleum screening schemes before May 1 of the final year of each 5-year socio-economic development stage in accordance with Resolution of the National Assembly. The documents consist of:
 - a) Documents of PVN proposing petroleum screening schemes;

b) Documents of organizations proposing petroleum screening schemes, including: primary details of the schemes in accordance with Clause 1 Article 10 of the Law on Petroleum; documents proving eligibility for scheme execution according to Article 12 of the Law on Petroleum and Article 4 hereof; preliminary solutions for cooperating with relevant organizations and individuals in implementation if proposed petroleum screening schemes have been handed over or have reached geological screening or mineral prospecting, extraction phase during implementation as per the law;

c) Evaluation of the PVN regarding proposition of each scheme; documents on acknowledgement and presentation of proposing organizations (if any);

d) Other relevant documents.

4. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request for feedback to Ministry of Natural Resources and Environment, Ministry of Planning and Investment, Ministry of Finance, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Ministry of Transport, and relevant ministries, central departments, local governments.

5. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries, central departments, and local governments must send written feedback within their competence to the Ministry of Industry and Trade.

6. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall evaluate and adjust list of petroleum screening schemes in order to request the Prime Minister to review and approve. The documents consist of:

a) Written request for approval of list of petroleum screening schemes to be sent to the Prime Minister;

b) Documents under Clause 3 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

7. Based on the list of petroleum screening schemes approved by the Prime Minister:

a) The Ministry of Industry and Trade shall notify and request presiding agencies and organizations of petroleum screening schemes (hereinafter referred to as “presiding organizations”) to produce and present detailed outline and estimates on scheme execution expenditure in accordance with Article 5 hereof while notifying the PVN;

b) The Ministry of Finance shall take charge consolidating expenditure on execution of petroleum screening schemes utilizing state budget to annual state budget estimates,

report to the Government and propose to the National Assembly in accordance with the Law on State Budget.

8. On an annual basis, the PVN shall review the list of petroleum screening schemes and implementation of each scheme in order to report to the Ministry of Industry and Trade, request the Prime Minister to approve revision to the list of petroleum screening schemes (if necessary). Application and procedures for assessment, approval for revision of the list of petroleum screening schemes shall conform to Clauses 3, 4, 5, and 6 of this Article.

Article 4. Eligibility of presiding organizations of petroleum screening

Presiding organizations of petroleum screening must be financially, technically capable and experienced in conducting petroleum screening and satisfy eligibility below:

1. They must prove sufficient financial capability to conduct petroleum screening via one or multiple methods simultaneously below:

- a) By their resources or parent company guarantee;
- b) Guarantee or funding, sponsor commitment of credit institutions, financial institutions.

2. They must have solutions for mobilizing machinery, equipment, and personnel meeting technical requirements for execution of the schemes.

3. They have participated in at least 1 petroleum screening scheme or 1 geological screening scheme or 1 petroleum contract.

4. They have committed to national defense and security requirements as per the law and are not being suspended from conducting petroleum screening or petroleum operation.

Article 5. Application and procedures for assessment, approval for detailed outline and expenditure estimates of petroleum screening schemes

1. Detailed outline and estimates of petroleum screening schemes shall contain:

- a) Legal basis and scientific reasoning of the schemes;
- b) Area of screening (geography location, coordinates, and area of screening);
- c) Natural geography, socio-economic characteristics of screening area;
- d) Technical documents serving as the basis for the schemes;
- dd) Subjects, objectives, and tasks of the schemes;

e) Technical solutions and expected workload; technical standards, regulations, economic and technical norms (if any) expected to be applied during scheme execution;

g) Expected results and products upon completion of the schemes;

h) Execution plans and progress;

i) Funding sources and expenditure estimates;

k) Plans for cooperating with relevant organizations and individuals in implementation if proposed petroleum screening schemes have been handed over or have reached geological screening or mineral prospecting, extraction phase during implementation in accordance with mineral laws.

l) Other details (if any).

2. Within 60 days from the date on which notice of the Ministry of Industry and Trade under Point a Clause 7 Article 3 hereof is received, on the basis of detailed outline and expenditure estimates of petroleum screening produced by presiding organizations and counseled by the PVN, presiding organizations shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for detailed outline and expenditure estimates on scheme execution. The documents consist of:

a) Request for approval for detailed outline and expenditure estimates on petroleum screening;

b) Detailed outline and expenditure estimates of the schemes under Clause 1 of this Article; appendices, drawings, attachments (if any);

c) Notice sent by the Ministry of Finance to presiding organizations;

d) Documents verifying funding sources of the schemes if funding for execution of petroleum screening schemes utilizes state budget in a manner that adheres to budget allocation rules, criteria, and norms from time to time approved by competent authority;

dd) Feedback of the PVN pertaining to detailed outline and expenditure estimates of petroleum screening schemes produced by presiding organizations; documents on acknowledgement and presentation produced by presiding organizations (if any);

e) Draft agreements between the PVN and presiding organizations other than state authorities and state-owned enterprises in case of Point b Clause 3 Article 10 of the Law on Petroleum, which contain: screening area; rights and obligations of PVN and presiding organizations during scheme execution; commitment of presiding organizations pertaining to storage and preservation of samples, documents, information, and data during scheme execution; general clauses of the agreements;

g) Other relevant documents.

3. Assessment of detailed outline and expenditure estimates of petroleum screening shall be done by assessment council. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment council (including representatives of relevant ministries, central departments) and teams of experts assisting the assessment council.

4. Within 45 days from the date on which adequate documents are received, assessment councils shall assess detailed outline and expenditure estimates and request the Minister of Industry and Trade to review and approve.

5. Within 5 working days from the date on which written assessment sent by assessment council is received, the Ministry of Industry and Trade shall issue decisions approving detailed outline and expenditure estimates of petroleum screening schemes.

Article 6. Implementation of petroleum screening schemes

1. Presiding organizations of petroleum screening schemes are responsible for:

a) adequately adhering to approved schemes;

b) notifying the Ministry of Industry and Trade, Ministry of Natural Resources and Environment, Ministry of Transport, Ministry of National Defense, Ministry of Public Security, Ministry of Foreign Affairs, People's Committees of provinces and cities (hereinafter referred to as "provincial People's Committees"), and PVN in writing at least 15 days prior to conducting field work.

2. If other resources and/or minerals are found during petroleum screening, organizations and individuals must immediately report to the Ministry of Industry and Trade, the Ministry of Natural Resources and Environment, provincial People's Committees where the work is performed, and the PVN in writing; protect unextracted minerals in accordance with mineral laws and do not take advantage of petroleum screening to mine for minerals.

3. Presiding organizations are allowed to request adjustment to detailed outline and expenditure estimates of petroleum screening schemes during execution of the schemes depending on situations on the field. Presiding organizations shall send written request for adjustment to detailed outline and expenditure estimates of the schemes which contains actual work progress and workload implemented, reasons for and details of adjustment to the PVN for consideration, assessment, and submission to the Ministry of Industry and Trade for approval in accordance with Clauses 3, 4, and 5 Article 5 hereof.

Article 7. Inspection and supervision of petroleum screening scheme execution

1. Presiding organizations are responsible for submitting written reports on scheme execution to the Ministry of Industry and Trade and PVN on a quarterly basis (before the last working day of the final month of each quarter) or on an irregular basis at request of the Ministry of Industry and Trade for the purpose of supervision.

2. The Ministry of Industry and Trade shall take charge, cooperate with relevant ministries, central departments, and PVN or assign PVN to take charge inspecting execution of petroleum screening schemes according to inspection plans and details approved by the Ministry of Industry and Trade.

3. PVN is responsible for cooperating with agencies and entities affiliated to relevant ministries, central departments, and local authorities in supervising field work of petroleum screening schemes.

Article 8. Commissioning and approval for results of petroleum screening schemes

1. Commissioning of results of petroleum screening schemes consists of:

a) Assessing workload, quality, and progress of work items according to approved detailed outline;

b) Assessing compliance with technical regulations and truthfulness in collecting, forming documents; adequate and scientific properties in analyzing, processing, and gathering data;

c) Assessing credibility of screening results; new discoveries regarding petroleum geology (if any); conclusions regarding geology, geophysics, and other technical characteristics of screening subjects;

d) Assessing implementation of applicable financial regulations and regulations on technical and economic norms, unit price;

dd) Assessing expenditure made from state budget (if any) and expenditure made by PVN (if any);

e) Assessing implementation of agreement between PVN and presiding organizations other than state authorities and state-owned enterprises for cases under Point b Clause 3 Article 10 of the Law on Petroleum.

2. Commissioning of results of petroleum screening schemes shall be divided into 2 levels which are grassroots-level commissioning and ministry-level commissioning, to be specific:

a) Grassroots-level commissioning shall be implemented by presiding organizations;

b) Ministry-level commissioning shall be implemented by the Ministry of Industry and Trade as soon as grassroots-level commissioning results are available. The Minister of Industry and Trade shall issue decision on establishment of council for ministry-level commissioning. Results of ministry-level commissioning serve as the basis for approving results of petroleum screening schemes.

3. Within 30 days from the date on which petroleum screening schemes end, presiding organizations shall organize grassroots-level commissioning.

4. Within 45 days from the date on which grassroots-level commissioning is complete, after consulting the PVN regarding results of petroleum screening schemes, presiding organizations shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request ministry-level commissioning and approval for results of petroleum screening schemes. The documents consist of:

a) Written request for ministry-level commissioning and approval for results of petroleum screening schemes.

b) Report on scheme results; appendices, drawings, and other documents.

c) Report on summary of scheme results;

d) Report on assessment of consulting bodies hired by presiding organizations (if necessary);

dd) Record of grassroots-level commissioning;

e) Remarks of the PVN regarding results of petroleum screening schemes; documents on acknowledgement and presentation of presiding organizations (if any);

g) Decision on approval or approval for revision of the scheme issued by competent authority;

h) Other relevant documents.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall conduct ministry-level commissioning and approve results of petroleum screening schemes.

6. Within 180 days from the date on which documents approving results of petroleum screening results are received, presiding organizations shall finalize costs for petroleum screening schemes as per the law; send finalization results of expenditure that utilizes state budget (if any) and expenditure made by PVN (if any) to the Ministry of Industry and Trade for consideration and approval.

Article 9. Submission of petroleum screening results

1. Within 60 days from the date on which documents approving results of petroleum screening schemes are received, presiding organizations are responsible for transferring exhibits (if any) to the PVN and submitting 1 set of physical and 1 set of electronic reports on results of petroleum screening schemes (excluding confidential documents, if any) to the Ministry of Industry and Trade and PVN, including compiled documents and raw documents, to be specific:

a) Compiled documents consist of: written presentation and compiled documents presented as appendices, maps, and illustrations depicting results of scheme execution;

b) Raw documents are documents collected from the field, including: diaries, field records, maps, graphs, photos, tapes recording seismic activities; measurement results.

2. Within 60 days from the date on which reports on petroleum screening results are received, the Ministry of Natural Resources and Environment is responsible for updating petroleum screening information and results in national database on geology and minerals (other than information that requires management under confidential principles).

Article 10. Preservation of exhibits, documents, information, and data of petroleum screening

1. Duration of preservation and storage of exhibits, documents, and information shall be determined on a case-by-case basis in accordance with applicable laws: permanent or temporary storage and preservation. Storage and preservation agencies are responsible for listing all obsolete exhibits, documents, information, and data and requesting competent authority to approve of their disposal in order to maximize administrative expenses.

2. Exhibits, documents, information, and data shall be classified by level of confidentiality (if required) and protected by appropriate information safety policies in a manner that conforms to regulations and law.

3. PVN is responsible for receiving, managing exhibits and documents submitted by presiding organizations in accordance with Clause 1 Article 14 of the Law on Petroleum and organizations that operate the systems in order to extract received information and data in a law-compliant manner.

Article 11. Extraction and use of exhibits, documents, information, data, and reports on petroleum screening results

1. Organizations and individuals are allowed to access, consult, extract, and use exhibits, documents, information, data, and reports on petroleum screening results via public services whose fees conform to regulations and law on fees and charges, except for case under Clause 2 of this Article.

2. Presiding organizations are allowed to use, extract exhibits, documents, information, data, and reports on petroleum screening results as per agreement signed with the PVN; allowed to request refund of service charges when participating in bidding and signing petroleum contracts at oil blocks in areas where they have conducted petroleum screening according to screening schemes.

Chapter III

LIST OF OIL BLOCKS, SELECTION OF CONTRACTORS FOR SIGNING OF PETROLEUM CONTRACTS

Article 12. Documents, procedures for assessment and approval for list of oil blocks

1. Pursuant to Article 7 of the Law on Petroleum, the PVN shall develop new lists of oil blocks or revised list of oil blocks and submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service for assessment. The documents consist of:

- a) Written request for approval of new lists of oil blocks or revised lists of oil blocks;
- b) Information on new oil blocks or adjustment to oil blocks, including name, coordinates, and area;
- c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request for feedback to Ministry of Natural Resources and Environment, Ministry of Planning and Investment, Ministry of Finance, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Ministry of Transport, Ministry of Construction, and relevant ministries, central departments, local governments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries, central departments, and local governments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess and finalize new lists of oil blocks or revised lists of oil blocks and request the Prime Minister to consider and approve. The documents consist of:

- a) Written presentation of assessment results and request for approval of new lists of oil blocks or revised lists of oil blocks to be sent to the Prime Minister;
- b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

Article 13. Documents and procedures for assessment and approval of plans for selecting contractors to sign petroleum contracts

1. Pursuant to Point a Clause 1 Article 24 of the Law on Petroleum, the PVN shall produce plans for selecting contractors to sign petroleum contracts and submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service for assessment. The documents consist of:

a) Written request for approval of plans for selecting contractors to sign petroleum contracts;

b) Plans for selecting contractors to sign petroleum contracts, including main details specified under Clause 2 Article 17 of the Law on Petroleum and reasons for selecting contractors for each available oil blocks; list of contractors invited in case of limited bidding or shopping; proposed types of petroleum contracts and reasons for proposing types of petroleum contracts; financial, technical capability and experience required to participate in bidding; draft bidding documents, draft shopping documents, request for proposal of direct contracting in accordance with Points a and b Clause 1 Article 21 of the Law on Petroleum;

c) Other relevant documents.

2. Assessment of plans for selecting contractors to sign petroleum contracts means to examine, assess primary contents of the plans for selecting contractors in accordance with Clause 2 Article 17 of the Law on Petroleum.

3. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send request for feedback to Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, and relevant ministries and central departments.

4. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess plans for selecting contractors to sign petroleum contracts and request the Prime Minister to consider and approve. The documents consist of:

a) Written presentation of assessment results and written request for approval of plans for selecting contractors to sign petroleum contract to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

6. This Article does not apply to direct contracting in accordance with Clause 2 Article 40 of the Law on Petroleum.

Article 14. Notice to bidders, notice to shopping

1. Notice to bidders shall be posted for 5 consecutive days on 5 daily newspaper and uploaded on 5 reputable websites, including at least 1 newspaper in English published in domestic information network or 1 newspaper in both Vietnamese and English published in foreign information network. Notice to bidders can be sent directly to organizations and individuals interested in oil blocks or via websites specializing in providing information on worldwide petroleum-related events.

2. Notice to shopping shall be sent directly to organizations and individuals interested in oil blocks to which shopping is applied.

3. Notice to bidders and notice to shopping consist of:

a) Information on available oil blocks for bidding or shopping;

b) List of documents allowed to be accessed and other relevant information;

c) Period for reviewing documents;

d) Relevant documents and schedules (if any).

Article 15. Bid registration

1. Bidders shall send bid registration to the PVN. Registration deadline shall be 45 days from the last day in which notice to bidders is uploaded or the last day in which notice to shopping is uploaded.

2. Upon bid registration, bidders must provide brief summary regarding their financial capability, technical capability, and potential establishment of contractor consortium (if any) and other information as required under notice to bidders or notice to shopping.

3. Upon receiving bid registration, if bidders satisfy requirements under Article 16 of the Law on Petroleum, they shall receive bidding documents or shopping documents and shall be permitted to access documents according to the list publicized under notice to bidders or notice to shopping.

Article 16. Issuance of bidding documents, shopping documents, request proposals

1. The PVN shall prepare bidding documents in case of open bidding or limited bidding, competitive bidding documents in case of shopping or request for proposals in case of direct contracting and issue to bidders.

2. Bidding documents consist of:

a) Basic economic and technical indicators of petroleum contracts, including: profit oil, profit gas ratio; minimum work obligations and minimum expenditure obligations; participating interests of PVN or branch companies affiliated to the PVN designated to participate as contractors; the right to participate of host countries (via PVN) upon initial discovery in area covered under petroleum contracts (if applicable); cost recovery percentage; other financial obligations (commissions, training costs, donation to fund for scientific research and development of petroleum technology); severance tax, corporate income tax, export duties of crude oil (including condensates) and natural gas, other taxes, fees, and charges payable in accordance with tax, fee, charge laws;

b) Requirements pertaining to financial, technical capabilities and experience in implementing petroleum operations and documents on establishment of contractor consortium (if any);

c) Criteria for selecting contractors and bid evaluation solutions in accordance with Article 18 hereof;

d) Period of contractor selection and other details pertaining to procedures for contractor selection;

dd) Basic documents and information on oil blocks;

e) Legal documents of bidders: certificate of operation registration, operating charters, financial statements of the latest 3 years or guarantee of parent companies of bidders that are organizations; Citizen ID Card or passport of bidders that are individuals and other relevant documents of bidders or each participant of bidder consortium (except for cases of selecting contractors to sign petroleum contracts in accordance with Article 40 of the Law on Petroleum);

g) Instructions for bidders;

h) Applicable or proposed petroleum contract form;

i) Bid security requirements (if necessary) using defined form, including details regarding format, value, and term of bid security;

k) Initial assessment regarding petroleum potentials of relevant oil blocks;

l) Other relevant documents.

3. Notice to shopping shall contain items specified under Points a, b, c, dd, e, g, h, i, k, and l Clause 2 of this Article.

4. Request for proposals for direct contracting shall contain items specified under Points a, b, c, dd, e, g, h, i, k, and l Clause 2 of this Article and provisions carried over from effective petroleum contracts to new petroleum contracts (if any) for cases of direct contracting in accordance with Point c Clause 1 Article 21 of the Law on Petroleum.

Article 17. Receipt of bid, competitive bidding documents, proposals; bid opening and management of bid

1. Bidders shall send bid in case of open bidding, limited bidding, or competitive bidding documents in case of shopping or proposals in case of direct contracting to the PVN within the time limit specified under bidding documents or shopping documents or request for proposals. The PVN shall decide on time limit for submission of bid or competitive bidding documents or proposals and specify under notice documents. The time limit must not exceed 120 days from the date on which bidding documents or shopping documents or request for proposals is issued.

2. Bids and competitive bidding documents and proposals shall

a) be produced in accordance with bidding documents, shopping documents, request for proposals;

b) be legitimate if bidding documents, shopping documents, or request for proposals meet corresponding requirements, are submitted within the time limit and via specified means.

3. Bid opening and management of bids or competitive bidding documents or proposals

a) Bid opening must conform to time and format regulations under bidding documents or shopping documents or request for proposals;

b) Participant compositions of bid opening include representatives of PVN, Ministry of Industry and Trade, Ministry of Public Security, relevant ministries, central departments (if necessary), and representatives of bidders;

c) Bids or competitive bidding documents or proposals that have been opened must be managed under confidential principles in accordance with state secret protection laws throughout contractor selection process;

d) Any additional documents submitted by bidders to bids or competitive bidding documents or proposals after bid opening date shall be illegitimate, except for additional documents under Clause 3 Article 19 hereof.

Article 18. Criteria for selecting contractors and methods for evaluating bids, competitive bidding documents, and proposals

1. Criteria for selecting contractors include:

a) Criteria regarding capacity and experience of contractors, including: technical and financial capacity, available funding sources for execution of petroleum operations; experience in executing petroleum operations, petroleum contracts (in case of contractor consortium, capacity and experience of contractors shall be determined by the sum of capacity and experience of members of contractor consortium); relevant contracts and agreements that have been and are being implemented (if any);

b) Criteria regarding technical conditions appropriate to each oil block include: minimum work obligations (new seismic acquisition, reprocessing of seismogram, quantity of wells); field development and extraction obligations; methods of implementation and optimal technology for petroleum operations that fulfill of requirements pertaining to environmental protection and reduction of carbon dioxide emission;

c) Criteria regarding economic conditions appropriate to each oil block, including: taxes conforming to tax laws and surcharges when oil price surges; host country's profit oil, profit gas ratio; participating interests of host country (via the PVN) upon making first commercial discovery within the area covered by petroleum contracts (if applicable); participating interests of PVN or subsidiaries thereof when designated to participate as contractors; percentage of costs recovered; financial commitment corresponding to minimum work obligations; commitment to other financial obligations (commissions, training costs, donations to petroleum scientific research and technology development fund).

2. Solutions for evaluating bids, competitive bidding documents, and proposals include:

a) Regarding capacity and experience criteria: assess whether each criterion is satisfactory or not satisfactory;

b) Regarding technical condition criteria appropriate to each oil block: assess fulfillment of minimum work obligations and score on a scale of 100;

c) Regarding economic condition criteria appropriate to each oil block: score on a scale of 100;

d) Total results: total scores will be determined as follows: Total scores = Total score of technical condition criteria multiplied (x) by weighing factor of technical condition criteria plus (+) Total score of economic condition criteria multiplied (x) by weighting factor of economic condition criteria. Where minimum weighting factor of technical condition criteria is 0,3 depending on specific characteristics of each oil block; weighting factor of technical condition criteria plus (+) weighting factor of economic condition criteria equal (=) 1;

dd) Bidders shall be awarded with contracts when they achieve all results below: "satisfactory" capacity and experience; requirements regarding minimum work

obligations are met and total score of technical condition criteria meet minimum level according to bidding documents; total score of economic condition criteria meet minimum level according to bidding documents; total score under Point d Clause 2 of this Article is the highest.

3. When producing bidding documents, shopping documents, or request for proposals, the PVN shall develop and approve criteria for selecting contractors, solutions for evaluating bids, competitive bidding documents, and proposals appropriate to specific characteristics of each oil block.

Article 19. Evaluating bids, competitive bidding documents, and proposals

1. The PVN shall establish expert teams to evaluate bids or competitive bidding documents or proposals. Expert teams consist of individuals with capacity, experience, and training certificates pertaining to bidding in accordance with bidding laws and operate within principles promulgated by the PVN.

2. Evaluation of bids or competitive bidding documents or proposals must be based on criteria for contractor selection and evaluation solutions under contractor selection plans and approved bidding documents, shopping documents, or request for proposals.

3. The PVN may request bidders to clarify bids or competitive bidding documents or request for proposals in writing. Within 5 days from the date on which request sent by the PVN is received, bidders must provide written response. Clarification of bids or competitive bidding documents or request for proposals means to provide explanation for requested contents without altering main contents of the bids or competitive bidding documents or request for proposals.

4. Bid evaluation shall be conducted within 30 days from the date on which bid opening is implemented.

Article 20. Documents and procedures for assessment and approval of contractor selection results to sign petroleum contracts

1. Within 15 days from the date on which contractor selection results are assessed, PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request for approval of contractor selection results to sign petroleum contracts. The documents consist of:

a) Presentation of bid evaluation results and proposed contractors to sign petroleum contracts together with economic and technical conditions of petroleum contracts;

b) Bidding documents or shopping documents or request for proposals;

c) Bids, competitive bidding documents, or request for proposals;

d) Record of bid opening;

dd) Record of contractor assessment, scoring sheets;

e) Documents of PVN requesting clarification to bids or shopping documents or request for proposals and written response of bidders (if any);

g) Other relevant documents.

2. Assessment of contractor selection results to sign petroleum contracts includes:

a) Assessment of the basis of contractor selection process;

b) Assessment of compliance with time regulations during contractor selection process;

c) Assessment of appropriateness of assessment solutions and contractor selection criteria;

d) Assessment of compliance with the law during evaluation of bids, competitive bidding documents, and request for proposals;

dd) Consideration of different opinions (if any) of expert teams;

e) Other relevant details.

3. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

4. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess contractor selection results to sign petroleum contracts and request the Prime Minister to consider and approve. The documents consist of:

a) Written presentation of assessment results and written request for approval of contractor selection results to sign petroleum contract to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

6. Within 15 days from the date on which written approval for contractor selection results sent by the Prime Minister is received, the PVN shall inform bidders about contractor selection results, basic economic and technical conditions of petroleum contracts, and plans for negotiating petroleum contracts.

7. Within 90 days from the date on which notice on contractor selection results sent by the PVN is received, contractors and PVN must finish negotiating petroleum contracts. If details of draft petroleum contracts have not been agreed upon within the aforementioned time limit, the PVN shall file reasons for disagreement and proposed negotiation time limit to the Ministry of Industry and Trade.

Chapter IV

PETROLEUM CONTRACTS

Article 21. Documents and procedures for assessment, approval of petroleum contract

1. Within 30 days from the date on which petroleum contract negotiation concludes, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for petroleum contracts. The documents consist of:

a) Written request for approval of petroleum contracts;

b) Draft petroleum contracts agreed upon by the PVN and contractors; written presentation for difference between draft petroleum contracts under bidding documents or shopping documents or request for proposals and agreed draft petroleum contracts;

c) Certified true copies of certificate of operation registration in case of organization participants in petroleum contracts; certified true copies of ID Cards or Citizen ID Cards or passports in case of individual participants in petroleum contracts;

d) Letter of guarantee for fulfillment of contractual obligations of contractors or each contractor in contractor consortium issued by credit institutions, foreign bank branches, or parent companies of contractors, or each contractor in contractor consortium at request of the PVN on the basis of the contractors' financial statement evaluation results;

dd) Documents of contractors or each contractor in contractor consortium, including: company charters, financial statements of the last 3 years, and other relevant legal documents serving as the basis for petroleum contract negotiation, copies of declaration of tax obligation of the latest year if regulated by Vietnamese tax laws.

e) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess petroleum contracts and request the Prime Minister to approve. The documents consist of:

a) Written presentation of assessment results and request for approval of petroleum contracts to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. Within 5 working days from the date on which written approval for petroleum contracts is received, the PVN and contractors shall sign petroleum contracts.

Article 22. Documents and procedures for issuance of investment registration certificate

1. Within 5 working days from the date on which petroleum contracts are signed, the PVN shall submit 1 set of original documents to the Ministry of Industry and Trade to request issuance of investment registration certificate (IRC) to contractors performing petroleum operations. The documents consist of:

a) Written request for issuance of IRC for signed petroleum contracts to contractors performing petroleum operations;

b) Original petroleum contracts signed by the PVN and the contractors.

2. Within 15 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall issue investment registration certificate to contractors and the PVN and send original copies of the IRC to the Ministry of Finance, Ministry of Planning and Investment, Ministry of Justice, and tax authorities.

3. Within 30 days from the date on which contractors fulfill all obligations under petroleum contracts or the date on which petroleum contracts are terminated in accordance with Article 35 of the Law on Petroleum (whichever comes later), the contractors must submit original copies, main copies of IRC and revised IRC (if any) to the PVN in order to submit to the Ministry of Industry and Trade.

Article 23. Documents and procedures for assessment, approval for revision of petroleum contracts and issuance of revised investment registration certificate

1. Pursuant to Clause 1 Article 28 of the Law on Petroleum, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request revision to petroleum contracts and issue revised investment registration certificate. The documents consist of:

a) Written request for approval of revised petroleum contracts and issuance of revised IRC which states reason for revision; explanation for contents of petroleum contracts to be revised; assessment of the PVN regarding request of the contractors;

b) Agreement on addition and revision to petroleum contracts agreed upon by the PVN and the contractors;

c) Other relevant documents.

2. Procedures for assessing and approving revision to petroleum contracts shall conform to Clauses 2, 3, and 4 Article 21 hereof.

3. Within 5 working days from the date on which written approval for revision to petroleum contracts sent by the Prime Minister is received, the Ministry of Industry and Trade shall issue revised IRC to the contractors and PVN while sending the original copies of revised IRC to the Ministry of Finance, Ministry of Planning and Investment, Ministry of Justice, and tax authorities.

Article 24. Petroleum product sharing contract

1. Petroleum product sharing contracts must conform to contract form under Appendix attached hereto.

2. PVN and contractors shall only negotiate details mentioned under “dependent on bidding or negotiation results” and other details under Article 20.7 of the contract form.

Article 25. Documents and procedures for approving extension of hydrocarbon exploration time limit

1. Hydrocarbon exploration period under Clause 1 Article 31 of the Law on Petroleum can be divided into smaller periods.

2. At least 60 days before the end of each smaller period or final day of hydrocarbon exploration period, on the basis of request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for extension of hydrocarbon exploration period. The documents consist of:

a) Written request for approval of extension of hydrocarbon exploration period which states reason for extension; plans for performing petroleum operations during extended period; additional work commitment, corresponding financial commitment, and other propositions to be implemented during extended period (if any);

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

3. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

4. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate written approval for extension of hydrocarbon exploration period.

Article 26. Documents and procedures for assessment and approval of extension of petroleum contracts

1. At least 1 year prior to the termination of petroleum contracts, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post to request approval for extension of petroleum contracts. The documents consist of:

a) Written request for approval of extension of petroleum contracts which states reason for extension; plans for implementing petroleum operations during extended period; minimum work obligations and minimum financial obligations during extended period (if any);

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate documents approving extension of petroleum contracts.

Article 27. Documents and procedures for assessment, approval of extension of hydrocarbon exploration, extension of petroleum contracts in special cases

1. At least 60 days prior to the end of hydrocarbon exploration period or at least 1 year prior to the termination of petroleum contracts, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request extension of hydrocarbon exploration or extension of petroleum contracts in special cases for assessment. The documents consist of:

a) Written request for approval of extension of hydrocarbon exploration period or extension of petroleum contracts which states reason for extension and fulfillment of conditions under Clause 4 Article 31 of the Law on Petroleum; plans for implementing petroleum operations during extended period; additional work obligations, corresponding financial obligations, and other expected propositions during extended period (if any);

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess request for extension of hydrocarbon exploration period or extension of petroleum contracts in special cases and submit to the Prime Minister for consideration and approval. The documents consist of:

- a) Written report on assessment results sent to the Prime Minister and written request for approval of extension of hydrocarbon exploration period or extension of petroleum contracts in special cases;
- b) Documents under Clause 1 of this Article;
- c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

Article 28. Documents and procedures for assessment, approval for retention of discovery area

1. Within 90 days from the date on which commercial discovery is made, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for retention of discovery area for up to 5 years. The documents consist of:

- a) Written request for approval of retention of discovery area which states reason and fulfillment of conditions under Clause 5 Article 31 of the Law on Petroleum; plans for developing gas discovery; additional work obligations, corresponding financial obligations, and expected implementation during retention of discovery area (if any);
- b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);
- c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate documents approving retention of discovery area for up to 5 years.

5. At least 90 days prior to the end of retention period of discovery area approved by the Ministry of Industry and Trade, if discovery area is to be retained for no more than 2 years in accordance with Clause 5 Article 31 of the Law on Petroleum, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request for extension of retention period of discovery area. The documents consist of:

a) Written request for approval of extension of retention period of discovery area which states reason and fulfillment of conditions under Clause 5 Article 31 of the Law on Petroleum; plans for developing gas discovery; additional work obligations, corresponding financial obligations, and expected implementation during retention of discovery area (if any);

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

6. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

7. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

8. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess the request for extension of retention period of discovery area and request the Prime Minister to approve. The documents consist of:

a) Written report to the Prime Minister on assessment report and request for approval of extension of retention period of discovery area;

b) Documents under Clause 5 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

Article 29. Documents and procedures for approval of temporary suspension of execution of certain rights and obligations under petroleum contracts due to force majeure

1. In case of force majeure, the PVN and contractors shall negotiate methods for temporarily suspending execution of certain rights and obligations under petroleum contracts.

2. Within 30 days from the date on which an agreement with the contractors has been reached, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for methods for temporarily suspending execution of certain rights and obligations under petroleum contracts due to force majeure. The documents consist of:

a) Written request for approval of methods for temporarily suspending execution of certain rights and obligations under petroleum contracts due to force majeure;

b) Written propositions of the contractors (if any);

c) Other relevant documents.

3. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

4. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate documents approving methods for temporarily suspending execution of certain rights and obligations under petroleum contracts due to force majeure.

Article 30. Documents and procedures for assessment, approval of temporary suspension of execution of certain rights and obligations under petroleum contracts due to national defense and security reasons

1. Based on actual situations and reports of competent authorities in national defense and security, for the purpose of maintaining an environment of peace and stability, national

and people benefits, the Prime Minister shall decide on temporary suspension of execution of certain rights and obligations under petroleum contracts for national defense, security reasons in accordance with Clause 7 Article 31 of the Law on Petroleum and request the PVN to notify the contractors.

2. On the basis of results of negotiation with the contractors, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request temporary suspension of certain rights and obligations under petroleum contracts for national defense and security reasons. The documents consist of:

a) Written report on negotiation results regarding temporary suspension of execution of certain rights and obligations under petroleum contracts due to national defense and security reasons which states information on petroleum contracts;

b) Other relevant documents.

3. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

4. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

5. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess report on temporary suspension of execution of certain rights and obligations under petroleum contracts for national defense and security reasons and request the Prime Minister to approve. The documents consist of:

a) Written report to the Prime Minister on assessment results and request for approval of methods for temporarily suspending execution of certain rights and obligations under petroleum contracts for national defense and security reasons;

b) Documents under Clause 2 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

Article 31. Return of petroleum contract area and documents, procedures for approval of retention or temporary relinquishment of obligation to return petroleum contract area

1. Contractors must return a minimum of 20% of initial petroleum contract area at the end of each component periods of hydrocarbon exploration periods except for petroleum mine development area, retained area, and area where return obligation is temporarily suspended in accordance with Clause 3 Article 32 of the Law on Petroleum.

2. Contractors have the right to return petroleum contract area at any time throughout hydrocarbon exploration period. Area that has been voluntarily returned shall be deducted from total area to be returned in relevant period. Voluntary return of petroleum contract area shall not reduce obligations applicable to relevant period as well as the returned area.

3. Petroleum contract area to be returned must be convenient for subsequent petroleum operations.

4. On an annual basis, the PVN shall consolidate return of petroleum contract area made by contractors and report to the Ministry of Industry and Trade for monitoring; propose revised list of oil blocks (if necessary) in accordance with Article 12 hereof.

5. If full retention of petroleum contract area is required or temporary relinquishment of obligation to return petroleum contract area is required, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for full retention of petroleum contract area or temporary relinquishment of obligation to return petroleum contract area. The documents consist of:

a) Written request for approval of full retention of petroleum contract area or temporary relinquishment of obligation to return petroleum contract area which states reason and duration of retention period of petroleum contract area or suspension of obligation to return petroleum contract area; plans for implementing petroleum operations during retention period of petroleum contract area; expected additional work obligations and corresponding financial obligations during retention period of petroleum contract area or suspension period of obligation to return petroleum contract area;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

6. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

7. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

8. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate documents approving full retention of petroleum contract area or temporary relinquishment of obligation to return petroleum contract area.

Article 32. Documents and procedures for assessment, approval for expansion of petroleum contract area, consolidation of petroleum discovery and oil, gas field

1. Pursuant to Clause 4 and Clause 5 Article 32 of the Law on Petroleum, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request expansion of petroleum contract area or consolidation of petroleum discovery and oil, gas field. The documents consist of:

a) Written request for approval of expansion of petroleum contract area or consolidation of petroleum discovery, oil, gas field which states reason, research and assessment results regarding area requested to be expanded or solutions for consolidating petroleum discovery, oil, gas field;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, Ministry of Industry and Trade shall assess request for expansion of petroleum contract area or consolidation of petroleum discovery, oil, gas fields and request the Prime Minister to approve. The documents consist of:

a) Written report to the Prime Minister on assessment results and request for approval of expansion of petroleum contract area or consolidation of petroleum discovery, oil, gas field;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. Agreement regarding rules for consolidating petroleum discovery, oil, gas field in overall field development plan; agreement regarding consolidation of petroleum discovery, oil and gas field shall be presented by contractors in early development plans, field development plans.

Article 33. Documents and procedures for assessment, approval for transfer of rights and obligations under petroleum contracts and issuance of revised IRC

1. Pursuant to Clause 1 Article 36 of the Law on Petroleum, at request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for transfer of rights and obligations under petroleum contracts. The documents consist of:

a) Written request for approval of transfer of rights and obligations under petroleum contracts and issuance of revised IRC which states reason and fulfillment of conditions under Clause 1 Article 36 of the Law on Petroleum;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Certified true copies of certificate of operation registration, company charters, and financial statements in the last 3 years of recipients that are organizations; certified true copies of ID card or Citizen ID Card or passport and documents proving financial capability of recipients that are individuals;

d) Contracts or agreements on transfer of rights and obligations under petroleum contracts which specify transfer tax duties of relevant parties and other financial obligations in accordance with Vietnamese laws;

dd) Agreements on amendments to petroleum contracts agreed upon by the PVN and contractors;

e) Guarantee for contract obligation execution of recipients of transferred participating interests in petroleum contracts published by commercial banks or guarantee of parent companies of recipients or other forms of guarantee at request of the PVN (if necessary on the basis of financial statement assessment);

g) Tax declaration and explanation for transfer tax (if any) in accordance with tax laws; notice of tax authority regarding receipt of tax declaration in accordance with tax laws;

h) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if PVN participates in petroleum contracts as contractors), and relevant ministries, central departments to provide feedback.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess the transfer of rights and obligations under petroleum contracts and request the Prime Minister to consider and approve. The documents consist of:

a) Written presentation of assessment results and request for approval of transfer of rights and obligations under petroleum contracts to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. Within 5 working days from the date on which approval for transfer of rights and obligations under petroleum contracts of the Prime Minister is received, the Ministry of Industry and Trade shall issue revised IRC to contractors and PVN and send original copies to the Ministry of Finance, Ministry of Planning and Investment, Ministry of Justice, and tax authority.

6. In case of change to owners of contractors holding participating interests in petroleum contracts, contractors shall declare and pay taxes on behalf of the owners regarding income related to petroleum contracts in Vietnam (if any) or file reports to tax authority if they are not subject to tax in accordance with Vietnamese laws. Tax declaration or reports sent to tax authority and notice of tax authority regarding receipt of documents sent by the contractors must be attached to reports filed to tax authority regarding change of ownership. If the transfer occurs outside of Vietnam, the documents must include information on: country, territory, time of completion of transfer; whether fulfillment of tax obligations of transfer includes property value, participating interests in petroleum contracts in Vietnam or not; if the fulfillment of tax obligations of transfer includes property value, right to participate in petroleum contracts in Vietnam, state the basis and methods for determining value of the portion of property and right in Vietnam. In case parent companies or direct owners of contractors have issued letter of guarantee for

previous petroleum contracts, contractors must provide letter of guarantee of new owners which must be approved by the PVN.

7. If contractors undergo merger, acquisition, full division, partial division, change to registration country, or other operations that alter basic information of the contractors recorded in IRC or petroleum contracts, the contractors must adopt procedures for amending IRC, declare and pay taxes for taxable income in accordance with regulations and law of Vietnam and international treaties to which Vietnam is a signatory.

8. Within 15 days from the date on which contractors change their address or legal representatives, the contractors must notify the Ministry of Industry and Trade, the PVN, and relevant contractors mentioned under petroleum contracts in writing.

9. Contractors are responsible for adequacy and legitimacy of tax declaration and payment (if any) or reports filed to tax authority if they are not subject to tax as per the law; shall be met with legal actions for inadequate or illegitimate declaration and reporting.

Article 34. Documents and procedures for assessment and approval of execution of the right to participate, priority over participating interests, receipt of participating interests in petroleum contracts of the PVN

1. Pursuant to Clause 1 and Clause 2 Article 39 of the Law on Petroleum, on the basis of conditions agreed upon between contractors and the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval of the right to participate in petroleum contract or priority over participating interests which the contractors intend to transfer under signed petroleum contracts or receipt of the entirety of contractor benefits in case the contractors withdraw from petroleum contracts for special reasons. The documents consist of:

a) Written request for approval of exercising of the right to participate or priority over participating interests or receipt of participating interest in petroleum contracts and issuance of revised IRC, including investment opportunity assessment;

b) Notice of the PVN regarding exercising of the right to participate or agreement between the PVN and contractors regarding exercising of priority over participating interests or receipt of participating interests in petroleum contracts; documents sent by the Prime Minister requesting the PVN to receive participating interests of contractors that withdraw from petroleum contracts due to special reasons;

c) Agreements on amendments to petroleum contracts agreed upon by the PVN and contractors;

d) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send request for feedback to Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, and relevant ministries and central departments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess request for exercising of the right to participate or priority over participating interests or receipt of participating interests in petroleum contracts of the PVN and request the Prime Minister to consider, approve. The documents consist of:

a) Report to the Prime Minister on assessment results and request for approval of exercising of the right to participate or priority over participating interest or receipt of participating interests in petroleum contracts of the PVN;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. Within 5 working days from the date on which approval of the Prime Minister for exercising of the right to participate or priority over participating interests or receipt of participating interests in petroleum contracts is acquired, the Ministry of Industry and Trade shall issue revised IRC to contractors and the PVN and send original copies to the Ministry of Finance, Ministry of Planning and Investment, Ministry of Justice, and tax authority.

Article 35. Documents and procedures for establishment, termination, and change of operating offices of foreign operators in petroleum contracts

1. Within 60 days from the date on which IRC comes into effect, operators shall submit 1 set of original documents for registration of operating office establishment to Departments of Planning and Investment where the operating offices are located. The documents consist of:

a) Written registration for operating office establishment signed by competent representatives of operators;

b) Certified true copies of IRC;

c) Decision on employment or hiring contracts with respect to heads of operating offices of operators;

d) Certified true copies of ID Card or Citizen ID Card or passport of heads of operating offices.

2. Within 15 days from the date on which adequate documents are received, the Departments of Planning and Investment shall issue certificate of operation registration of operating office.

3. Operating period of operating offices shall conform to effective period of IRC or revised IRC except for cases where IRC is extended for the purpose of fulfilling obligations to host countries upon termination of petroleum contracts.

4. Departments of Planning and Investment shall send copies of certificate of operation registration of operating offices to the Ministry of Industry and Trade, Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, and PVN.

5. Within 15 days from the date on which change to address of operating offices, heads of operating offices, takeover of operating offices from previous operators, and other information on issued certificate of operation registration of operating offices occurs, operators shall adopt procedures for revising information of issued certificate of operation registration of operating offices in accordance with Clause 1 of this Article and notify tax authority about the changes.

6. In case of termination of operating offices, operators shall send 1 set of original documents requesting termination of operating offices to Departments of Planning and Investment where the operating offices. The documents consist of:

a) Notice on termination of operating offices signed by competent representatives of operators;

b) List of employees and their applicable benefits;

c) Seals and certification of seal specimen (if any);

d) Written confirmation of tax authority regarding operating office's fulfillment of tax duties and closure of taxpayer identification number in case of termination of petroleum contracts;

dd) Original copies of establishment registration of operating office.

7. Within 15 days from the date on which adequate documents are received, Departments of Planning and Investment shall send notice on removal of operating offices to operators, Ministry of Industry and Trade, Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, the PVN, and tax authority.

8. Operating offices are responsible for fulfilling obligations according to Vietnamese regulations and laws prior to their termination.

Article 36. Documents and procedures for assessment, approval of follow-up plan for oil fields, groups of oil fields, oil blocks upon expiry of petroleum contracts

1. If contractors under petroleum contracts propose signing new petroleum contracts upon expiry of current petroleum contracts according to Clause 2 Article 40 of the Law on Petroleum, the PVN shall implement direct contracting in accordance with Article 21 of the Law on Petroleum and this Decree. The PVN shall approve and distribute request for proposals.

2. If contractors executing petroleum contracts propose signing of new petroleum contracts with different economic and technical conditions, the PVN shall report to the Ministry of Industry and Trade for assessment, request the Prime Minister to approve shopping methods for contractors above in accordance with this Decree.

3. If contractors under petroleum contracts do not propose signing of new petroleum contracts, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for follow-up plans for oil fields, groups of oil fields, oil blocks upon expiry of petroleum contracts at least 6 months prior to the expiry of petroleum contracts. The documents consist of:

a) Written request for approval of follow-up plan for oil fields, oil blocks upon expiry of petroleum contracts which evaluates oil field conditions, oil field group conditions, oil block conditions; estimation of remaining petroleum resources and reserves;

b) Expected solutions for implementation upon expiry of petroleum contracts: ceasing to operate oil fields, groups of oil fields, oil blocks; continuing with operation of oil fields, groups of oil fields, oil blocks on the basis of new petroleum contracts with appropriate economic and technical conditions; or assigning the PVN to salvage operation of oil fields, groups of oil fields, oil blocks;

c) Draft financial regulations for regulating petroleum operations during periods that start from receipt of oil fields, groups of oil fields, oil blocks to signing of new petroleum contracts;

d) Other relevant documents.

4. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send request for feedback to Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, and relevant ministries and central departments.

5. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

6. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess follow-up plans for oil fields, groups of oil fields, oil blocks before the expiry of petroleum contracts and request the Prime Minister to approve. The documents consist of:

a) Written presentation of assessment results and request for approval of follow-up plans for oil fields, groups of oil fields, oil blocks upon expiry of petroleum contracts to be sent to the Prime Minister;

b) Documents under Clause 3 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

7. Based on decision of the Prime Minister approving follow-up plans for oil fields, groups of oil fields, oil blocks upon expiry of petroleum contracts:

a) In case of ceasing to operate oil fields, groups of oil fields, or oil blocks, contractors are responsible for decommissioning petroleum installations in accordance with approved decommissioning plans;

b) In case of continuing with operation of oil fields, groups of oil fields, and oil blocks, the PVN shall receive oil fields, groups of oil fields, and oil blocks in their current states from the contractors and coordinate petroleum operations in accordance with financial regulations under Article 37 hereof until new petroleum contract is signed or for no longer than 2 years; select and designate entities responsible for petroleum operations during this period (if necessary). If no contractors express their interest or are selected to sign new petroleum contracts after 2 years from the date on which the PVN receives oil fields, groups of oil fields, and oil blocks, the PVN shall request the Prime Minister to assess, the Prime Minister to approve follow-up plans for oil fields, groups of oil fields, and oil blocks which utilize any of the two solutions under Clause 3 Article 41 of the Law on Petroleum. Documents and procedures for assessment, approval of follow-up plans for oil fields, groups of oil fields, oil blocks shall conform to Clauses 3, 4, 5, and 6 of this Article;

c) In case of taking over operation of oil fields, groups of oil fields, and oil blocks, the PVN shall carry out petroleum operations in accordance with Chapter VIII hereof.

Article 37. Financial regulations for regulating petroleum operations during periods that start from receipt of oil fields, groups of oil fields, oil blocks to signing of new petroleum contracts

Financial regulations for regulating petroleum operations during periods that start from receipt of oil fields, groups of oil fields, oil blocks to signing of new petroleum contracts according to Clause 3 Article 41 of the Law on Petroleum and Point b Clause 7 Article 36 hereof shall be implemented in a manner where any surplus created by revenues and expenditure on petroleum operations (including amounts submitted to guarantee funds for fulfillment of financial obligations for petroleum installation decommissioning, if necessary) shall be submitted to the state budget while maintaining effectiveness and closely controlling petroleum operation costs. Petroleum operation costs in this case mean deductibles of income subject to corporate income tax in accordance with corporate income tax laws, petroleum laws, relevant legislative documents, and international treaties to which Vietnam is a signatory. Financial regulations for regulating petroleum operations while waiting for the signing of new petroleum contracts include:

1. Petroleum sales generated by petroleum operations and other revenues (if any) shall be used for:

- a) Paying and disbursing legitimate, reasonable costs incurred during petroleum operations according to approved operation programs and budget;
- b) Paying estimated costs in subsequent period depending on approved operation programs and budget in advance;
- c) Covering additional investment to increase petroleum reserve, maintain petroleum mining productivity; contributing to guarantee fund for fulfillment of petroleum installation decommissioning obligations for work items of additional investment (if any).

2. Submit the following amounts to the state budget on an annual basis:

- a) Remaining revenues after spending on purposes under Clause 1 of this Article;
- b) Remaining budget (if any) if total amount spent at the end of the period is lower than actual approved budget;
- c) Interests (if any) of remaining provisions that are allowed to be retained at the end of financial year;
- d) Remaining amount (if any) of guarantee fund for fulfillment of petroleum installation decommissioning obligations after decommissioning, determined by audit results as per the law;
- dd) Surplus (if any) of revenues generated by liquidation of assets no longer useful for petroleum operations; equipment, instruments, materials, and wastes collected during petroleum installation decommissioning; legitimate, reasonable costs on a case-by-case basis.

3. The PVN shall be responsible for

- a) developing and approving annual operation programs and budget;
- b) developing and approving procedures for selecting contractors for service provision, procurement in salvaging operation of oil fields, groups of oil fields, oil blocks in a manner that is compliant with the Law on Petroleum and rules applicable to petroleum contracts;
- c) producing quarterly reports to the Ministry of Industry and Trade on petroleum operations;
- d) proposing follow-up plans appropriate to Clause 3 Article 41 of the Law on Petroleum.

Article 38. Regulations on management, recording, use of assets, and receipt of participating interests from contractors in special cases

1. If contractors decide to withdraw from petroleum contracts due to special reasons under Clause 2 Article 39 of the Law on Petroleum, the PVN shall receive all participating interests of the contractors under petroleum contracts and receive information, data, documents, specimen, petroleum installations, and other assets (if any) in their current states in accordance with agreement signed with the contractors.
2. Contractors shall be paid in value of state assets received and managed by the PVN under Clause 1 of this Article from state budget in accordance with agreement signed between the PVN and contractors.
3. The PVN shall manage and produce separate reports to monitor participating interests that they receive from contractors, information, data, documents, specimen, petroleum installations, and other assets (if any) in accordance with Clause 1 of this Article and specific decisions of the Prime Minister assigning the PVN to receive all participating interests from contractors in special cases and not record in state investment in enterprises and financial statements of the PVN.
4. On an annual basis, the PVN shall develop plans for expenditure on management, monitoring of assets and expenditure for relevant issues which shall be processed in accordance with Point d Clause 4 Article 64 of the Law on Petroleum and whose audit results shall be approved by Board of members of the PVN.
5. The Ministry of Finance shall take charge and cooperate with Committee for Management of State Capital at Enterprises in guiding, monitoring asset management performed by the PVN under Clause 1 of this Article.

Chapter V

SAFETY IN PETROLEUM OPERATIONS

Article 39. Documents on safety management

1. When performing petroleum operations, contractors are responsible for developing documents on safety management in accordance with Point a Clause 4 Article 8 of the Law on Petroleum, including:

- a) Safety management program;
- b) Risk assessment report;
- c) Emergency response plan.

2. Safety management program includes basic details such as:

- a) Policies and goals regarding safety;
- b) Safety operations, delegation of responsibilities regarding safety operations;
- c) Safety training program; capacity, qualification, and experience requirements for employees;
- d) List of legislative documents, national technical regulations, national standards, safety regulations, international treaties to which Vietnam is signatory or other standards appropriate to universally accepted international oil and gas industry practice;
- dd) Assessment of compliance with the law including requirements to be met in accordance with regulations on license, certificate of technical safety and environmental protection;
- e) Safety management implemented by service contractors, organizations, individuals.

3. Risk assessment report includes basic details such as:

- a) Purpose and goals of risk assessment;
- b) Description of petroleum operations, petroleum installations;
- c) Quantitative and qualitative risk identification, analysis, and assessment;
- d) Risk mitigating solution.

4. Emergency response plan must rely on results of risk assessment report and include basic details such as:

- a) Description and classification of possible emergencies;

- b) Organizational structure, responsibility decentralization, responsibilities of each individual, reporting regime in case of incidents, accidents, or emergencies;
- c) Response procedures for every scenario;
- d) Description of internal and external resources that are available or can be mobilized to effectively respond to emergencies;
- dd) Contact address and information of internal departments for emergency response and reporting to relevant competent authority;
- e) Emergency response training and drill plans;
- g) Operational recovery plans for petroleum installations include inspect, assessment of causes and consequences for the purpose of re-establishing and improving safety level of petroleum installations;
- h) Emergency response plan must conform to emergency response system of the National Committee for Search and Rescue, local governments, and PVN (with respect to entities affiliated to the PVN, petroleum joint venture, and petroleum contractors);
- i) Organizations and individuals engaging in petroleum operations available for cooperation in developing general emergency response plan.

5. The Ministry of Industry and Trade shall provide detail guidelines on safety management documents in petroleum operations.

Article 40. Documents and procedures for assessment, approval of safety management documents

1. Prior to conducting drilling operations for hydrocarbon exploration, building new or modifying petroleum installations, decommissioning petroleum installations after finishing petroleum operations, on the basis of safety management documents under Article 39 hereof produced by the contractors and approved by the PVN, the PVN shall submit 1 set of original documents to the Ministry of Industry and Trade to request approval for safety management documents. The documents consist of:

- a) Written request for approval of safety management documents;
- b) Safety management documents under Article 39 hereof;
- c) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);
- d) Other relevant documents.

2. Assessment of safety management documents includes:

- a) Assessing compliance of documents with the Law on Petroleum and this Decree;
- b) Assessing adequacy and accuracy of contents of documents;
- c) Physical observation at petroleum installations (if necessary).

3. Assessment of safety management documents shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives of ministries, central departments, relevant organizations, if necessary).

4. Within 30 days from the date on which adequate documents are received, assessment councils shall assess safety management documents and request the Ministry of Industry and Trade to approve.

5. Within 5 working days from the date on which written assessment produced by assessment councils is received, the Minister of Industry and Trade shall promulgate decision approving safety management documents.

Article 41. Safety management system

1. Contractors must develop, maintain, and update safety management system in order to ensure safety of all petroleum operations starting from hydrocarbon exploration phase to the end of petroleum installation decommissioning phase.

2. Primary details of safety management system include:

- a) Policies and objectives regarding safety, working environment and programs, plans for executing these objectives;
- b) Up-to-date list of relevant legislative documents, standards, technical regulations;
- c) Operating, emergency response, construction and machinery maintenance procedures; regulations on management, examination, inspection, and certification of technical safety and environmental protection in regarding constructions, machinery, equipment, and hazardous chemicals;
- d) Safety regulations; safety signs for production lines, machinery, equipment, materials, chemicals, and tasks with strict safety requirements; document storage and management, reporting;
- dd) System of safety operations; decentralized responsibilities, task execution, report recipients; qualification and experience requirements appropriate to working positions;

e) Assessment of results of safety management program and solutions for improving safety management quality. Safety, health, and environment management capability of contractors must be controlled to adhere to safety management system of organizations and individuals.

g) Mandatory update, assessment, and control implemented by organizations and individuals regarding any change to organization, technicality, technology, and other requirements that affect risk levels in order to ensure continuous and consistent performance of safety management system.

Article 42. Safety risk management

1. Contractors must ensure that all risks are identified, analyzed, and assessed for all petroleum installations, machinery, equipment, chemicals, and hazardous materials. Risk assessment results shall serve as input data for organizing of emergency response operations.

2. Risk management operations include:

a) Quantitative and qualitative risks must be conducted for every phase of petroleum operations to act as the basis for solutions for controlling, mitigating risks, and proving acceptable risk levels according to national technical regulations;

b) Risk assessment reports must be updated once every 5 year or in case of modification or major change to operating technology and organization in order to act as the basis for decisions relating to petroleum operation safety;

c) Contractors must identify positions and specific conditions where high risks are present and where safety concerns exist when implementing activities in order to take mitigating actions.

Article 43. Emergency response

1. Contractors must develop and maintain emergency response system in order to effectively respond to emergencies and accidents that threaten humans, the environment, or property. Contractors shall notify competent authority depending on severity of emergencies and accidents as per the law.

2. Emergency response training and drills in petroleum installations must be conducted on a regular basis to enable employees to acknowledge and familiarize with emergency response procedures corresponding to specific emergencies. Training methods and frequency shall be determined based on risk assessment results. Training and drill results must be evaluated and recorded to improve emergency response plan.

3. Individuals arriving at petroleum installations for the first time must receive detail guidance regarding emergency response operations, safety equipment, and means of egress.

Article 44. Safety in designing, manufacturing, constructing, and operating petroleum installations

1. Petroleum installations must be designed, manufactured, and constructed in a manner that adheres to national technical regulations, national standards, or international standards, regional standards, and foreign standards that are widely accepted, applied, compliant with Vietnamese regulations and law, international treaties to which Vietnam is a signatory, and satisfies requirements below:

- a) Technology safety;
- b) Construction safety;
- c) Fire prevention and safety;
- d) Safety zone and corridor;
- dd) Regulations on environmental protection;
- e) Ability to withstand expected load during operation and emergency;
- g) Inability to cause subsequent emergencies from a single emergency.

2. Designing, manufacturing, constructing, testing, and commissioning of petroleum installations must be inspected and certified by competent authority as per the law in order to ensure compliance with technical regulations, standards, Vietnamese regulations and law, and international treaties to which Vietnam is a signatory.

3. Prior to conducting test runs, contractors must conduct inspection, test, and experiment for each work item and make sure that emergency response plan and fire prevention and firefighting operation are ready and available as per the law. During test runs, organizations and individuals must adopt solutions for timely and effective response to possible accidents and emergencies.

4. Petroleum installations shall only enter into operation if their inspection, test, experiment results, and safety features meet the requirements.

5. Petroleum installations must be operated, maintained, inspected, and repaired in a manner that adheres to regulations of the law, procedures, technical regulations, and standards applied. Contractors must immediately cease operations if such operations can harm humans, the environment, or petroleum installations and cannot be controlled.

Chapter VI

PROCEDURES FOR APPROVING EXECUTION OF PETROLEUM OPERATIONS

Article 45. Documents and procedures for assessment, approval of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment

1. Pursuant to Clause 1 Article 42 of the Law on Petroleum, on the basis of request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment. The documents consist of:

- a) Written request for approval of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment which states reasons and includes assessment, comparison of economic effectiveness between solutions that involve uniform chains and other solutions;
- b) Draft petroleum contract revision for oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment;
- c) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);
- d) Proposed demand for forest, land repurposing (if any) together with presentation, maps of current forest and land conditions, and other documents in accordance with forestry laws, land laws, and relevant law provisions;
- dd) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request for feedback to Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of Construction, Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development, Ministry of National Defense, Ministry of Foreign Affairs, Ministry of Public Security, Committee for Management of State Capital at Enterprises (if the PVN participates in petroleum contracts as contractors), and relevant ministries, central departments, local governments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries, central departments, and local governments shall send written feedback regarding their expertise to the Ministry of Industry and Trade, where the Ministry of Natural Resources and Environment and

Ministry of Agriculture and Rural Development shall provide feedback on forest and land repurposing (if any) in accordance with forestry laws, land laws, and other relevant law provisions.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess request for execution of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment and request the Prime Minister to approve. The documents consist of:

a) Written report on assessment results and request for approval of execution principles of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. Regarding forest and land repurposing (if any) of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment, documents and procedures for assessment, approval shall conform to forestry laws and land laws. The National Assembly shall approve forest and land repurposing principles (if any). Request for approval of forest and land repurposing principles include:

a) Written request for approval of forest and land repurposing principles for oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment to be sent to the National Assembly by the Government;

b) Documents according to forestry and land laws;

c) Other relevant documents.

6. When forest and land repurposing principles and overall field development plans are approved, documents and procedures of provincial People's Committees for expropriation and repurposing of forests, land that serve execution of oil field development projects with uniform chains of onshore and offshore petroleum installations and equipment shall conform to forestry laws, land laws, and relevant law provisions.

7. During the period of forest, land expropriation and repurposing to execute oil field development projects, the PVN and contractors are allowed to conduct surveying and measurement to collect data for preparation of oil field development plans.

Article 46. Documents and procedures for assessment, approval of forest, land repurposing principles of onshore oil field development projects

1. If onshore oil field development projects require forest, land repurposing in accordance with Clause 2 Article 42 of the Law on Petroleum, on the basis of request of contractors, the PVN shall request competent authority to assess and approve forest, land repurposing principles in accordance with forestry laws and land laws.

2. If approval for forest, land repurposing principles is only granted by the National Assembly in accordance with Point a Clause 2 Article 42 of the Law on Petroleum, the Government shall send documents requesting approval for forest, land repurposing principles to the National Assembly in the same manner depicted under Clause 5 Article 45 hereof.

3. Procedures for assessing and approving forest, land repurposing principles of onshore oil field development projects shall conform to forestry laws, land laws, and other relevant law provisions.

4. When forest, land repurposing principles and overall oil field development plans have been approved, documents and procedures of provincial People's Committees for expropriation and repurposing of forest, land to execute onshore oil field development projects shall conform to forestry laws, land laws, and relevant law provisions.

Article 47. Documents and procedures for assessment, approval of petroleum resource and reserves report, updated petroleum resource and reserves report

1. Within 120 days from the date on which appraisal of petroleum discovery, on the basis of petroleum resource and reserves report produced by contractors and approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval of petroleum resource and reserves report. The documents consist of:

a) Written request for approval of petroleum resource and reserves report of petroleum discovery that has undergone appraisal;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Petroleum resource and reserves report containing basic details under Article 45 of the Law on Petroleum;

d) Summary of petroleum resource and reserves report;

dd) Other relevant documents.

2. Assessment of petroleum resource and reserves report shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives

of relevant ministries, central departments, and relevant organizations) and expert teams assisting the assessment councils.

3. During assessment process, the Ministry of Industry and Trade shall request the PVN to appoint capable consulting organizations to assess petroleum resource and reserves report if necessary. Expenditure on hiring consultants shall be sourced from costs for management and supervision of petroleum contracts under Point c Clause 4 Article 64 of the Law on Petroleum. Consulting organizations must be legally and financially independent of the contractors. Assessment period shall last no longer than 90 days.

4. Within 45 days from the date on which adequate documents (including assessment report of consulting organizations, if necessary) are received, assessment councils shall assess petroleum resource and reserves report and request the Ministry of Industry and Trade to approve.

5. Within 5 working days from the date on which written assessment sent by assessment councils is received, the Minister of Industry and Trade shall promulgate decision approving petroleum resource and reserves report.

6. Documents and procedures for assessment, approval of updated petroleum resource and reserves report under Clause 5 Article 45 of the Law on Petroleum shall conform to this Article.

7. The Ministry of Industry and Trade shall elaborate decentralization and production of petroleum resource and reserves report.

Article 48. Documents and procedures for assessment, approval of overall oil field development plan, revised overall oil field development plan

1. Within 12 months from the date on which petroleum resource and reserves report is approved, on the basis of overall oil field development plan produced by contractors and approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for overall oil field development plan. The documents consist of:

a) Written request for approval of overall oil field development plan;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Overall oil field development plan containing basic details under Article 46 of the Law on Petroleum. In case of gas field development, preliminary gas sale plan must contain basic information on gas buyers, expected time of gas sale, and other prerequisites of gas sale plan;

d) Summary of overall oil field development plan;

dd) Agreement on combined petroleum and oil field discovery principles between relevant parties (if any) on the basis of approval of the Prime Minister regarding combining of petroleum discovery, oil field discovery under Article 32 hereof;

e) Agreement on common oil field development principles (if any);

g) Other relevant documents.

2. Assessment of overall oil field development plan shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives of relevant ministries, central departments, and relevant organizations) and expert teams assisting the assessment councils.

3. If the PVN participates in petroleum contracts as contractors, in addition to assessment of overall oil field development plan conducted by assessment councils, the Ministry of Industry and Trade shall send request for feedback to the Committee for Management of State Capital at Enterprises regarding capital use of the PVN.

4. Within 45 days from the date on which adequate documents are received, the assessment councils shall assess overall oil field development plan and request the Minister of Industry and Trade to approve.

5. Within 5 working days from the date on which written assessment sent by assessment councils is received, the Minister of Industry and Trade shall promulgate decisions approving overall oil field development plan.

6. Documents and procedures for assessment, approval of revised overall oil field development plan for revision that requires approval of the Ministry of Industry and Trade according to Clause 5 Article 46 of the Law on Petroleum shall conform to this Article.

7. Documents and procedures for assessment, approval of revised overall oil field development plan for revision that requires approval of the PVN under Clause 5 Article 46 of the Law on Petroleum shall conform to procedures promulgated by the PVN.

Article 49. Documents and procedures for assessment, approval of early development plans, revised early development plans

1. Contractors shall propose early development plans when:

a) Currently available information does not permit determination of reasonable production plan according to international oil and gas industry practice but demands

additional data gathering on the basis of actual production of oil fields, deposit layers, and seams;

b) Proved and probable reserves (on-site petroleum) P1/2P must not be lower than 40% or approval of the Ministry of Industry and Trade is required.

2. Within 18 days from the date on which overall oil field development plan is approved, on the basis of early development plan produced by contractors and approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for early development plan. The documents consist of:

a) Written request for approval of early development plan;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Early development plan containing basic details under Article 47 of the Law on Petroleum;

d) Summary of early development plan;

dd) Agreement on combined petroleum and oil field discovery between relevant parties (if any) on the basis of approval of the Prime Minister regarding combining of petroleum discovery, oil field discovery under Article 48 hereof;

e) Agreement on common oil field development (if any) on the basis of agreement on common oil field development principles approved under Article 48 hereof;

g) Other relevant documents.

3. Assessment of early development plan shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives of relevant ministries, central departments, and relevant organizations) and expert teams assisting the assessment councils.

4. If the PVN participates in petroleum contracts as contractors, in addition to assessment of overall oil field development plan conducted by assessment councils, the Ministry of Industry and Trade shall send request for feedback to the Committee for Management of State Capital at Enterprises regarding capital use of the PVN.

5. During assessment process, the Ministry of Industry and Trade can request the PVN to appoint consulting organizations capable of assessing early development plan if necessary. Expenditure on hiring consultants shall be sourced from costs for management and supervision of petroleum contracts under Point c Clause 4 Article 64 of the Law on

Petroleum. Consulting organizations must be legally and financially independent of the contractors. Assessment period shall last no longer than 90 days.

6. Within 45 days from the date on which adequate documents are received (including assessment report of consulting organizations, if needed), assessment councils shall assess early development plan and request the Ministry of Industry and Trade to approve.

7. Within 5 working days from the date on which written assessment sent by assessment councils is received, the Minister of Industry and Trade shall promulgate decisions approving early development plan.

8. Documents and procedures for assessment, approval of revised early development plan for revision that requires approval of the Ministry of Industry and Trade according to Clause 6 Article 47 of the Law on Petroleum shall conform to this Article.

9. Documents and procedures for assessment, approval of revised early development plan for revision that requires approval of the PVN according to Clause 5 Article 47 of the Law on Petroleum shall be determined by total investment accumulated from the last time early development plan was approved and conform to procedures promulgated by the PVN.

Article 50. Documents and procedures for assessment, approval of oil field development plan, revised oil field development plan

1. Within 18 months from the date on which overall oil field development plan is approved or within 6 months prior to the end of early development plan, on the basis of oil field development plan produced by contractors and approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval of oil field development plan. The documents consist of:

a) Written request for approval of oil field development plan;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Oil field development plan containing basic details under Article 48 of the Law on Petroleum;

d) Summary of oil field development plan;

dd) Agreement on combined petroleum and oil field discovery between relevant parties (if any) on the basis of approval of the Prime Minister regarding combining of petroleum discovery, oil field discovery under Article 48 hereof;

e) Agreement on common oil field development (if any) on the basis of agreement on common oil field development principles approved under Article 48 hereof;

g) Other relevant documents.

2. Assessment of oil field development plan shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives of relevant ministries, central departments, and relevant organizations) and expert teams assisting the assessment councils.

3. If the PVN participates in petroleum contracts as contractors, in addition to assessment of oil field development plan conducted by assessment councils, the Ministry of Industry and Trade shall send request for feedback to the Committee for Management of State Capital at Enterprises regarding capital use of the PVN.

4. During assessment process, the Ministry of Industry and Trade can request the PVN to appoint consulting organizations capable of assessing oil field development plan if necessary. Expenditure on hiring consultants shall be sourced from costs for management and supervision of petroleum contracts under Point c Clause 4 Article 64 of the Law on Petroleum. Consulting organizations must be legally and financially independent of the contractors. Assessment period shall last no longer than 90 days.

5. Within 45 days from the date on which adequate documents are received (including assessment report of consulting organizations, if needed), assessment councils shall assess oil field development plan and request the Ministry of Industry and Trade to approve.

6. Within 5 working days from the date on which written assessment sent by assessment councils is received, the Minister of Industry and Trade shall promulgate decisions approving oil field development plan.

7. Documents and procedures for assessment, approval of revised oil field development plan for revision that requires approval of the Ministry of Industry and Trade according to Clause 6 Article 48 of the Law on Petroleum shall conform to this Article.

8. Documents and procedures for assessment, approval of revised early development plan for revision that requires approval of the PVN according to Clause 5 Article 48 of the Law on Petroleum shall be determined by total investment accumulated from the last time early development plan was approved and conform to procedures promulgated by the PVN.

Article 51. Documents and procedures for assessment, approval of decommissioning plan, revised decommissioning plan

1. Within 1 year from the date on which first oil or first gas is produced commercially from area under petroleum contract, on the basis of decommissioning plan produced by contractors and approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for decommissioning plan. The documents consist of:

- a) Written request for approval of decommissioning plan;
- b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);
- c) Decommissioning plan containing basic details under Article 50 of the Law on Petroleum;
- d) Summary of decommissioning plan;
- dd) Other relevant documents.

2. Assessment of decommissioning plan shall be conducted by assessment councils. The Minister of Industry and Trade shall promulgate decision on establishment and operating regulations of assessment councils (including representatives of relevant ministries, central departments, and relevant organizations) and expert teams assisting the assessment councils.

3. Within 45 days from the date on which adequate documents are received, assessment councils shall assess decommissioning plan and request the Ministry of Industry and Trade to approve.

4. Within 5 working days from the date on which written assessment sent by assessment councils is received, the Minister of Industry and Trade shall promulgate decisions approving decommissioning plan.

5. Documents and procedures for assessment, approval of decommissioning plan for revision that requires approval of the Ministry of Industry and Trade according to Clause 8 Article 50 of the Law on Petroleum shall conform to this Article.

6. Documents and procedures for assessment, approval of revised decommissioning plan for revision that requires approval of the PVN under Clause 6 Article 50 of the Law on Petroleum shall conform to procedures promulgated by the PVN.

Article 52. Guarantee fund for fulfillment of decommissioning obligations

1. Currency used in guarantee fund for fulfillment of decommissioning obligations (hereinafter referred to as “decommissioning fund”) shall be the USD.

2. Annual donation to decommissioning fund (including VAT) shall be determined using formula below:

$$E_n = \frac{A_n \times (B_n - C_{(n-1)} - I_{(n-1)})}{D_n}$$

Where:

E_n : Donation to the fund in the year n, in USD;

A_n : Petroleum production in the year n, determined by production in the corresponding year, in barrel of oil equivalent (BOE);

B_n : Total decommissioning costs in the year n, $B_n = (b_1 - b_2)$, where:

b_1 : Total decommissioning costs estimated under (the latest and approved) decommissioning plan, in USD;

b_2 : Estimates of costs determined under (the latest and approved) decommissioning plan corresponding to equipment, property, or installations that have been decommissioned as of the year (n-1), in USD;

$C_{(n-1)}$: Balance of decommissioning fund as of December 31 of the year (n-1) determined by total balance of all accounts which the PVN donates to and verified by relevant credit institutions in writing, in USD;

$I_{(n-1)}$: Interests of bank deposits which organizations and individuals are eligible for after the PVN fulfills obligations to the state budget (if any) on their behalf for the year n-1;

D_n : Remaining oil reserves for exploitation, $D_n = d_1 - d_2$, in which:

d_1 : Oil reserves for exploitation determined under oil field development plan or early development plan approved by competent authority as of the end of the year n, in BOE;

d_2 : Total oil reserves exploited from (other) relevant oil fields as of the year (n-1), in BOE.

3. Prior to termination of oil field operation or early termination of petroleum contracts, contractors must prepare adequate decommissioning fund according to the final decommissioning plan approved by competent authority.

4. Within 1 year prior to termination of petroleum contracts or the end of petroleum exploitation period according to approved oil field development plan or revised oil field development plan, contractors must update decommissioning plan and request competent authority to approve in accordance with Article 51 hereof.

5. If balance of decommissioning fund is lower than cost estimates detailed under the final and approved decommissioning plan, within 6 months prior to termination of petroleum contracts or the end of petroleum exploitation period, each contractor must make additional donations to the fund depending on their participating interests in petroleum contracts. If necessary, the PVN shall request contractors to apply for bank guarantee in order to guarantee fulfillment of decommissioning obligations where guarantee amount is equivalent to the missing amount.

6. If balance of decommissioning fund is greater than cost estimates detailed under the final and approved decommissioning plan, the surplus will be dealt with during finalization in accordance with Article 54 hereof or returned to contractors if the PVN receives use right of decommissioning fund (in case contractors are allowed to partially or entirely retain petroleum installations) as long as the contractors have fulfilled financial obligations with host countries in accordance with petroleum contracts and relevant law provisions. The surplus returned to contractors shall be dealt with in accordance with Clause 5 Article 54 hereof.

7. If signed petroleum contracts contain agreements regarding guarantee for fulfillment of decommissioning obligations that are different from this Decree, contractors shall conform to the petroleum contracts.

Article 53. Management and use of decommissioning fund

1. Decommissioning fund shall serve decommissioning of petroleum installations. Contractors shall tap into the fund for the purpose of decommissioning petroleum installations in accordance with approved decommissioning plan.

2. If contractors are unable to decommission petroleum installations according to approved decommissioning plan due to PVN's inability to replenish guarantee fund for fulfillment of decommissioning obligations, the contractors are relieved from decommissioning obligations corresponding to the unreplenished portion while the PVN shall fulfill the decommissioning obligations from which the contractors are relieved.

3. If contractors are not required to decommission or only required to partially decommission petroleum installations, the entirety or part of decommissioning fund corresponding to the entirety or party of petroleum installations required to be retained shall remain under management of the PVN and shall be used for decommissioning petroleum installations that are no longer required for petroleum operations or safety operation of which can no longer be maintained. In this case, the PVN shall cooperate with contractors in determining amount of decommissioning fund at the time in which the PVN receives use right of the fund while the contractors are responsible for donating the missing amount which is determined in accordance with Article 52 hereof. When contractors have made additional donations to decommissioning fund and transferred fund use right to the PVN, the contractors shall be relieved from obligations to the entirety or party of petroleum installations that have not been decommissioned and

relieved from obligations to contingency costs for decommissioning of petroleum installations (if any).

4. On an annual basis, the PVN shall audit and verify donations to decommissioning fund, disbursement from the fund, and costs incurred by the contractors.

Article 54. Finalization of decommissioning fund

1. Within 9 months from the date on which partial or total decommissioning of petroleum installations under petroleum contracts, contractors must produce decommissioning completion report for partial or total decommissioning, request the PVN to approve, and request the Ministry of Industry and Trade to monitor.

2. Primary contents of decommissioning completion report include:

a) Description of petroleum installations and actual decommissioning work conducted;

b) Decommissioning progress;

c) Assessment of changes between actual decommissioning operation and approved plan (if any);

d) Actual decommissioning costs;

dd) Summary of environmental remediation operations implemented, including: implemented solutions for collecting, transporting, and processing waste and refuse;

e) Responsibility for retained installations (if any).

3. Sale value of refuse collected during and after decommissioning process shall be recorded and dealt with during finalization of decommissioning fund in accordance with Clause 4 and Clause 5 of this Article.

4. Within 30 days from the date on which the PVN approves decommissioning completion report, contractors shall cooperate with the PVN in finalizing decommissioning costs (including sale value of refuse mentioned under Clause 3 of this Article).

5. If contractors decommission petroleum installations at the end of petroleum contracts, balance of decommissioning fund, after finalization and fulfillment of financial obligations of petroleum contracts, shall be dealt with as follows:

a) If contractors have recovered donations to decommissioning fund, fund balance, after fulfilling financial obligation in accordance with petroleum contracts, shall be distributed to contractors and the PVN depending on profit oil ratio applicable to the highest production scale implemented during effective period of petroleum contracts;

b) If contractors have not fully recovered their donations to decommissioning fund, the remaining fund balance shall cover the unrecovered amount. Fund balance after allowing contractors to recover their donations (if any) and fulfilling financial obligations according to petroleum contracts shall be distributed between contractors and the PVN depending on profit oil ratio applicable to the highest production scale implemented during effective period of petroleum contracts.

6. If the PVN receives decommissioning fund and directly implements decommissioning, fund balance after finalization shall be submitted to state budget.

7. On an annual basis, the PVN shall submit reports on management, use, and finalization of decommissioning fund to the Ministry of Industry and Trade and Ministry of Finance.

Article 55. Documents and procedures for approval of retention, delayed decommissioning, partial or total decommissioning

1. Pursuant to Clause 2 Article 52 of the Law on Petroleum, on the basis of request of contractors approved by the PVN, the PVN shall submit 2 sets of documents (1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service to request approval for retention, delayed decommissioning, or partial or total decommissioning. The documents consist of:

a) Written request for partial, total retention of petroleum installations or delayed partial, total decommissioning;

b) Assessment of PVN regarding request of the contractors; documents on acknowledgement and presentation of the contractors (if any);

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request for feedback to the Ministry of Natural Resources and Environment, Ministry of Transport, Ministry of Planning and Investment, Ministry of National Defense, and relevant ministries and central departments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall promulgate written approval for partial, total retention of petroleum installations or delayed partial, total decommissioning.

5. If the PVN requests partial, total retention of petroleum installations or delayed partial, total decommissioning, procedures for requesting and approving shall conform to Clauses 1, 2, 3, and 4 of this Article.

6. If competent authority requests partial or total retention of petroleum installations, the Ministry of Industry and Trade shall inform the PVN and contractors in writing at least 6 months prior to decommissioning according to approved progress.

7. The Ministry of Industry and Trade shall elaborate preservation and abandonment of oil wells and decommissioning of petroleum installations.

Chapter VII

PREFERENTIAL TREATMENT IN PETROLEUM OPERATIONS

Article 56. Criteria for determining oil blocks in deep waters, offshore waters, areas with extremely difficult geographic conditions, complicated geological situations; marginal fields

1. Oil blocks in deep waters, offshore waters, areas with extremely difficult geographic conditions, complicated geological situations are oil blocks where:

- a) the shallowest point is located at a minimum depth of 150 m;
- b) the point closest to shore is at least 150 km away from shore.

2. Marginal fields are fields whose internal rate of return for the entire project lifetime is below 10% in USD and is lower than average cost of capital.

Article 57. Documents and procedures for assessment, approval of list of oil blocks, oil fields eligible for investment incentive policies and special investment incentive policies

1. Depending on eligible entities under Article 53 of the Law on Petroleum, the PVN shall develop list of oil blocks and oil fields eligible for investment incentive policies and special investment incentive policies and submit 2 sets of documents (including 1 set of original documents and 1 set of copies) to the Ministry of Industry and Trade directly or via post service. The documents consist of:

- a) Written request for approval of list of oil blocks, oil fields eligible for investment incentive policies and special investment incentive policies;
- b) Assessment of compliance with eligibility under Article 53 of the Law on Petroleum together with detail calculation for each oil block and oil field in respective list (including economic effectiveness assessment of the project);

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send request for feedback to Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of Natural Resources and Environment, Ministry of National Defense, Ministry of Public Security, and relevant ministries and central departments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess lists of oil fields and oil blocks eligible for investment incentive policies and special investment incentive policies and request the Prime Minister to approve. The documents consist of:

a) Written presentation of assessment results and written request for approval of lists of oil blocks and oil fields eligible for investment incentive policies and special investment incentive policies to be sent to the Prime Minister;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

5. On an annual basis, the PVN shall review and evaluate negotiation, signing of petroleum contracts, and implementation of petroleum operations in oil blocks and oil fields, and propose adjustment to lists of oil blocks and oil fields eligible for investment incentive policies and special investment incentive policies (if necessary), request the Ministry of Industry and Trade to assess, and request the Prime Minister to approve in accordance with this Article.

Chapter VIII

SALVAGING OPERATION OF OIL FIELDS, GROUPS OF OIL FIELDS, AND OIL BLOCKS

Article 58. Salvaging rules of oil fields, groups of oil fields, and oil blocks

1. Salvaging operations of oil fields, groups of oil fields, and oil blocks shall conform to Article 60 hereof depending on specific oil fields, groups of oil fields, and oil blocks.

2. Petroleum operations in oil fields, groups of oil fields, and oil blocks must be safe, efficient, effective, strictly control costs, conform to economic and technical norms approved or promulgated by competent authority, and adhere to relevant law provisions.

3. The PVN shall directly manage and coordinate salvaging operations of oil fields, groups of oil fields, and oil blocks; select and designate operators with sufficient financial, technical capability and experience in petroleum operations to perform salvaging operations effectively.

4. Documents and procedures for assessment, approval of additional investment shall conform to Clause 5 Article 44 of the Law on Petroleum, Article 48 and Article 50 hereof.

Article 59. Main details of regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks

1. General information oil fields, groups of oil fields, and oil blocks for salvaging.

2. Rules of coordinating petroleum operations in oil fields, groups of oil fields, and oil blocks for salvaging under Article 58 hereof.

3. Petroleum sales generated by salvaging operations of oil field, groups of oil fields, and oil blocks, and other revenues (if any) shall serve:

a) Payment and disbursement of legitimate, reasonable costs incurred during petroleum operations according to approved operation programs and budget;

b) Advance payment for cost estimates of subsequent phases in accordance with approved operating program and budget; advance payment for procurement costs of materials, services serving petroleum operations during periods where no products have been sold and in case petroleum sales are insufficient to cover legitimate, reasonable costs of petroleum operations or contingency costs or decommissioning costs in case decommissioning fund is insufficient to cover decommissioning operations.

c) Additional investment made to maintain petroleum mining productivity; donation to decommissioning fund for work items of additional investment (if any).

4. Submit the following amounts to the state budget on an annual basis:

a) Remaining revenues after spending on purposes under Clause 3 of this Article;

b) Remaining budget (if any) if total amount spent at the end of the period is lower than actual approved budget;

c) Interests (if any) of remaining provisions that are allowed to be retained at the end of financial year;

d) Remaining amount (if any) of decommissioning fund after decommissioning determined by audit results as per the law;

dd) Surplus (if any) of revenues generated by liquidation of assets no longer useful for petroleum operations; equipment, instruments, materials, and wastes collected during petroleum installation decommissioning; legitimate, reasonable costs on a case-by-case basis.

5. Salvaging operations of oil fields, groups of oil fields, and oil blocks shall be terminated when:

- a) Forecasted revenues are insufficient to cover the costs;
- b) Conditions of constructions and equipment in oil fields, groups of oil fields, and oil blocks are no longer safe;
- c) Force majeure that causes continuation of petroleum operations no longer viable occurs.

6. In salvaging operations of oil fields, groups of oil fields, and oil blocks, the PVN has the responsibility to

- a) organize safe and effective salvaging operations of oil fields, groups of oil fields, and oil blocks; e
- b) develop and approve annual operation programs and budget;
- c) develop and approve procedures for selecting contractors for service provision, procurement in takeover operation of oil fields, groups of oil fields, oil blocks in a manner that is compliant with the Law on Petroleum and rules applicable to petroleum contracts;
- d) submit quarterly reports on salvaging operations of oil fields, groups of oil fields, oil blocks which include surplus and/or deficit assessment, fluctuations in salvaging operations (if any), and subsequent solutions to the Prime Minister;
- dd) decide on termination of salvaging operations and decommissioning of petroleum installations;
- e) implement financial audit and period-end accounting (if any); approve finalization reports of salvaging operations on the basis of the aforementioned accounting reports; approve finalization report of decommissioning costs;
- g) carry out decommissioning in accordance with the Law on Petroleum and this Decree after decommissioning oil fields, groups of oil fields, oil blocks.

Article 60. Documents and procedures for assessment, approval of regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks

1. Pursuant to Point c Clause 2 and Point b Clause 3 Article 41 of the Law on Petroleum, the PVN shall develop regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks appropriate to nature and characteristics of each oil field, group of oil field, and oil block and submit 2 sets of documents (including 1 set of original document and 1 set of copy) to the Ministry of Industry and Trade directly or via post service to request approval for regulations on salvaging operations. The documents consist of:

a) Written request for approval of regulations on salvaging operations of oil fields, groups of oil fields, and blocks;

b) Draft regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks containing basic contents under Article 59 hereof;

c) Other relevant documents.

2. Within 5 working days from the date on which adequate documents are received, the Ministry of Industry and Trade shall send written request for feedback to the Ministry of Planning and Investment, Ministry of Finance, Ministry of Justice, Ministry of Natural Resources and Environment, Committee for Management of State Capital at Enterprises, and relevant ministries and central departments.

3. Within 15 days from the date on which written request for feedback sent by the Ministry of Industry and Trade is received, ministries and central departments must send written feedback within their competence to the Ministry of Industry and Trade.

4. Within 45 days from the date on which adequate documents are received, the Ministry of Industry and Trade shall assess regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks and request the Prime Minister to approve. The documents consist of:

a) Written presentation of assessment results and request for approval of regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks;

b) Documents under Clause 1 of this Article;

c) Consolidated report on acknowledgement and presentation of feedback of ministries, central departments, and copies of written feedback of ministries and central departments.

Article 61. Regulations on management, recording, and use of assets received from contractors in salvaging operations of oil fields, groups of oil fields, and oil blocks

1. In order to salvage oil fields, groups of oil fields, and oil blocks, the PVN shall receive information, data, documents, specimen, petroleum installation, and other assets installed, invested under terminated petroleum contracts in accordance with agreement with

contractors; the PVN is allowed to use information, data, documents, specimen, petroleum installations, and other assets without paying.

2. The PVN shall manage, produce separate reports to monitor information, data, documents, specimen, petroleum installations, and other assets that they have received in accordance with Clause 1 of this Article and update as an increase in investment. The increase in investment is specified under Decision of the Prime Minister approving regulations on salvaging operations of oil fields, groups of oil fields, and oil blocks and does not reflect in state capital invested in enterprises or financial statement of the PVN.

3. At the end of salvaging operations and decommissioning, the PVN shall continue to manage information, data, specimen, documents, and other assets (if any) in accordance with the Law on Petroleum and this Decree.

Chapter IX

FINALIZATION OF PETROLEUM OPERATIONS UNDER PETROLEUM CONTRACTS

Article 62. Finalization of costs of petroleum operations under petroleum contracts

1. Finalization of costs of petroleum operations under petroleum contracts shall be done in each period or smaller periods of petroleum contracts or at the end of petroleum projects, sub-projects of petroleum projects and upon termination of petroleum contracts in accordance with signed petroleum contracts and the Law on Petroleum.

2. Contractors are responsible for producing finalization reports for costs of petroleum operations at the end of each period or smaller period of petroleum contracts; at the end of petroleum projects or smaller projects of petroleum projects and upon termination of petroleum contracts.

3. The PVN is responsible for inspecting and approving finalization reports on costs of petroleum operations produced and presented by contractors on the basis of audit results of costs of petroleum operations implemented by the PVN in accordance with signed petroleum contracts and the Law on Petroleum. The PVN is allowed to hire independent audit (if necessary) to audit finalization reports of costs of petroleum operations presented by contractors.

Chapter X

IMPLEMENTATION

Article 63. Entry into force

1. This Decree comes into force from July 1, 2023 and replaces Decree No. 95/2015/ND-CP dated October 16, 2015 of the Government and Decree No. 33/2013/ND-CP dated April 22, 2013 of the Government.

2. Ministers, heads of ministerial agencies, heads of Governmental agencies, Chairpersons of People's Committees of provinces and central-affiliated cities are responsible for the implementation of this Decree.

Article 64. Transition clause

1. With respect to petroleum contracts issued with IRC before the effective date hereof, entitlement, documents, and procedures for assessment, approval of new reports, plans, programs or revised reports, plans, programs after the effective date hereof shall conform to this Decree.

2. Joint operating companies representing the contractors coordinating petroleum operations established before the effective date hereof shall continue to operate in accordance with petroleum contracts.

**ON BEHALF OF. THE GOVERNMENT
PP. PRIME MINISTER
DEPUTY PRIME MINISTER**

Tran Hong Ha

APPENDIX

MODEL PETROLEUM PRODUCT SHARING CONTRACT
(Attached to Decree No. 45/2023/ND-CP dated July 1, 2023 of the Government)

PETROLEUM PRODUCT SHARING CONTRACT

BETWEEN

VIETNAM NATIONAL OIL AND GAS GROUP

WITH

.....
AND
.....

FOR BLOCK
SOCIALIST REPUBLIC OF VIETNAM

Hanoi, (year)

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Exhibits

[As agreed by the Parties]

Exhibit A: Map and Coordinate of contract area;

Exhibit B: Accounting procedures;

Exhibit C: Basic information for issuance of Investment Certificate

THE PETROLEUM PRODUCTION SHARING CONTRACT is made and entered into force on [date] by and between:

VIETNAM NATIONAL OIL AND GAS GROUP, a one member limited liability company, acting in its capacity as the national oil company, incorporated and operating under the laws of the Socialist Republic of Vietnam, having its registered office at 18 Lang Ha, Ba Dinh District, Ha Noi, the Socialist Republic of Vietnam (hereinafter referred to as “PETROVIETNAM”), on the first part and

[.....], [.....] established and operating under the laws of [.....] and having its registered address at [.....] [hereinafter referred to as “.....”] .[...] and [.....] hereinafter referred to collectively as the “CONTRACTOR” and individually as the “Contractor Party”, on the second part.

The parties of both first and second parts are hereinafter referred to individually as “Party” and collectively as “Parties as the context may require.

RECITALS

Whereas, PETROVIETNAM with authority provided under Article 61 of the Law on Petroleum and the CONTRACTOR desire to enter into Petroleum Production Sharing Contract in order to undertake exploration, appraisal, petroleum development and production operations in Contract Area.

Whereas, the Parties desire to set forth the terms and conditions of this Contract in accordance with the Law on Petroleum to achieve purposes and goals expressed hereunder.

Now, therefore, the Parties agree as follows:

Chapter I

DEFINITIONS, EXHIBITS, AND SCOPE OF CONTRACT

Article 1.1. Definitions

Terms used in this Contract and Exhibits thereof in accordance with the Law on Petroleum shall be construed as follows:

1.1.1. “Force majeure” has the meaning attributed to it in Chapter XIX.

1.1.2. “Party” has the meaning attributed to it in the first part of this Contract and/or respective party’s lawful successors and/or assignees.

1.1.3. “Foreign Party” means any individual and/or legal entity established and registered under foreign law constituting the CONTRACTOR and/or its lawful successors and/or assignees, excluding PETROVIETNAM, PETROVIETNAM’s Affiliates, or companies established under Vietnam's law.

1.1.4. “Parties” has the meaning attributed to it in the first part of this Contract and/or respective party’s lawful successors and/or assignees.

1.1.5. “Affiliate Company” of a Party under this Contract means an organization or an individual that (i) controls the respective Party to this Contract or (ii) is controlled by the respective Party under this Contract or (iii) is controlled by an organization or individual that controls the respective Party, control is understood to mean ownership of more than fifty percent (50%) of voting rights of the respective organization, individual or the direct or indirect right to appoint the majority of or all members of the executive board of such Affiliate Company.

1.1.6. “Petroleum Operation Costs” means all expenditure made and incurred by the CONTRACTOR to carry out petroleum operations under this Contract, includes but is not limited to operations listed under Articles 1.1.30 through 1.1.33, is determined in accordance with accounting procedures under Exhibit B and recovered in accordance with Articles 6.1.2, 6.2.2, and 11.2.2.

1.1.7 “Government” means the Government of the Socialist Republic of Vietnam.

1.1.8. “Vietnam Accounting Standards” (VAS) means accounting principles generally used and accepted in accounting practice in Vietnam.

1.1.9. “Expert” means an expert appointed in conformity with Article 15.3.

1.1.10. “Chapter” means a chapter hereunder.

1.1.11. “Work Program and Budget” means a detailed petroleum operation program produced under this Contract for Year with respective estimated budget provided under Chapter IV.

1.1.12. “Willful Misconduct” means any act or omission to act by any personnel of the CONTRACTOR which was intended to cause, or which was in reckless disregard of or wanton indifferent to, harmful consequences which such CONTRACTOR knew, or should have known, would have known on the safety and property of another person or entity in connection with petroleum operations carried out or to be carried out under this Contract.

1.1.13. “Profit Oil” means the portion of Crude Oil remaining after deducting Royalty Oil and Cost Recovery Oil from Net Oil Production in accordance with Article 6.1.

1.1.14. “Cost Recovery Oil” and “Cost Recovery Gas” mean the portion of Net Oil Production or Net Gas Production, as the case may be, from which cost recovery is to be made by the CONTRACTOR in accordance with Articles 6.1.2 and 6.2.2.

1.1.15. “Royalty Oil” and “Royalty Gas” means Net Oil Production or Net Gas Production, as the case may be, allocated for the satisfaction of Royalty obligations in accordance with Articles 6.1.1 and 6.1.2 respectively.

1.1.16 “Contract Area” means the initial area with coordinates set and described under Exhibit A and amended from time to time in accordance with Article 2.3.

1.1.17. “Development Area” means a portion of Contract Area retained for the development of a Commercial Discovery as further defined under Articles 2.1.3 and 2.3.4.

1.1.18. “Point of Delivery” means a point where petroleum reaches the outlet of loading flange of oil tanker or storage facility used to lift or offtake petroleum or such other points as may be agreed by the Parties.

1.1.19. “Article” means an article hereunder.

1.1.20. “US Dollar” or “USD” means the lawful currency of the United States of America.

1.1.21. “Dong” or “VND” means the lawful currency of the Socialist Republic of Vietnam.

1.1.22. “Market Price” means the price for Crude oil lifted or consumed by the Contractor at Point of Delivery as determined for all purposes hereunder in accordance with Article 8.1.

1.1.23. “Exploration Period” means the period in which Exploration Operations are conducted in component phases in accordance with Article 2.1.1.

1.1.24. “Investment certificate” means the investment certificate issued by the Ministry of Industry and Trade in respect of this Contract and its amendments (if any).

1.1.25. “Well” means a hole drilled into the earth for the purpose of exploration, appraisal and production of petroleum.

1.1.26. “Development Well” means a Well that is drilled in a reservoir, product layer or field for the purpose of conducting the following activities: production of hydrocarbons or fluids; observation, monitoring of the changes of a reservoir; injection of fluids into the reservoir or product layer; and injection of fluids into the well.

1.1.27. “Exploration Well” means either a Wildcat Well or an Appraisal Well.

1.1.28. “Appraisal Well” means a well drilled for the purpose of obtaining information on the scale of reserves and characteristics of a product reservoir, product layer, or field.

1.1.29. “Wildcat Well” means a Well (whether a dry hole or a Discovery) drilled in the Contract Area for the purpose of finding a Petroleum accumulation in a prospect or prospects other than any which have been previously drilled by the CONTRACTOR.

1.1.30. “Production operations” mean operations conducted by contractors in order to retrieve petroleum from oil field in Contract Area, including: operation and maintenance of equipment and instruments; scheduling, controlling, measuring, testing, carrying out flow; and gathering, treating, storing and dispatching crude oil, associated gas and natural gas from petroleum reservoir to the Point of Delivery.

1.1.31. “Development Operations” mean operations conducted by contractors including planning, designing, procuring, manufacturing, building, installing petroleum facilities with a view to the development of petroleum accumulations underlying Development Areas. Development Operations include but are not limited to: reservoir, geological and geophysical studies and surveys; drilling, testing, completing, recompleting and reworking of Development Wells, the drilling and completion of Production wells; planning, design, construction and contracting in order to transport and install product-gathering lines, onshore and offshore platform facilities, equipment installations, separators, tankage, pumps, artificial lifts and other producing, gathering and injection facilities and related activities required in order to produce, process, treat, transport, store and deliver petroleum, and other operations as required for the safe and efficient development of the petroleum accumulation.

1.1.32. “Abandonment Operations” means operations conducted for the purpose of demolition, removal, destruction, conversion, temporary or long-term preservation or other technical solutions in accordance with the law and International Petroleum Industry Practices (IPIP) in respect of petroleum structures that are no longer necessary for petroleum operations constructed by the CONTRACTOR in connection with petroleum operations as regulated in Article 14.3.

1.1.33. “Exploration Operations” means operations conducted pursuant to this Contract with a view to the discovery of Petroleum accumulations, and to the appraisal of the extent and reserves of such petroleum accumulations, the characteristics of the relevant reservoir(s) and their likely behavior when produced. Exploration Operations may include, but are not limited to, geological, geophysical, geochemical, aerial and other surveys, analysis and studies; drilling, deepening, sidetracking, plugging back, testing, completing, recompleting, redrilling and abandonment of Exploration Wells, taking samples and stratigraphic tests and testing of such wells; and all activities related to such operations.

1.1.34. “Contract” means this Production Sharing Contract and Exhibits thereof together with amendments appropriate to Vietnam’s regulations and this Contract.

1.1.35. "Commercial Production" means the production of petroleum from a Commercial Discovery and delivery of the same at the Point of Delivery under a program of regular production and sale after the Development plan has been approved for such Commercial Discovery.

1.1.36. "Profit Gas" means the portion of Net Gas Production remaining after deducting Royalty Gas and Cost Recovery Gas pursuant to Article 6.2.

1.1.37. "SOFR" stands for Secured Overnight Financing Rate of the Government of the United States. Three-month term SOFR is calculated based on derivative market of SOFR futures published by CME Group which is authorized and supervised by Financial Conduct Authority (FCA).

1.1.38. "Production Schedule" means the summarized profile of crude oil production plan in Barrels per day or natural gas output in Cubic meters per day as prepared by the CONTRACTOR and adopted by the Management committee and approved by PETROVIETNAM, in accordance with the Work Program and Budget for Development Operations and Production operations in each Development Area.

1.1.39. "The Law on Petroleum" means the Law on Petroleum No. 12/2022/QH15 approved by the National Assembly of the Socialist Republic of Vietnam on November 14, 2022, coming into force from July 1, 2023 and amendments thereof.

1.1.40. "The Law on Investment" means the Law on Investment approved by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020, coming into force from January 1, 2021 and amendments thereof.

1.1.41. "Cubic Meter" means a cubic meter of Natural gas at atmospheric pressure of one hundred and one point three two five (101,325) kilopascals and at a temperature of fifteen degrees Celsius (15°C).

1.1.42. "Cubic Meter/Day" refers to amount of cubic meter of Natural gas produced each day from Contract Area or gas field.

1.1.43. "Year" means a period of time of 12 consecutive months from the 1st of January to the 31st of February in accordance with the Gregorian calendar.

1.1.44. "Contract Year" means a period of twelve (12) consecutive months in accordance with the Gregorian calendar commencing on the Effective Date of this Contract.

1.1.45. "Effective Date" means the date of issuance of the Investment Certificate in respect of this Contract by the Ministry of Industry and Trade.

1.1.46. "First Production Date" means the day following the thirtieth (30th) day of Petroleum production from the Contract Area via a production system including but not limited to: One or more Development Wells connected to a floating production storage

offload vessel or via pipelines to an onshore storage and export terminal, but excludes any long-term well tests.

1.1.47. "Business Day" means any day on which commercial banks in Vietnam are customarily open for full business.

1.1.48. "Budget" means the estimate of total costs required to carry out petroleum operations pursuant to a specific Work Program.

1.1.49. "Operator" means the entity appointed pursuant to Article 20.4 to represent the Contractor Party to carry out the Petroleum operations and to discharge the obligations under this Contract.

1.1.50. "CONTRACTOR" or "Contractor Party(ies)" has the meaning ascribed to it in the first part of this Contract and/or such party's lawful successors and/or assignees, and consistent with Chapter XII, and which may include an Affiliate Company designated by PETROVIETNAM.

1.1.51. "Senior Supervisory Personnel" means any supervisory employee of the CONTRACTOR who functions as officer, designated manager or supervisor responsible for, or in charge of on-site drilling, construction or production and related operations, or any other field operations and any employee of the CONTRACTOR who functions at a management level equivalent to or superior to the aforementioned manager or supervisor.

1.1.52. "Petroleum Discovery" means a petroleum accumulation discovered by wells.

1.1.53. "Commercial Discovery" means a Petroleum Discovery which, in the sole opinion of the CONTRACTOR can be economically exploited.

1.1.54. "Quarter" means a period of three (3) consecutive calendar months commencing on 1st of January, 1st of April, 1st of July and 1st of October.

1.1.55. "Participating Interest" means the rights, interests, obligations and liabilities of the CONTRACTOR under this Contract. Participating interest percentage of each Contractor Party at any given time is expressed by percentage and specified in the Contract and Investment certificate.

1.1.56. "Net Oil Production" means Crude oil produced and saved from the Contract Area and does not include any Crude oil used for the purpose of Petroleum operations or normal waste during Petroleum operations.

1.1.57. "Net Gas Production" means Natural Gas, Coal Gas, or Shale Gas produced and saved from the Contract Area and does not include Natural Gas returned to the field or used or flared for the purpose of Petroleum Operations or normal waste during Petroleum Operations in Contract Area.

1.1.58. “Barrel of oil per day” or “BOPD” means Barrels of Crude Oil produced per Day in Contract Area or gas field.

1.1.59. “Accounting Procedures” means the document describing the methods of making accounting book entries and conducting cost accounting during the conduct of Petroleum Operations for the purpose of this Contract, compliant with Vietnam’s laws, and as consistent with VAS and International Financial Reporting Standards (IFRS).

1.1.60. “Gas Purchase and Sale Agreement” means the agreement providing for consumption of Natural Gas produced in accordance with each Development Plan for gas fields, as provided in Article 8.5.

1.1.61. “Joint Operating Agreement” means the agreement regulating the management of the CONTRACTOR's operations and which sets out the rights and obligations corresponding to the Participating Interest of each Contractor Party during the conduct of Petroleum Operations.

1.1.62. “Oil Lifting Agreement” means the agreement providing for the lifting and delivery of Crude Oil produced in accordance with the Development Plan for the oil field, as provided in Article 8.5.

1.1.63. “Confidential Information” means all technical, technological and commercial data and information which may be owned by the CONTRACTOR after the Effective Date including, but not limited to, all patents, intellectual property, technical know-how, designs, concepts, Work Programs and Budgets, financial statements, invoices, sales and pricing information, and data related to production, marketing and service capability which the CONTRACTOR develops after the Effective Date and which relates to Petroleum Operations and the terms and conditions of this Contract.

1.1.64. “Royalty” means the money collected in cash or in kind, at the option of the Government, for the right to produce Petroleum from the Contract Area, payable by the Contractor Parties in accordance with Articles 6.1.1 and 6.2.1.

1.1.65. “Barrel” means a unit of Crude Oil consisting of one hundred and fifty eight point nine eight seven (158.987) liters at atmospheric pressure of one hundred and one point three two five (101.325) kilopascals and a temperature of fifteen degrees Celsius (15°C).

1.1.66. “Management Committee” means the Management Committee established pursuant to Chapter III.

Article 1.2. Basic principles of contract

1.2.1. This Contract is a Petroleum Production Sharing Contract in accordance with the Law on Petroleum and other relevant legal regulations in Vietnam.

1.2.2. This Contract establishes the principles, terms and conditions under which the CONTRACTOR is granted the exclusive right to conduct Petroleum Operations aimed at exploring, appraising, developing and producing Petroleum in the Contract Area and other related activities including rights to export, sell or dispose petroleum under the Contract.

1.2.3. The CONTRACTOR has the obligation to carry out Petroleum Operations at its own expense in a safe and efficient manner and at its own risk in accordance with the provisions in this Contract, the law of Vietnam and Generally Accepted International Petroleum Industry Practices.

1.2.4. Petroleum Operation Costs shall be borne and recovered by the CONTRACTOR in accordance with the Contract.

Article 1.3. Participating interests

Participating Interests of Contractor Parties on the Effective Date are as follows:

- [.....]: [.....]%

- [.....]: [.....]%

Chapter II

TERM, MINIMUM WORK COMMITMENT AND SURRENDER OF CONTRACT AREA

Article 2.1. Term

2.1.1. The term of this Contract is [...] (...) Contract Years from the Effective Date and may be extended up to five (5) Years if mutually agreed by the Parties and approved by the Ministry of Industry and Trade in accordance with Articles 2.1.4 and 2.1.5 hereunder, the Exploration Period of this Contract shall be [...] (...) Contract Years from the Effective Date, may be extended but not to exceed [...] (...) years and will be divided into smaller phases: [...] (...) Contract Year(s) for the first phase (“Phase One”), and [...] (...) year(s) for the second phase (“Phase Two”), and [...] (...) year(s) for the third phase (“Phase Three”). Decision to enter into Phase Two or Phase Three shall be at the option of the CONTRACTOR and such decision shall be notified to PETROVIETNAM no later than 15 days prior to the end of Phase One or Phase Two respectively.

2.1.2. Subject to the provisions under Articles 2.1.4, 2.1.5, and 2.3.4.1, this Contract shall terminate if at the end of the Exploration Period (including any extension period, if any) no Commercial Discovery in the Contract Area has been declared.

2.1.3. Immediately upon determination of a Commercial Discovery in any portion of the Contract Area, the development of such Commercial Discovery shall be commenced in

accordance with Chapter IV. In other portions of the Contract Area outside a Development Area or Development Areas, exploration may continue concurrently subject to the provisions under Articles 2.1.4, 2.1.5, and 2.3.

2.1.4. At least 90 days prior to the end of any phase in the Exploration Period referred to under Article 2.1.1:

2.1.4.1. If the Contractor has made a Discovery in the Contract Area where the term of any phase concerned is insufficient for the Contractor to appraise such Discovery, the term of this phase shall be reasonably extended with the consent of PETROVIETNAM and approval of competent authority to enable the CONTRACTOR to make appraisal of such Discovery.

2.1.4.2. If an Exploration Well or Exploration Wells have been scheduled or are in the course of being drilled, the term of any phase concerned shall be reasonably extended with the consent of PETROVIETNAM and the approval of Ministry of Industry and Trade to enable the CONTRACTOR to complete the drilling and appraise the results thereof.

The extension as mentioned above shall not exceed 5 years *[or 10 years for oil blocks benefiting from investment incentives or special investment incentives]*.

2.1.5. Subject to the consent of PETROVIETNAM and the approval of the competent authorities upon the proposal submitted by the CONTRACTOR for an additional work program for Exploration Operations in the Contract Area at the end of the Exploration Period, such Exploration Period shall be extended for a reasonable period to allow the CONTRACTOR to carry out such additional work program.

2.1.6. Should the Exploration Period be extended for the purpose of appraisal operations pursuant to Article 2.1.4 or in the circumstances set out in Article 2.1.5, such period of extension shall be included in the maximum extension of the Exploration Period as regulated in Article 2.1.1 and the Contract term shall be extended for a period equivalent to the period for which the Exploration Period was extended.

2.1.7. In the event of Force Majeure or other exceptional circumstances, the Parties may agree on the suspension method for the implementation of certain rights and obligations in the Contract and such method is subject to the approval of the competent authorities according to the Law on Petroleum. The suspension period for the implementation of certain rights and obligations in the Contract as a result of Force Majeure starts from the date on which Force Majeure is declared and ends on the date on which the Force Majeure ends.

Article 2.2. Minimum work and financial commitments

2.2.1. The CONTRACTOR shall commence Petroleum Operations hereunder not later than thirty (30) days from the date on which PETROVIETNAM approves the Work Program and Budget.

2.2.2. The CONTRACTOR shall carry out the minimum work commitment and minimum financial commitment:

[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]

Phase One:

| <i>Work</i> | <i>Minimum work commitment</i> | <i>Minimum financial commitment (USD)</i> |
|--------------|--------------------------------|---|
| | | |
| | | |
| <i>Total</i> | | |

Phase Two:

| <i>Work</i> | <i>Minimum work commitment</i> | <i>Minimum financial commitment (USD)</i> |
|--------------|--------------------------------|---|
| | | |
| | | |
| <i>Total</i> | | |

Phase Three:

| <i>Work</i> | <i>Minimum work commitment</i> | <i>Minimum financial commitment (USD)</i> |
|--------------|--------------------------------|---|
| | | |
| | | |
| <i>Total</i> | | |

Where the CONTRACTOR has exceeded the minimum work commitment for each phase, such excess work shall be allowed to be credited against the minimum work of a similar nature for the following phase if and when the CONTRACTOR decides to opt into the subsequent phase.

2.2.3. Minimum financial commitments referred to under Article 2.2.2 are only for the purpose of guiding implementation of exploration program in any phase concerned. However, in the event that the CONTRACTOR does not complete the minimum work commitment in any phase concerned, the CONTRACTOR must pay to PETROVIETNAM a sum equivalent to the value of any outstanding minimum work

commitment that has not been fulfilled within ninety (90) days from the end of such phase.

2.2.4. If the CONTRACTOR has completed the minimum work commitments at a cost less than the minimum financial commitments set out in Article 2.2.2 hereto, the CONTRACTOR shall be deemed to have satisfied its financial obligations and shall have no obligation to pay PETROVIETNAM all or any portion of the amount by which such minimum financial commitments exceed actual expenditure made in carrying out such minimum work commitments.

2.2.5. For the avoidance of misunderstanding, additional work programs during the period of extension of the Exploration Period as specified in Article 2.1.5 or in the period in which it is permitted to retain a part of the Contract Area as specified in Article 2.3.4.12 or in the period of temporary suspension of the obligation to surrender the area, shall be considered as the minimum work commitment for the relevant term of extension or retention or temporary suspension of the obligation to surrender the area. If the CONTRACTOR fails to complete the amount of the work commitment corresponding to the period of the permitted extension, retention or temporary suspension of the obligation to surrender the area as mentioned above, then Article 2.2.3 shall apply mutatis mutandis.

2.2.6. The CONTRACTOR reserves the right to request revision to work commitment defined under the Contract in order to increase effectiveness or better facilitate Petroleum Operations in accordance with the Contract. The CONTRACTOR shall submit document requesting work revision to PETROVIETNAM detailing work that they wish to revise, reason for revision, basis for revision, plans for carrying out work commitment following the revision. PETROVIETNAM shall report to the Ministry of Industry and Trade for evaluation and Prime Minister for approval. Revised work commitment and corresponding minimum financial commitment shall be considered minimum work commitment and minimum financial commitment of the CONTRACTOR in the Contract.

Article 2.3. Surrender of area

2.3.1. If the CONTRACTOR elects to enter Phase Two before or by the end of Phase One plus any extension thereof, the CONTRACTOR shall surrender no less than twenty per cent (20%) of the Contract Area. If the CONTRACTOR elects to enter Phase Three (if applicable) before or by the end of Phase Two plus any extension thereof, the CONTRACTOR shall surrender no less than an additional twenty per cent (20%) of the Contract Area.

If the CONTRACTOR elects not to enter Phase Two before or by the end of Phase One or elects not to enter Phase Three (if applicable) before or by the end of Phase Two, the CONTRACTOR shall be relieved of its work commitment defined respectively for the next phase.

2.3.2. Any part of the Contract Area to be surrendered under Article 2.3.1 hereof shall not cover any Development Area, Gas Discovery Area that has been defined.

2.3.3. At any time earlier than the time provided in Article 2.3.1, with thirty (30) day prior written notice to PETROVIETNAM, the CONTRACTOR has the right to surrender an acceptable portion of the Contract Area, in accordance with Article 2.3.5, and such portion shall then be credited against that portion of the Contract Area which the CONTRACTOR is next required to surrender under the provisions of Articles 2.3.1 and 2.3.4. Such surrender shall not relieve the CONTRACTOR of any outstanding obligations and/or liabilities arising from Petroleum Operations pertaining to the portion of the Contract Area concerned.

2.3.4.

2.3.4.1. Without prejudice to the provisions of Articles 2.1.4 and 2.1.5 hereof, notwithstanding Article 3.1, before or by the end of the Exploration Period plus any extension thereof, the CONTRACTOR shall surrender all remaining parts of the Contract Area excluding the following as the CONTRACTOR may determine:

2.3.4.1.1. All Development Area and all Discovery Area as defined under Article 4.7; or

2.3.4.1.2. If the CONTRACTOR wishes to retain any portion of the Contract Area outside a Development Area or Discovery Area which has previously been surrendered or cannot be retained by the CONTRACTOR pursuant to Article 2.3.4.1.1 and has not been awarded to another contractor, the CONTRACTOR shall submit to PETROVIETNAM an additional Work Program and Budget for Petroleum Operations setting forth: the portion of the area which it wishes to retain or the portion of the area which it wishes to expand and as belonging to the previously surrendered Contract Area; and additional Exploration Operations which the CONTRACTOR proposes to carry out in respect of the retained portion and the budget estimated by the CONTRACTOR within which such operations will be completed. PETROVIETNAM shall submit such additional Work Program and Budget to competent authorities for considering and permitting the CONTRACTOR to retain the aforesaid area as the case may be in accordance with procedures for expanding petroleum contract area under Clause 6 Article 32 of the Law on Petroleum together with the additional Work Program and Budget.

2.3.4.2. The CONTRACTOR shall carry out Exploration Operations in accordance with such approved additional Work Program and Budget pursuant to Article 2.3.4.1.2 including the amendments thereof (if any) mutually agreed to by the CONTRACTOR and PETROVIETNAM.

2.3.4.3. If results of Exploration Operations under Article 2.3.4.2 show:

2.3.4.3.1. any new Commercial Discovery is made, a Development Area for such Commercial Discovery shall be justifiably established for the purposes of this Contract;

2.3.4.3.2. any existing Commercial Discovery in the Contract Area is determined to extend beyond the Development Area originally established in respect thereof, such

initial Development Area shall be justifiably adjusted by the mutual agreement of the Parties;

2.3.4.3.3. any new Discovery of Natural Gas is made, the Development Area for such Discovery may in accordance with Article 4.7 be designated as a Discovery Area.

The CONTRACTOR shall, upon completion of the evaluation of the results of the Work Program and the establishment of any new Development Area or the adjustment of any existing Development Area resulting therefrom or the establishment of any new Discovery Area, relinquish all remaining parts of the Contract Area not within the new or adjusted Development Area(s) or new Discovery Areas.

2.3.5. The CONTRACTOR shall notify PETROVIETNAM in advance of the date of surrender of the portion(s) to be surrendered. The CONTRACTOR and PETROVIETNAM shall consult with each other regarding the shape and size of each individual portion of the Contract Area being surrendered. Before any surrender or prior to the termination of this Contract, the CONTRACTOR shall, at PETROVIETNAM's request, remove from the Contract Area being surrendered all equipment or facilities installed or constructed by the CONTRACTOR which is no longer necessary for the conduct of Petroleum Operations.

Chapter III

MANAGEMENT COMMITTEE

Article 3.1. Establishment of Management Committee

Within thirty (30) days from the Effective Date, the Parties shall set up a Management Committee under this Contract. The Management Committee shall be responsible for assisting PETROVIETNAM and the CONTRACTOR in supervising and monitoring Petroleum Operations in the Contract Area pursuant to approved Work Programs and Budgets and in accordance with this Contract.

The Management Committee shall consist of [.....] (...) members, [.....] (...) of whom shall be designated by PETROVIETNAM and the other [.....] (...) by the CONTRACTOR. The number of members comprising the Management Committee may be increased or decreased from time to time as mutually agreed by the Parties. The CONTRACTOR shall designate one of its members as Chairperson for the meetings before declaration of the first Commercial Discovery and PETROVIETNAM shall designate one of its members as Chairperson for the meetings of the Management Committee thereafter. Each member shall have one (1) vote. Meetings of the Management Committee shall require a minimum of [...] (...) members, at least [...] of whom shall be the representatives of each Party. Any member who is unable to attend a meeting of the Management Committee may be represented and voted for by another member or other person pursuant to a written and signed proxy from such absent member.

Article 3.2. Rights and obligations of Management Committee

The Management Committee shall have the rights and obligations as follows:

- Adopting and verifying the implementation of the annual Work Program and Budget, including amendments and supplements (if any);
- Approving the bidding processes to choose commodity service providers serving Petroleum Operations;
- Adopting exploration programs, appraisal plans proposed by the CONTRACTOR;
- Approving Petroleum reserves and resources report of Petroleum Discovery and revised Reports produced by the CONTRACTOR;
- Approving outline oil field Development Plans and revised Plans (if any) within the time limit set forth in the Contract;
- Approving early Production Plans and revised Plans (if any) within the time limit set forth in the Contract;
- Approving oil field Development Plans and revised Plans (if any) within the time limit set forth in the Contract;
- Approving the Abandonment Plan and revised Plans (if any) within the time limit set forth in the Contract;
- Approving annual Production Schedule and amendments thereof within the time limit set forth in the Contract;
- Approving proposal on surrender, temporary suspension of the obligation to surrender, retain, receive, expand Contract Area, unitization of oil fields, proposal on extension of smaller phases in Exploration, additional work commitment or changes to extension periods made by Operator;
- Establishing sub-committees necessary when needed in accordance with the Contract;
- Supervising and monitoring the accounting for costs, expenses and expenditure and maintenance of books for the Petroleum Operations in accordance with the provisions of this Contract and the Accounting Procedures;
- Deciding other issues under the authority of Management Committee in accordance with this Contract.

Article 3.3. Operating schemes of Management Committee

3.3.1. The Management Committee shall meet at least once a Year unless otherwise agreed. Either Party may call a meeting of the Management Committee at any time by a written notice to the Chairperson specifying the purpose of the meeting. The Chairperson shall thereupon call such meeting within thirty (30) days from the date on which he/she receives the aforesaid notification, or at least after seven (7) days from the date on which he/she receives the aforesaid notification as requested by the Party requesting to call the meeting if a thirty (30) day interval would substantially prejudice the matter to be discussed.

3.3.2. In the event Management Committee agrees that a matter may be decided without holding a meeting, Management Committee members may at any time cast their respective vote on the matter via any means as they may agree upon which should be sent to the Operator. The Operator shall, upon the receipt of all the votes, notify the Parties of the decision arrived at. Such decision shall be binding upon the Parties in the same manner as if the votes were cast at a meeting. The Operator shall keep a written record of each such vote. If any member of Management Committee does not give written notice of its decision within the time limits, such issue shall be deemed to be approved by that member.

3.3.3. Representatives of each Party attending a Management Committee meeting may be accompanied by a reasonable number of advisors. Such advisors shall not be entitled to cast votes at the meeting. All reasonable per diem expenses incurred by each member and his/her advisor(s) in attending Management Committee meetings shall be borne by the CONTRACTOR and be considered as recoverable Petroleum Operation Cost.

3.3.4. Decisions of the Management Committee based on unanimous votes of present members and authorized representatives except for issues pertaining to exploration and appraisal prior to the first Commercial Discovery shall be made by the Management Committee depending on the majority of the votes or otherwise agreed upon by the Parties.

Chapter IV

WORK PROGRAMS AND BUDGETS

Article 4.1. Hydrocarbon exploration program

4.1.1. Within six (6) months of the Effective Date, the CONTRACTOR shall prepare Exploration program which acts as the direction for Exploration Operations within the Contract Area in smaller phases and which includes but is not limited to the primary contents mentioned under Clause 2 Article 44 of the Law on Petroleum.

4.1.2. Within thirty (30) days from the date on which the Management Committee receives Hydrocarbon exploration program or revised Hydrocarbon exploration program (depending on revision requested by the Management Committee), the Management Committee shall review and approve the Hydrocarbon exploration program. If the

Management Committee does not issue a written approval for the Hydrocarbon exploration program within the aforementioned thirty-day time limit, the Hydrocarbon exploration program is considered approved by the Management Committee.

4.1.3. The CONTRACTOR shall, within 10 days from the date on which approval is granted by the Management Committee, submit the Hydrocarbon exploration program to PETROVIETNAM for consideration and approval.

4.1.4. In the event of changes to primary contents of the Hydrocarbon exploration program mentioned under 4.1.1, the CONTRACTOR shall apply for approval of revision to the Hydrocarbon exploration program in same manner as when applying for approval for Hydrocarbon exploration program under this Article.

4.1.5. The Contractor may, during oil field development or production, request additional exploration operations and produce additional Hydrocarbon exploration programs corresponding to Article 4.1.1 mutatis mutandis. The CONTRACTOR shall then apply for approval of the additional Hydrocarbon exploration program in same manner as when applying for approval for Hydrocarbon exploration program under this Article.

Article 4.2. Appraisal and Petroleum reserves and resources report

If the CONTRACTOR identifies a Petroleum Discovery, the CONTRACTOR shall notify the Management Committee and PETROVIETNAM as soon as possible.

Within ninety (90) days from the date on which the aforesaid notification is issued, the CONTRACTOR shall submit appraisal plan for relevant Petroleum Discovery to the Management Committee which considers and approves appraisal plan of the CONTRACTOR within thirty (30) days from the date on which they receive the appraisal plan. Within ten (10) days from the date on which the Management Committee grants approval, the CONTRACTOR shall submit the appraisal plan to PETROVIETNAM for final approval. PETROVIETNAM shall then review and approve appraisal plan submitted by the CONTRACTOR within thirty (30) days from the date on which they receive the appraisal plan.

The CONTRACTOR shall immediately execute appraisal plan approved by the PETROVIETNAM. Within ninety (90) days from the date on which the aforesaid appraisal plan is completed or within other time period accepted by PETROVIETNAM, the CONTRACTOR shall submit Petroleum reserves and resources report of the appraised Petroleum Discovery to the Management Committee and PETROVIETNAM while ensuring contents in accordance with petroleum laws.

If appraisal results, as deemed by the CONTRACTOR, show:

4.2.1. that the Petroleum Discovery is commercial in nature, the CONTRACTOR shall notify the Management Committee and PETROVIETNAM in writing of the Commercial Discovery while propose determination of Development Area in respect to the

Commercial Discovery that has been declared conforming to this Contract and the IPIP. The date on which the notification is sent shall be the date on which Commercial Discovery is declared.

4.2.2. that the Gas Discovery is potentially commercial, the CONTRACTOR shall comply with Article 4.7 of this Contract.

The Management Committee shall consider and approve Petroleum reserves and resources report of the Commercial Discovery presented by the CONTRACTOR within thirty (30) days from the date on which they receive the report. Within ten (10) days from the date on which the Management Committee grants approval, the CONTRACTOR shall submit the Petroleum reserves and resources report to PETROVIETNAM for consideration and report to the Ministry of Industry and Trade for approval in accordance with applicable regulations on resource management and petroleum reserves.

Article 4.3. Outline oil field Development Plan and oil field Development Plan

Within nine (9) months from the date on which Petroleum reserves and resources report corresponding to any Commercial Discovery within Contract Area is approved, the CONTRACTOR shall submit the full and official outline oil field Development Plan corresponding to the Commercial Discovery to the Management Committee.

Within thirty (30) days from the date on which the Management Committee receives outline oil field Development Plan, the Management Committee shall consider (or depending on revision requested by the Management Committee) and approve the outline oil field Development Plan; If the Management Committee does not issue written approval for outline oil field Development Plan within the aforesaid thirty-day time limit, the outline oil field Development Plan shall be considered approved by the Management Committee.

Within ten (10) days from the date on which the Management Committee grants approval, the CONTRACTOR shall submit outline oil field Development Plan to PETROVIETNAM for consideration, approval, and reporting to the Ministry of Industry and Trade, depending on revision requested by PETROVIETNAM. Within forty-five (45) days from the date on which the CONTRACTOR submits or forty-five (45) days from the date on which PETROVIETNAM receives plan that has been revised in accordance with request of PETROVIETNAM or competent authority (if any), as the case may be, PETROVIETNAM shall submit outline oil field Development Plan to Ministry of Industry and Trade for approval.

In case of changes to primary contents of outline oil field Development Plan, the CONTRACTOR shall apply for approval for revised outline oil field Development Plan in the same manner specified in this Article and Clause 5 Article 46 of the Law on Petroleum.

Within eighteen (18) months from the date on which the outline oil field Development Plan or revised outline oil field Development Plan is approved, the CONTRACTOR shall submit oil field Development Plan corresponding to relevant Commercial Discovery to the Management Committee. Oil field Development Plan is developed on the basis of solution selected from outline oil field Development Plan or approved revised outline oil field Development Plan for the purpose of optimal development and production, includes but is not limited to primary contents mentioned under Clause 2 Article 48 of the Law on Petroleum and other information requested by the Management Committee as the case may be.

Within thirty (30) days from the date on which the CONTRACTOR submits or thirty (30) days from the date on which the oil field Development Plan revised in accordance with request of the Management Committee, as the case may be, the Management Committee shall consider and approve the oil field Development Plan. If the CONTRACTOR does not receive response from the Management Committee within the aforesaid thirty-day time limit, the oil field Development Plan shall be considered approved by the Management Committee.

Within ten (10) days from the date on which the Management Committee grants approval, the CONTRACTOR shall submit oil field Development Plan to PETROVIETNAM for consideration and approval. Within six (6) months from the date on which the CONTRACTOR submits to PETROVIETNAM, depending on revisions and additions requested as the case may be, the CONTRACTOR shall cooperate with PETROVIETNAM in finalizing the oil field Development Plan and submitting to Ministry of Industry and Trade.

In case of changes to primary contents of oil field Development Plan, the CONTRACTOR shall apply for approval for revised oil field Development Plan in the same manner specified in this Article and Clause 5, Clause 6 Article 48 of the Law on Petroleum.

Article 4.4. Oil field early production plan

If the CONTRACTOR wishes to carry out early production of oil fields, the CONTRACTOR shall, on the basis of approved outline oil field Development Plan, produce oil field early Production Plan and submit to PETROVIETNAM for reporting to Ministry of Industry and Trade in accordance with Article 47 of the Law on Petroleum in the same manner applicable to oil field Development Plan under this Contract.

Article 4.5. Subsequent discoveries

In respect of subsequent discoveries, the CONTRACTOR shall adhere to Articles 4.2, 4.3, and 4.4 mutatis mutandis.

Article 4.6. Annual Work Program and Budget

4.6.1. Within sixty (60) days of the Effective Date in the first year and thereafter at least ninety (90) days prior to the beginning of each Year or at such other times as may otherwise be mutually agreed by the Parties, the CONTRACTOR shall prepare and submit an annual Work Program and Budget for the following Year in accordance with the Contract and approved programs, reports, plans (if any) to PETROVIETNAM.

4.6.2. Within sixty (60) days prior to first oil or ninety (90) days prior to the beginning of subsequent Year, the CONTRACTOR shall submit an annual Production Schedule in Work Program and Budgets (in subsequent Years) on the basis of production plan expected in oil field Development Plan and approved revised oil field Development Plan, updates obtained during Development Operations and Production Operations and compliant with the IPIP to Management Committee and PETROVIETNAM.

4.6.3. Work Programs and Budgets under Articles 4.6.1 and 4.6.2 shall be approved by the Management Committee within 30 days from the date on which the CONTRACTOR submit. Within ten (10) days from the date on which the Management Committee approves, the CONTRACTOR shall then submit to PETROVIETNAM. PETROVIETNAM shall consider and approve within thirty (30) days from the date on which they receive additional information and adjustment. The CONTRACTOR shall carry out approved Work Programs and Budgets without requesting further consent or approval in respect of an increase in expenditure that is relative to the Budget approved by the Management Committee and PETROVIETNAM for the relevant Year and does not exceed 10% in any category in the relevant Budgets as long as total increase does not exceed 5% of total approved Budgets of the relevant Year.

4.6.4. Revised Work Programs and Budgets shall be approved in the same manner described under Articles 4.6.1, 4.6.2, and 4.6.3 mutatis mutandis.

Article 4.7. Potential Gas Discoveries

If the CONTRACTOR determines that Natural Gas [Shale Gas, Coal Gas] in the Contract Area has commercial potential:

4.7.1. If consumption market is available and appropriate conditions regarding pipes and treatment facilities are met, the CONTRACTOR shall commit to commence early production of the potential Gas Discovery. The Parties shall use their best efforts to find gas market. The CONTRACTOR shall commence development of the Gas Discovery in accordance with Articles 4.3 and 4.4 in order to satisfy requirements under relevant commercial agreements; or

4.7.2. If gas consumption market is not available and appropriate conditions pertaining to pipelines and treatment facilities in accordance with Clause 5 Article 31 of the Law on Petroleum are not met, the CONTRACTOR is allowed to retain respective Area of Gas Discovery with commercial potential depending on approval of competent authority. During the retention period of Area of Gas Discovery with commercial discovery, the

CONTRACTOR shall carry out work commitment in order to verify the commercial nature of the potential Gas Discovery.

Article 4.8. Guidelines of PETROVIETNAM

PETROVIETNAM may, from time to time, promulgate specific regulations and guidelines on implementation of this Chapter.

Chapter V

RIGHTS AND OBLIGATIONS OF THE PARTIES

Article 5.1. CONTRACTOR

5.1.1. The CONTRACTOR has the right to

5.1.1.1. enjoy all investment incentives, encouragements, and security serving Petroleum Operations provided in this Contract, the Investment Certificate, the Law on Investment, the Law on Petroleum and other relevant legal instruments of Vietnam.

5.1.1.2. utilize gathered exhibits, information, and data to conduct Petroleum Operations.

5.1.1.3. recruit employees in a manner prioritizing Vietnamese employees.

5.1.1.4. hire organizations, individuals providing petroleum services, goods serving Petroleum Operations in accordance with the Law on Petroleum and the IPIP.

5.1.1.5. benefit from import, export duty exemption serving Petroleum Operations in accordance with the Law on Import, Export Duties.

5.1.1.6. possess portion of petroleum products and other products produced under petroleum contract upon fulfilling financial obligations as per the law; collectively sell these products in separate occasions without violating competition laws.

5.1.1.7. export or domestically sell portion of products under their ownership as agreed upon under petroleum contract unless the contractors are under the obligation to domestically sell in accordance with Clause 8 Article 59 of the Law on Petroleum. The contractor is not required to apply for export permit when exporting portion of products under their ownership.

5.1.1.8. Recover Petroleum Operation Costs agreed upon under petroleum contract.

5.1.1.9. access and utilize existing petroleum traffic, infrastructure, and structure system as per the law; access and utilize existing petroleum infrastructures and structures to serve Petroleum Operations by signing contracts or reaching an agreement with owners

or operators of aforesaid petroleum infrastructures and structures in a manner that guarantees benefits of the parties as per the law.

5.1.1.10. purchase foreign currency at commercial banks to contribute capital to petroleum contract and submit to the state budget in accordance with foreign exchange management laws.

5.1.1.11. use US dollar to fulfill financial obligations in accordance with this Contract in a manner compliant with foreign exchange management laws and relevant laws.

5.1.1.12. exercise other rights in accordance with the Law on Petroleum.

5.1.2. The CONTRACTOR has the obligation to

5.1.2.1. comply with Vietnam's laws.

5.1.2.2. submit accounting and audit regulations to the Management Committee for consideration and to PETROVIETNAM for approval prior to the first meeting of the Management Committee.

5.1.2.3. carry out Petroleum Operations and relevant operations, provide all technical and personnel assistance, make advance payment and financial commitment necessary for Petroleum Operations and other operations according to approved Work Programs and Budgets.

5.1.2.4. produce and submit annual Work Programs and Budgets to the Management Committee and PETROVIETNAM; strictly execute Work Programs and Budgets appropriate to the IPIP when these Work Programs and Budgets are approved

5.1.2.5. assume responsibility for ordering, procuring, hiring services, procuring materials, equipment, goods; sign commercial contracts necessary for the execution of Petroleum Operations according to approved Work Programs and Budgets in a manner compliant with Article 4.6 and principles below:

5.1.2.5.1. The CONTRACTOR shall develop Regulation on selecting contractors for providing services, procuring goods for petroleum operations and submit to the Management Committee and PETROVIETNAM. The Regulation shall ensure competitiveness, equality, transparency, and effectiveness.

5.1.2.5.2. On an annual basis, the CONTRACTOR shall produce general bidding plan pertaining to the procurement and/or hiring of services and goods and submit to PETROVIETNAM for approval. The separation of contract package (if any) shall be implemented depending on technical characteristics and in a manner guaranteeing uniformity and reasonable contract package scale.

5.1.2.5.3. In respect of a contract the value of which the CONTRACTOR estimates to be less than [.....] US Dollar (...USD) for Exploration and Appraisal Operations, and less than [.....] US Dollar (...USD) for Development, Production and Abandonment Operations [*subject to negotiation*], the CONTRACTOR shall be entitled to award such contract, provided that such operations are in the approved Work Programs and Budgets.

5.1.2.5.4. In respect of a contract the value of which the CONTRACTOR estimates to be equal to or in excess of the value provided in Article 5.1.2.5.3, the CONTRACTOR shall submit the contract to tender except where the CONTRACTOR provides reasonable grounds proving that tendering would be disadvantageous for practical operations or for progress reasons or would adversely impact on commercial interests and approved by PETROVIETNAM. PETROVIETNAM shall consider and approve within ten (10) Business Days of the receipt or in a shorter period of time depending on work requirements and shall not reject unreasonably. In the event of selecting contractors for provision of goods and services via bidding, the CONTRACTOR shall:

5.1.2.5.4.1. submit the followings PETROVIETNAM:

5.1.2.5.4.1.1. Bidding plan (including but not limited information such as name of contract package, price of contract package, budget entries and value, method of selecting contractors, bidding method, time for selecting contractors, type of contract, contract term, bidding invitation list in case of limited bidding) to PETROVIETNAM for approval. In case of limited bidding, the CONTRACTOR shall comply with requirements of PETROVIETNAM regarding addition or removal of several individuals and/or organizations from bidding invitation list so long as PETROVIETNAM provides justifiable reasons for the addition and removal.

5.1.2.5.4.1.2. Bidding documents (including but not limited to information pertaining to scope of work, technical requirements; bid evaluation criteria) to PETROVIETNAM for consideration and remarks (if any) prior to bid invitation.

5.1.2.5.4.1.3. Report on evaluation and contract award proposal for selected individuals or organizations (together with received bid) to PETROVIETNAM for consideration and approval. The CONTRACTOR shall be responsible for presenting and clarifying request (if any) of PETROVIETNAM pertaining to documents presented by the CONTRACTOR.

5.1.2.5.4.2. PETROVIETNAM shall notify the CONTRACTOR of their approval or other remarks pertaining to general bidding plan, bidding plan, bidding documents of the CONTRACTOR, Report on evaluation and contract award proposal within fourteen (14) days from the date on which PETROVIETNAM receives adequate documents without rejecting unreasonably. If the CONTRACTOR does not receive written response from PETROVIETNAM within aforesaid fourteen-day time limit, the CONTRACTOR's proposal is considered approved by PETROVIETNAM.

5.1.2.5.5. Preferentially use Vietnamese materials, equipment and services based on a competitive basis in terms of price, quality and time of delivery; the CONTRACTOR must provide details of the criteria for using Vietnamese services in its bidding documents.

5.1.2.5.6. Provide PETROVIETNAM with copies of commercial contracts signed under Article 5.1.2.4 within ten (10) days after such contracts are signed.

5.1.2.5.7. The aforesaid process shall be applied mutatis mutandis to supplier selection process in other circumstances.

5.1.2.6. submit Environment impact assessment report on Petroleum Operations in accordance with Vietnam laws to competent authority and PETROVIETNAM.

Provide essential solutions for protection of maritime, fishing and the environment; prevent and properly control environmental pollution of the sea, rivers and streams and land in a manner consistent with the insurance program and action plans regarding the environmental, safety and occupational health adopted by the Management Committee; and advise PETROVIETNAM and other agencies concerned in accordance with instructions from PETROVIETNAM of such solutions. In the event where the necessary solutions have in fact been implemented as advised but environmental pollution nevertheless occurs, then the CONTRACTOR is obliged to take all effective measures for minimizing the effect of pollution, remedy the consequences and pay appropriate compensation for such consequences in accordance with the laws of Vietnam, the CONTRACTOR may use the services and resources of local, regional and international oil spill response centers in this regard.

5.1.2.7. have title to all assets acquired for and used in Petroleum Operations until such assets become the property of PETROVIETNAM in accordance with the procedure set out in Article 14.1; retain control of all leased property brought into Vietnam in accordance with Article 14.2, freely remove such leased property from Vietnam, and benefit from tax exemption in accordance with Vietnamese regulations and procedures for import and export.

5.1.2.8. import all materials, equipment, and services necessary for Petroleum Operations to Vietnam and re-export excess portions entirely or partially, other than materials and equipment accounted for in Petroleum Operation Costs in accordance with laws of Vietnam.

5.1.2.9. exercise the right to enter, exit the Contract Area, access equipment and instruments serving Petroleum Operations within the Contract Area.

5.1.2.10. access and utilize existing documents, information on topography, geophysics, drilled wells, production, environment, and other documents, information on Contract Area archived by PETROVIETNAM, other than documents and information classified as state secret which require approval from competent authority.

5.1.2.11. access and consult existing documents, information on topography, geophysics, drilled wells, production, environment, and other documents, information relating to areas adjacent to the Contract Area which PETROVIETNAM is storing or will obtain so long as these areas are not the subject of contracts between PETROVIETNAM and third parties. In respect of documents relating to adjacent areas that are subjects of contracts between PETROVIETNAM and third parties, PETROVIETNAM shall use their best efforts to obtain permission of the third parties to disclose relevant documents and information to a certain extent.

5.1.2.12. submit documents and research pertaining to treatment, well testing results, and analysis of original documents, samples in the Contract Area, including but not limited to analysis documents pertaining to topography, geophysics, geochemical, drilling, Wells, production, technology design which the CONTRACTOR or suppliers thereof have implemented to PETROVIETNAM. Within forty-five (45) days from the date on which each aforesaid treatment, well testing, or analysis is finished, the CONTRACTOR shall deliver to PETROVIETNAM a set of original documents and at least fifty per cent (50%) of the original data obtained from such activities in accordance with the IPIP and a maximum fifty per cent (50%) of the remaining original data may be performed, as applicable, by the CONTRACTOR outside of Vietnam, and provided further that the CONTRACTOR may retain copies of such original data and possession of a maximum fifty per cent (50%) of the samples as required for operational purposes and in such case PETROVIETNAM shall at all times have access to such data and samples retained by the CONTRACTOR. The CONTRACTOR shall provide copies of documents on request by PETROVIETNAM and the cost of such copying shall be deemed recoverable Petroleum Operation Costs. The CONTRACTOR shall deliver to PETROVIETNAM all documents and samples promptly after such documents and samples are no longer required for the Petroleum Operations or after the part of the Contract Area respecting such data and samples is surrendered.

5.1.2.13. open account(s), to convert currencies, wire legitimate income overseas, and wire capital contribution in accordance with Articles 58 and 59 of the Law on Petroleum and relevant law provisions.

5.1.2.14. deduct and submit income tax of Vietnamese and foreign staff, employees employed by the CONTRACTOR related to Petroleum Operations according to Vietnamese laws.

5.1.2.15. provide PETROVIETNAM the following reports and information:

5.1.2.15.1. Daily seismic operations report during seismic operations.

5.1.2.15.2. Daily geological, testing and drilling report during drilling operations.

5.1.2.15.3. Weekly report on the conduct of Development Operations.

5.1.2.15.4. Monthly report on Petroleum Operations within seven (7) Business Days following the end of each month.

5.1.2.15.5. Annual report on Petroleum Operations within thirty (30) Business Days following the end of each Year.

5.1.2.15.6. Overall report within thirty (30) Business Days following the completion of seismic, drilling, geological study, sample analysis operations; within ninety (90) Business Days following the completion of Development Operations or other important operations.

5.1.2.15.7. Financial reports and statements as specified in the Accounting Procedures.

5.1.2.15.8. Reports on Hydrocarbon exploration programs, reserves, Appraisal Plans, Development and Production Plans.

5.1.2.15.9. Other reports according to petroleum laws or at request of competent authority.

5.1.2.16. advise its foreign personnel and suppliers to comply with Vietnamese laws and local customs; and to inform such employees and suppliers of relevant provisions of this Contract which are applicable to them.

5.1.2.17. take measures that its foreign suppliers working in Vietnam pay all applicable taxes in accordance with Vietnamese laws. The amount of such taxes paid by the CONTRACTOR or included in fees payable to suppliers under the terms of the applicable contract shall be regarded as Petroleum Operation Costs for the purposes of recovery.

5.1.2.18. notify and deliver samples of any abnormal material including but not limited to deposits of valuable hard minerals during Petroleum Operations to PETROVIETNAM.

5.1.2.19. facilitate at the CONTRACTOR's cost up to [.....] (.....) US Dollar for each Contract Year for representatives nominated by PETROVIETNAM to supervise Petroleum Operations. The costs incurred shall be deemed as recoverable Petroleum Operation Costs;

5.1.2.20. construct, install, operate and maintain pipelines, cables, production and processing plants, power stations, communication, transportation, navigation and other essential facilities for Petroleum Operations (including but not limited to electrical stations, means of communication, traffic, maritime vehicles, and other vehicles) inside and outside of Contract Area and to use such works and equipment free of charge depending on approval of Vietnamese competent authority.

In respect of roads, airports, ports, other traffic and transport vehicles constructed by the CONTRACTOR, the CONTRACTOR has the right to use and adopt incentive policies as per applicable laws.

5.1.2.21. utilize ports, airports, waterways, roads, and other vehicles in Vietnam under the conditions that they incur payable fees in accordance with Vietnamese laws depending on approval of Vietnamese competent authority.

5.1.2.22. access and utilize unprohibited sea waters and land territories in Vietnam for Petroleum Operations depending on approval of Vietnamese competent authority and assistance of PETROVIETNAM.

5.1.2.23. transfer documents, samples of petroleum, water, formation fluids, rock samples, including but not limited to cuttings, cores, sidewall cores obtained in Contract Area and other unitized areas according to Article 18.2 for the purpose of examination, analysis, or treatment outside of Vietnam, depending on necessity of Petroleum Operations in accordance with Vietnamese laws.

5.1.2.24. In any case at all, when there is any change on information relating to any of the Contractor Parties (as listed in Exhibit C attached hereto), the Contractor shall notify to PETROVIETNAM in writing within sixty (60) days from the date such change is officially certified and the CONTRACTOR must complete all necessary legal procedures in order to be issued with an amended Investment Certificate for this Contract (where necessary) in accordance with applicable Vietnamese laws.

Article 5.2. PETROVIETNAM

5.2.1. PETROVIETNAM has the right to

5.2.1.1 at all reasonable times and at its own risk, have access to the Contract Area, check and inspect Petroleum Operations including inspection of data and files relevant to the Petroleum Operations and facilities used for the Petroleum Operations after giving the CONTRACTOR an advance written notice of the date on which such access is required and the names of the representatives to whom access is to be given, provided such access does not interfere with the performance of Petroleum Operations.

5.2.1.2. at all times, retain title to all original documents and samples, including but not limited to all geological, geophysical, geochemical, Well, production, technology and other data and samples obtained from the Contract Area or compiled by the CONTRACTOR as a result of the Petroleum Operations as well as other interpretative and derivative documents.

5.2.1.3. use the assets purchased by the CONTRACTOR for Petroleum Operations in order to service the personal objectives of PETROVIETNAM, provided that such use does not interfere with Petroleum Operations of the CONTRACTOR depending on appropriate arrangements with the CONTRACTOR.

5.2.1.4. have title and, during the term hereof, to lift, sell or otherwise dispose of its portion of Profit Oil and Profit Gas, and to be authorized by the Government to lift, sell or otherwise dispose of Royalty Crude Oil and Royalty Natural Gas.

5.2.1.5. grant necessary approval during Petroleum Operations at request of the CONTRACTOR and in accordance with the Law on Petroleum.

5.2.1.6. audit Petroleum Operation Costs and settle Petroleum Operation Costs in accordance with Chapter XI.

5.2.1.7. promulgate, from time to time, specific regulations and guidelines on implementation of this Contract in accordance with Chapter V.

5.2.2. PETROVIETNAM has the obligation to

Offer its assistance to the CONTRACTOR to deal with competent Vietnamese authorities during the conduct of Petroleum Operations. PETROVIETNAM shall assist the CONTRACTOR, upon request by the CONTRACTOR, on condition that the CONTRACTOR supplies complete data which is necessary, to:

5.2.2.1. obtain office space, lease personal accommodation, transportation and communications facilities as may be required for Petroleum Operations at reasonable rates.

5.2.2.2. obtain approvals and licenses required to open, maintain and operate bank accounts in Vietnam and abroad, and to proceed with the formalities of foreign currency exchange.

5.2.2.3. proceed with the formalities of customs clearance and obtain permission to send abroad documents, data, specimens and samples for examination, analysis or processing.

5.2.2.4. obtain local facilities, services, materials, equipment and supplies (either produced by Vietnam or which are available in Vietnam) at an assured quality, competitive price and reasonable term for provision of such services; immigration and emigration visas and work permits; transportation, security protection; customs and quarantine services; medical services and rights-of-way and rights-of-use to authorized representatives, managers or employees and dependents of the CONTRACTOR; establish maritime exclusion zones around the facilities or installations for use for the Petroleum Operations; and recruit Vietnamese personnel as the CONTRACTOR's employees for the purposes of Petroleum Operations.

Charges applicable to the use of facilities and services for the provision of materials, equipment, supplies of personnel, personal visas, permits or security protection and other rights requested by the CONTRACTOR hereunder and actually delivered or rendered by PETROVIETNAM or by any Vietnamese Government authority shall be the same

applicable rates which are charged to other foreign companies in Vietnam in accordance with applicable regulations of Vietnam.

5.2.2.5. proceed with necessary formalities in order to allow the CONTRACTOR to be able to export its entitlement to Petroleum hereunder and retain abroad revenue obtained therefrom unless otherwise specified in Chapter XVII.

5.2.2.6. fulfill other obligations in accordance with petroleum laws.

Expenses incurred in advance by PETROVIETNAM at the CONTRACTOR's request by way of assistance as provided in this Article 5.2.2 shall be reimbursed to PETROVIETNAM by the CONTRACTOR within thirty (30) days of receipt of a valid file (invoice and relevant explanatory data) and shall be deemed as recoverable Petroleum Operation Costs.

Chapter VI

ALLOCATION OF PETROLEUM

Article 6.1. Crude oil allocation

The amount of Net Oil Production in each Quarter shall be lifted by the Parties in accordance with the Oil Lifting Agreement established in accordance with Article 8.5 and shall be divided and allocated in the following manner:

6.1.1. Allocation of Royalty Oil

6.1.1.1. Royalty Oil shall be allocated out of Net Oil Production per incremental tranches of total Net Oil Production in each taxable period calculated by reference to the average daily rate of Net Oil Production from the entire Contract Area, ascertained as follows:

[In accordance with the fundamental economic – technical – commercial conditions approved by the Prime Minister]

| <i>Daily average of Net Oil Production per quarter in Contract Area (in Barrels per actual day of production)</i> | <i>Royalty Oil (% Net Oil Production in accordance with the laws)</i> |
|---|---|
| | |

6.1.1.2. Depending on Article 6.1.1.3., each Contractor Party shall:

6.1.1.2.1. be entitled to lift, in accordance with the Oil Lifting Agreement, its share of estimated Royalty Oil in proportion to its Participating Interest during each Quarter.

6.1.1.2.2. pay retrospectively, in accordance with the royalty regulations, provisional Royalty received from monthly Crude Oil on a cargo by cargo basis at the rates as specified in Article 6.1.1.1 in respect of the cargo in question based on the prices received at, or netted back to, the Point of Delivery by that Party during the relevant month as a result of sales or other disposals of Crude Oil obtained pursuant to this Contract.

6.1.1.2.3. pay retrospectively, in accordance with the royalty regulations, final Royalty actually received from Crude Oil based on the price received at, or netted back to, the Point of Delivery by that Party during the Quarter with appropriate reconciliation on a cargo by cargo basis for its share of Royalty Oil in proportion to its Participating Interest lifted and sold or otherwise disposed of hereunder Crude Oil obtained pursuant to this Contract.

6.1.1.3. The Government may, by notice in writing exercised through PETROVIETNAM and given to the CONTRACTOR not less than three (3) months prior to the commencement of each Year, elect to lift and take in kind at the Point of Delivery all or part of the Royalty Oil which is estimated to be available for lifting during that Year based on the Production Schedule for that Year approved by PETROVIETNAM. The Royalty Oil so specified shall be lifted by the Government in each Quarter of that Year in accordance with the Oil Lifting Agreement. If Royalty Oil is delivered in kind to the Government, the CONTRACTOR shall have no liability to pay Royalty in respect of that Royalty Oil.

6.1.1.4. If the Government exercises its election under Article 6.1.1.3, PETROVIETNAM in its role as representative of the Government may request and enter into an agreement with the CONTRACTOR or any Foreign Party, whereby the CONTRACTOR or such Contractor Party shall either (i) lift and sell on PETROVIETNAM's behalf as agent or (ii) purchase as principal client and lift all or any part of the Government's entitlement to Royalty Oil in kind at a price to be agreed and in accordance with the customary and prevailing terms and conditions applied to the agent or purchaser.

6.1.2. Allocation for Cost Recovery Oil

6.1.2.1. Cost Recovery Oil shall be allocated out of Net Oil Production for cost recovery by the CONTRACTOR of Petroleum Operation Costs (without interest) during each Quarter provided that in no Quarter shall the amount allocated to Cost Recovery Oil exceed [.....] percent (...%) of Net Oil Production in that Quarter. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

6.1.2.2. Subject to Articles 6.1.2.1 and 6.1.2.4, each Contractor Party shall be entitled to lift in each Quarter its share of estimated Cost Recovery Oil in accordance with the Oil Lifting Agreement and recover its proportionate share of Petroleum Operation Costs paid or expressly provided for under this Contract up to and including that Quarter without interest from the sale or other disposal of its share of Cost Recovery Oil actually lifted under the terms of the Oil Lifting Agreement during that Quarter.

6.1.2.3. Petroleum Operation Costs shall be recovered from the applicable Cost Recovery Oil on a first-in-first-out basis. Petroleum Operation Costs which are not recovered in a Quarter may be carried forward to the next succeeding Quarters without interest until fully recovered or the termination of the Contract, whichever occurs earlier.

6.1.2.4. The Petroleum Operation Costs accounting books shall be revised in each Quarter after the applicable value of the Market Price actually received is finally determined and appropriate adjustments are made for that Quarter.

6.1.3. Allocation for Profit Oil

6.1.3.1. After allocation of Royalty Oil and Cost Recovery Oil, the remainder of Net Oil Production shall be regarded as Profit Oil and shall be divided between PETROVIETNAM and the CONTRACTOR as follows:

[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]

| <i>Daily average of Net Oil Production per quarter in Contract Area (in Barrels per actual day of production)</i> | <i>Profit Oil (percentage)</i> | |
|---|--------------------------------|-------------------|
| | <i>PETROVIETNAM</i> | <i>CONTRACTOR</i> |
| | | |

6.1.3.2. Each Party shall be entitled to lift, in accordance with the Oil Lifting Agreement, its share of estimated Profit Oil during a Quarter.

6.1.4. Allocation Method

The allocation of Royalty Oil, Cost Recovery Oil and Profit Oil out of Net Oil Production shall be made during each Quarter and shall be calculated on a preliminary basis at the time of lifting, using the estimated quantity of Net Oil Production available for lifting for that Quarter based on the approved Production Schedule for that Quarter and adjusted on a final basis after the end of the Year.

Article 6.2. Natural gas allocation

6.2.1. Allocation for Royalty Gas

6.2.1.1. Royalty Gas shall be allocated out of Net Gas Production per incremental tranches of total Net Gas Production in each taxable period calculated by reference to the average daily rate of Net Gas Production from the entire Contract Area, ascertained as follows:

[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]

| <i>Net Gas Production per Quarter in Contract Area (in million m³ per actual day of production)</i> | <i>Royalty Gas (% of Net Gas Production in accordance with the laws)</i> |
|--|--|
| | |

6.2.1.2. It is agreed by the Parties that the provisions of Articles 6.1.1.2 and 6.1.1.3. shall apply mutatis mutandis to Natural Gas.

For avoidance of misunderstanding, the CONTRACTOR may utilize Natural Gas, at no Royalty burdens, for the conduct of the Petroleum Operations in accordance with Generally Accepted International Petroleum Industry Practices, including but not limited to:

6.2.1.2.1. Use in facilities for production and processing and in assisting work.

6.2.1.2.2. Facilitate or enhance Crude Oil production.

6.2.1.2.3. Effect pressure maintenance by secondary or tertiary recovery processes.

6.2.1.2.4. Process in order to extract Crude Oil.

6.2.1.2.5. Recycle; or

6.2.1.2.6. Flare, in the absence of other economical solutions, subject to approval of PETROVIETNAM in the case of Associated Gas. In emergency cases, the CONTRACTOR may flare Associated Gas but immediately thereafter must report such decision to flare to PETROVIETNAM.

6.2.2. Allocation for Cost Recovery Gas

6.2.2.1. Cost Recovery Gas shall be allocated out of Net Gas Production for cost recovery by the CONTRACTOR of Petroleum Operation Costs (without interest) during each Quarter provided that in no Quarter shall the amount allocated to Cost Recovery Gas exceed [.....] percent (...%) of Net Gas Production in that Quarter. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

6.2.2.2. It is agreed by the Parties that the provisions of Articles 6.1.2.2, 6.1.2.3, and 6.1.2.4 shall apply mutatis mutandis to Natural Gas.

6.2.3. Allocation for Profit Gas

6.2.3.1. After allocation of Royalty Oil and Cost Recovery Oil, the remainder of Net Oil Production shall be regarded as Profit Oil and shall be divided between PETROVIETNAM and the CONTRACTOR as follows:

[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]

| <i>Daily average of Net Gas Production per Quarter in Contract Area (in million m³ per actual day of production)</i> | <i>Profit Gas (percentage)</i> | |
|---|--------------------------------|-------------------|
| | <i>PETROVIETNAM</i> | <i>CONTRACTOR</i> |
| | | |

6.2.3.2. It is agreed by the Parties that the provisions of Article 6.1.3.2 shall apply mutatis mutandis to Natural Gas.

6.2.4. Allocation

The allocation of Royalty Gas, Cost Recovery Gas and Profit Gas out of Net Gas Production shall be made during each Quarter and shall be calculated on a preliminary basis at the time of gas lifting, using the estimated quantity of Net Gas Production available for lifting and consuming for that Quarter based on the approved Production Schedule for that Quarter and adjusted on a final basis after the end of that Year.

Chapter VII

TAXES, FEES AND CHARGES

Article 7.1. Tax obligations, fees, and charges

The Contractor Parties shall be the entities liable to pay tax in accordance with this Contract and must comply with all regulations on tax applicable to organizations and individuals conducting Petroleum Operations in Vietnam, and shall be responsible for completing returns declaring tax, paying tax, and keeping books and relevant reports. The provisional tax assessment, tax payment, currency of tax payment and tax finalization shall be in accordance with prevailing Vietnamese tax laws.

Article 7.2. Resource royalty

Each Contractor Party shall be liable to pay its royalties tax in accordance with the provisions in Articles 6.1.1. and 6.2.1.

Article 7.3. Corporate income tax

Each Contractor Party shall be liable to pay its corporate income tax at the rate of [.....] per cent (... %) on taxable income earned in accordance with the laws of Vietnam on tax. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

In which, each Contractor Party shall be liable to pay its corporate income tax at the rate of [.....] per cent (...%) according to this Contract for recoverable costs

which the Contractor Party receives from other contractors and shall not be required to partially or entirely incur Petroleum Operation Costs corresponding to relevant right receipt, unless otherwise agreed.

Article 7.4. Export duties

Each Contractor Party shall incur export duties as per the law for the Net Crude Oil lifted and exported out of Vietnam, other than the Crude Oil subject to Royalty at the tax rate of [.....] per cent (.....%). *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

Each Contractor Party shall, in accordance with the applicable law, pay export duty on the portion of net Natural Gas lifted and exported outside Vietnam, except for Natural Gas for Royalty payment, at the tax rate of (.....) per cent (.....%). *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

The aforementioned taxes shall not be recoverable costs but shall be tax deductible for the purpose of corporate income tax assessment in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory.

Article 7.5. Income tax deriving from licensing

Each Contractor Party shall pay corporate income tax on income generated from an assignment in accordance with Article 12.2 and other relevant charges as stipulated in applicable Vietnamese laws and international treaties to which Vietnam is a signatory.

Article 7.6. Value-added tax (VAT)

Each Contractor Party shall pay VAT in accordance with applicable Vietnamese VAT laws and international treaties to which Vietnam is a signatory.

Article 7.7. Charges for environmental protection

Each Contractor Party shall pay taxes/charges for environmental protection when producing Crude Oil, Natural Gas in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory. These aforementioned charges shall be considered recoverable Petroleum Operation Cost.

Article 7.8. Surcharges on profit oil

Each Contractor Party shall pay a surcharge on its share of Profit Oil when Crude Oil prices increase, in accordance with Vietnamese laws effective as at the time such income arises and international treaties to which Vietnam is a signatory. The aforementioned surcharges shall not be recoverable costs but shall be tax deductible for the purpose of

corporate income tax assessment in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory.

Article 7.9. Other taxes, fees, and charges

Each Contractor Party shall pay other types of taxes, land lease tax and other fees and charges in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory. Neither Contractor Party is required to pay rental for lease of water surface. If amounts payable under this Article shall not be considered tax deductible for the purpose of corporate income tax assessment in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory if they are not recoverable.

Article 7.10. Application of incentives in case of changes to regulations and law

Should Vietnamese tax laws provide for more favorable tax rates or treatment for the petroleum industry, the CONTRACTOR shall, with the assistance of PETROVIETNAM and approval from the competent authorities, be subject to application of such favorable tax rates and treatment.

Chapter VIII

VALUATION, MEASUREMENT AND HANDLING OF PETROLEUM

Article 8.1. Crude oil valuation

8.1.1. The value of Crude Oil for all purposes under this Contract in any Quarter shall be the Market Price. All Contractor Parties shall use their best efforts to obtain the highest possible Market Price. The Market Price shall be denominated in US Dollar and calculated in each Quarter as follows:

8.1.1.1. For all Crude Oil sales pursuant to Arm's Length Transactions, the Market Price shall be the actual price in US Dollar received by each Party during that Quarter from each sale with delivery on the basis of Free on Board (F.O.B.) or Free into Pipeline (F.I.P.) at Point of Delivery or, where sold on any other basis, as netted back to the equivalent F.O.B./F.I.P. at Point of Delivery.

8.1.1.2. For Crude Oil sales pursuant to a non-Arm's Length Transaction or in relation to Crude Oil retained by a Contractor Party, such Contractor Party shall, unless otherwise agreed, enter into discussions with PETROVIETNAM for the purpose of agreeing the basis for calculating the F.O.B. Market Price in US Dollar for each sale of Crude Oil to be sold or exported during that Quarter prior to the commencement of the Quarter in question. The Parties shall determine the Market Price in US Dollar in accordance with the following principles:

8.1.1.2.1. by reference to the arithmetic average price quoted over the Bill of Lading Date Spread in the Oil Publication for the F.O.B. sale of the relevant Crude Oil produced from the Contract Area with appropriate adjustments or if the Parties in question do not agree on the Oil Publication, or if such Oil Publication is agreed but no such price is quoted; then

8.1.1.2.2. by reference to the arithmetic average of the current market F.O.B. selling price quoted over the Bill of Lading Date Spread during that Quarter for a representative crude or a basket of two (2) or three (3) representative crudes reported in Platt's Crude Oil Marketwire which crude or crudes at the time of calculation are actively traded in the Asia Pacific region and are of nearest comparable grade, gravity, quantity, and quality to the Crude Oil and adjusted for differences in location, quality, terminal facilities at port of loading, credit terms, yield and other pertinent factors that affect costs to buyers, after appropriate adjustments are made for the costs and expenses set out in Article 8.1.1.1, but in connection with such determination of Market Price no account shall be taken of government to government sales or national oil company to national oil company sales or barter sales. The Contractor Party shall notify PETROVIETNAM in writing of the valuations of Crude Oil pursuant to this Article 8.1.1.2.2.

8.1.1.3. For purposes of provisionally determining a weighted average Market Price in US Dollar required under Article 8.1.3, the weighted average Market Price shall be calculated by determining the average of the F.O.B. equivalent selling prices for all cargoes lifted from the Point of Delivery for the Quarter preceding the previous Quarter ascertained in accordance with this Article 8.1.1;

8.1.1.4. In the event that a Contractor Party has sold or otherwise disposed of Crude Oil in a non-Arm's Length Transaction to an Affiliate Company, it shall be deemed to have actually received the Market Price for that Crude Oil thirty (30) days after the Bill of Lading Date

8.1.1.5. For the purposes of Article 8.1.1:

8.1.1.5.1. "Arm's Length Transaction" means a sale on the Vietnamese market and on the international market in freely convertible currency between a willing and unrelated seller and buyer, but excluding a sale by a Party to its Affiliate Company, sales between governments or government owned entities, transactions involving exchange or barter, and generally sales which are not at free international market prices.

8.1.1.5.2. "Bill of Lading Date" means the date appearing on the face of the bill of lading issued for a shipment of Crude Oil from the Point of Delivery.

8.1.1.5.3. "Bill of Lading Date Spread" means the period from ten (10) days prior to the Bill of Lading Date to ten (10) days after the Bill of Lading Date.

8.1.1.5.4. "F.O.B." has the meaning as defined in INCOTERMS 2010 as amended from time to time.

8.1.1.5.5. “Oil Publication” means an oil industry publication or wire service generally accepted internationally and which contains reports of the current market F.O.B., selling price mutually agreed and accepted by the Parties in question.

8.1.2. If after two (2) requests from PETROVIETNAM, a Contractor Party consistently and significantly undersells its allocated share of Crude Oil hereunder (the “Underselling Party”), PETROVIETNAM may request discussions with the Underselling Party to agree on appropriate revisions to the applicable Market Price for the applicable period (being no longer than six (6) months before the request is made), taking into consideration the actual net price received F.O.B. by PETROVIETNAM for Crude Oil sales made by PETROVIETNAM from the Contract Area for that period, the weighted average Market Price actually received by the other Parties for that period and the market conditions prevailing at the time. If PETROVIETNAM and the Underselling Party cannot reach agreement on the appropriate revisions to be made to the applicable Market Price for the applicable period within forty-five (45) days of receipt of written notice given by PETROVIETNAM to the Underselling Party, the matter shall be referred to an Expert hereunder for resolution. The Expert shall make the determination on the value of the Market Price for the applicable period in accordance with the principles contained in the preceding Article 8.1.1.

8.1.3. Pending the determination of the value of the Market Price of Crude Oil pursuant to the preceding Article 8.1.2 for a given period, the weighted average Market Price in US Dollar received by CONTRACTOR and PETROVIETNAM (excluding the Underselling Party) for the applicable period shall be provisionally applied to the Underselling Party until the applicable Market Price for that period is finally determined. Any adjustment to such provisional Market Price and payment, if necessary, shall be made within thirty (30) days after the applicable Market Price is finally determined.

8.1.4. If PETROVIETNAM does not accept a Contractor Party’s Market Price valuations of Crude Oil under Article 8.1.1 and PETROVIETNAM and such Contractor Party cannot reach agreement on such valuations within forty-five (45) Days of receipt of written notice by PETROVIETNAM of such Contractor Party’s valuations, the matter shall be referred to an Expert hereunder for resolution. The Expert shall make the determination in accordance with the principles contained in Article 8.1.1.

8.1.5. Each Contractor Party shall promptly advise PETROVIETNAM in writing in accordance with the Accounting Procedure of full details of all sales of Crude Oil lifted in accordance with the Oil Lifting Agreement.

Article 8.2. Natural gas and associated gas valuation

8.2.1. The price of Natural Gas shall be determined on the basis of an agreed price between the seller and purchaser (including but not limited to the price of condensate created from the gas), consistent with the law of Vietnam, taking into account the time of price calculation, the market, quality, quantity of gas and other relevant factors.

8.2.2. Associated Gas shall be valued in accordance with provisions of laws and customs of Vietnam.

Article 8.3. Petroleum measurement

8.3.1. For all measurement of Petroleum required for the purposes of this Contract, the CONTRACTOR shall employ appropriate methods and equipment in accordance with the IPIP. PETROVIETNAM may appoint a permanent representative who shall have the right to observe such measurements and to examine and test, at their sole risk and expense, whatever equipment may be used therefor. Such representative shall comply with all necessary and usual safeguards for the prevention of fire and other accidents and shall make all examinations and tests at such times and in such manners as will cause the minimum interference with the Petroleum Operations.

8.3.2. If upon examination or testing, any equipment shall be found to be out of order, the CONTRACTOR shall cause the same to be put in order within a reasonable time, and if upon such examination or testing, any error discovered in any such equipment, shall be deemed to have existed for a period of seven (7) Days prior to the discovery thereof, or since the date of the last examination or testing of such equipment, whichever period is shorter, and all consequential adjustments shall be made to any payments or deliveries of Petroleum affected by such error.

8.3.3. If any measuring equipment needs to be adjusted, repaired or replaced, then the CONTRACTOR shall give prior reasonable notice in writing to the authorized persons representing PETROVIETNAM and the Government to be present during such adjustment, repair or replacement.

Article 8.4. Production schedule

8.4.1. The annual Production Schedule submitted by the CONTRACTOR to the Management Committee for adoption and to PETROVIETNAM for final approval shall comprise but not be limited to: the CONTRACTOR's estimated Production Schedule showing the expected production, expressed in Barrels per Day or Cubic Meters per Day, the production and grade of Petroleum of each type during the relevant Year in accordance with the maximum efficient rate for production of each Commercial Discovery determined in the Development Plan and in accordance with the IPIP.

8.4.2. The CONTRACTOR shall use reasonable efforts to ensure that the quantity and level of each grade of Petroleum in any Year shall approximate, as closely as possible, to the quantities set for such period in the approved Production Schedule referred to in Article 8.4.1.

8.4.3. Following the commencement of regular lifting, the CONTRACTOR shall prepare and furnish to PETROVIETNAM not later than forty-five (45) days prior to the beginning of each Quarter, a quarterly Production Schedule showing:

8.4.3.1. Net Oil Production and Net Gas Production during the ensuing Quarter, expressed in Barrels per Day or Cubic Meters per Day and level of each grade pursuant to the adopted Work Program and Budget and approved Production Schedule.

8.4.3.2. Estimate of the quantity, grades and rates of Net Oil Production and Net Gas Production which will be available for lifting and/or sale from the Contract Area, including Royalty Oil, Cost Recovery Oil, Profit Oil and Royalty Gas, Cost Recovery Gas and Profit Gas.

Article 8.5. Oil lifting and gas consumption

8.5.1. Principles for Oil Lifting and Gas Consumption

8.5.1.1. Depending on the method of allocation specified in Chapter VI, PETROVIETNAM, each Contractor Party and the Government (if the Government elects to take and lift Royalty Oil in kind) shall have the right to lift an aggregate amount of Crude Oil for every cargo lifted by it consisting of:

8.5.1.1.1 in the case of PETROVIETNAM and each Contractor Party, Royalty Oil (if applicable), Cost Recovery Oil (if applicable) and Profit Oil;

8.5.1.1.2. in the case of the Government, Royalty Oil if taken in kind.

8.1.5.2. Each Party's entitlement in the sale of Natural Gas allocated in accordance with Article 6.2 shall be delivered in accordance with the Gas Purchase and Sale Agreement.

8.5.1.3. The Parties' nomination of Crude Oil shall be adjusted at the end of each Quarter by increasing the nomination of an Underlifter at the commencement of the next Quarter by the amount of its underlifting at the end of the previous Quarter and decreasing the nomination of an Overlifter at the commencement of the next Quarter by the amount of the overlifting at the end of the previous Quarter in accordance with the Oil Lifting Agreement.

For purposes of this Article 8.5.1.3, a Party which during the Quarter lifted less than its entitlement from the Contract Area shall be an "Underlifter" and a Party which during the Quarter lifted in excess of its entitlement shall be an "Overlifter".

8.5.1.4. Each lifting of Crude Oil shall be deemed to take place at the Bill of Lading Date as defined in Article 8.1.1.5.2.

8.5.2. Within twenty-one (21) days after the end of each Quarter, the Operator shall prepare and furnish to PETROVIETNAM and the Contractor Parties a report setting out the amount, type and grade of Crude Oil or volume of Natural Gas produced from the Contract Area, the entitlements of each Contractor Party and PETROVIETNAM, the liftings made by the Parties by reference to the relevant Bill of Lading Date as defined in Article 8.1.1.5.2 or volume of Natural Gas produced, which are delivered from the

Contract Area to each Contractor Party and PETROVIETNAM, and the resulting overlift or underlift position of each Contractor Party and PETROVIETNAM at the commencement and at the end of the Quarter

8.5.3. The Management Committee shall review and adopt a Oil Lifting Agreement and/or Purchase and Sale Agreement for Natural Gas or Coal Gas (if applicable) as the case may be, but in all cases the agreements must be adopted no later than ninety (90) days for Crude Oil or one hundred and eighty (180) days for Natural Gas and Coal Gas prior to the date of commissioning the field or mine for operation as proposed in the approved Development Plan.

The Oil Lifting Agreement shall be purposed to avoid interruption to the production of Petroleum and to the desirability of each tankship sailing from the loading facilities with an optimum standard cargo range as determined by the Operator of Crude Oil in a timely manner in order to avoid production curtailments due to constraints on Crude Oil storage and minimize demurrage incurred. The Oil Lifting Agreement shall provide for matters such as tanker scheduling, terminaling, nominations, procedures and a detailed method for balancing out any final overlift/underlift positions which may occur consistent with the terms of Article 8.5.

8.5.4. Basic contents of the Oil Lifting Agreement or Natural Gas Purchase and Sale Agreement

8.5.4.1. The Oil Lifting Agreement or Natural Gas Purchase and Sale Agreement shall also provide that:

8.5.4.1.1. the Operator shall be the coordinator for lifting oil and selling/consuming gas.

8.5.4.1.2. the Operator shall establish minimum operational safety and environmental standards for lifting oil or selling/consuming gas in accordance with the Generally Accepted International Petroleum Industry Practices;

8.5.4.1.3. PETROVIETNAM and each Contractor Party and the Government (if the Government elects to take and lift Royalty Oil in kind) shall be entitled and obliged to take and receive at the Point of Delivery and separately or jointly dispose of its/their share of Crude Oil in kind.

8.5.4.1.4. title to and risk in Petroleum shall be passed to the Party entitled to receive such Petroleum at the Point of Delivery;

8.5.4.1.5. expenses in relation to the sales of Crude Oil shall be borne by Contractor Parties or Parties, as the case may be, and shall not be recoverable in accordance with the Contract but shall be deductible for the purpose of corporate income tax in accordance with applicable Vietnamese laws and international treaties to which Vietnam is a signatory.

8.5.4.2. When necessary and upon request by any Party, the Management Committee shall review, revise and supplement the provisions of the Oil Lifting Agreement or Gas Purchase and Sale Agreement.

Chapter IX

BONUSES AND DATA FEE

Article 9.1. Bonus

9.1.1. The CONTRACTOR shall pay to PETROVIETNAM a sum of money being a signature bonus of [.....] US Dollar (... USD) within thirty (30) Days after the Effective Date of this Contract. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

9.1.2. The CONTRACTOR shall pay to PETROVIETNAM the sum of [.....] US Dollar (... USD) within thirty (30) days after the date on which the CONTRACTOR declares the first Commercial Discovery in the Contract Area. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

9.1.3. The CONTRACTOR shall pay to PETROVIETNAM the sum of [.....] US Dollar (... USD) within thirty (30) Days from the First Production Date in the Contract Area. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

9.1.4. The CONTRACTOR shall pay to PETROVIETNAM a lump sum amount of bonus for the various levels of increased production (if applicable) within thirty (30) Days after daily production from the Contract Area initially reaches the average level in the equivalent production levels set out in the following table after a consecutive period of thirty (30) Days applicable respectively to Crude Oil and Natural Gas:

[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]

9.1.4.1. Applicable to Crude Oil:

| | |
|---|--------------|
| <i>Daily average of Net Oil Production per quarter in Contract Area (in Barrels per actual day of production)</i> | <i>Bonus</i> |
| | |

9.1.4.2. Applicable to Natural Gas/Coal Gas:

| | |
|---|--------------|
| <i>Daily average of Net Gas Production per Quarter in Contract Area</i> | <i>Bonus</i> |
|---|--------------|

| | |
|--|--|
| <i>(in million m³ per actual day of production)</i> | |
| | |

9.1.5. Bonuses paid to PETROVIETNAM in accordance with Article 9.1 shall not be recoverable and shall not be deductible for the purpose of corporate income tax assessment according to applicable Vietnamese laws.

Article 9.2. Data fee

Data fee *(if applicable)*: The CONTRACTOR shall pay data fee to PETROVIETNAM in a sum of [.....] US Dollar (... USD) for access to all data and information relating to the Contract Area and held by PETROVIETNAM and shall have the right to use such data and information during the term of this Contract provided that ownership of such data remains vested in PETROVIETNAM. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

Data fees paid to PETROVIETNAM in accordance with Article 9.2 shall not be recoverable and shall not be deductible for the purpose of corporate income tax assessment according to applicable Vietnamese laws.

Chapter X

TRAINING, EMPLOYMENT AND SERVICES

Article 10.1. Training

10.1.1. The CONTRACTOR shall pay to PETROVIETNAM the amount of [.....] US Dollar (... USD) per Contract Year prior to the first Commercial Discovery and the amount of [...] US Dollar (... USD) per Contract Year thereafter for the purpose of training PETROVIETNAM’s managerial staff and personnel. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

10.1.2. Payment of the training expenditure shall be made by the CONTRACTOR to training institutions agreed by the Parties or designated by PETROVIETNAM. Upon request of PETROVIETNAM, the CONTRACTOR shall pay PETROVIETNAM or shall carry forward to the next Contract Year any remaining balance of the annual training expenditure commitment. Any training expenditure in a Contract Year in excess of the amount set forth in Article 10.1.1. shall be carried forward to and shall be deducted from the commitment defined in Article 10.1.1. for the following Contract Year(s).

10.1.3. The CONTRACTOR shall commit to pay PETROVIETNAM an amount of money equivalent to [.....] per cent (... %) of the annual Petroleum Operation Costs from the first oil/gas production point of time or the amount of [...] US Dollars (USD ...) for each Contract Year for the Petroleum Scientific Research and Technology Development Fund. *[Depending on basic economic and technical conditions regarding Contract approved by the Prime Minister]*

10.1.4. The amounts payable to PETROVIETNAM in accordance with Articles 10.1.1 and 10.1.3 shall not be recoverable and shall not be deductible for the purpose of corporate income tax assessment according to applicable Vietnamese laws.

Article 10.2. Employment and Services

10.2.1. In the annual Work Program and Budget, the CONTRACTOR shall prepare an employment program including but not limited to recruitment of local employees, training for Vietnamese personnel, schedule and rates of replacing foreign employees by local employees.

The CONTRACTOR must implement the staff recruitment plan in accordance with the approved plan.

10.2.2. The CONTRACTOR shall make priority use of services of Vietnamese companies in the conduct of Petroleum Operations on the principle that such services are competitive in terms of price, quality, schedule and availability.

Chapter XI

ACCOUNTING, AUDITS, AND SETTLEMENT

Article 11.1. Accounting

11.1.1. The CONTRACTOR, through the Operator, shall comply with the Vietnamese Accounting Standards and Vietnamese rules and regulations on accounting.

11.1.2. The CONTRACTOR, through the Operator, shall record all Petroleum Operations Costs as well as revenues received from the sale of Crude Oil or Natural Gas in accordance with Vietnamese Accounting Standards, Vietnamese rules and regulations on accounting, and the IPIP.

Article 11.2. Audits

11.2.1. The Management Committee shall select an independent auditing company legally operating in Vietnam to conduct audits of annual financial reports and statements of the CONTRACTOR in accordance with Vietnamese law and regulations. The costs paid for such independent auditing service shall be borne by the CONTRACTOR and shall be deemed Petroleum Operation Costs for the purpose of recoverable costs.

11.2.2.

11.2.2.1. PETROVIETNAM has the right at any time, on condition that PETROVIETNAM bears the costs and at its own risk, to provide at least thirty (30) days in advance a written notice to the CONTRACTOR in order to access and audit the books and take copies of original data and source vouchers of the CONTRACTOR by their

internal auditors or third party auditors; provided, however, that such an audit shall not be conducted more than once a Year. Such audit must be completed within twelve (12) months of such request;

11.2.2.2. Any expenses in the Financial Statements which are not accepted by the auditors of PETROVIETNAM at the time of auditing will be provided in writing (audit conclusion) within sixty (60) days after the audit completion with specified reasons.

If the audit conclusion is not issued within such sixty (60) days, the books and Financial Statements of the CONTRACTOR shall be deemed to be correct for all purposes.

11.2.2.3. If the CONTRACTOR does not provide objections to the items in the audit conclusion within sixty (60) days from the date of its receipt, then the audit conclusion of PETROVIETNAM shall be final and binding on the Parties. If within the sixty (60) day time-limit referred to above, the CONTRACTOR does provide objections, then PETROVIETNAM and the CONTRACTOR shall attempt to amicably settle the matter and reach an agreement. If within one hundred and eighty (180) days from the date of receipt of the written objections referred to above, the Parties fail to reach an agreement, then such dispute shall be resolved by arbitration pursuant to Article 15.1.

11.2.2.4. In order to avoid any misunderstanding, any expenses excluded by PETROVIETNAM or pending in the audit conclusion shall be non-recoverable until the disputes are settled in accordance with Article 11.2.2.3.

Article 11.3.. Settlement of Petroleum Operation Costs

11.3.1. The Settlement of Petroleum Operation Costs shall ensure that settlement costs are accurate, adequate, legitimate in accordance with Vietnamese laws.

11.3.2. The CONTRACTOR shall, upon completion of work and each phase of the Contract or each smaller phase according to the Contract or approved oil field Development Plan or upon completion or termination of the Contract, settle Petroleum Operation Costs in accordance with Petroleum Operation Costs.

11.3.3. PETROVIETNAM shall, based on annual financial audit results and/or audit results at the end of each relevant phase of the Contract or each smaller phase according to the Contract or termination of the Contract or relevant approved Work Programs and Budgets and/or oil field Development Plans and amendments thereof (if any), approve settlement report produced by the CONTRACTOR in accordance with the Contract and Vietnamese petroleum laws.

Chapter XII

PARTICIPATION OF PETROVIETNAM AND ASSIGNMENT

Article 12.1. Participation of PETROVIETNAM

12.1.1. Within ninety (90) Days of the CONTRACTOR's declaration of the first Commercial Discovery, PETROVIETNAM has the option to hold a Participating Interest of up to [.....] per cent (... %) in the total rights and obligations of the CONTRACTOR under this Contract (hereinafter referred to as "PETROVIETNAM's Participating Interest"). Such option shall be extinguished if PETROVIETNAM does not give the CONTRACTOR a written notice of intention to participate within the aforesaid ninety (90) days following the CONTRACTOR's declaration of the first Commercial Discovery (hereinafter referred to as the "Commencement Date") unless otherwise agreed. Depending on the decision of PETROVIETNAM, PETROVIETNAM's Participating Interest may be managed and directly implemented by PETROVIETNAM or by one of its Affiliate Companies.

If PETROVIETNAM exercises its option, then PETROVIETNAM or its Affiliate Company as the case may be and the Parties shall conduct the necessary procedures in order to amend the Investment Certificate and the Contractor Parties shall consider (accordingly) and adopt a Joint Operating Agreement or an Amendment Agreement regarding Joint Operating Agreement as the case may be.

12.1.2. PETROVIETNAM or its Affiliate Company's share of all expenditure corresponding to the participation of PETROVIETNAM or its Affiliate, incurred by the CONTRACTOR during performance of this Contract from the Effective Date up to the Commencement Date shall be borne by the CONTRACTOR. If PETROVIETNAM gives the notice of intention to participate referred to in Article 12.1.1, the CONTRACTOR shall be reimbursed of all such expenditure paid in advance in accordance with the following provisions:

12.1.2.1. As to PETROVIETNAM or its Affiliate Company's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) from the Effective Date up to the Commencement Date, the CONTRACTOR has the right to take [.....] per cent (... %) of the share of expenditure of PETROVIETNAM or its Affiliate in Cost Recovery Oil and/or Cost Recovery Gas belonging to the CONTRACTOR until the CONTRACTOR has fully recovered without interest the above share of expenditure;

12.1.2.2. As to PETROVIETNAM or its Affiliate Company's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) from the Commencement Date up to and including the date of PETROVIETNAM's notice of intention to participate, PETROVIETNAM or its Affiliate as the case may be shall make a lump sum payment to the Operator of all the above expenditure within thirty (30) days of the date on which the Operator on behalf of the CONTRACTOR sends a request for payment of money;

12.1.2.3. As to PETROVIETNAM or its Affiliate Company's share of all expenditure to be borne by the CONTRACTOR under this Contract (excluding the bonuses and data fee

paid under Chapter IX and the training costs and costs for establishing the scientific research fund under Chapter X) after the date of PETROVIETNAM's notice of intention to participate, PETROVIETNAM or its Affiliate shall make payment therefor, on a current cash call basis, in accordance with the provisions of the Joint Operating Agreement;

12.1.2.4. The Parties undertake that PETROVIETNAM shall have no financial obligations under the provisions of this Chapter if there is no declaration of Commercial Discovery in the Contract Area.

12.1.3. In case PETROVIETNAM's Affiliate Company participates in the consortium of contractors from the execution of the Contract and other Contractor Parties in such consortium are responsible to bear the capital burden for PETROVIETNAM's Affiliate Company, Participating Interest, portion and method of capital burden bearing as well as methods of cost recovery relating to the capital burden bearing and participation of PETROVIETNAM in accordance with Article 12.1 will be agreed by the Parties in the Contract.

Article 12.2. Assignment

12.2.1. Each Contractor Party shall have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, interests and obligations under this Contract to any of its Affiliates with a written notice to PETROVIETNAM. The above sale, transfer, conveyance or other disposal shall require approval by the Prime Minister and shall take effect in accordance with the amended Investment Certificate.

12.2.2. Subject to the pre-emptive right first of PETROVIETNAM in accordance with the Law on Petroleum, and then of other Contractor Parties under the Joint Operating Agreement based on the assignment conditions as agreed between the Contractor Party who has intention of assignment and the third party(ies) (the potential assignees must not be Affiliate Company of the Assignor), each Contractor Party shall have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, interests and obligations under this Contract to third party(ies) with approval of the Prime Minister. PETROVIETNAM shall send a written notice to the Contractor Party who has intention of assignment on the decision regarding the pre-emptive right first within one hundred and twenty (120) days or a different period of time as agreed between relevant parties, of receipt of notice of assignment intention and executed assignment agreement by such Contractor Party and the third party(ies). If the Contractor Party who has intention of assignment receives no notice from PETROVIETNAM within such one hundred and twenty (120) days or within a previously agreed period of time, it is considered that PETROVIETNAM has waived its pre-emptive right first.

12.2.3. In accordance with Articles 12.2.1. and 12.2.2, the potential Assignee must:

12.2.3.1. have adequate technical and financial capability in order to discharge its obligations pursuant to this Contract;

12.2.3.2. agree to and comply with the Participating Interest which is assigned and with all clauses and provisions of this Contract; and

12.2.3.3. at the request of and subject to the consent from PETROVIETNAM, provide PETROVIETNAM with a guarantee from the parent company or credit institutions corresponding with the Participating Interest of the assignee.

12.2.4. For the purpose of Article 12.2., in respect of change in ownership or change in control of a Contractor Party (except for cases of restructuring, internal financial arrangement of such Contractor Party or consolidation of the Contractor Party's parent company), relevant Contractor parties shall declare and pay tax deriving from the change in control (if any) in accordance with Vietnamese laws and international treaties to which Vietnam is a signatory.

Chapter XIII

PAYMENTS, CURRENCY, AND EXCHANGE

Article 13.1. Payments

13.1.1. In accordance with applicable foreign exchange regulations of Vietnam, any payments due from one Party to another, or from a Contractor Party to the Operator, under this Contract shall be made in US Dollar or such other freely convertible currency or currencies as may be acceptable from time to time to the recipient Party or the Operator, at a bank and bank account to be designated by such recipient Party or the Operator.

Notwithstanding Article 5.1.2.13, the Operator must open a joint account at banks authorized to operate in Vietnam in order to service the objective of capital contribution.

13.1.2. Except where otherwise provided in this Contract or in the Accounting Procedures, any payments required to be made pursuant to this Contract shall be made within thirty (30) days following the end of the month in which the obligation to make such payment occurs.

Article 13.2. Currency and exchange

13.2.1. The CONTRACTOR and the Operator shall, under the terms of this Contract and in accordance with the applicable Vietnamese foreign exchange regulations, have the right to:

13.2.1.1. to make any payments, to maintain and operate bank accounts in any currency within Vietnam and to freely convert any of their funds into the currency of Vietnam or any other available foreign currency at the rate of exchange of a Commercial Bank in which the exchange transactions are to be made and to freely retain or dispose of any funds and currencies currently held by the CONTRACTOR and Operator.

13.2.1.2. to make any payments, to maintain and operate bank accounts in foreign currency outside Vietnam in accordance with foreign exchange laws;

13.2.1.3. to freely remit out of Vietnam their income in foreign currencies from the sale of Cost Recovery Oil, Profit Oil, Gas Recovery Oil, Profit Gas, and other allowable [lawful] income received in the course of Petroleum Operations on condition that the CONTRACTOR fully discharges financial obligations in accordance with Vietnamese laws.

13.2.1.4. to freely exchange such foreign currencies referred to in Article 13.2.1.3 into other currencies.

13.2.1.5. to freely maintain and operate accounts in its books or records.

13.2.2. The CONTRACTOR shall, in the exercise and performance of its rights and obligations under this Contract, have the right to pay abroad in any currency, expenses incurred for purchase of supplies, equipment and services and other payments related to the Petroleum Operations. The CONTRACTOR, the Operator and foreign suppliers and their expatriate employees shall be entitled to receive the whole or any part of their payments outside Vietnam, provided that they shall be required to bring into or leave in Vietnam sufficient freely convertible currencies to meet payment of expenses, including personal income tax for expatriate employees working in Vietnam.

13.2.3. In respect of all other matters relating to foreign exchange and the remittance of funds abroad arising in any way out of their connection with this Contract, the CONTRACTOR and the Operator (and their expatriate employees) and suppliers (and their expatriate employees) shall be entitled to receive treatment no less favorable to them than that normally accorded to any other foreign company or person doing business in Vietnam.

Chapter XIV

TITLE TO ASSETS, LEASED ASSETS AND ABANDONMENT

Article 14.1. Ownership of assets

14.1.1 Subject to Article 14.3, title to assets of the CONTRACTOR used for Petroleum Operations in the Contract Area and charged to Petroleum Operation Costs shall be transferred automatically to PETROVIETNAM when the total cost of such assets has been fully recovered by the CONTRACTOR under Articles 6.1.2. and 6.2.2. or at the termination date of the Contract, whichever is the earlier. Notwithstanding the above provisions, the CONTRACTOR has the exclusive right to use free of charge the above assets so long as they are needed for the Petroleum Operations under the Contract.

Regarding assets jointly used for a number of petroleum contracts, when this Contract terminates then such assets shall be dealt with in accordance with guidelines of PETROVIETNAM consistent with Article 5.2.1.6.

14.1.2. The CONTRACTOR shall transfer any of such costs recovered assets which are no longer needed for Petroleum Operations to PETROVIETNAM and if PETROVIETNAM does not want such transferred assets, the CONTRACTOR may dispose of them on behalf of PETROVIETNAM. All net proceeds from the sale or other disposal of these assets will be paid to PETROVIETNAM in accordance with Vietnamese laws.

14.1.3. The CONTRACTOR may dispose of any assets which have not been fully cost recovered but which are no longer needed for Petroleum Operations, subject to PETROVIETNAM's approval. All net proceeds from the disposal of these assets will be credited to Petroleum Operation Costs.

Article 14.2. Leased assets

14.2.1. The provisions of Article 14.1 shall not apply to any assets used for the Petroleum Operations which are rented or leased to the CONTRACTOR or Operator or rented or leased or owned by suppliers or any other person performing services for the CONTRACTOR or Operator.

14.2.2. The CONTRACTOR, Operator or suppliers and any other person performing services for the CONTRACTOR or Operator shall retain control of, and freely import and re-export all leased assets used for Petroleum Operations under this Contract.

14.2.3. Rental payments incurred by the CONTRACTOR or Operator for assets used in Petroleum Operations shall be regarded as Petroleum Operation Costs.

Article 14.3. Abandonment

14.3.1. Any petroleum facilities constructed or drilled by the CONTRACTOR for the purposes of this Contract must be abandoned during the term of the Contract or upon termination of the Contract as provided in Chapter XVI, the CONTRACTOR shall, upon written request from PETROVIETNAM, carry out the abandonment of such petroleum facilities whether by way of plugging, demolition, removal, dismantling, conversion, placement on temporary or permanent care and maintenance or other bases in accordance with relevant regulations of Vietnam and in conformity with the IPIP.

14.3.2. CONTRACTOR shall, no later than nine (09) months from the date of First Oil, First Gas in respect of each oil field or gas field, submit to the Management Committee an Abandonment Plan which shall be carried out upon completion of production of the relevant oil field or gas field for approval. The Management Committee shall review the Abandonment Plan prepared and submitted by the CONTRACTOR as regulated hereunder. Subject to any amendments made in accordance with the IPIP, the

Management Committee shall adopt such Abandonment Plan within thirty (30) days of the submission by the CONTRACTOR. The Abandonment Plan of the CONTRACTOR shall include, but not limited to the primary provisions according to Clause 4 Article 50 of the Law on Petroleum.

No later than one (1) year since the date of First Oil, First Gas of each oil field or gas field, the Abandonment Plan as adopted by the Management Committee shall be sent to PETROVIETNAM for review and submission to Ministry of Industry and Trade for assessment and approval.

14.3.3. Notwithstanding approval of the Abandonment Plan, no later than one (1) year from the date of First Oil, First Gas for each oil field and gas field, the CONTRACTOR, via the Operator, must temporarily establish a fund ensuring financial obligations for Abandonment Operations in accordance with the plan on fields abandonment within the approved field/fields Development Plan. Establishment of such fund shall be amended or supplemented in accordance with the Abandonment Plan and amended Abandonment Plan approved by competent authority in accordance with Law on Petroleum. The establishment of such fund and criteria for abandonment during Contract execution shall be responsibility of each Contractor Party corresponding to Participating Interest and included in Petroleum Operation Costs for the purpose of recovery according to this Contract.

14.3.4. If petroleum facilities are damaged beyond repair, recovery during development or do not ensure safety for operation, the CONTRACTOR shall submit abandonment plan to PETROVIETNAM for review and approval.

14.3.5. Prior to termination of the Contract or termination of oil field production phase, the CONTRACTOR must have established the fund ensuring financial obligations for Abandonment Operations as defined under the latest update of petroleum abandonment plan approved by competent authority.

14.3.6. If the CONTRACTOR develops fields in phases according to early Production Plan, the establishment of the fund ensuring financial obligations for Abandonment Operations shall conform to Articles 14.3.1 through 14.3.5 mutatis mutandis.

Chapter XV

ARBITRATION, SOVEREIGN IMMUNITY, AND EXPERT DETERMINATION

Article 15.1. Arbitration

15.1.1. The Parties shall endeavor to settle, through negotiations, differences and disputes related to or arising under this Contract.

15.1.2. Except with respect to disputes referred to an Expert as provided in Article 15.3 below, in the event such differences or disputes cannot be settled through negotiations by

the Parties within ninety (90) days of any Party's issuance of notice of a dispute, such differences or disputes shall be decided by an arbitration tribunal. The Parties on either side of the dispute shall each appoint an arbitrator. The two arbitrators so appointed shall appoint a third arbitrator by mutual agreement who shall act as chairman of the tribunal. In the event the two Party-appointed arbitrators cannot agree to the appointment of a third arbitrator within thirty (30) Days of the appointment of the second of the appointed arbitrators, then the chairman of the tribunal shall be appointed by the Vietnam/ International Arbitration Centre [.....] (depending on the agreement). The arbitration shall be conducted in [...] (English or Vietnamese) in accordance with the Rules of Arbitration of [.....] (depending on the agreement). The place of arbitration shall be in [.....]. Any award of the arbitration tribunal shall be final and binding on the Parties.

The arbitration costs relating to settlement of the dispute among the Parties to the Contract shall be borne by the Party which failed in the tribunal.

The arbitration costs relating to settlement of the dispute between the Parties to the Contract and a third party shall be included as recoverable Petroleum Operation Cost.

Article 15.2. Sovereign immunity

The Parties hereby agree that all of the transactions contemplated by this Contract shall constitute commercial activities. To the extent that a Party may be entitled in any jurisdiction whatsoever to claim for itself or any of its agencies, affiliates, instrumentalities, properties or assets, immunity, whether characterized as sovereign or otherwise, or as arising from an act of state or sovereignty, from suit, execution, counterclaim, attachment or other legal process of any nature whatsoever, it hereby expressly and irrevocably waives such immunity and hereby agrees not to claim or permit to be claimed on its behalf or on behalf of any of its agencies or affiliates any such immunity. Without limiting the generality of the foregoing, each of the Parties hereby expressly waives any right to claim immunity under the law of Vietnam or in any other jurisdiction in the world.

Article 15.3. Expert determination

Any technical dispute, controversy or claim regarding the use of the IPIP or any dispute relating to technical differences regarding quantities, measurements and the valuation of Crude Oil or Natural Gas under this Contract or any determination of a dispute as specifically referred to in this Contract, or any other matter expressly provided for in this Contract that may be forwarded to the Expert for determination which the Parties cannot settle amicably within a reasonable time, shall be referred for determination by an Expert (as agreed upon by the Parties). The Expert shall make his determination in accordance with the provisions contained in this Contract. Representatives of the Parties shall have the right to consult with the Expert and furnish him with data and information, provided that the Expert may impose reasonable limitations on this right. The Expert shall be free to evaluate the extent to which any data, information or other evidence is substantiated or pertinent. determination of the Expert shall be final and binding upon the Parties. The

Expert shall also determine the allocation of the Expert costs to be borne by each of the Parties which cost shall be included as recoverable Petroleum Operation Cost. If the Parties disagree as to whether a dispute, controversy or claim concerns essentially technical matters, and they have failed to resolve their dispute within sixty (60) days, such dispute shall be finally settled by Arbitration in accordance with Article 15.1.

Chapter XVI

TERMINATION AND DEFAULT

Article 16.1. Termination

16.1.1. Without prejudice to the provisions of Article 16.2, the CONTRACTOR may, if there are circumstances that do not warrant continuation of the Petroleum Operations and after consultation with PETROVIETNAM, at any time, give a ninety (90) day prior written notice to PETROVIETNAM regarding the intention to relinquish its rights and be relieved of its obligations pursuant to this Contract, except such rights and outstanding obligations as have accrued in the period prior to such relinquishment as well as other continuing rights and obligations as may be contemplated under this Contract.

If the CONTRACTOR requests termination of the Contract in accordance with provisions of this Contract, the CONTRACTOR must fully discharge the obligations and responsibilities in accordance with this Contract and the Law on Petroleum. Termination of this Contract shall be effective on the day recorded in the decision on termination of the Contract issued by the Ministry of Industry and Trade.

16.1.2. Without prejudice to the provisions of Article 16.2 hereunder, PETROVIETNAM has the right to terminate the Contract by a ninety (90) day prior written notice to the CONTRACTOR without any compensation for CONTRACTOR's loss in the following cases:

16.1.2.1. If the CONTRACTOR fails to conduct Development Operations in accordance with the approved Development Plan within twelve (12) months from the date of such approval or ceases the Development Operations in accordance with the approved schedule recorded in the Development Plan within six (6) consecutive months, unless such cessation is caused by (i) a Force Majeure stipulated in Chapter XIX, (ii) decision of the competent authorities; or (iii) approval from PETROVIETNAM.

16.1.2.2. If the CONTRACTOR commences exploiting a field twelve (12) months later than the approved schedule or ceases the Production Operations within three (3) consecutive months, except for cessation (i) with a prior approval from PETROVIETNAM; (ii) pursuant to a decision of the competent authorities; (iii) for reasons of Force Majeure;

16.1.2.3. If one Contractor Party goes bankrupt, becomes insolvent or is dissolved, on condition that the aforementioned notice is only effective if the remaining Contractor

Parties are unable to bear the rights and obligations of such insolvent or dissolved Party under this Contract and the Contractor Parties must notify such decision to PETROVIETNAM within the aforementioned ninety (90) day period.

16.1.2.4. If all Contractor Parties jointly go bankrupt, become insolvent or are dissolved.

Article 16.2. Default

16.2.1. Where either Party (the “Defaulting Party”) is in material breach of any of its obligations under this Contract, the other Party (the “Non-Defaulting Party”) may give notice to the Defaulting Party requiring the Defaulting Party to remedy such breach. Where the Defaulting Party fails to remedy such breach or to commence and diligently pursue the remedy of such breach within thirty (30) days of the date on which the notice of breach is delivered by the Non-Defaulting Party and the Defaulting Party received such notice, the Non-Defaulting Party may, at any time after the expiration of the aforesaid thirty (30) day period, terminate this Contract by a notice of termination delivered to the Defaulting Party. If a dispute arises between the Parties as to whether a Party is in material breach of any of its obligations under this Contract or whether a Party is entitled to terminate this Contract pursuant to the provisions of this Article, either Party may require that the dispute be submitted for arbitration pursuant to Article 15.1 of this Contract.

16.2.2. For the purposes of Article 16.2.1., a Party shall be deemed to be in material breach under this Contract on the occurrence of any of the following circumstances:

16.2.2.1. Failure to perform, in accordance with the provisions of this Contract, any capital call or other payment within thirty (30) days from the due date of such payments.

16.2.2.2. Failure to perform or comply with any significant obligation which must be discharged and failure to comply with this Contract, where such failure or non-compliance seriously impacts on the implementation or economic, commercial objectives of this Contract, if such failure to perform still remains not to be remedied within thirty (30) days of receipt of a notice from the Non-Defaulting Party. However, on condition that such failure to perform can be remedied (as decided by the Non-Defaulting Party) but not within such thirty (30) day period, then it shall not be deemed to be a material breach if the Defaulting Party speedily commences and carefully takes action to complete the remedy of such breach and completes such remedy within ninety (90) days of the aforesaid notice.

Chapter XVII

DOMESTIC CONSUMPTION

Article 17.1. Domestic sale of crude oil

17.1.1. Crude Oil produced from the Contract Area must be prioritized for sale on the Vietnamese market at the request of the Government on the basis of the approved annual production plan. The CONTRACTOR and PETROVIETNAM will consult with each other regarding the annual plan on purchase of Crude Oil.

17.1.2. In emergency cases, at the request of the Vietnamese Government, PETROVIETNAM may require the CONTRACTOR by a written notice given thirty (30) days in advance to sell Crude Oil to PETROVIETNAM for an amount exceeding the agreed plan. Such Crude Oil shall be supplied from the portion of Net Oil Production to which the CONTRACTOR is entitled to own under this Contract.

17.1.3. If the CONTRACTOR supplies Crude Oil for domestic consumption, the price paid to the CONTRACTOR shall be calculated on the basis of the international competitive price in accordance with Article 8.1.1 and paid in USD or any other freely convertible currencies mutually agreed by the Parties and such payment shall be freely remitted overseas. Payment in respect of such supplies shall be made within thirty (30) days of the date of delivery of the relevant Crude Oil.

Article 17.2. Obligation to sell natural gas

Upon request of the Vietnamese Government, the CONTRACTOR has the obligation to sell the portion of Natural Gas which it owns on the Vietnamese market on the basis of agreements in projects for development and production of gas.

Chapter XVIII

STABILIZATION AND UNITIZATION

Article 18.1. Stabilization

18.1.1. The Parties base their relations hereunder on the principles of mutual goodwill, good faith and mutual benefit and respect for the investment guarantees and other rights accorded to investors in accordance with Vietnamese laws.

18.1.2. The Government and PETROVIETNAM shall take all steps necessary to ensure that during the term of this Contract all rights and obligations regarding tax stipulated in Articles 7.2, 7.3 and 7.4 shall be applicable to each of the Contractor Parties.

18.1.3. If after the Effective Date, existing laws are amended or annulled or new laws and regulation(s) are introduced in Vietnam, or there is application of changes of regulations of a law; or a license is cancelled, or the conditions therefore are revised adversely affecting the rights and obligations regarding tax stipulated in Articles 7.2, 7.3 and 7.4, then immediately upon notice from the CONTRACTOR, the Parties shall consult with each other and make such changes to this Contract as are necessary both to maintain the CONTRACTOR's rights, benefits and interests hereunder, including the CONTRACTOR's share of Profit Oil or Profit Gas, as at the Effective Date and to ensure

that any revenue or income or profit, including any one or more of the foregoing, derived or to be derived to the CONTRACTOR under this Contract, will not in any way be diminished in comparison to that which was originally contemplated as a result of such changes of law or annulment thereof or as a result of such changes, cancellation of approvals or licenses.

Article 18.2. Unitization and expansion

18.2.1. If any proven accumulation of Petroleum extends beyond the Contract Area into one or more adjacent areas held by one or more contractors, PETROVIETNAM and the CONTRACTOR and other relevant contractors in the adjacent areas must reach agreement on the most efficient approach for jointly appraising the accumulation and agree on possible joint development, production, storage, transportation of Petroleum from such accumulation and on the manner in which the costs and revenue deriving therefrom shall be equitably apportioned. Depending on each case but no later than eighteen (18) months from the date of the appraisal report on overall in place Petroleum Reserves of the Discovery as approved by the Prime Minister in accordance with the methods and procedures stipulated mutatis mutandis in Article 4.2 of this Contract, the CONTRACTOR shall receive the adopting document for such agreement(s) from PETROVIETNAM and submit the same to the Prime Minister for approval in accordance with applicable regulations. The unitized areas shall be regulated by the corresponding contract and the unitization agreement approved by the Ministry of Industry and Trade.

18.2.2. If any proven accumulation of Petroleum extends beyond the Contract Area into another adjacent contract area currently administrated by another country, then the CONTRACTOR and other concerned contractors in such adjacent areas must negotiate in order to reach agreement on unitization for the purpose of joint appraisal, development and production such accumulation of Petroleum by a method generally agreed in the Petroleum Industry, whereas the costs and revenue arising shall be shared at an equitable ratio. Such agreement on unitization must be approved by the Government of Vietnam and the country concerned. The unitized areas shall be regulated by the corresponding contract and the unitization agreement.

18.2.3. If any proven accumulation of Petroleum extends beyond the Contract Area into another adjacent area that is at that time not subject to any agreements executed between PETROVIETNAM and a third party, and is considered “open”, then the CONTRACTOR shall be entitled to define, with seismic data and other possible technical solutions available at that time and approved by PETROVIETNAM, the limits of such accumulation. The CONTRACTOR and PETROVIETNAM shall endeavor to reach a supplementary agreement to the boundary of the Contract Area to include all of the newly discovered accumulation and any such agreement must be considered and approved by the Prime Minister. The aforementioned modification shall be limited to the specific area defined as the vertical and horizontal productive limits of the newly discovered accumulation or field.

Chapter XIX

FORCE MAJEURE

Article 19.1. Events of force majeure

None of the Parties shall be liable to any other Parties for delay or failure to perform caused by an event of Force Majeure to the extent such delay or failure was not attributable to the fault or negligence of the Party seeking protection under this Chapter XIX. As used herein, an event of Force Majeure shall mean an event which is objective and unforeseeable beyond the reasonable control of the Parties and unavoidable, including but not limited to, natural disasters such as fire, explosion, flood or earthquake, and other events such as war, blockade or embargo, occupation, civil war, civil disturbance, sabotage or other civil disorder, strike or other labor disturbances, or any applicable law which is proclaimed and issued and which has the effect of disrupting, obstructing or preventing the performance of Petroleum Operations. For avoidance of misunderstanding, lack of funds shall not constitute Force Majeure.

Article 19.2. Effect and notice

19.2.1. Should an event of Force Majeure occur and prevent any Party from the timely performance of its obligations hereunder, but excluding any financial shortage, the Party whose performance is affected shall be excused from such performance until the cessation of the event of Force Majeure in question.

19.2.2. The Party claiming an event of Force Majeure is obliged to immediately notify the other Parties in writing regarding the existence of an event of Force Majeure. The notification given hereunder shall contain information regarding the nature of the circumstances and, to the extent possible, an estimation of how the Party's performance will be affected as well as an estimate as to when the Party's performance under the Contract will be resumed.

19.2.3. Upon the occurrence of an event of Force Majeure, the time of fulfillment of the related obligations under this Contract shall be postponed for the duration of such circumstances and the period of restoration of such event of Force Majeure.

19.2.4. The Party claiming an event of Force Majeure, with due regard for the provisions of this Contract, shall use all reasonable efforts to remove the causes of non-performance and shall complete its performance as promptly as possible.

19.2.5. Upon the cessation of the event of Force Majeure, the Party affected shall promptly notify the other Parties in writing. Such notification shall state the time deemed necessary for the fulfillment of obligations under this Contract. Should the Party affected fails to make or unduly delay making such notification, such Party shall compensate any losses suffered by the other Parties as a direct result of such failed or delayed notification.

Chapter XX

OTHER PROVISIONS

Article 20.1. Notices

Any notice required or given by any Party, to the others, shall be deemed to have been validly served when delivered personally, or sent by recognized courier service or fax to the following addresses:

To: VIETNAM OIL AND GAS GROUP

18 Lang Ha, Ba Dinh District, Hanoi

The Socialist Republic Of Vietnam

Attention: General Director

Telephone: 84-4-38 252526

Fax: 84-4-38 265942

To: CONTRACTOR

Address:

Attention:

Telephone:

Fax:

Any Party may substitute or change such address by a prior written notice thereof to the other Parties.

Article 20.2. Applicable law

This Contract shall be construed and governed by the legislation of the Socialist Republic of Vietnam. In the absence of a specific Vietnamese law governing any matter that may be raised, the relevant provisions of foreign legislation (the Parties may agree and specify in the Contract) or the IPIP shall apply, provided that such provisions of foreign legislation and the IPIP are not contrary to fundamental principles of Vietnamese laws.

Article 20.3. Insurance

Annually, the CONTRACTOR shall propose to the Management Committee a program of insurance for losses or damage to all wells, facilities, equipment, structures serving Petroleum Operations, environment liability insurance, liability insurance for third party,

personal lines insurance, and other insurances in compliance with Vietnamese laws and the IPIP.

When adopted by the Management Committee, the CONTRACTOR shall be responsible for obtaining and maintaining such insurance, insurance from an insurer with insurance capability and experience within the Petroleum sector and currently operating in Vietnam in conformity with the Law on Insurance Business of Vietnam and international treaties to which Vietnam is a signatory shall be prioritized.

Article 20.4. Operator

20.4.1. [In accordance with fundamental technical and economic conditions in respect of the Contract approved by the Prime Minister] is the appointed and accepted Operator in accordance with the clauses and conditions of this Contract and the Joint Operating Agreement (if any). Appointment of any successor Operator must comply with this Contract and the Joint Operating Agreement (if any) and shall be subject to approval from PETROVIETNAM and competent authorities of Vietnam.

20.4.2. The Operator shall be appointed to represent the CONTRACTOR in fulfilling the tax obligations, carrying out work and discharging obligations in accordance with this Contract. The Parties may also make an additional confirmation that in emergency circumstances or abnormal circumstances requiring immediate operations then any Party may also take any action which it considers appropriate or necessary in order to protect its interests and those of its staff and immediately notify the same to the other Party and any expenses arising in relation to that event shall be deemed to be Petroleum Operation Costs for the purposes of cost recovery in accordance with Articles 6.1.2 and 6.2.2 and shall be subject to audit result stipulated in Article 11.2.

20.4.3. For the purpose of Petroleum Operations in accordance with this Contract, the Operator shall establish an operating office in Vietnam as specifically stipulated in the Investment Certificate within ninety (90) days or another period agreed by the Parties as from the Effective Date. The Operator may also jointly use the office of its Affiliate Company in Vietnam (if any). The expenses of the office shall be correspondingly shared in accordance with principles approved by the Management Committee. Changes to information pertaining to operating office or receipt of operating office due to change of operator or termination of operating office shall be notified to investment registration authority where the operating office is located by the Operator who then adopts necessary procedures.

20.4.4. If a Contractor Party provides an official letter requesting withdrawal from this Contract (the “Withdrawing Party”), then the remaining Contractor Parties will have the pre-emptive right to receive the Participating Interest of such Withdrawing Party and must ensure that there is no adverse impact on the committed obligations stipulated in this Contract. No later than twelve (12) months from the date of receipt of a notice from the Withdrawing Party, the concerned Parties must complete all legal procedures to make a submission to the Prime Minister for approval of such withdrawal and receipt. If the

Contractor Parties are unable to reach agreement on the relevant legal instruments within twelve (12) months from the date on which the Withdrawing Party provides such official letter on withdrawal, then the CONTRACTOR must report to PETROVIETNAM to resolve the matter or to declare termination of the Contract. If the remaining Contractor Parties do not wish to receive the Participating Interest of the Withdrawing Party, PETROVIETNAM reserves the right to terminate this Contract with a notice to the CONTRACTOR ninety (90) days in advance without compensation for any loss of the CONTRACTOR.

Article 20.5. Relationship and liabilities

20.5.1. The rights, duties, obligations and liabilities of the Parties under this Contract shall be individual, not joint and several. Each individual Party shall not be jointly liable and severally responsible for the payment of any amount due by any of the other Parties by reason of the Petroleum Operations carried out under this Contract. Each Contractor Party shall be individually responsible for its respective Participating Interest of the obligations as set forth in the Contract, and shall only be liable to the extent of its respective Participating Interest of any claims, damages, judgments or award as set forth in this Contract.

20.5.2. The CONTRACTOR shall be liable to PETROVIETNAM or any third party for any loss or damage, including environmental pollution, arising from Petroleum Operations caused by Willful Misconduct, omission to act and negligence. Under no circumstances shall the CONTRACTOR be liable for consequential losses or damage.

Article 20.6. Confidentiality

20.6.1. Except as otherwise specified hereunder, this Contract and all information acquired or received by any Party under this Contract shall be kept confidential.

20.6.2. Notwithstanding the provisions of Article 20.6.1 above, the Parties may use any such Confidential Information for the purpose of preparing and publishing any reports and returns required by law.

20.6.3. PETROVIETNAM may publish any information of a geological, scientific or technical nature which relates to a surrendered area at any time after the surrender.

20.6.4. PETROVIETNAM may disclose Confidential Information as is required by its financing institutions or consultants without a prior written consent of the CONTRACTOR, other than information pertaining to patents, intellectual property, technical know-how, design, ideas of the CONTRACTOR which may be or are allowed to be used during Petroleum Operations in accordance with this Contract.

20.6.5. The CONTRACTOR shall not disclose to third parties Confidential Information without the consent of PETROVIETNAM, which consent shall not be unreasonably withheld except in the following cases:

20.6.5.1. to such extent as may be required to be disclosed to any authority having jurisdiction by law or by the regulations of any securities exchange.

20.6.5.2. to its Affiliate Company, technical consultants, any financing institution from which the CONTRACTOR is seeking finance for the purposes of carrying out its obligations hereunder, and to a potential assignee of an interest in this Contract, on condition that the CONTRACTOR must obtain a confidentiality undertaking from the recipient prior to disclosing such information and must provide such signed confidentiality undertaking to PETROVIETNAM.

20.6.5.3. to sub-contractors, to the extent necessary for the relevant Petroleum Operations, on condition that the CONTRACTOR obtains a confidentiality undertaking from such sub-contractor prior to disclosing the information.

20.6.6. The foregoing provisions of this Article 20.6 shall continue in force after termination of this Contract for five (5) years.

Article 20.7. Other Agreement *[as negotiated]*

Chapter XXI

IMPLEMENTATION

Article 21.1. Effectiveness

This Contract shall come into effect on and as of the Effective Date.

Article 21.2. Entirety

This Contract constitutes the entire agreement among the Parties with respect to the subject matter hereof. No amendment or modification of this Contract shall be valid unless the amendment or modification is made in writing and signed by the duly authorized representatives of the Parties. No prior agreement involving the Parties shall be considered incorporated herein unless specifically incorporated by reference.

Article 21.3. Amendments and supplements

Amendments of and supplements to this Contract must be agreed by the Parties and approved by the Prime Minister in accordance with the provisions of Vietnamese laws.

Article 21.4. Conflict

In the event of a conflict between the provisions of this Contract and its Exhibits, the provisions of this Contract shall prevail.

Article 21.5. Waiver

No waiver of any breach of this Contract by a Party shall be effective unless made in writing and signed by a duly authorized representative of such Party. Any such waiver shall not affect the rights of the Parties with respect to any other breach.

Article 21.6. Severance of provisions

If any provision of this Contract shall become invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of the rest of this Contract. The rest of this Contract shall remain in full force and effect as if such invalid or unenforceable provision had not been made a part of this Contract.

Article 21.7. Publicity

The Parties shall cooperate in developing joint publicity statements to be released at an agreed time. After the Effective Date, all public announcements about the Petroleum Operations shall be issued via the CONTRACTOR with the approval of PETROVIETNAM.

Article 21.8. Original text and Language

This Contract shall be executed in [.....] (...) originals: [.....] (...) in the Vietnamese language and [.....] (...) in the English language (*or other common foreign language agreed by the Parties*); both [...] (...) in both languages shall be of equal validity and be given full force and effect.

The Operator is permitted to use English in transaction documents and in recording books of account, which however must be translated into Vietnamese at the specific request of state authorities of Vietnam.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Contract, as of the day and year first above written.

VIETNAM NATIONAL OIL AND GAS GROUP

By: [.....]

Name: [.....]

Title: [.....]

CONTRACTOR

By: [.....]

Name: [.....]

Title: [.....]

**FOR
REFERENCE**

APPENDIX B

ACCOUNTING PROCEDURES

PETROLEUM PRODUCT SHARING CONTRACT

..... BLOCK

THE SOCIALIST REPUBLIC OF VIETNAM

APPENDIX B

ACCOUNTING PROCEDURES

Part

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1. GENERAL PROVISIONS

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1. GENERAL PROVISIONS

1.1 INTRODUCTION

This Accounting Procedure shall be applied and followed in the performance of obligations of the Parties under the Contract to which this Accounting Procedure is attached.

On behalf of the CONTRACTOR, the Operator shall perform functions set forth under this Accounting Procedure.

In the event of a conflict between the provisions of the Contract and this Accounting Procedure, the provisions of the Contract shall prevail.

1.2 PRINCIPLES

Accounting operations shall adhere to this Contract and relevant Vietnamese law provisions, especially regulations providing accounting guidelines applicable to Operator carrying out Petroleum Operations in Vietnam.

1.3 ACCOUNTING REPORTS AND STATEMENTS

1.3.1. Accounting records and statements shall be produced and stored on an accrual basis in conformity with the Contract, generally recognized and accepted accounting procedures, and in conformity with the Generally Accepted International Petroleum Industry Practices.

1.3.2. The CONTRACTOR shall produce the following periodic reports relating to Petroleum Operations:

1.3.2.1. Production Report (Part 6);

- 1.3.2.2. Product Evaluation Report (Part 7);
- 1.3.2.3. Expenditure, Recoverable Cost, and Credit Report (Part 8);
- 1.3.2.4. Royalty Oil and Royalty Gas Report (Part 9);
- 1.3.2.5. Cost Recovery Report (Part 10);
- 1.3.2.6. Profit Oil and Profit Gas Report (Part 11);
- 1.3.2.7. Cost settlement report; and
- 1.3.2.8. Balance Sheet.

1.3.3. In addition to records and reports specified under Part 1 hereof, the CONTRACTOR shall also prepare information and data which PETROVIETNAM may reasonably request and is directly related to obligations of the CONTRACTOR according to the Contract for PETROVIETNAM within a certain extent where such information and data are collected and stored.

1.3.4. Reports mentioned under Clauses 1.3.2.3 through 1.3.2.5 of this Exhibit shall be produced, presented, and stored on the cash and accrual basis.

In order to calculate the allocation for Petroleum and tax according to the Contract, Accrual Basis System shall be applied. In order to verify Petroleum Operation Costs of PETROVIETNAM audit according to Article 11.2.2 of the Contract, Cash Basis System shall be applied. The Parties hereby verify and confirm that (i) Accrual Basis System and (ii) Cash Basis System have the meaning attributed to it under Clause 1.5 of this Exhibit. Reports mentioned under Clauses 1.3.2.3 through 1.3.2.5 of this Exhibit shall be produced, presented, and stored on Cash Basis transferred from Accrual Basis with proof of payments that have not been received or payments that have not been made by the CONTRACTOR which specify amounts collectable and amounts payable.

1.4 LANGUAGE AND ACCOUNTING UNIT

1.4.1. All accounting records and data pertaining to operations, reports, and information exchanged shall be in English and recorded in US Dollar, a unified unit system shall be used for measurement according to requirements of this Accounting Procedure. For the purpose of clarification, other units of measurement and currency can be maintained in accounts and recordings. Whenever necessary as deemed by Vietnamese competent authorities, accounting records, data on operations, reports, and information exchanged shall be translated to Vietnamese.

1.4.2. This Accounting Procedure shall apply even when PETROVIETNAM and the CONTRACTOR do not benefit or suffer from deficit as a result of currency exchange corresponding to the costs or interest of the other Party. Currency exchange shall conform

to exchange rate applicable to the exchange. Any profit or deficit that arises from currency exchange shall be credited or debted in accounts according to the Contract.

1.4.3. Subject to Clause 1.4.2 of this Exhibit, collectable amounts and fees submitted in Dong or in currencies other than US Dollar shall be recorded in US Dollar based on applicable exchange rate or, if no conversion is made, based on average value of selling rate and buying rate published by Commercial Bank for Foreign Trade of Vietnam (“VCB”) on the first day of the month in which the transactions occur. Other than the provisions mentioned above, all entries made in Dong or currencies other than US Dollar shall be recorded in US Dollar based on exchange rate published by the VCB on the first day of the month in which the entries are made.

1.5 DEFINITIONS

Terminologies used in this Accounting Procedure and defined in the Contract shall convey the same meaning attributed to them in the Contract. Several terminologies used in this Accounting Procedure are construed as follows:

1.5.1. “**Asset**” means a work item whose value exceeds thirty million Dong (30.000.000 VND) or one thousand three hundred US Dollar (1.300 USD) and whose useful life exceeds 1 year.

1.5.2. “**Accrual Basis System**” or “**Accrual Basis**” means accrual basis system of income and expenditure for recording income upon receipt and obligations to expenditure.

1.5.3. “**Cash Basis System**” or “**Cash Basis**” means cash basis system of income and expenditure for recording income upon receipt in form of cash or cash equipment, and other expenditure upon payment.

1.5.4. “**Cost Recovery Report**” means the report specified under Part 10.

1.5.5. “**Development Costs**” means costs specified under Clause 2.2 of this Exhibit.

1.5.6. “**Exploration Costs**” mean costs specified under Clause 2.1 of this Exhibit.

1.5.7. “**G&A**” means General and Administrative Costs.

1.5.8. “**General and Administrative Costs**” means costs specified under Clause 2.4 of this Exhibit.

1.5.9. “**Immovable Assets**” means assets that are not defined as Movable Assets.

1.5.10. “**Movable Assets**” means Assets such as production and drilling tools for surface and/or underground operations, equipment, vehicles, barges, ships, automatic equipment, airplanes, construction machinery, belongings, office supplies, and other equipment.

- 1.5.11. **“Production Costs”** means costs specified under Clause 2.3 of this Exhibit.
- 1.5.12. **“Production Report”** means report specified under Part 6.
- 1.5.13. **“Profit Gas Report”** means report specified under Part 11.
- 1.5.14. **“Profit Oil Report”** means report specified under Part 11.
- 1.5.15. **“Part”** means a section of this Accounting Procedure, unless otherwise regulated.
- 1.5.16. **“Expenditure, Recoverable Cost, and Credit Report”** means report specified under Part 8.
- 1.5.17. **“Royalty Oil and Royalty Gas Report”** means report specified under Part 9.
- 1.5.18. **“Product Evaluation Report”** means report specified under Part 7.
- 1.5.19. **“Clause”** means a clause within this Accounting Procedure, unless otherwise specified.

2. CLASSIFICATION, DEFINITIONS, AND ALLOCATION FOR PETROLEUM OPERATION COSTS

All expenses and expenditure relating to Petroleum Operations shall be deemed Petroleum Operation Costs as better explained and defined under Clauses 2.1 through 2.5 (including Clause 2.1 and Clause 2.5) of this Exhibit and under Part 3 (except for expenses clearly removed from recovery costs according to Clause 3.2 of this Exhibit). Petroleum Operation Costs shall be classified and elaborated as follows:

2.1 EXPLORATION COSTS

“Exploration Costs” mean all direct and indirect costs allocated, borne during Petroleum Exploration and include but are not limited to:

- 2.1.1. collection of geophysics, geochemical, topographic, cadastral data, including processing, re-processing, and explanation for aforesaid data;
- 2.1.2. personnel, materials, reserve supplies, equipment and services utilized in the drilling of Exploration Wells;
- 2.1.3. a portion of the expense (as defined under Clause 2.4 of this Exhibit) allocated for Exploration Costs according to international petroleum accounting practice; and
- 2.1.4. subject to Article 2.2.2 of the Contract, any other expense that occurs during Petroleum Exploration after (or before, if approved by PETROVIETNAM) the Effective

Date and before the Production Date within relevant Development Area, including appraisal expenses and expenses not mentioned under Clause 2.2 of this Exhibit.

2.2 DEVELOPMENT COSTS

“Development Costs” mean all direct and indirect costs allocated and borne during development of a field or fields within a Development Area and all associated consumption, treatment and/or transportation system, include but are not limited to:

2.2.1. the drilling of Wells, other than Appraisal Wells, for Exploration Wells and the drilling of Wells for exploration from a field, regardless of whether these Wells are dry or viable for production, or for water injection or Natural Gas or any other gas for the purpose of improving Petroleum recovery;

2.2.2. the completion of Wells by installing casings or equipment or by other solutions after the wells have been drilled in order to use the aforesaid Wells as Production Wells or for water injection or Natural Gas or any other gas, liquid, or solid matters in order to improve Petroleum recovery;

2.2.3. overheads such as employees, consumables, and services that do not provide value but arise during drilling and deepening of Wells for purposes mentioned under Clauses 2.2.1 and 2.2.2 of this Exhibit;

2.2.4. costs for on-site equipment such as pipelines, pipes, production and treatment combination, wellhead equipment, underground equipment, improved recovery equipment, offshore rigs, compressing equipment, offshore filling system, including tankers, Petroleum storage facilities, cargo piers and docks, ports, airports, relevant equipment, and roads serving Production Operations;

2.2.5. feasibility study, technology design, and model design for facilities mentioned under Clause 2.2.4 of this Exhibit; and

2.2.6. a portion of the expense (as mentioned under Clause 2.4 of this Exhibit) allocated in Development Costs in accordance with international petroleum accounting practice.

2.3 PRODUCTION COSTS

“Production Costs” mean all direct and indirect costs allocated and borne during production of Crude Oil and Natural Gas within Contract Area that are not Exploration Costs and Development Costs, including the G&A Costs (as defined under Clause 2.4 of this Exhibit) that can be allocated and applied to Production Costs.

2.4 GENERAL COSTS AND ADMINISTRATIVE COSTS (“G&A”)

General Costs and Administrative Costs mean the following costs:

2.4.1. G&A in Vietnam mean all management, administrative, and general costs directly deriving in representative offices and field offices of Operator in Vietnam and include but are not limited to supervision, accounting, legal, technical services and services relating to employment.

G&A outside of Vietnam mean all management, administrative, and general costs borne by the Operator and Affiliates thereof outside of Vietnam and directly related to Petroleum Operations and include but are not limited to supervision, accounting, legal, technical services and services relating to employment. The allocation of these expenses for Petroleum Operation Costs depends on conditions set forth under Clause 3.1.4.2 of this Exhibit.

2.4.2. General Administrative Costs of Operator:

General Administrative Costs of the Operator in respect of Petroleum Operations according to this Accounting Procedure shall be deemed monthly Petroleum Operation Costs. These costs apply to consulting operations, services, and assistance of general nature that are not included in Petroleum Operation Costs by any other means and are repaid in the following rates in respect of Petroleum operation Costs (excluding G&A of Clause 2.4.2 in this Exhibit) of Petroleum Operations in the Year:

| | |
|--|----|
| For the first five (5) million US Dollars in each Year | 5% |
| For the next three (3) million US Dollars in each Year | 3% |
| For the next two (2) million US Dollars in each Year | 2% |
| Exceeding ten (10) million US Dollars in each Year | 1% |

In any given Year, if an amount of money for these services corresponding to the percentages above is less than one hundred thousand US Dollars (100.000 USD), such amount shall be rounded up to one hundred thousand US Dollars (100.000 USD), except for the first Year and the last Year where the minimum one hundred thousand US Dollars (100.000 USD) shall be distributed by the number of months in the respective Year.

2.4.3. “G&A” Allocation

All “G&A” shall be allocated and distributed on a periodic basis according to Clauses 2.1.3, 2.2.6, and 2.3 of this Exhibit to Exploration Costs, Development Costs, and Production Costs accordingly.

2.5 GENERAL COSTS

Development Costs and Exploration Costs relating to equipment used in multiple Development Areas shall be distributed among these Development Areas in a manner taking into account estimated usage per Development Area on the basis agreed upon by the CONTRACTOR and PETROVIETNAM.

If Crude Oil and Natural Gas is produced in a Commercial Discovery in the Contract Area and if the allocation of Petroleum Operation Costs for the Crude Oil or Natural gas portion is difficult and unrealistic, the arising Petroleum Operation Costs shall be allocated for the Crude Oil or Natural Gas on the basis of relative profit of the Crude Oil and Natural Gas proportion respectively.

3. RECOVERABLE COSTS AND NON-RECOVERABLE COSTS OF CONTRACTOR

3.1 RECOVERABLE COSTS

Subject to provisions of the Contract, the CONTRACTOR shall bear and settle the following expenses and costs relating to Petroleum Operations according to the Contract. The aforesaid expenses and costs settled in accordance with Clauses 3.1.1 through 3.1.9 (including Clause 3.1.1 and Clause 3.1.9) of this Exhibit or other expenses according to Clause 3.1.10 below shall be classified by entries referred to under Part 2 and recoverable amounts using methods defined under Chapter VI of the Contract.

3.1.1 SURFACE RIGHTS

All direct costs that derive from attainment, extension, or waiver of surface rights obtained after the Effective Date and maintained during Contract Area.

3.1.2 PERSONNEL COSTS AND RELEVANT COSTS

3.1.2.1. Total salaries and wages including additional wages and allowance for employees of the Operator and Affiliates participating in Petroleum Operation, notwithstanding of their working positions, shall be understood as if these employees only engage in Petroleum Operations on a part-time basis, they shall be eligible for salaries and wages corresponding to percentage of working hour.

3.1.2.2. All employees, other than office workers and non-professional employees who engage in Petroleum Operations and whose employee costs can be recovered in accordance with Clause 3.1.2.1 of this Exhibit shall maintain timesheets or other reasonable allocation basis in order to calculate the personnel costs. The timesheets shall record working hours spent on Petroleum Operations even when relevant employees engage in Petroleum Operation on a part-time or full-time basis and display total amount of time spent on different projects constituting Petroleum Operations.

3.1.2.3. Costs borne by Operator in respect of payments for holidays, paid leaves, sick leaves, loss of earning capability, severance pay, or payments according to regulations

applicable to salaries and wages shall be calculated in accordance with Clause 3.1.2.1 of this Exhibit.

3.1.2.4. Costs or donations made in defined amounts or obligations according to Vietnamese laws applicable to salaries and wages of the Operator shall be calculated in accordance with Clause 3.1.2.1 of this Exhibit.

3.1.2.5. Costs of the Operator in respect of life insurance programs, hospital fees, pensions, and other benefits of similar nature usually issued to employees of the Operator.

3.1.2.6. Travel costs and reasonable personal expenses of employees of the Operator and their families including costs for changing regions and taking annual leave of expatriate employees and their families sent to Vietnam shall conform to policies and regulations of the Operator.

3.1.2.7. All personal income tax of Vietnam shall apply to expatriate employees of the Operator and be deducted by the Operator or settled or otherwise reimbursed.

3.1.2.8. The Operator shall calculate Petroleum Operation Costs based on unit or working hour for services provided by the Operator or Affiliates thereof outside of Vietnam. These costs shall include all employee costs paid which include but are not limited to Clauses 3.1.2.1, 3.1.2.2, 3.1.2.3, 3.1.2.4, 3.1.2.5, and 3.1.2.7 of this Exhibit and conforming to Clause 3.1.4.2 of this Exhibit.

3.1.3 TRANSPORTATION

Costs relating to transportation of employees, equipment, materials, and necessary provisions for Petroleum Operations (including, if applicable, costs for packaging, processing, brokering, and insurance) that are not recovered according to any regulation in this Accounting Procedure.

3.1.4 SERVICE FEES

3.1.4.1. Actual costs of contracts for technical services and other services signed by the Operator relating to Petroleum Operations and executed with third parties (including Contractor Parties but excluding Operator) that are not Affiliates of the Operator.

3.1.4.2. If services assisting Petroleum Operations are provided by an Affiliate of the Operator, these costs shall be calculated for the Operator based on actual costs without interest. The costs shall not exceed the price of calculated by the Affiliate for the third parties in respect of services where comparison is feasible based on similar terms and conditions in any other location. When requested, the Operator shall provide annual verification issued by independent audit of the Affiliate (the independent audit shall be an internationally accredited public audit company) confirming that the calculation of parameters involved in the determination of the costs is not for profit and that the costs

are calculated in accordance with jointly accepted accounting practice of the Affiliate and in an indiscriminate manner, conforming to standard calculation system of the Affiliate. Such services shall be provided within the scope of service agreements between the Operator and relevant Affiliate.

3.1.4.3. Actual costs borne by the Operator for clarifying, re-processing, examining, and purchasing seismic data from PETROVIETNAM before the Effective Date with written approval of PETROVIETNAM.

3.1.5. MATERIALS

3.1.5.1. General provisions

Within a permissible extent and consistent with effective and economic operation, the CONTRACTOR shall only purchase or provide, for the purpose of operations under the Contract, materials that are potentially necessary for use in a foreseeable future in a reasonable manner in order to avoid stockpiling.

3.1.5.2. Material maintenance

The CONTRACTOR shall not provide maintenance for materials provided outside of guarantee of suppliers or manufacturers and if materials or equipment is defective, adjustment which the CONTRACTOR receives from the suppliers/manufacturers or agencies thereof shall be credited in Petroleum Operation Costs according to the Contractor.

3.1.5.3. Value of materials shall be included in Petroleum Operation Costs according to the Contract

Unless otherwise specified under Clause 3.1.5.4 of this Exhibit, materials purchased by the CONTRACTOR for use in Petroleum Operations shall be evaluated based on invoice amount less commercial discount (if any) plus purchase, supply fees, transport, and delivery costs between point of provision and point of receipt, transport fees to ports of destination, insurance premiums, taxes, customs duties (if any) consular fees, and other amounts applicable to import materials and, as the case may be, costs for handling and transporting from point of import to the storage or the sites.

3.1.5.4. Materials purchased from Affiliates

Materials purchased from Affiliates of the CONTRACTOR shall be evaluated in accordance with Clause 3.1.5.4.1 and Clause 3.1.5.4.2 of this Exhibit whichever is appropriate.

3.1.5.4.1. New materials (Condition "A") shall be evaluated by price of Affiliate of the CONTRACTOR or applicable international price, whichever is lower.

3.1.5.4.2. Used materials (Conditions “B” and “C”):

3.1.5.4.2.1. materials that are in good, usable conditions and appropriate for reuse without needing to be refurbished shall be placed in Condition “B” and evaluated at a price not higher than seventy-five percent (75%) of that of new materials under Clause 3.1.5.4.1 of this Exhibit.

3.1.5.4.2.2. materials that cannot be placed in Condition “B” while remain useable with original functions after being refurbished similar to functional used materials or remain useable with original functions but are fundamentally unsuitable for refurbishment shall be placed in Condition “C” and evaluated at a price not higher than fifty percent (50%) of that of new materials under Clause 3.1.5.4.1 of this Exhibit. All refurbishment costs shall be included in costs of refurbished materials so long as the price of Condition “C” materials plus refurbishment costs do not exceed the price of materials according to Condition “B” for the same type.

3.1.5.4.2.3. materials that cannot be placed in Condition “B” or Condition “C” and are useable without needing to be refurbished for purposes other than the original functions of the Operator shall be evaluated at a price no higher than seventy-five percent (75%) of that of new materials serving purposes of the Operator according to Clause 3.1.5.4.1 of this Exhibit.

3.1.6. RENT, TAXES, AND OTHER DUTIES

Any rent, tax (including VAT), customs duties, export duties, mandatory payments, fees, charges, donations, other taxes and charges imposed by the Government relating to Petroleum Operations within the extent to which the CONTRACTOR incurs without being reimbursed by PETROVIETNAM. Corporate income tax, resource royalty, export duties on Crude Oil of the CONTRACT in any circumstance are not recoverable costs of the CONTRACTOR.

3.1.7 INSURANCE AND DAMAGE

Insurance fees and premiums, less all commissions and discounts, not including cash discount for insurance so long as the insurance is common practice and provides precaution against risks. If the insurance is partially or entirely provided for an Affiliate of the CONTRACTOR, the insurance premiums and costs shall only be recoverable within the extent calculated by competing insurance companies outside of the aforesaid Affiliate of the CONTRACTOR.

Fees and damages borne without being recovered in accordance with insurance contracts purchased in accordance with this Contract, in any case, shall be recovered if the aforesaid fees and damages arise from Willful Misconduct of the CONTRACTOR as mentioned under Article 20.5.2 of the Contract.

3.1.8 LEGAL COSTS

All costs for proceeding and legal service or relevant services necessary for or beneficial to the guarantee, completion, retention, and protection of Contract Area, commencement of Petroleum Operations, defense or initiation of lawsuits, arbitrations, or other alternative procedures for resolution of conflicts relating to Petroleum Operations and/or the Contract, or complaints of any third party relating to Petroleum Operations and/or the Contract, or payments relating to legal services necessary for or beneficial to the protection and consulting regarding rights of PETROVIETNAM and/or the CONTRACTOR. If legal services pertaining to aforementioned issues are provided by lawyers under payroll of the Operator or an Affiliate of the Operator, fees and costs of these legal services shall be classified in accordance with Clause 3.1.2 or Clause 3.1.4 of this Exhibit, as the case may be.

3.1.9 GENERAL COSTS AND ADMINISTRATIVE COSTS

All costs mentioned under Clause 2.4 of this Exhibit.

3.1.10 OTHER COSTS

3.1.10.1. costs that are not mentioned above in Part 3 and borne by the CONTRACTOR according to approved Budget or approval of the Management Committee even if the details of these costs are not specified in previous reports or information;

3.1.10.2. subject to approval under the Contract or approval of the Management Committee, costs borne by the CONTRACTOR to carry out necessary and reasonable Petroleum Operations conforming to Generally Accepted Petroleum International Petroleum Industry Practices;

3.1.10.3. costs for research and development of new equipment, materials, and techniques in Petroleum Exploration, Development, and Production;

3.1.10.4. costs for constructing, maintaining, rents, advance payments, and deposits for offices, houses, storage, equipment, facilities, vehicles, computers, software, and maintenance thereof;

3.1.10.5. payments made in accordance with Article 2.2.3 of the Contract.

3.1.10.6. all costs directly related to Abandonment Operations;

3.1.10.7. site offices, tents, and auxiliary equipment;

3.1.10.8. ecology and environment (including payments made in accordance with Article 5.1.2.6 of the Contract);

3.1.10.9. research and development;

3.1.10.10. education and training costs and utility costs;

3.1.10.11. project completion costs; and

3.1.10.12. other taxes and fees, if any, for transport, storage, processing, and sale of Petroleum in case Petroleum is not sold at wellhead.

3.2 NON-RECOVERABLE COSTS ACCORDING TO CONTRACT

3.2.1. costs borne before the Effective Date unless otherwise specifically regulated or agreed;

3.2.2. criminal fines or penalties (including but not limited to mandatory fines) decided by the Government or an agency thereof;

3.2.3. costs, fees, or charges including but not limited to donations and gifts relating to public relation or company image improvement and company's benefit of the CONTRACTOR other than donations accepted by PETROVIETNAM;

3.2.4. all taxes applicable to income or profit of the CONTRACTOR, resource royalty and export duties according to any applicable laws; or relevant costs that arise directly or in any other means (including costs related to preparation and submission of tax declaration, joint venture accounts for company report and fees paid to tax consultants);

3.2.5. costs, charges, or damages borne or any liability borne as a result of Willful Misconduct of the CONTRACTOR that has been proven and referred to under Article 20.5.2 of the Contract, including any amount paid to settle any complaint regarding the Willful Misconduct regardless of whether the Willful Misconduct is acknowledged or not or whether the payment is settled on an amicable basis or a similar basis;

3.2.6. costs for replacing and/or repairing assets or other immovable assets that are not subject to adequate insurance thereby leading to legal liabilities for third parties on the basis of being responsible regardless of being faulty or not, for every situation in which the CONTRACTOR fails to provide insurance at a premium lower than that approved by the Management Committee;

3.2.7. audit and accounting costs (other than fees and costs borne for the purpose of audit and accounting services required by the Contract) borne at request regarding audit and accounting of any applicable law and all borne costs, fees relevant to requirements of internal enterprise report (whether required by the law or not);

3.2.8. costs and fees relevant to the establishment of related company or consortium or joint venture agreement;

3.2.9. compensations according to the Contract other than compensations relating to Petroleum Operations (unless otherwise approved by PETROVIETNAM);

3.2.10. costs and fees regarding joint operation or main office of the CONTRACTOR or any relevant company of the CONTRACTOR directly or indirectly related to but are not limited to the merger, restructuring and/or acquisition of company unless approved by PETROVIETNAM;

3.2.11. costs, fees, and charges relevant to resolution of conflicts (other than conflicts relevant to Petroleum Operations) including all costs and charges for arbitration or lawsuits that derive from or are related to the Contract (regardless of lawsuit results) without prior approval of PETROVIETNAM;

3.2.12. costs that are not relevant to Petroleum Operations or issues or operations outside of Point of Delivery;

3.2.13. costs that lack adequate documentation;

3.2.14. all direct and indirect costs related to or associated with training of expatriate employees;

3.2.15. payments according to Chapter IX “Bonus and Data Fee” (including banking fees and bonus) or training costs according to Chapter X of the Contract;

3.2.16. direct and indirect costs related to capital mobilization for funding of Petroleum Operations and other auxiliary fees and charges relevant to such matter mobilized by any means; such costs including interests unless otherwise specifically regulated or agreed upon, banking fees, bonus, fees, and brokerage;

3.2.17. operation costs for items not included in Budget of the relevant Year or costs for any work item included in the budget without being approved by PETROVIETNAM; and

3.2.18. costs other than those specified above and mentioned in other parts of the Contract as non-recoverable costs, or costs specifically specified as other than costs allowed for the purpose of calculating recoverable costs or amounts allowed for spending without approval of PETROVIETNAM (for situations where such approval is required) or allowed for spending as a result of violation or failure to adhere to obligations of the CONTRACTOR according to the Contract.

3.3 TRANSACTIONS CREDITED IN PETROLEUM OPERATION COSTS

3.3.1. net amounts collected from insurance or compensation claim relating to Petroleum Operations;

3.3.2. revenues which the CONTRACTOR receives from third parties in respect of the use of property or assets included in Petroleum Operation Costs according to the Contract;

3.3.3. adjustment amounts which the CONTRACTOR receives from suppliers/manufacturers or agencies thereof relating to defective materials whose costs are included by the CONTRACTOR in Petroleum Operation Costs according to the Contract;

3.3.4. rents, refunds, deposits, or any credit amounts which the CONTRACTOR receives applicable to any fee included in Petroleum Operation Costs according to the Contract, but not including any amount which the CONTRACTOR receives according to arbitral awards mentioned under Clause 3.2.11 of this Accounting Procedure;

3.3.5. net amounts received from items in storage included in Petroleum Operation Costs according to Contract which are later disposed without being used in Petroleum Operations and have not been fully recovered.

3.4 DOUBLE-ENTRY BOOKKEEPING

Notwithstanding any clause that otherwise specifies under this Accounting Procedure, the intention of the Parties is to prevent double-entry bookkeeping in all accounts according to the Contract.

4. COST RECOVERY AND TIME OF COST RECOVERY

4.1. The recovery of Petroleum Operation Costs according to the Contract shall be implemented in conformity with methods specified under Articles 6.1.2 and 6.2.2 of the Contract. Costs eliminated or suspended by PETROVIETNAM in their audit reports shall not be recoverable until they are settled by the Parties. The Parties shall, within their best effort, resolve and settle all dispute costs as soon as possible.

4.2 Rules of recording material costs according to Contract

4.2.1. Costs for purchasing materials for storage and deemed Exploration Costs or Development Costs shall be recorded as working capital and recoverable if the materials are used.

4.2.2. Costs for purchasing materials for storage and deemed Production Costs shall be recoverable from the date on which the material costs are settled.

5. ASSET RECORDING AND EVALUATION

The CONTRACTOR shall keep all detail recording regarding assets used for Petroleum Operations in a manner compliant with the Generally Accepted International Petroleum Industry Practice and send a report regarding these assets to PETROVIETNAM every Year.

5.1 INVENTORY

At appropriate interval up to once every Year for Movable Assets and once every three (3) Years for Immovable Assets, the inventory of assets used for aforesaid Petroleum Operations shall be implemented by the CONTRACTOR. The CONTRACTOR shall send a written notice regarding the intention of the inventory to PETROVIETNAM at least thirty (30) days in advance at which point PETROVIETNAM, by their own expenditure, holds the right to present for the inventory. If PETROVIETNAM opts to not participate, PETROVIETNAM is considered approving the inventory implemented by the CONTRACTOR without the presence of PETROVIETNAM. The CONTRACTOR shall provide principles on which the inventory is evaluated. During the course of assignment of rights under this Contract, the CONTRACTOR may implement irregular inventory at request of the assignees as long as inventory costs are borne by the assignees.

5.2 MATERIAL INVENTORY

At least once every Year and after each drilling campaign, the CONTRACTOR shall carry out inventory for all materials in storage serving Petroleum Operations. The CONTRACTOR shall notify PETROVIETNAM and enable PETROVIETNAM, by their own expenditure, to participate in the expenditure. If PETROVIETNAM opts to not participate, PETROVIETNAM is considered approving the inventory implemented by the CONTRACTOR without the presence of PETROVIETNAM.

6. PRODUCTION REPORT

6.1. When Commercial Production is initiated at each Development Area, the CONTRACTOR shall submit a monthly Production Report for each Development Area to PETROVIETNAM which contains the following information:

6.1.1. amount of Crude Oil produced and stored in the month;

6.1.2. amount of Natural Gas produced and stored in the month;

6.1.3. amount of Petroleum used for Petroleum Operations in the month;

6.1.4. amount of Natural Gas flared;

6.1.5. amount of Crude Oil stored at the beginning of the month;

6.1.6. amount of Crude Oil stored at the beginning of the month;

6.1.7. amount of Crude Oil taken by each Party in the month; and

6.1.8. amount of Natural Gas sold by each Party in the month.

6.2. Production Report of each month shall be submitted to PETROVIETNAM within fifteen (15) Days from the date on which the month concerned ends.

7. PRODUCT EVALUATION REPORT

7.1 The CONTRACTOR shall prepare a “Product Evaluation Report” which includes valuation of Petroleum lifted in each Quarter. This Report consists of:

7.1.1. quantity and price attained by each Party as a result of selling Crude Oil to third parties in the Quarter concerned;

7.1.2. quantity and price attained by each Party as a result of selling Crude Oil in the Quarter concerned to other than third parties; and

7.1.3. quantity and price attained by each Party from each sale of Natural Gas to third parties in the Quarter concerned.

7.2 Product Evaluation Report of each Quarter shall be submitted to PETROVIETNAM within thirty (30) Days from the date on which the Quarter concerned ends and within sixty (60) Days from the date on which a Year ends.

8. EXPENDITURE, RECOVERABLE COST, AND CREDIT REPORT

8.1 The CONTRACTOR shall produce an “Expenditure, Recoverable Cost, and Credit Report” according to this Contract on a monthly, Quarterly, and Yearly basis. This report sets the distinction between Exploration Costs, Development Costs, and Production Costs and identifies primary expenditure entries in these categories that match entries under approved annual Budget. This report shall include:

8.1.1. expenditure, recoverable cost, and credit (not including amounts received from the sale of Petroleum) in the Quarter concerned;

8.1.2. detail accrued expenditure and credit (not including amounts received from the sale of Petroleum) in respect of the Budget for the Year concerned;

8.1.3. the latest accrued expenditure and credit forecasted for the entire Year; and

8.1.4. difference between the Budget and the latest forecast and presentation for the forecast.

8.2 Expenditure, Recoverable Cost, and Credit Report of each month and Quarter shall be submitted to PETROVIETNAM within fifteen (15) Days from the date on which the month ends, within thirty (30) Days from the date on which the Quarter ends, and within sixty (60) days from the date on which the Year ends together with annual audit report of the Year concerned produced by an international audit company designated by the Management Committee. Annual audit report of selected international audit shall be submitted to PETROVIETNAM within ninety (90) Days from the date on which the year ends.

9. ROYALTY OIL AND ROYALTY GAS REPORT

9.1 Regarding Contract Area, the CONTRACTOR shall produce a “Royalty Oil and Royalty Gas Report” which contains:

9.1.1. previously effective amendments regarding Crude Oil in respect of quantity and value of Royalty Oil in the preceding Year;

9.1.2. previously effective amendments regarding Natural Gas in respect of Royalty Gas in the preceding Year;

9.1.3. quarterly submission of quantity and estimated value of Royalty Oil to PETROVIETNAM; and

9.1.4. quarterly submission of quantity and estimated value of Royalty Gas to PETROVIETNAM.

9.2 Estimated Royalty Oil and Royalty Gas Report (i) of each Quarter shall be submitted to PETROVIETNAM within thirty (30) Days from the date on which the Quarter ends; (ii) of each Year shall be submitted to PETROVIETNAM within sixty (60) Days from the date on which annual settlement is finished.

10. COST RECOVERY REPORT

10.1 In respect of Contract Area, the CONTRACTOR shall produce a “Cost Recovery Report” for each Quarter which contains:

10.1.1. previously effective amendments regarding Crude Oil and/or Natural Gas in respect of quantity and value of Cost Recovery Oil and/or Cost Recovery Gas received and disposed of by the CONTRACTOR in the previous Quarter;

10.1.2. recoverable Petroleum Operation Costs carried over from the previous Quarter;

10.1.3. recoverable Petroleum Operation Costs that arise and have been analyzed by operation cost categories in the Quarter and in the Year until the date of reporting and from the first day of the report to the date of reporting;

10.1.4. total recoverable costs in the Quarter which are the sum of amount under Clauses 10.1.2 and 10.1.3 of this Exhibit;

10.1.5. quantity and value of Cost Recovery Oil actually received and disposed of by the CONTRACTOR in the Quarter, as the case may be;

10.1.6. quantity and value of Cost Recovery Gas actually received and disposed of by the CONTRACTOR in the Quarter, as the case may be;

10.1.7. total recovery costs in the Quarter and in the Year as of the date of reporting and from the first day of the project to the date of reporting; and

10.1.8. recoverable Petroleum Operation Costs carried over to the next Quarter.

10.2 The CONTRACTOR shall produce “Cost Recovery Report” of the Year in respect of Contract Area which contains:

10.2.1. recoverable costs carried over from the previous Year;

10.2.2. recoverable costs arising in the Year and from the first day of the project to the date of reporting;

10.2.3. total recoverable costs to be recovered in the Year ($c = a + b$);

10.2.4. costs eligible for recovery in the Year (revenue * % recoverable costs determined in the Contract) not exceeding the recoverable costs specified under Clause 10.2.3 of this Exhibit;

10.2.5. recoverable costs temporarily recovered in the Year;

10.2.6. surplus/deficit recoverable costs to be revised during settlement of corporate income tax of the Year ($f = d - e$); and

10.2.7. recoverable costs carried over to the next Year ($g = c - d$).

10.3 Cost Recovery Report (i) of each Quarter shall be submitted to PETROVIETNAM within thirty (30) Days from the date on which the Quarter ends; (ii) of each Year shall be submitted to PETROVIETNAM within sixty (60) Days from the date on which a Year ends.

11. PROFIT OIL AND PROFIT GAS REPORT

11.1 In respect of Contract Area, the CONTRACTOR shall produce a “Profit Oil Report” and, when appropriate, “Profit Gas Report”, as the case may be, which contains:

11.1.1. Net Oil Production in the Quarter/Year;

11.1.2. Net Gas Production in the Quarter/Year;

11.1.3. accrued Net Oil Production and Net Gas Production by the end of the Quarter/Year;

11.1.4. Profit Oil production allocated for PETROVIETNAM and the CONTRACTOR in the Quarter/Year;

11.1.5. Profit Gas production allocated for PETROVIETNAM and the CONTRACTOR in the Quarter/Year;

11.1.6. Profit Oil and Profit Gas production allocated for PETROVIETNAM and the CONTRACTOR by the end of the Quarter; and

11.1.7. Profit Oil and Profit Gas production received and disposed of by PETROVIETNAM and the CONTRACTOR in the Quarter/Year.

11.2 Profit Oil and Profit Gas Report shall be submitted to PETROVIETNAM within thirty (30) Days from the date on which the Quarter ends in case of quarterly reports and sixty (60) Days from the date on which the Year ends in case of annual reports.

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