

Annex E

Financial Guarantee

This Annex is an integral part of the Production Sharing Agreement (the "Agreement") dated _____ 201____, entered into by Sociedade Nacional de Combustíveis de Angola – Empresa Pública – (Sonangol, E.P.), as one Party, and by, as the other Party, as provided in Article 2 of the Agreement.

To

Sociedade Nacional de Combustíveis de Angola

- Empresa Pública - (Sonangol, E.P.)

Rua Rainha Ginga, nº 29-31

Direcção de Negociações

Luanda

Angola

We the undersigned _____ ("Bank"), whose registered office is located at _____, represented by _____, hereby issue our irrevocable standby Letter of Credit Nr. _____ as follows:

We hereby authorize you to draw on us, for the account of _____, with head office in _____ ("Company") up to an aggregate amount of _____ - _____ (_____) _____ in accordance with the conditions herein stipulated.

1. Any drafts issued pursuant to this Letter of Credit shall be accepted to the extent that Company has failed to comply with its obligations in respect of the Initial Exploration Phase as provided in Article 15, paragraphs 1,2 and/or 6,7, of the Production Sharing Agreement for Block _____ dated _____ 20____ between yourselves and Company ("the Agreement"), which Initial Exploration Phase expires on _____, (unless it is extended) as provided in Article 6, paragraph 1, of the Agreement.
2. Any withdrawals under this Letter of Credit shall be made prior to _____ by signed drafts drawn on _____ branch and shall be accompanied by Sonangol E.P.'s written statement certifying that:

- (a) Company has failed to perform its aforementioned obligations for which Sonangol has not previously drawn under this Letter of Credit;
 - (b) the amount of the claim represents the obligation which Contractor Group has failed to perform as specified in Article 15 of the Agreement;
 - (c) Company has not paid to Sonangol the amount claimed.
3. Any withdrawal under this Letter of Credit must also be accompanied by copy of a letter from Sonangol, E.P. to Company including:
- (a) a description of the unfulfilled obligations and the amount to be paid by Company as a consequence of such default;
 - (b) a statement of Sonangol's intention to draw on the Letter of Credit once thirty (30) days have elapsed from the date of receipt of the letter;
 - (c) acknowledgment by Company of receipt of the notification.
4. This Letter of Credit shall be reduced as provided in Article 21.5 and 21.6 of the Agreement.
- Each of such reductions is to be evidenced by written statement to be submitted by Company to the Bank which statement shall indicate that Sonangol, E.P. has approved the amount of the reduction being requested.
5. This Letter of Credit shall become effective on _____, and expire on _____, or at such earlier time as the total of the authorized reductions equal the original amount guaranteed hereunder or when the obligations referred to above have been fulfilled, whichever first occurs.
6. All documents will be submitted to _____ - branch which shall make the corresponding payments when and if the terms and conditions stipulated in this Letter of Credit have been totally satisfied.
7. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600.

This Letter of Credit shall be governed and interpreted in accordance with _____ law and is subject to the exclusive jurisdiction of the courts of _____.

We hereby undertake to Sonangol, E.P. that all drafts under and in compliance with the terms of this Letter of Credit will be duly honored if issued and presented for payment on or before the expiration date, as provided in paragraph 5 of this Letter of Credit.

_____ **Bank**