



Acordo de Corretagem
STP/PGS

(9)

1. THE GOVERNMENT OF THE DEMOCRATIC
REPUBLIC OF SAO TOME E PRINCIPE

2. PGS EXPLORATION (UK) LIMITED

**BROKERAGE AGREEMENT No. :
E-AF-RS0303**

January 23, 2004

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This Seismic Services Agreement NO. E-AF-RS0303 (the "Agreement") is made this 23rd day of January 2004 (the "Effective Date") between:

THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF SAO TOME E PRINCIPE, represented by the Ministro dos Recursos Naturais e Meio Ambiente, H. E. Tomé Vera Cruz (the "Government") on the one hand

and

PGS EXPLORATION (UK) LIMITED a company incorporated in England (Reg. No.290439I) whose registered office is at PGS Court, Halfway Green, Walton on Thames, Surrey KT12 1RS ("PGS" which expression shall include its successors and permitted assigns), on the other hand.

RECITALS:

- (A) The Government is particularly concerned with the development of oil exploration in the territorial waters of the Democratic Republic of Sao Tome e Principe ("DRSTP") and with the promotion of all operations pertaining to its search, study and production; in particular, the Government wishes to facilitate exploration through the application of 2D or 3D and other seismic techniques.
- (B) PGS is an oil service company offering directly or through its Affiliates a wide range of services in marine seismic acquisition, processing and interpretation, survey planning, reservoir characterisation, promotion and marketing of seismic data and seismic data storage and management services and facilities management.
- (C) The Government has title to and ownership of certain Existing Data (as this term is defined in Clause 1.1 below) pertaining to its territorial waters, commonly known as the Exclusive Economic Zone (the "EEZ"), as detailed by the co-ordinate points 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, K, J, I, H, G, F, E, D, C, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38 as set forth in Schedule I of this Agreement, and the parties wish to enter into a legally binding agreement for the marketing, promotion and licensing of such Existing Data.

WHEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the parties hereto agree as follows:

PART 1 - GENERAL

1. Definitions and Interpretation

1.1 In this Agreement, the words and expressions set out in this Clause shall, unless the context requires otherwise, have the meanings set out below:

"Affiliate"	shall mean any individual, company, partnership, trust or other entity which (i) PGS owns, (ii) owns PGS, or (iii) is under common ownership with PGS. For the purpose of this definition, "ownership" shall mean, in respect of any company, holding any issued share capital or other securities of such company and "owns" shall be construed accordingly;
"Block"	an area within the Territory designated by the Government or any competent authority, entity or representative of the Government for allocation to oil and gas exploration companies with a view to granting of hydrocarbon exploration and production rights;
"Bona Fide Group"	a group of two or more companies or other entities being parties to an agreement to jointly explore, lease or develop an area or areas of hydrocarbon exploration interest;
"Bona Fide Member"	a company or entity being part of a Bona Fide Group;
"Consultant"	a Third Party whether individual, company or other entity engaged by the Government and/or any other authority or entity representing the Government to advise and/or assist the Government or such other authority or entity representing the Government in evaluating or making other technical studies of the Existing Data;
"Data"	geophysical and/or geological information, data and/or reports relating to the Territory, regardless of the form or medium in or on which they are displayed, copied or recorded (including, for the avoidance of doubt, potential field data such as gravity and magnetism);

"Data Review Room"

means a secure room at the Government premises in São Tomé, whereby the Government may disclose or show the Existing Data to Third Parties for a short period of time in a secure environment wherein such Third Party is not able to make copies of or acquire knowledge of the Existing Data, or acquire knowledge of the Existing Data, or part thereof comparable to having a copy of the Existing Data or any information or reports or work products derived therefrom;

"Existing Data"

any and all 2D Data, acquired by Third Parties prior to the Effective Date, relating to the Territory and owned by the Government, regardless of the form or medium in or on which they are displayed, copied or recorded. For the avoidance of doubt the Existing Data being the subject matter of this Agreement shall be listed in Appendix I attached or to be attached hereto;

"Expiry Date"

means the date on or by which this Agreement expires being the 11th day of February 2011 as set forth in Clause 2 of this Agreement;

"Disclose"

and

"Disclosure"

(i) in respect of Data, to display or show the Data, for a short period of time, to a Third Party in environments wherein such party is not able to make copies of or otherwise acquire or retain a knowledge of the Data or of part of the Data *and/or* any information, reports or work products derived therefrom comparable with having a copy of the Data or such information, reports or work products, (ii) in any other respect, to reveal, unveil or otherwise make known or available to any Third Party the information in question;

"Interested Third Party"

shall mean any Third Party which is or shall be conducting negotiations in an endeavour to conclude a PSC, a farm-out, an operating agreement, an acreage trade, a joint bidding agreement and/or any similar business transactions customary



within the oil and gas industry for the purpose of exploring and/or developing a particular area within the Territory;

"LIDOR"

in relation to a particular period:-

(a) the London interbank fixing rate for deposits in US\$ for a period of 3 (three) months which appears in the edition of the Financial Times or, if the Financial Times is not published on the relevant date, in the Wall Street Journal on the date of commencement of such period; or

(b) if no such rate is available the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the offered quotations for deposits in US\$ for a period of three months which appear on the relevant page of the Reuter Monitor Money Rates Service at or about 11.00 a.m. London time on the date of commencement of such period;

"Licensed Acreage"

shall mean any area within the Territory over which one or more companies or other entities have entered into a contractual agreement with the Government or any appropriate entities and/or authorities representing the Government, to explore, lease or develop all or part of such area or to acquire any interest whatsoever with respect to hydrocarbon exploration and production rights in such area;

"Licensing Rounds"

any competitive tendering or bidding round relating to selected Open Acreage or Relinquished Acreage initiated or to be initiated, for the purpose of granting hydrocarbon exploration, and/or production rights in respect thereof to prospective Interested Third Parties, by the Government from time to time;

"Open Acreage"

shall mean any area within the Territory in respect of which all hydrocarbon exploration and production rights are or remain for the time being exclusively vested in the Government through the



appropriate entities and/or authorities;

"Operator" shall mean the company or entity that, by virtue of a PSC and subject to the conditions therein contained, has been granted rights in connection with hydrocarbon exploration and production activities over a specific part of Licensed Acreage;

"PSC" a Production Sharing Contract or any other agreement relating to the grant to any person or company of the right to explore and/or exploit the hydrocarbon potential of any part of the Territory;

"Relinquished Acreage" shall mean any area within the Territory in respect of which all hydrocarbon exploration and production rights have been surrendered by the Operator to the Government represented by the appropriate entities and/or authorities;

"Seismic Services" the marketing, promotion, providing, granting access to, renting, Disclose and/or license the Existing Data obtained from the Government or any entity or authority representing the Government and if PGS deems appropriate interpret, reformat and reprocess the Existing Data;

"Territory" shall mean the claimed territorial waters of DRSTP, commonly known as the EEZ, as outlined by the co-ordinate points **1, 2, 3, 4,5, 6, 7, 8, 9, 10, K, J, I, H, G, F, E, D, C, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31,32,33,34,35,36,37,38** as detailed in the map set out at Schedule 1, which shall include Open Acreage, Licensed Acreage and Relinquished Acreage;

"Third Party" any person, firm or company not being a Party or an Affiliate to a Party to this Agreement;

"Transfer" shall mean the sale, assignment, transfer, exchange, encumbrance, or other disposition of Data or the grant of any access to or right to use Data of greater scope or duration than a Disclosure;



"Wilful Misconduct" shall indicate such wanton and reckless conduct as it constitutes an utter disregard for its harmful, foreseeable and avoidable consequences.

- 1.2 The headings in this Agreement (and any descriptive notes in brackets following reference to statutes or other documents) and the cover and any index are for convenience only and shall not be used as aids to its interpretation.
- 1.3 References in this Agreement to Clauses, Sub-clauses, Recitals, Schedules, Appendices or Paragraphs are, unless the context otherwise requires, to clauses, sub-clauses and recitals of or schedules to or paragraphs of schedules to this Agreement.
- 1.4 The Schedules and Appendices, attached or to be attached hereto, and the parts, if any, thereof, form part of this Agreement and have the same force and effect as if they were expressly set out in full in the main part of this Agreement.
- 1.5 Any reference in this Agreement to any "Party" or to the "Parties" are to the parties to this Agreement and to their respective successors and assigns.
- 1.6 Any document expressed to be "in the agreed form" means in the form agreed by the Parties and signed by or on behalf of the Parties.
- 1.7 Reference to "a company" shall include any company, corporation or other body corporate, whether limited or unlimited wherever and however incorporated or established.
- 1.8 Reference to "a person" shall include any individual, firm, company, body, corporate, government, state, regional or local authority, agency of a state, joint venture, trust, charity, society, fund, association or partnership (whether or not having a separate legal personality and whether incorporated or not).
- 1.9 In construing this Agreement, the *ejusdem generis* rule shall not apply and the interpretation of general words shall not be restricted by being preceded or followed by words indicating a particular class of acts, matters, things or examples and the words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- 1.10 References to any English legal term for any action, remedy, method of judicial proceedings, document, status, court official or any concept or thing shall in respect of any jurisdiction other than England be deemed to include that which most nearly approximates in that jurisdiction to the English legal term.

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1.11 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and references to a gender shall include all other genders

PART 2 - SEISMIC SERVICES AND LICENSING ROUNDS

2. Grant of rights:

2.1 The Government hereby grants to PGS for a period of approximately 8 (eight) years commencing on the Effective Date and expiring on the 11th day of February 2011, inclusive (the "Expiry Date"), the sole and exclusive rights to perform the Seismic Services, pursuant to the terms of this Agreement.

2.2 For the avoidance of doubt, the Government hereby undertakes and agrees that the Government shall not and shall procure that any and all authorities, entities or representatives of the Government shall not, throughout the duration of this Agreement:

- (a) enter into any agreement with any Third Party for the purpose of or relating to the carrying out of services similar to, in substitution for or competitive with the Seismic Services or any part thereof in respect of the Territory;
- (b) permit any Third Party to undertake any services similar to or competitive with the Seismic Services or any part thereof in respect of the Territory or any part thereof; or
- (c) appoint any Third Party to, or grant to any Third Party the right to, market, promote, provide, grant access to, disclose, rent and/or license the Existing Data or any part thereof; or
- (d) itself market, promote, provide, grant access to, disclose, rent and/or license the Existing Data or any part thereof save as expressly permitted under Clause 13.

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3. Rights and obligations of PGS:

3. Subject to the terms of this Agreement, PGS shall, during the period of this Agreement, perform the Seismic Services to facilitate the promotion of any Licensing Round in respect of the Territory and the exploration, development and production of hydrocarbons in the Territory. For the avoidance of doubt, the Government shall determine the nature and timing of any Licensing Round.

3.2 PGS may, with prior consultation with the Government or any other entity or authority representing the Government, interpret, reformat and reprocess all or part of the Existing Data prior to promoting, marketing and/or renting or licensing any of such Existing Data to Third Parties.

3.3 The Parties undertake and agree that PGS shall, throughout the duration of this Agreement, be exclusively entitled to store the Existing Data in accordance with the provisions of clause 3.5 of the Seismic Services Agreement No.: EAF-ROI01 dated 12th day of February 2001, between The Government of the Democratic Republic of São Tomé and Príncipe and PGS Exploration (UK) Limited, as amended by Contract Amendment No.: E-AF-RS0101-A1 dated the 3rd day of April 2003 (the "First Agreement").

3.4 Notwithstanding the foregoing, PGS agrees that throughout the duration of this Agreement, it shall, on request by the Government from time to time, make the Existing Data available, on workstation, to suitably qualified employees and/or a Consultant of the Government at PGS' offices in London. The Government shall procure that any such employees and/or Consultant shall be bound by confidentiality obligations as specified in Clause 13 below in such form as PGS shall reasonably request.

For the avoidance of doubt, all costs, including but not limited to travel costs, accommodation and daily allowances, incurred by the Government or its employees and/or Consultant in pursuance of the Government's rights under this Clause 3.4 shall be for the account of the Government.

3.5 Subject to the provisions of the First Agreement, PGS may, throughout the duration of this Agreement, on request by the Government from time to time, make the Existing Data available, on a workstation, to suitably qualified employees of the Government and/or Consultant of the Government in a Data Review Room in São Tomé, if and when available, provided that such Data Review Room has all the necessary security arrangements to maintain the confidentiality and commercial value of the Data.

3.6 Licensing of the Existing Data:

PGS shall be entitled, in its sole discretion, to define the terms and conditions that shall apply to each right of access, rental or license of the Existing Data granted by PGS to Third Parties, pursuant to the rights granted to PGS hereunder.

4. Title to and legal ownership of the Existing Data:

The Parties hereby agree that title to and the legal ownership of the Existing Data shall vest in and remain at all times with the Government subject always to the rights granted under Clause 2 above. Nevertheless, the Government _ r'

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warrants, represents and undertakes that it shall not during the term of this Agreement Disclose or Transfer whether directly or indirectly, copies of, or any information pertaining to the Existing Data or any information, reports or work products derived therefrom to any Third Party or in any way compromise the commercial value of the Existing Data, except as specifically provided for in Clause 13 below.

5. Other obligations of the Government:

- 5.1 The Government agrees that, insofar as it is able to do so, it shall on request by PGS from time to time provide to PGS copies of all and any Existing Data relating to the Territory or any part thereof in its possession, power or control or in the event that such Existing Data or part thereof is in the possession, power or control of Third Parties, the Government shall ensure that such Third Parties shall promptly provide all such Existing Data or part thereof to PGS.
- 5.2 The Government warrants, represents and undertakes to PGS that the Government has the right to grant to PGS the rights granted under this Agreement and agrees to protect, indemnify and hold PGS harmless from and against any claim made by any Third Party against PGS arising out of or connected with the grant to PGS of its rights relating to the Seismic Services, the possession, or the right of use of the Existing Data by PGS or any other right granted by the Government to PGS herein except where such claim arises directly out of any breach by PGS of its obligations under this Agreement.
- 5.3 The Government hereby agrees and undertakes that during the period of approximately 8 (eight) years commencing on the Effective Date and expiring on the Expiry Date the Government shall not, and shall procure that any entity or authority representing the Government shall not, Transfer any of its rights in and to the Existing Data to any Third Party.
- 5.4 The Government shall procure that it is a condition of any PSC or similar agreement or instrument entered into in respect of the exploration and/or production rights in respect of any Block or part thereof forming part of the Territory that the Operator thereunder licenses from PGS the right to use the Existing Data.
- 5.5 For the avoidance of doubt, in the event that the licensing of the Existing Data is not made a condition of a PSC or similar agreement or instrument as set out above, the Government hereby agrees to indemnify PGS in respect of all costs and expenses incurred by it in promoting, marketing, reprocessing, reformatting and interpreting the Existing Data and any loss of revenue related thereto.

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6. Revenue Share and payment:

6.1 In consideration of the rights granted to PGS under this Part 2 of this Agreement, the Government shall be entitled to receive a share of the Proceeds of Net Sales as follows:

Parameters	Government Revenue Share	PGS Revenue Share
Data	Existing Data	Existing Data
Until Cost Recovery	50%	50%
After Cost Recovery	70%	30%

6.2 For the purpose of calculating the Revenue Share pursuant to this Clause 6 the following definitions shall apply:

- (a) "Proceeds of Net Sales" shall mean the amounts actually received by PGS in respect of the grant of rights of access, rental or licenses to Third Parties relating to any Existing Data less all taxes, duties or levies, if any, assessed or imposed by any competent authority in DRSTP; and
- (b) "Cost Recovery" shall be deemed to be attained when the cumulative value of all direct and indirect expenses incurred by PGS in connection with the reprocessing, reformatting, interpretation, promotion, marketing, rental or licensing of Existing Data equal the cumulative value of the Proceeds of Net Sales, all such costs and expenses being for the purpose of this Agreement, equal to:
 - (i) US\$40,000 (Forty Thousand US Dollars) in respect of the interpretation of the Existing Data. All costs and expenses in excess of US\$40,000 (Forty Thousand US Dollars) shall be PGS' sole charge and shall not be taken into account in determining whether Cost Recovery has been attained; and
 - (ii) US\$60 (sixty US Dollars) per line kilometre in respect of reformatting the Existing Data. All costs and expenses in excess of US\$60 (sixty US Dollars) per line kilometre shall be PGS' sole charge and shall not be taken into account in determining whether Cost Recovery has been attained; and
 - (iii) US\$60 (sixty US Dollars) per line kilometre in respect of the reprocessing of Existing Data. All costs and expenses in excess of US\$60 (sixty US Dollars) per line kilometre shall be PGS' sole charge and shall not be taken into account in determining whether Cost Recovery has been attained.

The prices set forth in this Clause 6.2 shall not in any event exceed the standard market prices applicable in the industry.

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For the avoidance of doubt, PGS shall, prior to carrying out any interpretation, reformatting and/or reprocessing of the Existing Data, inform the Government pursuant to the provisions of Clause 3.2 above.

6.3 PGS shall be exempted from payment of any taxes, duties and levies, if any, assessed or imposed by any competent legal, administrative or other government authority arising out of or related to the Seismic Services.

6.4 PGS shall be entitled to set off against any sums due from it to the Government hereunder, any sums due from the Government to it. For the avoidance of doubt, PGS acknowledges that as at the Effective Date, there are no monies due from the Government to PGS.

6.5 PGS has not made and does not hereby make any representation or warranty with respect to the extent of the potential licensing or other exploitation of the Existing Data. The Government acknowledges that the licensing or other exploitation of Existing Data is speculative and agrees that the judgment of PGS in regard to any matter affecting the licensing and other exploitation of Existing Data shall be binding upon the Government. The Government agrees that it will not make any claim nor shall any liability be imposed on PGS based upon any claim merely or solely that more or better business could have been done than was actually obtained or done by PGS or that better prices or terms could have been obtained.

PART 3 - MISCELLANEOUS:

7. General representations and warranties:

7.1 As of the date of signing this Agreement, PGS represents and warrants to the Government that:

- (a) PGS is duly incorporated and validly existing under the laws of England;
- (b) all requisite corporate authority or authorisations for the execution, delivery and performance of this Agreement by PGS have been obtained and are in effect.

7.2 As of the date of signing this Agreement, the Government represents and warrants to PGS that:

- (a) all requisite authority or authorisations for the execution delivery and performance of this Agreement by the Government have been obtained and are in effect; and

[REDACTED]

(b) to the best of the Government's knowledge, the execution, delivery and performance of this Agreement by the Government does not violate any applicable law or regulation or result in a violation of or default under any term or provision under any agreement to which the Government is a party.

7.3 Each Party hereby agrees to indemnify, hold harmless and defend the other Party from and against any claim, loss or damage which the other Party may suffer or incur by reason of any breach of the above representations and warranties provided always that neither Party shall be entitled to claim against the other for, and that other shall not be liable in respect of, any punitive, indirect, incidental or consequential damage or loss or for any loss of profit, revenue, goodwill, contract, business opportunity or business interruption howsoever caused.

7.3.1 In the event that any warranty or representation contained herein shall prove to be untrue in any material respect, the Parties shall promptly meet in order to determine a course of curative action and adjustment to the consideration set forth in this Agreement. Remedies set out in this Clause 7 or hereinafter agreed upon shall be cumulative of other remedies permitted by governing law or by this Agreement.

8. Assignment:

8.1 PGS may assign any interest, obligation or right under this Agreement whether in whole or in part to any Third Party or to an Affiliate ("Assignee"). Any such assignment shall be effected by delivery to the Government of a written notice duly executed by PGS and the Assignee (the "Notice of Assignment") containing an undertaking by the Assignee to be bound by the obligations expressed to be assumed by it as provided in this Clause and, if the assignment is not of the whole of this Agreement, specifying the rights and obligation to which such transfer relates (the "Assigned Rights and Obligations").

8.2 The effect of any such assignment as is referred to in Sub-Clause 8.1 above upon this Agreement as between the Government, PGS and the Assignee shall be as follows:

(a) as between PGS on the one hand and the Government on the other hand, each of them shall be mutually released and discharged from all its respective obligations and liabilities to the other under or in connection with this Agreement (in the case of a partial transfer of the rights and obligations of PGS under this Agreement ("Partial Assignment") only insofar as they relate to the Assigned Rights and Obligations) with effect from the date of such assignment and so that with effect from such date this Agreement shall, as between such persons, be terminated and of no further effect (in the case of a PartialV; **A/**

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Assignment only insofar as it relates to the Assigned Rights and Obligations);

(b) as between the Assignee, and the Government, with effect from the date of such assignment this Agreement (in the case of a Partial Assignment only insofar as it relates to the Assigned Rights and Obligations) shall continue in full force and effect with all references herein to PGS being deemed to be references to the Assignee in place of PGS and so that:

(i) the Government will perform obligations, assume liabilities and otherwise be bound by this Agreement in every way as if the Assignee were a party to this Agreement (in the case of a partial Assignment only insofar as it relates to the Assigned Rights and Obligations) in place of PGS and the Assignee shall be entitled to rights and benefits in relation to the Government identical to those to which PGS was entitled under or in connection with this Agreement (in the case of a partial Assignment only insofar as it relates to the Assigned Rights and Obligations) immediately prior to such date;

(ii) the Assignee will perform obligations, assume liabilities and otherwise be bound by this Agreement in every way as if the Assignee was a party to this Agreement (in the case of a partial Assignment only insofar as it relates to the Assigned Rights and Obligations) in place of PGS and the Government shall be entitled to rights and benefits in relation to the Assignee identical to those to which it was entitled in relation to PGS under or in connection with this Agreement (in the case of a Partial Assignment only insofar as it relates to the Assigned Rights and Obligations) immediately prior to such date;

(iii) In the case of a Partial Assignment the obligations and liabilities of the Government and the Assignee following such assignment shall relate only to the Assigned Rights and Obligations and this Agreement shall continue in full force and effect between the Government and PGS in all respects save in relation to the Assigned Rights and Obligations.

8.3 Upon delivery by PGS to the Government of the Notice of Assignment as is referred to in Sub-Clause 8.1 above the provisions of Sub-Clause 8.2 above shall take effect whether or not any further document in connection therewith shall be executed by the Assignee and the Government.

9. Counterparts:

This Agreement shall be drawn up in 4 (four) counterparts (each of which when executed shall be an original but all of which shall together constitute one and the same undertaking) of which 2 (two) drawn up in English and executed on the day first above written. After execution of the English versions, PGS shall, as soon as practically possible, obtain a notarised translation into Portuguese to be executed by the parties in 2 (two) originals. In the event of ambiguity, inconsistency or conflict between the Portuguese version and the English version the English version shall take precedence and prevail.

10. Audit Rights of the Government:

10.1 PGS shall provide the Government with a written quarterly statement (hereinafter referred to as the 'Statement') summarising the payments received by PGS in respect of the grant of rights of access, rental or licenses to Third Parties and the corresponding Government Revenue Share as defined in Clause 6 above and any deduction permitted under this Agreement if any.

10.2 It is hereby agreed between the Parties that the Government shall, at any reasonable time throughout the duration of this Agreement, have access to PGS' books, paper work and correspondence relevant for the validation of the Statement. The scope of the audit, which audit shall be carried out within 6 (six) months from the date of the Statement and during normal business hours, shall be limited to determining the correctness of the Statement prepared by PGS and its compliance with the provisions of this Agreement.

10.3 PGS agrees, for the duration of this Agreement and for a period of 1 year thereafter, to keep and maintain a record of all documents, paper work and correspondence relevant for the purpose of the audit pursuant to this Clause.

11. Term and Termination:

11.1 Subject to Clause 11.2, this Agreement shall commence on the date first above written and shall continue in full force and effect from the Effective Date until the Expiry Date. Notwithstanding the foregoing, this Agreement may be renewed or extended for one or more periods of one (1) year by prior mutual written agreement of the Parties (the "Extension Period"). Such Extension Period shall commence on the day immediately after the Expiry Date of this Agreement including any Extension Period, if any.

11.2 Either Party may by notice in writing to the other terminate this Agreement with immediate effect if the other commits any material breach of any provision of this Agreement which breach (if capable of remedy) is not remedied or in respect of which remedy has not commenced within sixty (60) days after receipt of written notice of such breach. ~()

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12. Consequences of Termination:

12.1 Upon termination of this Agreement:

- (a) PGS shall no longer have the right to licence, promote and market the Existing Data;
- (b) PGS shall return all copies of the Existing Data and reprocessed Existing Data, if applicable, to the Government. It is understood that PGS' computer systems may be periodically backed up creating copies of all information resident in these systems. To the extent that PGS' computer back-up procedures create a copy which includes the Existing Data, PGS may retain such copy for the period it normally archives backed up computer records; however, any right of use of the Existing Data comprised in such computer records shall be denied;
- (c) Subject as otherwise provided herein and to any rights or obligations which have accrued prior to termination, neither Party shall have any further obligation to the other under this Agreement.

12.2 For the avoidance of doubt, upon termination of this Agreement all rights and obligations arising out of or related to any valid licence for or access to the Existing Data granted by PGS to Third Parties prior to termination shall remain vested in PGS and termination of this Agreement shall not affect the validity of any such license agreement between PGS and Third Parties in respect of the Existing Data.

12.3 All provisions of this Agreement which in order to give effect to their meaning need to survive termination and any rights and obligations that are designed to survive termination, including without limit Sub-Clause 6.5 and Clauses 7, 8, 10,12,13,16,17,18,21,24,25,26 and 27 shall remain in full force and effect thereafter.

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13. Confidentiality:

13.1 Save as specifically permitted in this Agreement, neither Party shall Disclose or make available, whether directly or indirectly, to any Third Party any Confidential Information obtained from the other in connection with or as a result of this Agreement. For the purposes of this Agreement, Confidential Information shall mean:

- (a) any information, knowledge or data related to the Government or to PGS (as appropriate), other than that which is common knowledge among competitors of PGS or part of the public knowledge or literature at the date of this Agreement or which thereafter becomes such _\



[REDACTED]

common or public knowledge other than as a result of Disclosure in breach hereof by a Party; and

(b) any information pertaining to or derived from the Existing Data.

13.2 The Government acknowledges that PGS may need to Disclose to the Government certain confidential and proprietary information in respect of equipment specifications, know-how and other technical information used or provided by PGS in connection with the Seismic Services. The Government agrees that it shall not without the prior written consent of PGS provide or otherwise make available any portion of such information to any person or entity other than the Government's personnel, governmental authorities and their personnel which disclosure is strictly required directly for the purposes of this Agreement.

13.3 Throughout the duration of this Agreement and for the sole purpose of promoting, marketing and/or licensing the Existing Data, PGS has the right to Disclose and/or Transfer the Existing Data to:

(a) Interested Third Parties;

(b) PGS' employees and employees of PGS' Affiliates;

(c) Any professional or consultant retained by PGS for the purpose of evaluating the Existing Data;

(d) Any bank financing PGS' or any of its Affiliates' operations in the Territory, including any professional consultant retained by such bank for the purpose of evaluating the Existing Data;

(e) Any authority to which the Existing Data is required to be Disclosed under applicable law or by a governmental order, decree, regulation or rule.

For the avoidance of doubt, PGS shall use all reasonable endeavours to ensure that the party to whom such Disclosure or Transfer is made shall adhere to the confidentiality obligations herein stated and shall not use or permit others to use the Existing Data and any information connected therewith, except for the purpose for which the Disclosure or Transfer is made.

13.4 The Government shall have the right to use the Existing Data for internal Government purposes only, including but not limited to interpretation and evaluation of the Territory for the purposes of any Licensing Round. The Government shall have the right to Disclose and provide copies of the Existing Data to its employees or to any other Government entity and/or to a Consultant engaged by the Government or such other Government entity for such internal or governmental purposes. However, before any such Disclosure the Government shall obtain a written undertaking of confidentiality from the Consultant. >

onerous than the obligations of confidentiality contained in this Agreement and similar to the confidentiality agreement attached hereto as an example, from each such person or entity. The Government shall not, and shall procure that no Governmental entity or representative of the Government or Consultant to whom the Existing Data are Disclosed shall, use the Existing Data or any information, reports or work products derived therefrom for its own benefit or any commercial purpose and shall not Disclose or Transfer the same to any Third Party without the prior written consent of PGS.

13. The Government shall be entitled, throughout the duration of this Agreement to Disclose but not to Transfer selected parts of the Existing Data, previously approved by PGS in writing, to Interested Third Parties for the purpose of promoting the licensing of the Territory.

14. Non-Competition:

As additional consideration for this Agreement, the Government covenants and agrees with PGS that, throughout the duration of this Agreement, the Government shall not, and shall procure that any entity or authority representing the Government shall not:

- (a) Transfer the Existing Data or copies thereof to any Third Party; and
- (b) engage, either directly or indirectly, in the business of providing services similar to or competitive with the Seismic Services in the Territory.

15. Announcements:

No announcements concerning the transactions contemplated by this Agreement or any matter ancillary to it and no disclosure of the terms of this Agreement will (save, in the case of PGS, as required by law or any regulatory body to which PGS is subject) be made by any Party except with the prior written approval of the other.

16. Interest:

Where any payment due under this Agreement is not paid on the due date therefor the Party to whom payment is due shall be entitled to charge interest on the amount outstanding accruing from day to day at the annual rate of 1 % plus LIBOR until the date of actual payment and both after as well as before any judgment.

17. Taxes:

[REDACTED]

Subject to the provisions of Sub-Clause 6.3, PGS shall pay all taxes, duties and levies, if any, assessed or imposed by any competent legal, administrative or other government entity as a result of or in connection with its obligations arising from this Agreement.

18. Subcontracting:

PGS shall be entitled to engage sub-contractors to perform any part of the Seismic Services provided always that PGS shall remain responsible for the acts and omissions of any such sub-contractors.

19. Force Majeure:

19.1 If PGS is prevented or delayed in the performance of any of its obligations under this Agreement by force majeure, then it shall promptly give written notice thereof to the Government specifying the matters constituting force majeure, together with such evidence as it reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue. During the occurrence of a force majeure cause this Agreement shall be suspended and PGS shall be excused the performance or the punctual performance, as the case may be, from the date of such notice and for so long as such cause shall continue and for a reasonable period thereafter as it may be necessary to resume the affected obligations.

19.2 For the purposes of this Agreement "force majeure" shall be deemed to be any cause affecting any performance of this Agreement arising from or attributable to act, events, omissions or accidents beyond the reasonable control of PGS and without limiting the generality thereof shall include the following:

- (a) strikes, lockouts or other industrial actions;
- (b) civil commotion, riots, invasions, war, threat or preparation for war;
- (c) fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster;
- (d) government actions, compliance with any law or governmental order, rule, regulation or direction.

20. Notice:

20.1 Any notice required or permitted to be given under this Agreement shall be in writing and may be delivered personally or by pre-paid airmail or by facsimile ~ (tele fax) transmission and shall be addressed as follows: **L-**,

C:

If to PGS to:

PGS Exploration (UK) Limited

Attn: The Business Area Manager - Africa
PGS Court
Halfway Green
Walton-on-Thames
Surrey KT12 1RS
United Kingdom

Tel.: +44 (0)1932 260001

Fax: +44 (0) 1932 266484

If to the Government to:

The Government of the Democratic Republic of São
Tomé e Príncipe

Attn: H. E. Ministro dos Recursos Naturais e Meio
Ambiente
P.O. Box 302
São Tomé City
São Tomé

Tel: ++ 239 1223 375

Fax: ++239 1222 824

or to such other addresses as the Party to whom notice is to be given may from time to time designate by notice in writing to the other Party.

20.2 A notice given hereunder shall be deemed to have been duly served:

- (a) if personally delivered, at the time of delivery;
- (b) if sent by recognised international courier 7 (seven) days after the envelope containing the notice was delivered into the custody of the courier;
- (c) if sent by facsimile transmission, at the time of transmission provided always that a confirmation copy is sent by recognised international courier to the relevant Party at the address referred to in Sub-Clause 20.1 within 24 hours after transmission

unless such date of deemed service is not a Business Day, in which case the date of deemed service shall be the next succeeding Business Day. When used in this Clause Business Day shall mean any day (other than a Saturday or Sunday) on which banks in the territory in which the Party on whom a notice is being served is situated are generally open for business.

20.3 In proving such service, it shall be sufficient to prove that delivery was made to the Party or that the envelope containing the notice was properly addressed

and delivered into the custody of the recognised international courier or that the facsimile transmission was properly addressed, transmitted and received as the case may be.

21. Cumulative rights and waiver:

- 21.1 The rights herein given to either Party may be exercised from time to time, singularly or in combination and unless otherwise expressly provided are not exclusive of any rights or remedies provided by law.
- 21.2 The failure or delay of either Party to insist upon the strict performance by the other Party of any term, provision or condition of this Agreement or to exercise any right or remedy under this Agreement shall not be construed as a waiver or relinquishment in the future of the same or any other term, provision or condition hereof.

22. Illegality and severability:

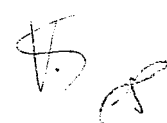
If any provision or term of this Agreement shall become or be declared illegal, invalid or unenforceable for any reason whatsoever such term or provision shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement provided always that if such deletion substantially affects or alters the commercial basis of this Agreement the parties shall negotiate in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances.

23. Entire Agreement, amendments:

- 23.1 This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings, agreements or representations (including any made negligently but excluding any made fraudulently) other than those contained herein. There are no understandings or agreements relating to this Agreement that are not fully expressed herein.
- 23.2 No modification, amendment or addition to this Agreement shall be valid and binding on the Parties, unless set forth in writing and signed by the Parties.

24. Governing Law, disputes:

- 24.1 This Agreement shall be governed by and construed in accordance with the laws of England and the parties hereby agree to submit to the non-exclusive jurisdiction of the courts of England for the purpose of any interim relief.



- 24.2 Without prejudice to the rights of either Party to refer to arbitration the parties declare that it is their intention that all disputes and differences that may arise out of or in connection with the Agreement will be settled as far as possible by means of negotiations and conciliation between the parties.
- 24.3 In case of failure to reach an amicable settlement, any dispute, controversy or claim arising out of or in any way connected with this Agreement shall be conclusively resolved by arbitration in London under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three arbitrators of whom one shall be appointed by each Party. Failing agreement between the parties within 20 (twenty) days of request by either Party, the third arbitrator, who shall serve as chairman of the Arbitration Tribunal, shall be appointed in accordance with the said rules. The arbitration proceedings shall be conducted in English and in Portuguese. The arbitral award may include costs and legal expenses and may be entered in any Court of competent jurisdiction. All monetary awards shall be made in US dollars. The determination of the arbitrators shall be final and binding on all parties and may be enforced by appropriate judicial order.
- 24.4 Either Party shall be entitled to resort to judicial proceedings, notwithstanding the provisions of this Clause 24 if interim relief from a court is necessary to prevent serious and/or irreparable injury to that Party or to others.

25. Waiver of sovereign immunity:

To the extent that the Government or any of its assets has or hereafter may acquire any right to immunity from set-off, legal proceedings, any pre-action interim or interlocutory order or relief of any nature or execution or enforcement by any means of any judgement or other final award on the grounds of sovereignty or otherwise or is otherwise entitled to claim sovereign or any other form of immunity the Government hereby irrevocably waives and agrees to waive each and every such right or privilege of immunity.

26. Relationship between the parties:

The relationship of the parties to each other in relation to this Agreement shall be limited to the matters herein contained and unless otherwise agreed nothing herein provided shall be considered or interpreted as constituting the relationship of the parties as a partnership, association or other relationship in which any one or both of the parties may be liable in any manner whatsoever for the debts or liabilities of the other Party, nor shall anything herein contained be considered or interpreted as constituting either Party as the general agent of the other Party.

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27. Third Parties:

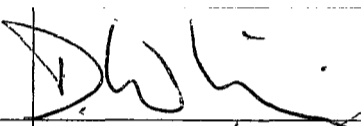
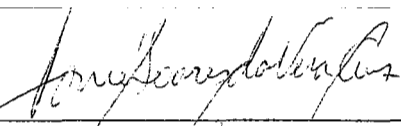
This Agreement shall not be construed to confer any benefit on any person not being a party to this Agreement nor shall it provide any rights to such person to enforce its provisions and the provisions of the English "Contracts (Rights of Third Parties) Act 1999" are expressly excluded.

AS WITNESS the parties have executed this Agreement the day, month and year first above written.

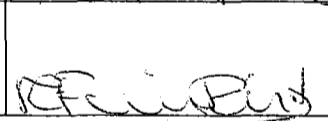
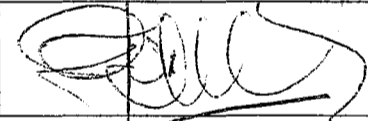
For and on behalf of: PGS Exploration (UK) The Govern ment of the Limited Democratic Republic of Sao Tome e Príncipe

Name: Dan Whealing H.E. Tomé Vera Cruz

Title: Vice President - Africa Minisjro dos Recursos Naturais e Meio Ambiente

Signature:		
Date of Signature:	30/01/2004	30/01/2004

WITNESSED BY:

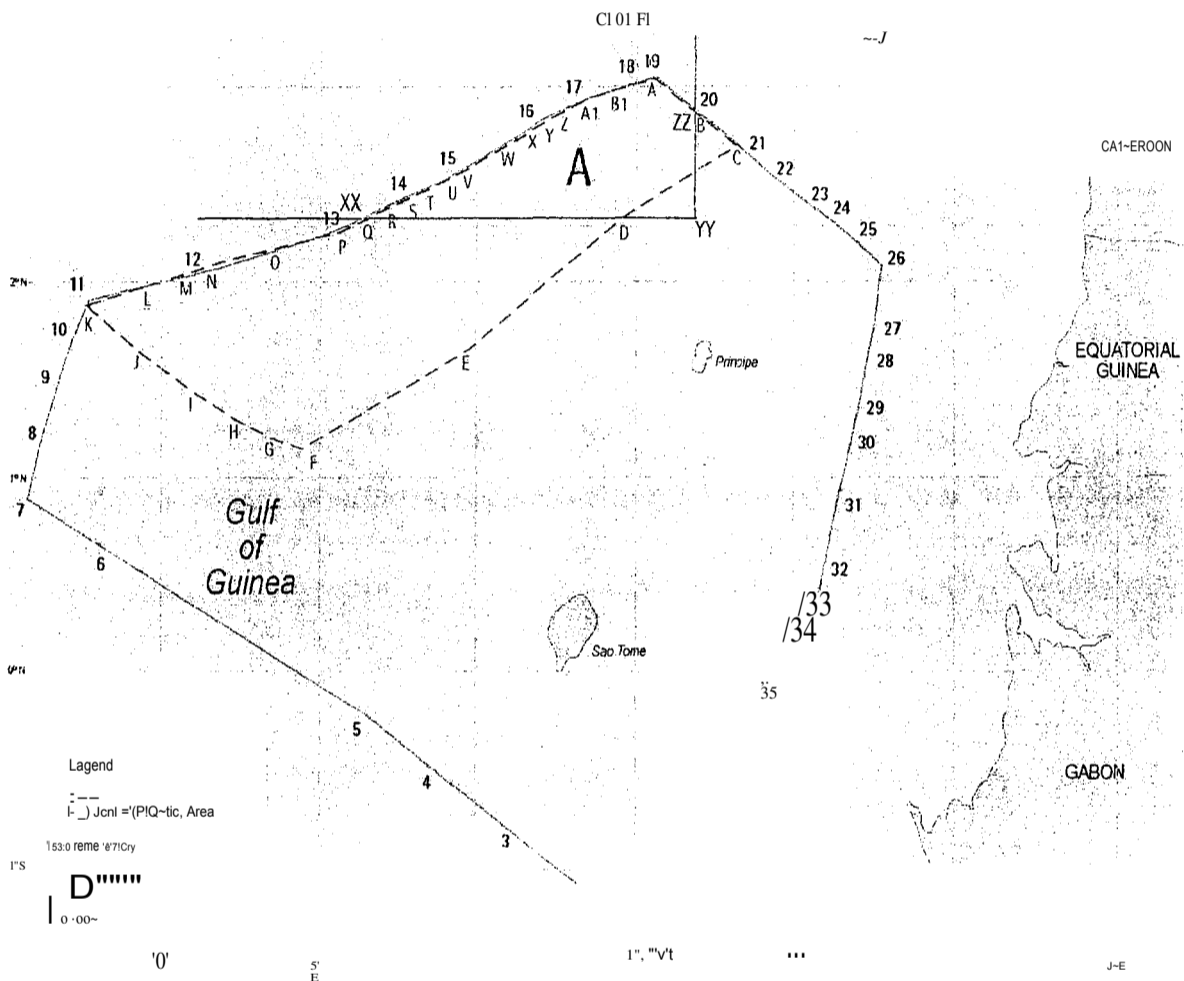
Name:	CANDIDA PINTO	AFONSO VARELA
Signature:		

Schedule 1 To
 BROKERAGE AGREEMENT NO. E-AF-RS0303
 Between

The Government of The Democratic Republic of Sao Tome E Principe

And

PGS Exploration (UK) Limited



The co-ordinates of the Territory are as defined by law NO. 1/98 published on the Official Journal NO. 3 of the Democratic Republic of Sao Tome e Principe and entered into force on March 31, 1998.

The southern border of Area A is as defined in the contract executed between PGS Exploration (Nigeria) Limited and the Government of the Federal Republic of Nigeria the 7th day of January 1999.

Handwritten signature or initials

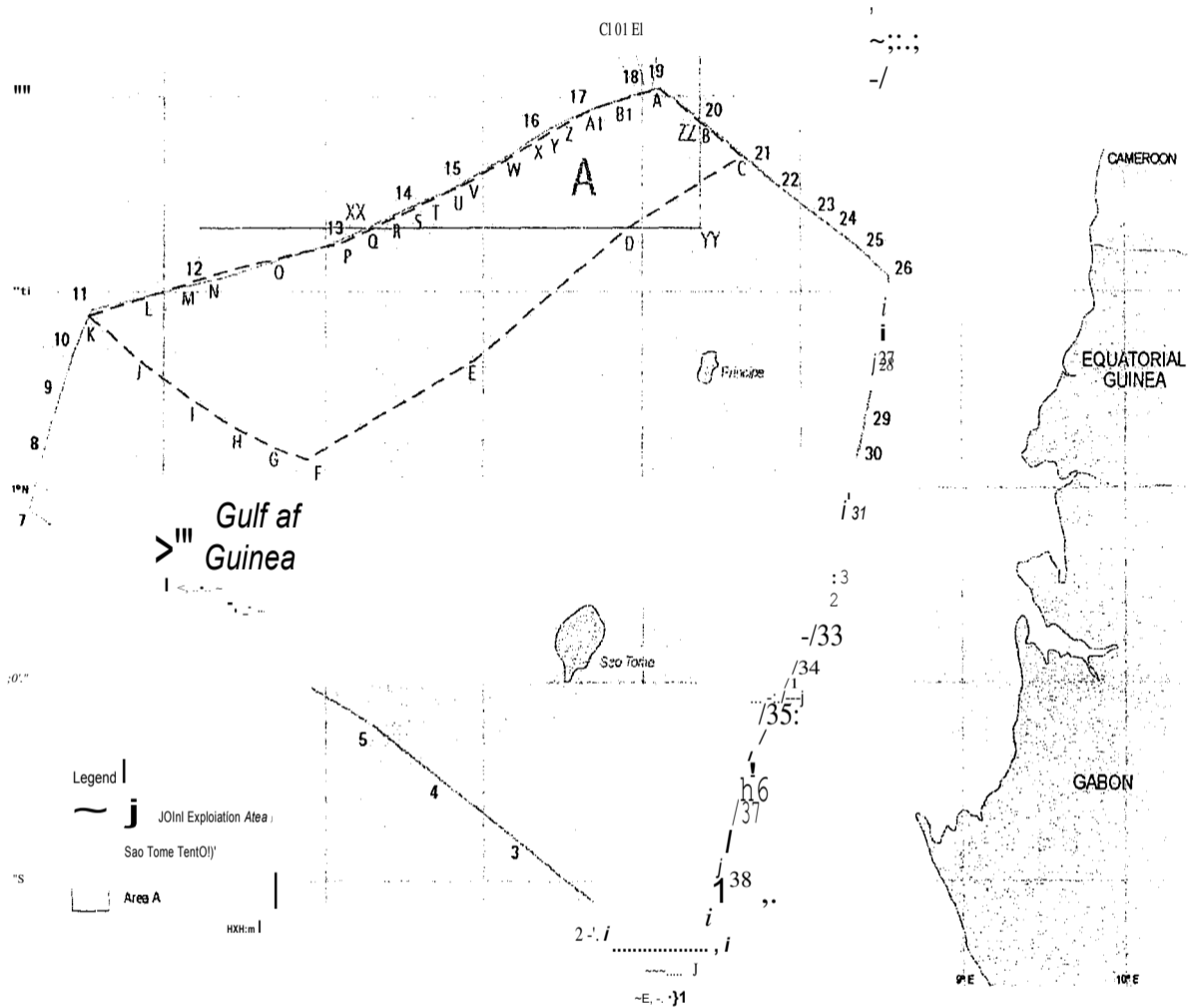
**Schedule 1 To
BROKERAGE AGREEMENT NO. E-AF-RS0303**

Between

The Government of The Democratic Republic of Sao Tome E Principe

And

PGS Exploration (UK) Limited



The co-ordinates of the Territory are as defined by law NO. 1/98 published on the Official Journal NO. 3 of the Democratic Republic of Sao Tome e Principe and entered into force on March 31,1998.

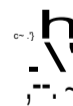
The southern border of Area A is as defined in the contract executed between PGS Exploration (Nigeria) Limited and the Government of the Federal Republic of Nigeria the *1st* day of January 1999. /)

ctr

CO-ORDINATES OF THE TERRITORY:

	Lat (N)	Long (E)
1	-1.479917	7.271361
2	-1.097306	6.677306
3	-0.787722	6.191861
4	-0.485944	5.732306
5	-0.092722	5.101444
6	0.695917	3.617556
7	0.910278	3.203306
8	1.193194	3.272889
9	1.412222	3.345778
10	1.612639	3.427194
K	1.921267	3.575833
J	1.713889	3.839722
I	1.527500	4.115278
H	1.358056	4.403889
G	1.220833	4.690833
F	1.154722	4.860556
E	1.670000	5.965000
O	2.349722	6.879167
C	2.710556	7.606944
21	2.647417	7.705778
22	2.526472	7.889000
23	2.383028	8.115778
24	2.301917	8.239972
25	2.191917	8.395694
26	2.072278	8.545833
27	1.817083	8.507167
28	1.702500	8.482667
29	1.461917	8.420000
30	1.194528	8.359861
31	0.930028	8.281972
32	0.571944	8.198417
33	0.395417	8.154278
34	0.217361	7.994833
35	-0.001389	7.841111
36	-0.291111	7.689194
37	-0.429306	7.628583
38	-0.881083	7.473778

=====*End of Schedule 1*=====



APPENDIX I To
BROKERAGE AGREEMENT NO. E-AF-RS0303
Between

The Government of The Democratic Republic of Sao Tome E Principe

And

PGS Exploration (UK) Limited

The Existing Data pertaining to the Territory in respect of which the terms of this Agreement apply and which are or are to be provided by the Government to PGS hereunder as and when available are listed below:

Survey	Survey Contractor	Vintage
STP-99	Geco - Prakla	1999
EGWG-98	Westem Geophysical	1998
PROBE-89	Geco AS	1989
ROAN-89	Geco AS	1989
Camango (Lines 121, 122, 123)	Compagnie Generale de Geophysique ("CGG")	1984 (Reprocessed in 1997)
WA-RECON (Regional Tie Lines)	Westem	?

===== End of Appendix I =====

