AGREED FORM

THE MINISTRY OF FINANCE AS REPRESENTATIVE FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR AND CHINA DEVELOPMENT BANK CORPORATION CONFIRM THAT THIS VERSION OF THE FACILITY AGREEMENT IS THE AGREED FORM FACILITY AGREEMENT AGREED BY BOTH PARTIES AS AT 18 APRIL 2016 AND WILL BE FORMALLY SIGNED BY THE PARTIES FOLLOWING (IN CDB'S SOLE DISCRETION) SATISFACTION OF THE REQUIRED CONDITIONS PRECEDENT TO SIGNING SPECIFIED THEREIN. THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT SHALL HAVE NO LEGAL EFFECT UNTIL THE AGREEMENT HAS BEEN FORMALLY SIGNED BY THE PARTIES.

Mr. Fausto Herrera
Minister of Finance
For and on behalf of
THE MINISTRY OF FINANCE
AS REPRESENTATIVE FOR AND ON BEHALF
OF THE REPUBLIC OF ECUADOR

Mr. Wang Yongsheng
Executive Vice President
For and on behalf of
CHINA DEVELOPMENT BANK CORPORATION

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EXECUTION VERSION

DATED 29 APRIL 2016

THE MINISTRY OF FINANCE AS REPRESENTATIVE FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR

as Borrower

and

CHINA DEVELOPMENT BANK CORPORATION

as Lender

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US$1,500,000,000 AND RMB3,255,000,000 FACILITY AGREEMENT

REPUBLICA DEL ECUADOR
MINISTERIO DE FINANZAS
Subsecretaria de Financiamiento Público
REGISTRO No. 572
FECHA 02/MAYO/2016
PAGINA No. 000000008
Registro de la Deuda Pública

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THIS AGREEMENT (this "**Agreement**") is dated 29 April 2016 and made between:

(1) **THE MINISTRY OF FINANCE AS REPRESENTATIVE FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR** (the "**Borrower**"); and

(2) **CHINA DEVELOPMENT BANK CORPORATION** a financial institution organised and validly existing under the laws of the People's Republic of China (the "**Lender**").

WHEREAS:

The Lender has elected to participate in supporting the development of the Republic of Ecuador by extending commercial loans to the Borrower, to be applied by the Borrower on the terms and conditions set out in this Agreement, which shall include (amongst other things) an interest rate of 7.25% per annum for the Tranche A Facility and an interest rate of 6.8717% per annum for the Tranche B Facility.

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement or the context requires otherwise, terms defined in the Four Parties Agreement shall have the same meanings when used in this Agreement. In addition the following terms shall have the following meanings:

"**Ad-Hoc Committee**" has the meaning as that term is defined in Clause 17.12 (*Cool-Off Period*).

"**Administrative Event**" means:

(a) the issuance of a final arbitral award by an arbitration tribunal against the Borrower or the Republic of Ecuador ordering payment of money in an amount equal to or in excess of US$200,000,000 or its equivalent if in another currency, regardless whether such award is issued before, on or after the Execution Date;

(b) the issuance of a final, non-appealable judgment of a court against the Borrower or the Republic of Ecuador ordering payment of money in an amount equal to or in excess of US$200,000,000 or its equivalent if in another currency, regardless whether such judgment is issued before, on or after the Execution Date; or

(c) a settlement between the Borrower or the Republic of Ecuador and any other party or parties pursuant to which the Borrower or the Republic of Ecuador is to pay an amount of money equal to or in excess of US$200,000,000 or its equivalent if in another currency, regardless whether such settlement is reached before, on or after the Execution Date,

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if, within fifteen (15) Business Days from the date on which payment of money pursuant to such arbitral award, judgment or settlement (as the case may be) is due as granted, ordered, issued, agreed upon or otherwise established legally or contractually, and such arbitral award in paragraph (i) or judgment in paragraph (ii) or settlement in paragraph (iii) is not paid in full when due, or completely annulled or stayed by a competent arbitration tribunal or court having jurisdiction over the matter.

"**Agreement**" has the meaning as that term is defined in the preamble.

"**Applicable Lending Office**" means the lending office of the Lender designated for the Facilities or such other office of the Lender as the Lender may from time to time specify to the Borrower by written notice in accordance with the terms hereof as the office by which the Facilities are to be made and/or maintained.

"**Applicable Rate of Exchange**" means the relevant rate of exchange reasonably determined by the Lender consistent with its practice.

"**Approved Contractor**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Approved Contractors List**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Approved Projects**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Authorisation**" means:

(a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or

(b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"**Available Commitment**" means at any time the Lender's Total Commitments minus:

(a) the aggregate amount of any outstanding Loans; and

(b) in relation to any proposed Utilisation, the aggregate amount of any Loans that are due to be made on or before the proposed Utilisation Date.

"**BCE Accounts**" has the meaning as that term is defined in Clause 17.10.

"**BCE Proceeds Account**" has the same meaning as that term is defined in the Four Parties Agreement.

"**BCE Undertaking Letter**" has the same meaning as that term is defined in the Four Parties Agreement.

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"**Borrower**" has the meaning as that term is defined in the preamble.

"**Break Costs**" means the amount (if any) by which:

(a) the interest which the Lender should have received pursuant to the terms of this Agreement for the period from the date of receipt of all or any part of the principal amount of a Loan or Unpaid Sum to the first Interest Payment Date occurring after such date of receipt (the "**Relevant Interest Payment Date**") in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the Relevant Interest Payment Date;

exceeds:

(b) the amount of interest which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the Business Day following receipt or recovery and ending on the Relevant Interest Payment Date.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Beijing and Quito and (i) in relation to any payment in Dollars, New York, and (ii) in relation to any payment in Euros, Frankfurt.

"**Central Bank of Ecuador**" means *Banco Central del Ecuador*, the central bank of the Republic of Ecuador.

"**Co-Chairman**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Compliance Certificate**" means a certificate delivered pursuant to sub-clause 16.3.2 substantially in the form set out in Schedule 3 (*Form of Compliance Certificate*) and otherwise in form and substance satisfactory to the Lender.

"**Confidentiality Undertaking**" has the same meaning as that term is defined in sub-clause 5.9 of Schedule 1 (*Conditions Precedent*).

"**Cool-Off Period**" has the same meaning as that term is defined in Clause 17.12 (*Cool-Off Period*).

"**CPIS**" means the Cross-border Payment Information System, an electronic communication system established by the Lender for transmission of cross-border inter-financial institutional business information.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 18 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, or any combination of any of the foregoing) be an Event of Default.

"**Designated Purposes Facilities**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Disbursement Notice**" means a notice substantially in the form set out in Part II of Schedule 2 (*Requests*);

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"**Dispute**" has the same meaning as that term is defined in Clause 31 (*Dispute Resolution*).

"**Eligible Projects**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Environment**" means the following:

(a) fauna and flora;

(b) soil, water, air, climate and the landscape; and

(c) the built environment and cultural heritage.

"**Environmental Law**" means the environmental laws of the Republic of Ecuador, being laws of which the objective is the preservation, protection or improvement of the Environment, and includes legislative provisions of the Republic of Ecuador giving effect to international agreements relating to the Environment.

"**Euro**", "**Euros**", "**EUR**" or "**€**"means the lawful currency of any member state of the European Community that adopts or has adopted it in accordance with legislation of the European Community relating to Economic and Monetary Union.

"**Euro Equivalent**" means, with respect to any Dollar payment obligation by the Borrower hereunder or any other Finance Document (including payments of principal, interest, expenses, indemnities, fees and other amounts) the equivalent amount of Euros determined at the Applicable Rate of Exchange.

"**Event of Default**" means any event or circumstance specified as such in Clause 18 (*Events of Default*).

"**Execution Date**" means the date of this Agreement.

"**External Indebtedness**" means any Financial Indebtedness owed to a person domiciled, resident or having its head office or principal place of business outside of the Republic of Ecuador.

"**Facility**" means the Tranche A Facility or the Tranche B Facility and "**Facilities**" means all of them.

"**Final Repayment Date**" means the date falling ninety-six (96) Months after the Execution Date.

"**Finance Documents**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

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(c) any amount raised under any other transaction (including any forward sale or purchase agreement and any off balance sheet transactions) having the commercial effect of a borrowing and such amounts qualify as public indebtedness under the laws of the Republic of Ecuador;

(d) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(e) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(f) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (e) above.

"**First Currency**" has the same meaning as that term is defined in Clause 13.1.1 and Clause 21.2.

"**Four Parties Agreement**" means the agreement between the Borrower, the Lender, PetroEcuador and PetroChina Intl. dated on or about the Execution Date.

"**GAAP**" means generally accepted accounting principles in the Republic of Ecuador.

"**Governmental Agency**" means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

"**Immuned Property**" has the same meaning as that term is defined in Clause 29.2.

"**Increased Costs**" has the same meaning as that term is defined in Clause 12.1.2.

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Initial Required Amount**" means:

(a) for the period beginning on the Execution Date (inclusive) and ending on the date falling six (6) Months after the Execution Date (exclusive), US$72,500,000; and

(b) for the period beginning on the date falling (6) Months after the Execution Date (inclusive) to the last day of the Availability Period (exclusive), US$50,000,000.

"**Interest Payment Date**" means:

(a) the date falling three (3) Months after the Execution Date; and

(b) each date falling at three (3) Monthly intervals thereafter, up to and including the Final Repayment Date.

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"**Interest Period**" means:

(a) in relation to each Loan, each period determined in accordance with Clause 9 (*Interest Periods*); and

(b) in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default Interest*).

"**Interest Rate**" means:

(a) in relation to the Tranche A Facility, a fixed interest rate of seven point two five per cent (7.25%) per annum; and

(b) in relation to the Tranche B Facility, a fixed interest rate of six point eight seven one seven per cent (6.8717%) per annum.

"**Joint Office**" means the joint office established by the Borrower and the Lender as described in Schedule 7 (*Joint Office*).

"**Joint Office Management Mechanism**" means the management mechanism rules established by the Joint Office in respect of the application and management of proceeds of the Facilities as set forth in Schedule 7 (*Joint Office*).

"**LCIA**" has the same meaning as that term is defined in Clause 31 (*Dispute Resolution*).

"**LCIA Rules**" has the same meaning as that term is defined in Clause 31 (*Dispute Resolution*).

"**Lender**" has the meaning as that term is defined in the preamble.

"**Lender's Spot Rate**" has the same meaning as that term is defined in sub-clause 3.4 under Schedule 5 (*Repayment Procedure Mechanism*).

"**Letter of Commitment**" means the letter issued by the Borrower to the Lender on or before the Execution Date in which the Borrower undertakes that it will include the annual principal and interest payments due under this Agreement in the relevant annual fiscal budgets for the Republic of Ecuador.

"**Letter of Undertaking**" means the letter of undertaking issued by the Borrower to the Lender on or before the Execution Date, pursuant to Clause 15.21 (*Letter of Undertaking*), in the form provided in Schedule 8 (*Form of Letter of Undertaking*).

"**Lien**" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or other preferential arrangement having the practical effect of constituting a security interest.

"**Loan**" means a Tranche A Loan or a Tranche B Loan and "**Loans**" means all of them.

"**Long Term Loan Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

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"**Mandatory Prepayment Event**" means each of the events described in paragraphs 7.5.1(A) to (H) inclusive.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial prospects or condition of the Borrower;

(b) the ability of the Borrower to perform its obligations under any Finance Document;

(c) the rights and remedies of the Lender under the Finance Documents; or

(d) the perfection, validity or enforceability of any provision of any Finance Document.

"**Matured Obligation**" has the same meaning as that term is defined in sub-clause 3.3.1 under Schedule 5 (*Repayment Procedure Mechanism*).

"**Ministerial Resolutions**" has the same meaning as that term is defined in sub-clause 5.8 under Schedule 1 (*Conditions Precedent*).

"**MOF Accounts**" has the meaning as that term is defined in Clause 17.10.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) subject to paragraph (c) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will apply only to the last Month of any period.

"**Party**" means a party to this Agreement.

"**PetroChina Intl. Sales and Purchase Contract**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Phase II Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Phase III Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**PRC**" means People's Republic of China.

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"**PRC Entity**" means any PRC Governmental Agency, corporation or other persons owned or controlled by the PRC Government having its business or operating or conducting business in the Republic of Ecuador and includes any person controlled by a PRC person, having its business or operating or conducting business in the Republic of Ecuador.

"**PRC Government**" means the government of the PRC.

"**Prepayment Notice**" has the same meaning as that term is defined in Clause 7.5.1.

"**Proceedings**" has the same meaning as that term is defined in Clause 29.3.

"**Proceeds Account**" has the same meaning as that term is defined in the Four Parties Agreement.

"**Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any properties in connection with a project if the person or persons providing such financing expressly agree to look to the properties financed and the revenues to be generated by the operation of, or loss of or damage to, such properties as the principal source of repayment for the moneys advanced.

"**Public Entity**" means:

(a) any agency, authority, department, government, legislature, ministry, official or instrumentality of the Republic of Ecuador;

(b) the central bank of the Republic of Ecuador or any entity holding all or a substantial part of the foreign reserves or investments of the Republic of Ecuador;

(c) any province, state or other political subdivision of the Republic of Ecuador other than municipalities; and

(d) any state enterprise or public corporation of the Republic of Ecuador and any entity directly or indirectly controlled by the Republic of Ecuador and any subsidiary, branch or subdivision thereof.

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"**Refund Amount**" has the same meaning as that term is defined in sub-clause 3.7 under Schedule 5 (*Repayment Procedure Mechanism*).

"**Relevant Interest Payment Date**" has the meaning as that term is defined in paragraph (a) of the definition of "Break Costs" above.

"**Repayment Date**" means:

(a) in respect of the Tranche A Facility, each date as set out in Part I of Schedule 4 (*Tranche A Facility Repayment Schedule*), up to and including the Final Repayment Date; and

(b) in respect of the Tranche B Facility, each date as set out in Part II of Schedule 4 (*Tranche B Facility Repayment Schedule*), up to and including the Final Repayment Date.

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"**Repayment Procedure Mechanism**" means the repayment procedure mechanism signed by the Borrower and the Lender dated on or about the Execution Date as acknowledged by PetroEcuador setting out the Parties' agreement in respect of certain repayment mechanics under this Agreement, a form of which is set out in Schedule 5 (Repayment Procedure Mechanism).

"**Repayment Instalment**" means the aggregate of the Tranche A Repayment Instalment due on a Repayment Date and any Tranche B Repayment Instalment due on the same Repayment Date and "**Repayment Instalments**" means the aggregate of all Tranche A Repayment Instalments and Tranche B Repayment Instalments.

"**RMB**" or "**Renminbi**" means the lawful currency of the PRC.

"**RMB Eligible Project Lists**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Sales and Purchase Contracts**" means:

(a) the Unipec Sales and Purchase Contract; and

(b) the PetroChina Intl. Sales and Purchase Contract,

and "**Sales and Purchase Contract**" means any one of them.

"**Second Currency**" has the same meaning as that term is defined in Clause 13.1.1 and Clause 21.2.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Semi-annual Report**" means a report in the form set out in Schedule 6 (*Form of Semi-annual Report*).

"**Settlement Account**" means (i) the account designated as the "Settlement Account" to be opened in the name of the Borrower with the Lender's Shandong Branch; or (ii) for so long as an Administrative Event exists, the account designated as the "Settlement Account" to be opened in the name of the Central Bank of Ecuador with the Lender's Shandong Branch.

"**Settlement Account Agreement**" means the settlement account agreement dated on or about the Execution Date between the Borrower and the Lender in respect of the Settlement Account.

"**Statutory Deduction Right**" has the same meaning as that term is defined in sub-clause 3.4 under Schedule 5 (*Repayment Procedure Mechanism*).

"**Sum**" has the same meaning as that term is defined in Clause 13.1.1.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

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"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under any Finance Document.

"**Tax Payment**" means an increased payment made by the Borrower to the Lender under Clause 11.1 (*Tax Gross-up*) or a payment under Clause 11.2 (*Tax Indemnity*).

"**Three Parties Agreement**" means the agreement between the Borrower, PetroEcuador and the Lender dated on or about the Execution Date.

"**Total Commitments**" and "**Commitments**" mean the aggregate of the Tranche A Commitment and the Tranche B Commitment, being, respectively:

(a) US$1,500,000,000;

(b) RMB3,255,000,000,

at the Execution Date.

"**Tranche II-A Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Tranche II-B Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Tranche III-A Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Tranche III-B Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Tranche III-C Facility**" has the same meaning as that term is defined in Schedule 7 (*Joint Office*).

"**Tranche A Availability Period**" means the period from and including the Execution Date to and including the date which is twenty-four (24) Months after the Execution Date.

"**Tranche A Commitment**" means, in relation to the Lender at any time, as the context requires:

(a) the rights of any person against the Lender under this Agreement to require the Lender to make or maintain any participation in any Tranche A Loan, and the corresponding obligations (conditional or otherwise) of the Lender; or

(b) the currency and maximum aggregate amount at such time of such participation(s) of the Lender in any Tranche A Loan(s) (whether made at such time or capable of being made thereafter).

"**Tranche A Facility**" means the term loan facility made available under this Agreement as described in sub-clause 2.1.1 (*The Facilities*).

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"**Tranche A Loan**" means a loan made or to be made under the Tranche A Facility or the principal amount outstanding for the time being of that loan.

"**Tranche A Eligible Projects List**" is defined in sub-clause 2.2.1 of the Four Parties Agreement, and as amended from time to time and "**Tranche A Eligible Project(s)**" refers to any project or programme or projects or programmes on the Tranche A Eligible Projects List.

"**Tranche A Repayment Account**" means (i) the account designated as the "Tranche A Repayment Account" to be opened by the Borrower with the Lender at the Lender's Shandong Branch on or before the date of the first Utilisation Request for the purposes of effecting repayment of Tranche A Loans and payment of interest in respect thereof pursuant to this Agreement; or (ii) for so long as an Administrative Event exists, the account designated as the "Tranche A Repayment Account" to be opened by the Central Bank of Ecuador with the Lender at the Lender's Shandong Branch on or before the date of the first Utilisation Request for the purposes of effecting repayment of Tranche A Loans and payment of interest in respect thereof pursuant to this Agreement.

"**Tranche A Repayment Instalment**" and "**Tranche A Repayment Instalments**" have the meanings set out in sub-clause 6.1.1 (*Repayment of the Tranche A Loans*).

"**Tranche B Availability Period**" means the period from and including the Execution Date to and including the date which is twenty-four (24) Months after the Execution Date.

"**Tranche B Commitment**" means, in relation to the Lender at any time, as the context requires:

(a) the rights of any person against the Lender under this Agreement to require the Lender to make or maintain any participation in any Tranche B Loan, and the corresponding obligations (conditional or otherwise) of the Lender; or

(b) the currency and maximum aggregate amount at such time of such participation(s) of the Lender in any Tranche B Loan(s) (whether made at such time or capable of being made thereafter).

"**Tranche B Facility**" means the term loan facility made available under this Agreement as described in sub-clause 2.1.2 (*The Facilities*).

"**Tranche B Loan**" means a loan made or to be made under the Tranche B Facility or the principal amount outstanding for the time being of that loan.

"**Tranche B Eligible Projects List**" is defined in sub-clause 2.2.2 of the Four Parties Agreement, and as may be amended from time to time and "**Tranche B Eligible Project(s)**" refers to any project or projects on the Tranche B Eligible Projects List.

"**Tranche B Repayment Account**" means (i) the account designated as the "Tranche B Repayment Account" to be opened by the Borrower with the Lender at the Lender's Shandong Branch on or before the date of the first Utilisation Request for the purposes of effecting repayment of Tranche B Loans and payment of interest in respect thereof pursuant to this Agreement; or (ii) for so long as an Administrative Event exists, the

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account designated as the "Tranche B Repayment Account" to be opened by the Central Bank of Ecuador with the Lender at the Lender's Shandong Branch on or before the date of the first Utilisation Request for the purposes of effecting repayment of Tranche B Loans and payment of interest in respect thereof pursuant to this Agreement.

"**Tranche B Repayment Instalment**" and "**Tranche B Repayment Instalments**" have the meanings set out in sub-clause 6.2.1 (*Repayment of the Tranche B Loans*).

"**Transaction Documents**" means:

(a) the Unipec Transaction Documents; and

(b) the PetroChina Intl. Transaction Documents,

any "**Transaction Document**" means any one of them.

"**Unipec**" has the same meaning as that term is defined in the Three Parties Agreement.

"**Unipec Sales and Purchase Contract**" has the same meaning as that term is defined in the Three Parties Agreement.

"**Unipec Transaction Documents**" has the same meaning as that term is defined in the Three Parties Agreement.

"**Unpaid Sum**" means any sum (excluding interest accrued on any outstanding principal) due and payable but unpaid by the Borrower under the Finance Documents.

"**US$**" or "**$**" or "**USD**" or "**US Dollar**" or "**Dollar**" means the lawful currency of the United States of America.

"**Utilisation**" means a utilisation of a Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which a Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part I of Schedule 2 (*Requests*).

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1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in this Agreement to:

(A) the "**Lender**", the "**Borrower**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(B) the "**Borrower**" shall be construed as reference to the Ministry of Finance as representative for and on behalf of the Republic of Ecuador and any office, ministerial or non-ministerial department, executive agency or other body, whatever its legal form, responsible

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for the national government or national administration of the Republic of Ecuador;

(C) "**assets**" includes present and future properties, revenues and rights of every description;

(D) a "**Transaction Document**" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as amended or novated;

(E) an "**amendment**" includes a supplement, novation, replacement, assignment or re-enactment (and "**amended**" shall be construed accordingly);

(F) "**control**" of a person by another means that the other (whether alone or acting in concert with others, whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that person or of any other person which controls that person or otherwise controls or has the power to control the affairs and policies of that person or of any other person which controls that person (and "**controlled**" and "**controlling**" shall be construed accordingly);

(G) a "**disposal**" of assets includes a sale, transfer and any other kind of disposal of, and the grant of any option in respect of, any right or interest, legal or equitable, in such assets, and any agreement for any of the foregoing, and any reference to "**dispose**" shall be construed accordingly;

(H) "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(I) a "**judgment**" includes any order, injunction, determination, award or other judicial or arbitral measure in any jurisdiction;

(J) a "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatsoever (and "**lawful**" and "**unlawful**" shall be construed accordingly);

(K) something being "**material**" is to it being material to, or in the context of, the interests of the Lender under the Finance Documents;

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(L) any "**obligation**" of any person under this Agreement or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Agreement or, as the case may be, that other agreement or document (and "**due**", "**owing**", "**payable**" and "**receivable**" shall be similarly construed);

(M) "**repay**" (or any derivative form thereof) shall, subject to any contrary indication, be construed to include "**prepay**" (or, as the case may be, the corresponding derivative form thereof);

(N) "**rights**" includes rights, authorities, discretions, remedies, liberties, powers, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever);

(O) the "**winding-up**" of a person also includes the amalgamation, reconstruction, reorganisation, administration, dissolution, liquidation, merger or consolidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets;

(P) a provision of law is a reference to that provision as amended or re-enacted and includes all laws and official requirements made under or deriving validity from it;

(Q) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(R) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing;

(S) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(T) unless otherwise indicated, a time of day is a reference to Beijing time; and

(U) words importing the singular include the plural and vice versa.

1.2.2 Section, Clause and Schedule headings are for ease of reference only.

1.2.3 Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

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1.2.4 A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived. An Event of Default is "**continuing**" if it has not been waived.

1.2.5 Where this Agreement specifies an amount in a given currency (the "**specified currency**") "**or its equivalent**", the "**equivalent**" is a reference to the amount of any other currency which, when converted into the specified currency utilising the Lender's spot rate of exchange for the purchase of the specified currency with that other currency at or about 11 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

1.2.6 The words "**include**" and "**including**" shall be construed as "**including without limitation**" (and cognate expressions shall be construed similarly).

1.3 Third Party Rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 of England to enforce or to enjoy the benefit of any term of this Agreement.

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SECTION 2
THE FACILITY

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lender makes available to the Borrower:

2.1.1 a Dollar term loan facility in an aggregate amount equal to the Tranche A Commitment; and

2.1.2 an RMB term loan facility in an aggregate amount equal to the Tranche B Commitment.

2.2 Commitments

2.2.1 Subject to sub-clause 2.2.2 below, on the Execution Date, the currency and amount of:

(A) the Tranche A Commitment is US$1,500,000,000; and

(B) the Tranche B Commitment is RMB3,255,000,000.

2.2.2 The Commitments of the Lender are subject to any cancellation or reduction thereof in accordance with this Agreement.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it:

3.1.1 under the Tranche A Facility, as freely available funds to be used, pursuant to the laws applicable to the Borrower in Eligible Projects, or as otherwise agreed in writing by the Lender;

3.1.2 under the Tranche B Facility, to invest in, or provide funds to, Approved Projects, by payment to the Borrower to the Settlement Account for onward payment to the applicable Approved Contractors involved in the Approved Projects by the contracting public entity of the Republic of Ecuador or as otherwise agreed in writing by the Lender (in its sole discretion).

For the avoidance of doubt, a portion of the amounts to be applied pursuant to paragraphs 3.1.1 and 3.1.2 above shall be applied towards Eligible Projects and/or Approved Projects that stabilise and/or enhance oil production by the Republic of Ecuador.

3.2 Monitoring

The Lender may but is not obliged to monitor the application of the use of the proceeds of the Facilities by the Borrower. For the avoidance of doubt, any such

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monitoring shall be without prejudice to the Borrower's right to apply the proceeds of the Facilities as agreed in Clause 3.1 (*Purpose*).

4. CONDITIONS OF UTILISATION

4.1 Initial Conditions Precedent

4.1.1 The Borrower may not deliver a Utilisation Request unless the Lender has received all of the documents and other evidence listed in and appearing to comply with the requirements of Schedule 1 (*Conditions Precedent*) in form and substance satisfactory to the Lender.

4.1.2 The Lender shall notify the Borrower promptly upon receiving such documents and other evidence.

4.2 Further Conditions Precedent

The Lender will be obliged to comply with Clause 5.4 (*Loans*) only if on the date of the Utilisation Request and on the proposed Utilisation Date:

4.2.1 PetroEcuador is in compliance with the terms of each Transaction Document to which it is a party;

4.2.2 the amount standing to the credit of the Proceeds Account is no less than the Initial Required Amount;

4.2.3 the Lender is satisfied that each other party to the Confidentiality Undertaking is in compliance with its respective obligations under the Confidentiality Undertaking;

4.2.4 no Default or Mandatory Prepayment Event is continuing or would result from the proposed Loan;

4.2.5 the representations made by the Borrower under Clause 15 (*Representations*) are true in all material respects;

4.2.6 in respect of a Utilisation of the Tranche B Facility only,

(A) the Lender has received a certified copy of the Tranche B Eligible Projects List;

(B) the condition contained in Part III of Schedule 1 (*Deliverables*) of the Three Parties Agreement has been satisfied;

4.2.7 in respect of a Utilisation of the Tranche B Facility, the Lender has received an acknowledgement letter substantially in the form of Part III (*Form of Acknowledgement Letter*) of Schedule 2 (*Requests*) from the applicable Approved Contractors to which the proceeds of such Utilisation will be paid;

4.2.8 The Central Bank of Ecuador has opened the BCE Accounts; and

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4.2.9 The Central Bank of Ecuador is a participant of CPIS.

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SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

5.1.1 The Borrower may utilise a Facility by delivery to the Lender of a duly completed Utilisation Request not later than twenty (20) Business Days before the proposed Utilisation Date.

5.1.2 Each Utilisation Request in relation to the Tranche A Facility shall be delivered by SWIFT and/or fax.

5.1.3 Each Utilisation Request in relation to the Tranche B Facility shall be delivered by CPIS.

5.2 Completion of a Utilisation Request

5.2.1 A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(A) it identifies the Facility to be utilised;

(B) (1) in the case of the Tranche A Facility, the proposed Utilisation Date is a Business Day within the Tranche A Availability Period; and

(2) in the case of the Tranche B Facility, the proposed Utilisation Date is a Business Day within the Tranche B Availability Period.

(C) in the case of a Utilisation of the Tranche A Facility, the Utilisation Request specifies that the proposed Tranche A Loan is to be deposited directly by the Lender into the account of the Borrower notified to the Lender;

(D) in the case of a Utilisation of the Tranche B Facility, the Utilisation Request specifies that the proposed Tranche B Loan is to be deposited into the Settlement Account;

(E) the currency and amount of the Utilisation complies with Clause 5.3 (*Currency and Amount*); and

(F) the proposed first Interest Period complies with Clause 9 *(Interest Periods)*.

5.2.2 Only one Loan may be requested in each Utilisation Request.

5.2.3 No more than:

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(A) fourteen (14) Utilisation Requests may be issued in respect of the Tranche A Facility; and

(B) ten (10) Utilisation Requests may be issued in respect of the Tranche B Facility.

5.3 **Currency and Amount**

5.3.1 The currency specified in a Utilisation Request in relation to a Utilisation of the Tranche A Facility shall be Dollars.

5.3.2 The currency specified in a Utilisation Request in relation to a Utilisation of the Tranche B Facility shall be Renminbi.

5.3.3 The amount of a proposed Loan in a Utilisation Request delivered in respect of:

(A) the Tranche A Facility shall be no less than US$100,000,000 and in higher multiple integrals of US$100,000; and

(B) the Tranche B Facility shall be no less than RMB200,000,000 and in higher multiple integrals of RMB50,000,000 (or such other amounts as the Lender may agree).

5.4 **Loans**

5.4.1 If the conditions set out in Clause 4 (*Conditions of Utilisation*) and 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and Amount*) above have been met, the Lender shall make the Loan available in the amount and on the Utilisation Date set out in the relevant Utilisation Request.

5.4.2 Subject to sub-clause 5.4.1 above and Clause 5.6 (*Settlement Account*), the Lender shall disburse each Tranche B Loan directly into the Settlement Account on its Utilisation Date. Interest payable to the Lender on each Tranche B Loan shall begin to accrue immediately upon disbursement of such Tranche B Loan into the Settlement Account.

5.4.3 Disbursements will only be made from the Settlement Account provided that:

(A) the Borrower has delivered to the Lender a Disbursement Notice issued at least ten (10) Business Days prior to the requested payment date, instructing the Lender to transfer on behalf of the Borrower all or part of the Tranche B Loans to an account or accounts (as identified in such Disbursement Notice) of one or more Approved Contractors in respect of the relevant Approved Projects pursuant to commercial invoices validly issued in connection with such Approved Projects;

(B) each Disbursement Notice delivered pursuant to paragraph (A) above is delivered with:

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(1) certified true copies of the contracts(s) with the relevant Approved Contractor(s) in connection with Approved Projects to be financed by the proposed disbursement;

(2) a certificate from an authorised signatory of the Borrower certifying that all conditions precedent required to be satisfied as of the date of the Disbursement Notice in respect of the contracts referred to in (A) above have been satisfied and that such contracts are in full force and effect; and

(3) invoices or similar document(s) requiring payment issued in respect of such contracts or other evidence reasonably satisfactory to the Lender demonstrating that payment is owed in respect of such contracts together having an aggregate value of no less than the proposed disbursement, in respect of which the proceeds of the proposed disbursement are to be applied;

(C) PetroEcuador is in compliance with the terms of each Transaction Document to which it is a party; and

(D) no Default or Mandatory Prepayment Event exists and is continuing.

5.4.4 For the avoidance of doubt, the Lender shall be deemed to have satisfied its obligations under this Clause 5.4 (*Loans*) if it initiates and takes all steps necessary on the part of the Lender for:

(A) in the case of a Tranche A Loan, the transmission of the proceeds of the relevant Tranche A Loan to the Borrower; or

(B) in the case of a Tranche B Loan, the transmission of the proceeds of the relevant Tranche B Loan:

(1) to the Settlement Account pursuant to a Utilisation Request; and

(2) to an Approved Contractor on behalf of the Borrower, in accordance with a Disbursement Notice,

and all expenses arising from remittance of such proceeds shall be borne by the Borrower.

5.4.5 If requested by the Borrower, the Lender shall provide to the Borrower a copy of the payment order evidencing the initiation of the transfer of funds in accordance with this Clause 5.4 (*Loans*).

5.5 Cancellation of Unutilised Commitments

5.5.1 At close of business in Beijing on the last day of the Tranche A Availability Period, the unutilised amount of the Tranche A Commitment shall be immediately and automatically reduced to zero.

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5.5.2 At close of business in Beijing on the last day of the Tranche B Availability Period, the unutilised amount of the Tranche B Commitment shall be immediately and automatically reduced to zero.

5.6 **Settlement Account**

5.6.1 The Borrower shall open the Settlement Account in the name of the Borrower with the Lender and the Borrower shall be the sole legal owner of the Settlement Account and all amounts standing to the credit thereof.

5.6.2 The Borrower shall not, unless instructed by the Lender, close the Settlement Account or change the account to another bank or financial institution. If at any time after the end of the Tranche B Availability Period the Settlement Account has a zero balance, the Parties agree that the Settlement Account shall be promptly closed.

5.6.3 The Borrower shall not make any withdrawals from the Settlement Account other than pursuant to Clause 5.4 (*Loans*).

5.6.4 The restrictions on the withdrawal of funds from the Settlement Account under this Agreement will not affect the obligations of the Borrower to make all payments required to be made to the Lender on the respective due dates for payment in accordance with the Finance Documents. For the avoidance of doubt, this sub-clause 5.6.4 shall not operate to relieve the Lender of any liability for any wilful breach or non-performance of its obligations under Clause 5.4 (*Loans*) or Clause 5.6 (*Settlement Account*).

5.6.5 Neither the ability of the Borrower to make any withdrawal from the Settlement Account in accordance with this Agreement nor any such withdrawal will be construed as a waiver by the Lender of any right over or in the proceeds of the Settlement Account after giving effect to such withdrawal.

5.6.6 The Settlement Account shall be maintained in accordance with the Settlement Account Agreement, provided that the Lender shall not be required to act in a manner inconsistent with the Finance Documents and laws applicable to it in its capacity as the account bank in respect of the Settlement Account.

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SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of the Tranche A Loans

6.1.1 The Borrower shall repay each Tranche A Loan in twenty-four (24) instalments (each a "**Tranche A Repayment Instalment**" and together being the "**Tranche A Repayment Instalments**") in the amounts and on the Repayment Dates set out in Part I of Schedule 4 (*Tranche A Facility Repayment Schedule*).

6.1.2 Without prejudice to sub-clause 6.1.1 above, all outstanding amounts of a Tranche A Loan shall be repaid on or before the Final Repayment Date.

6.1.3 For the avoidance of doubt, the Repayment Dates in respect of a Tranche A Loan shall coincide with the Interest Payment Dates.

6.2 Repayment of the Tranche B Loans

6.2.1 The Borrower shall repay each Tranche B Loan in twenty-four (24) instalments (each a "**Tranche B Repayment Instalment**" and together being the "**Tranche B Repayment Instalments**") in the amounts and on the Repayment Dates set out in Part II of Schedule 4 (*Tranche B Facility Repayment Schedule*).

6.2.2 Without prejudice to sub-clause 6.2.1 above, all outstanding amounts of a Tranche B Loan shall be repaid on or before the Final Repayment Date.

6.2.3 For the avoidance of doubt, the Repayment Dates in respect of a Tranche B Loan shall coincide with the Interest Payment Dates.

6.3 Payment to the Tranche A Repayment Account

6.3.1 For each payment of scheduled principal and/or interest due on an Interest Payment Date, the Borrower shall pay, in relation to a Tranche A Loan, all interest accrued, or that will accrue, on the Tranche A Loans for the Interest Period immediately prior to that Interest Payment Date and the Tranche A Repayment Instalment payable on that Interest Payment Date to the Tranche A Repayment Account no less than ten (10) days prior to each Interest Payment Date. Once the Borrower has paid such amounts into the Tranche A Repayment Account in cleared funds, any risk of loss of such funds passes to the Lender.

6.3.2 The Borrower authorises the Lender to, and the Lender shall, apply amounts standing to the credit of the Tranche A Repayment Account on each Interest Payment Date or Repayment Date in payment of the relevant Tranche A Repayment Instalment and/or interest payment in accordance with the Repayment Procedure Mechanism.

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6.3.3 The Lender shall pay to the Borrower interest on amounts standing to the credit of the Tranche A Repayment Account at its daily rate of Dollar deposits published from time to time. Such interest will be paid by the Lender as soon as practicable after each Interest Payment Date to the account nominated by the Borrower as notified to the Lender.

6.3.4 Other than as set out in this Agreement, the Lender shall maintain the Tranche A Repayment Account in accordance with its usual practices.

6.3.5 Any failure by the Borrower to pay funds into the Tranche A Repayment Account in accordance with sub-clause 6.3.1 above:

(A) shall create a matured obligation of the Borrower to immediately pay to the Lender the amount of the Repayment Instalment and all interest due in respect of that Interest Period; and

(B) without prejudice to any rights of the Lender in respect of any existing or future Default, does not constitute a Default.

6.3.6 All amounts received by the Lender (by direct payment, deduction or other means) in satisfaction of the Borrower's obligation in sub-clause 6.3.5(A) shall be applied towards satisfaction of the relevant Tranche A Repayment Instalment and interest accrued (which shall be an amount equal to the amount of interest that would have been paid to the Lender on the Interest Payment Date) and the Lender shall deem such application to have occurred on the relevant Interest Payment Date.

6.4 **Payment to the Tranche B Repayment Account**

6.4.1 For each payment of scheduled principal and/or interest due on an Interest Payment Date, the Borrower shall pay, in relation to a Tranche B Loan, all interest accrued, or that will accrue, on the Tranche B Loans for the Interest Period immediately prior to that Interest Payment Date and the Tranche B Repayment Instalment payable on that Interest Payment Date to the Tranche B Repayment Account no less than ten (10) days prior to each Interest Payment Date. Once the Borrower has paid such amounts into the Tranche B Repayment Account in cleared funds, any risk of loss of such funds passes to the Lender.

6.4.2 The Borrower authorises the Lender to, and the Lender shall, apply amounts standing to the credit of the Tranche B Repayment Account on each Interest Payment Date or Repayment Date in payment of the relevant Tranche B Repayment Instalment and/or interest payment in accordance with the Repayment Procedure Mechanism.

6.4.3 The Lender shall pay interest to the Borrower on amounts standing to the credit of the Tranche B Repayment Account at its daily rate of RMB deposits published from time to time. Such interest will be paid by the Lender as soon as practicable after each Interest Payment Date to the account nominated by the Borrower as notified to the Lender.

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6.4.4 Other than as set out in this Agreement, the Lender shall maintain the Tranche B Repayment Account in accordance with its usual practices.

6.4.5 Any failure by the Borrower to pay funds into the Tranche B Repayment Account in accordance with sub-clause 6.4.1 above:

(A) shall create a matured obligation of the Borrower to immediately pay to the Lender the amount of the Tranche B Repayment Instalment and all interest due in respect of that Interest Period; and

(B) without prejudice to any rights of the Lender in respect of any existing or future Default, does not constitute a Default.

6.4.6 All amounts received by the Lender (by direct payment, deduction or other means) in satisfaction of the Borrower's obligation in sub-clause 6.4.5(A) shall be applied towards satisfaction of the relevant Tranche B Repayment Instalment and interest accrued (which shall be an amount equal to the amount of interest that would have been paid to the Lender on the Interest Payment Date) and the Lender shall deem such application to have occurred on the relevant Interest Payment Date.

6.5 Repayment Procedure Mechanism

To further implement the repayment mechanisms described in Clause 6.3 (*Payment to the Tranche A Repayment Account*) and Clause 6.4 (*Payment to the Tranche B Repayment Account*), the Lender and the Borrower agree that the Lender will effect its rights, and the Borrower will perform its obligations under Clause 6.3 (*Payment to the Tranche A Repayment Account*) and Clause 6.4 (*Payment to the Tranche B Repayment Account*) in accordance with the Repayment Procedure Mechanism.

6.6 Reborrowing

The Borrower may not reborrow any part of a Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain a Loan:

7.1.1 the Lender shall notify the Borrower upon becoming aware of that event;

7.1.2 upon the Lender notifying the Borrower, the Total Commitments will be immediately cancelled; and

7.1.3 the Borrower shall repay each Loan on the last day of the Interest Period for the Loan occurring after the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice (being no later than the last day of any applicable grace period permitted by law).

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7.2 **Voluntary Cancellation**

7.2.1 The Borrower may, if it gives the Lender not less than ten (10) Business Days' (or such shorter period as the Lender may agree) prior notice, reduce the Tranche A Commitments to zero or by such amount (being a minimum of US$25,000,000 or a higher whole multiple of US$25,000,000) as the Borrower may specify in such notice.

7.2.2 The Borrower may, if it gives the Lender not less than ten (10) Business Days' (or such shorter period as the Lender may agree) prior notice, reduce the Tranche B Commitments to zero or by such amount (being a minimum amount of RMB50,000,000 or a higher whole multiple of RMB50,000,000) as the Borrower may specify in such notice.

7.2.3 Upon any voluntary cancellation by the Borrower of all or any part of the Total Commitments in accordance with sub-clauses 7.2.1 or 7.2.2 or automatic reduction in accordance with sub-clauses 5.5.1 and 5.5.2, the Borrower shall on the date of cancellation or reduction (as the case may be) pay to the Lender a fee of two (2) per cent of the amount cancelled or reduced.

7.3 **Voluntary Prepayment of the Tranche A Loans**

7.3.1 The Borrower may, if it gives the Lender not less than ten (10) Business Days' prior written notice prepay, on the next succeeding Interest Payment Date, the whole or any part of the Tranche A Loans (but, in the case of a partial prepayment of a Tranche A Loan, being an amount that reduces the Tranche A Loan by a minimum amount of US$25,000,000 or a higher whole multiple of US$25,000,000).

7.3.2 The Tranche A Loans may be prepaid only after the last day of the Tranche A Availability Period (or, if earlier, the day on which the Total Commitments are zero).

7.3.3 Any prepayment under this Clause 7.3 (*Voluntary Prepayment of the Tranche A Loans*) shall satisfy the obligations under Clause 6.1 (*Repayment of the Tranche A Loans*) and be applied towards the outstanding Tranche A Repayment Instalments due in inverse order of their maturity.

7.3.4 Upon any voluntary prepayment by the Borrower in accordance with this Clause 7.3 (*Voluntary Prepayment of Tranche A Loans*), the Borrower shall on the date of prepayment pay to the Lender a prepayment fee of two (2) per cent of the amount prepaid.

7.4 **Voluntary Prepayment of the Tranche B Loans**

7.4.1 The Borrower may, if it gives the Lender not less than ten (10) Business Days' prior written notice prepay, on the next succeeding Interest Payment Date, the whole or any part of the Tranche B Loans (but, in the case of a partial prepayment of a Tranche B Loan, being an amount that reduces the Tranche B Loan by a minimum amount of RMB50,000,000 or a higher whole multiple of RMB50,000,000).

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7.4.2 The Tranche B Loans may be prepaid only after the last day of the Tranche B Availability Period (or, if earlier, the day on which the Total Commitments are zero).

7.4.3 Any prepayment under this Clause 7.4 (*Voluntary Prepayment of the Tranche B Loans*) shall satisfy the obligations under Clause 6.2 (*Repayment of the Tranche B Loans*) and be applied towards the outstanding Tranche B Repayment Instalments due in inverse order of their maturity.

7.5 Mandatory Prepayment

7.5.1 Further to the agreement by the Borrower in the Four Parties Agreement and the terms of the Three Parties Agreement, if:

(A) PetroEcuador fails to comply with its obligations, or there is an event of default (after taking into account any applicable grace periods or cure periods), caused by PetroEcuador, under any of the Sales and Purchase Contracts;

(B) any Sales and Purchase Contract is terminated or any event or circumstance occurs that gives PetroChina Intl. or Unipec (as the case may be) the right to terminate any Sales and Purchase Contract to which it is a party;

(C) PetroEcuador fails to comply with its obligations under the Account Management Agreement;

(D) the Borrower, the Central Bank of Ecuador or PetroEcuador fails to comply with its obligations under the Four Parties Agreement;

(E) PetroEcuador fails to comply with its obligations under the Three Parties Agreement;

(F) for so long as an Administrative Event exists, the Central Bank of Ecuador fails to comply with its obligations under the Account Management Agreement or the BCE Undertaking Letter;

(G) the Borrower fails to comply with the Letter of Commitment; or

(H) the Borrower fails to perform its obligations under the Letter of Undertaking,

upon written notice from the Lender to the Borrower (a "**Prepayment Notice**"), the Total Commitments will immediately be cancelled and the Borrower shall prepay each Loan and all interest accrued on the first Interest Payment Date falling after the date of the Prepayment Notice or, if earlier, the date specified by the Lender in the Prepayment Notice and all other amounts accrued or outstanding under the Finance Documents (being a date no earlier than ten (10) days from the date of the Prepayment Notice).

7.5.2 The Borrower shall notify the Lender of any event or circumstance that constitutes or may reasonably be expected to constitute a Mandatory

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Prepayment Event within five (5) Business Days of becoming aware of its occurrence.

7.6 **Restrictions**

7.6.1 Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

7.6.2 Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs and any applicable prepayment fees, without premium or penalty.

7.6.3 The Borrower may not re-borrow any part of a Facility which is prepaid.

7.6.4 The Borrower shall not repay or prepay all or any part of any Loan or reduce all or any part of the Total Commitments except at the times and in the manner expressly provided for in this Agreement.

7.6.5 If any amount of the Total Commitments is reduced in accordance with this Agreement, the amount of such reduction may not be subsequently reinstated without the prior written consent of the Lender.

SECTION 5
COSTS OF UTILISATION

8. INTEREST

8.1 **Calculation of Interest**

The rate of interest on each Loan for each Interest Period is the Interest Rate.

8.2 **Payment of Interest**

The Borrower shall pay accrued interest at the applicable Interest Rate in arrears on the outstanding principal amount on each Loan on each Interest Payment Date and otherwise in accordance with Clause 6.3 (*Payment to the Tranche A Repayment Account*) or Clause 6.4 (*Payment to the Tranche B Repayment Account*) (as the case may be) and the Repayment Procedure Mechanism.

8.3 **Default Interest**

8.3.1 If the Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on such Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is three (3) per cent above the Interest Rate.

8.3.2 Any interest accruing under this Clause 8.3 (*Default Interest*) shall be immediately payable by the Borrower on demand by the Lender.

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8.3.3 If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not an Interest Payment Date relating to the Loan:

(A) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan; and

(B) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be three (3) per cent higher than the rate which would have applied if the Unpaid Sum had not become due.

8.3.4 For the avoidance of doubt, default interest (if unpaid) arising on an Unpaid Sum will not be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

9. INTEREST PERIODS

9.1 Interest Periods

9.1.1 Each Interest Period in respect of a Loan shall be a period of three (3) Months beginning on an Interest Payment Date and ending on and including the day immediately before the next following Interest Payment Date, except in the case of the first Interest Period applicable to that Loan when it shall be the period beginning on the Utilisation Date of that Loan and ending on and including the day immediately preceding the next following Interest Payment Date.

9.1.2 No Interest Period for a Loan shall extend beyond the Final Repayment Date.

9.2 Changes to Interest Periods

9.2.1 The Lender may, with the consent of the Borrower, shorten an Interest Period for any Loan to ensure there are sufficient Loans (with an aggregate amount equal to or greater than the Repayment Instalment) which have an Interest Period ending on a Repayment Date for the Borrower to make the Repayment Instalment due on that date.

9.2.2 If the Lender intends to make any change to an Interest Period referred to in this Clause 9.2 (*Changes to Interest Periods*), it shall promptly notify the Borrower.

9.3 Consolidation of Loans

If two or more Interest Periods end on the same date, those Tranche A Loans or Tranche B Loans will be consolidated into, and treated as, a single Tranche A Loan or Tranche B Loan (as the case may be) on that Interest Payment Date.

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9.4 **Break Costs**

9.4.1 The Borrower shall, within three (3) Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the relevant Interest Payment Date for that Loan or Unpaid Sum.

9.4.2 The Lender shall, as soon as reasonably practicable after a demand by the Borrower, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

10. FEES

10.1 **Management Fee**

The Borrower shall pay to the Lender a management fee of 1.3 per cent of the Total Commitments to be paid at the following times in the following amounts:

10.1.1 US$10,000,000, to be paid at least five (5) Business Days before the first Utilisation of the Tranche A Facility; and

10.1.2 US$16,000,000 on the first anniversary of the payment pursuant to the preceding paragraph (A).

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SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

11. TAX GROSS UP AND INDEMNITIES

11.1 Tax Gross-up

All payments to be made by the Borrower to the Lender under the Finance Documents shall be made free and clear of and without any Tax Deduction unless the Borrower is required to make a Tax Deduction, in which case the sum payable by the Borrower (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that the Lender receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.

11.2 Tax Indemnity

11.2.1 Without prejudice to Clause 11.1 (*Tax Gross-up*), if the Lender is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for purposes of Tax to be received or receivable by the Lender whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender, the Borrower shall, within three (3) Business Days of demand by the Lender, promptly indemnify the Lender against such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith, provided that this Clause 11.2 (*Tax Indemnity*) shall not apply to any Tax imposed on and calculated by reference to the net income of the Lender actually received or receivable by the Lender (but, for the avoidance of doubt, not including any sum deemed for purposes of Tax to be received or receivable by the Lender but not actually receivable).

11.2.2 If the Borrower makes a Tax Payment and the Lender determines that:

(A) a Tax Credit is attributable to that Tax Payment; and

(B) that Lender has obtained, utilised and retained that Tax Credit,

the Lender shall pay an amount to the Borrower which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

11.2.3 If the Lender requests compensation under sub-clause 11.2.1 or if the Borrower is required to pay any additional amount to the Lender or any Governmental Agency on account of the Lender pursuant to this Clause 11.2 (*Tax Indemnity*), then the Lender shall (subject to overall policy considerations of the Lender) use reasonable efforts (which shall not require the Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with legal or regulatory

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restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant):

(A) file any certificate or document reasonably requested in writing by the Borrower; or

(B) designate another Applicable Lending Office,

if such filing or designation would reduce or eliminate its claims for compensation under this Clause 11.2 (*Tax Indemnity*) or would reduce or eliminate amounts payable pursuant to this Clause 11.2 (*Tax Indemnity*) in the future; provided that such designation is made on such terms that in the reasonable judgment of the Lender, the Lender and its Applicable Lending Office suffer no material economic, legal or regulatory disadvantage. The Borrower shall pay all reasonable costs and expenses incurred by the Lender in connection with any such filing or designation. Nothing in this sub-clause 11.2.3 shall affect or postpone any of the obligations of the Borrower or the right of the Lender provided in Clause 11.1 (*Tax Gross-up*) or Clause 11.2 (*Tax Indemnity*).

11.2.4 The Lender shall notify the Borrower of any event giving rise to a claim under sub-clause 11.2.1.

11.3 **Stamp Taxes**

The Borrower shall:

11.3.1 pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document (provided that, notwithstanding any other provisions of this Agreement to the contrary, each Party shall pay all stamp duty, registration and other similar Taxes (if any) payable by it in respect of any Finance Document); and

11.3.2 within three (3) Business Days of demand, indemnify the Lender against any cost, loss or liability that the Lender incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document.

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11.4 **Indirect Tax**

11.4.1 All consideration expressed to be payable under a Finance Document by the Borrower to the Lender shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by the Lender to the Borrower in connection with a Finance Document, the Borrower shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

11.4.2 Where a Finance Document requires the Borrower to reimburse the Lender for any costs or expenses, the Borrower shall also at the same time pay and indemnify the Lender against all Indirect Tax incurred by the Lender in respect of the costs or expenses to the extent the Lender reasonably

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determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

12. INCREASED COSTS

12.1 Increased Costs

12.1.1 Subject to Clause 12.3 (*Exceptions*) the Borrower shall, within three (3) Business Days of a demand by the Lender, pay the amount of any Increased Costs incurred by the Lender as a result of:

(A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(B) compliance with any law or regulation made, after the Execution Date.

The terms "**law**" and "**regulation**" in this sub-clause 12.1.1 shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

12.1.2 In this Agreement "**Increased Costs**" means:

(A) a reduction in the rate of return from a Facility or on the Lender's overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by the Lender);

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender to the extent that it is attributable to the undertaking, funding or performance by the Lender of any of its obligations under any Finance Document or any funding of any Loan or Unpaid Sum.

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12.2 Increased Cost Claims

The Lender shall notify the Borrower of any event giving rise to a claim under Clause 12.1 (*Increased Costs*) and shall, as soon as practicable after a request by the Borrower, provide a certificate confirming the amount of its Increased Costs.

12.3 Exceptions

12.3.1 Clause 12.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(A) attributable to a Tax Deduction required by law to be made by the Borrower;

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(B) compensated for by Clause 11.2 (*Tax Indemnity*) (or would have been compensated for under Clause 11.2 (*Tax Indemnity*) but was not so compensated solely because the exclusion in sub-clause 11.2.1 applied); or

(C) attributable to the wilful breach by the Lender of any law or regulation.

12.3.2 In this Clause 12.3 (*Exceptions*), a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 1.1 (*Definitions*).

13. OTHER INDEMNITIES

13.1 Currency Indemnity

13.1.1 If any sum due from the Borrower under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(A) making or filing a claim or proof against the Borrower; or

(B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within three (3) Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

13.1.2 The Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

13.2 Other Indemnities

The Borrower shall, within three (3) Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender (including reasonable fees, expenses, charges and disbursements of the Lender's counsel) as a result of:

13.2.1 the occurrence of any Event of Default;

13.2.2 any enquiry, investigation, subpoena (or similar order) or litigation with respect to the Borrower or with respect to the transactions contemplated or financed under this Agreement undertaken and/or instigated by the Lender in good faith;

13.2.3 any enquiry, investigation, subpoena (or similar order) or litigation with respect to the Borrower or with respect to the transactions contemplated or

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financed under this Agreement undertaken and/or instigated by any third party;

13.2.4 a failure by the Borrower to pay any amount due under a Finance Document on its due date (after taking into account any applicable grace period) or in the relevant currency;

13.2.5 funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone);

13.2.6 a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower;

13.2.7 investigating any event which it reasonably believes is a Default;

13.2.8 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

13.2.9 the Borrower applying any Loan proceeds in a manner not expressly contemplated by this Agreement;

13.2.10 the Lender, its officers, directors and employees carrying out their obligations under this Agreement, unless such cost, loss or liability is caused by the gross negligence, bad faith or wilful misconduct of the Lender, and excluding from such costs, losses and liabilities the salaries and/or wages of such officers, directors and employees; or

13.2.11 investigating, inquiring, handling or settling any Administrative Events and related issues, provided that the Lender shall supply to the Borrower copies of invoices or other documentary evidence substantiating such costs, losses, fees or liabilities.

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14. COSTS AND EXPENSES

14.1 Amendment Costs

If the Borrower requests an amendment, waiver or consent to any Finance Document or the parties agree (acting reasonably) that any additional documentation is required in respect of the transactions contemplated by the Transaction Documents, at any time after the Execution Date, the Borrower shall, within three (3) Business Days of demand, reimburse the Lender for the amount of all reasonable costs and expenses (including legal fees) incurred by the Lender in responding to, evaluating, negotiating or complying with that request or the negotiation, preparation, printing and execution of such agreed additional documentation.

14.2 Enforcement Costs

The Borrower shall within three (3) Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) properly incurred by the Lender in connection

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with a Default under, or the preservation or enforcement of any rights under, any Finance Document.

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SECTION 7
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

15. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 15 (*Representations*) to the Lender on the Execution Date.

15.1 Status

15.1.1 The Ministry of Finance of the Republic of Ecuador is the entity legally competent to enter into the transactions contemplated by this Agreement for and on behalf of the Republic of Ecuador.

15.1.2 The Borrower has the power to own its assets and to conduct its business as it is being conducted.

15.1.3 The Borrower has the power to sue and be sued in its own name.

15.2 Binding Obligations

15.2.1 The obligations expressed to be assumed by the Borrower in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations of the Borrower and each Finance Document is in the proper form for enforcement in the Republic of Ecuador.

15.2.2 The obligations expressed to be assumed by the Borrower in each Finance Document are obligations of the Republic of Ecuador.

15.3 Non-conflict with Other Obligations

The entry into and performance by the Borrower of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

15.3.1 any treaty, law or regulation or any official or judicial order applicable to it;

15.3.2 the constitution of the Republic of Ecuador; or

15.3.3 any agreement or instrument binding upon the Borrower (including any agreement or instrument with respect to External Indebtedness of the Republic of Ecuador), or upon any of the assets of the Borrower and as representative for and on behalf of the Republic of Ecuador.

15.4 Power and Authority

It has the power to enter into, perform and deliver, and has taken all necessary action (including the approval of the Debt and Finance Committee of the Republic of Ecuador) to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

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15.5 **Validity and Admissibility in Evidence**

All Authorisations required or desirable:

15.5.1 to enable the Borrower lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;

15.5.2 to make the Finance Documents to which the Borrower is a party admissible in evidence in the Republic of Ecuador; and

15.5.3 for the Borrower to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

15.6 **Governing Law and Arbitration**

15.6.1 The choice of English law as the governing law of the Finance Documents (other than the Settlement Account Agreement) shall be recognised and enforced in the Republic of Ecuador.

15.6.2 The choice of PRC law as the governing law of the Settlement Account Agreement shall be recognised and enforced in the Republic of Ecuador.

15.6.3 Any arbitral award obtained in England in relation to a Finance Document shall be recognised and enforced in the Republic of Ecuador.

15.7 **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document under any applicable law of the Republic of Ecuador.

15.8 **No Filing or Stamp Taxes**

It is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in the Republic of Ecuador or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents or the enforcement of the Finance Documents, other than the requisite stamp duties in the PRC in respect of this Agreement at the rate of 0.005% on the amount of the Facilities.

15.9 **No Default**

15.9.1 No Event of Default or Mandatory Prepayment Event exists and is continuing or might be expected to result from the making of the Utilisation.

15.9.2 No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on the Borrower or to which the assets of the Borrower are subject which, in either case has or could reasonably be expected to have a Material Adverse Effect.

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15.10 **No Misleading Information**

All information supplied by the Borrower in connection with the transactions contemplated by the Finance Documents, is true, complete and accurate in all material respects as at the date it was given and, to the knowledge of the Borrower (having made all reasonable enquiries) is not misleading in any respect.

15.11 **Authorised Signatures**

Any person specified as its authorised signatory under Schedule 1 (*Conditions Precedent*) or Clause 16.1 (*Information*) is authorised to sign the Utilisation Request and other notices on its behalf.

15.12 **No Adverse Consequences**

It is not necessary under the laws of the Republic of Ecuador:

15.12.1 in order to enable the Lender to enforce its rights under any Finance Document; or

15.12.2 by reason of execution of any Finance Document or performance by the Lender of any of its obligations under any Finance Document, that the Lender should be licensed, qualified or otherwise entitled to carry on business in the Republic of Ecuador. The Lender shall not be deemed to be resident, domiciled or carrying on business in the Republic of Ecuador by reason only of the execution of, or performance of its obligations under a Finance Document.

15.13 **No IMF Approval**

The execution and delivery by the Borrower of the Finance Documents and the performance of its obligations under the Finance Documents:

15.13.1 do not require any approval of the International Monetary Fund; and

15.13.2 are not in breach of any agreement entered into between the Republic of Ecuador and the International Monetary Fund.

15.14 **Acts of Commercial Credit**

The execution and delivery of this Agreement by the Borrower constitute, and the Borrower's performance of and compliance with its obligations under this Agreement will constitute, acts of commercial credit done and performed in accordance with the laws of the Republic of Ecuador.

15.15 **No Proceedings Pending or Threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body, agency or other competent authority (including any arising from or relating to Environmental Law) has to the best of its knowledge and belief been started or threatened against it which will or could reasonably be expected to have a Material Adverse Effect.

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15.16 **No Breach of Laws**

It has not breached any law or regulation (whether such breach is of the laws of the Republic of Ecuador, the laws of any other state, public international law or otherwise) which breach has or is reasonably likely to have a Material Adverse Effect.

15.17 **Pari Passu Ranking**

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to entities generally.

15.18 **Existing Security**

15.18.1 No Security exists on or over its assets except as permitted by Clause 17.6 (*Negative Pledge*).

15.18.2 No contracts or arrangements, conditional or unconditional, exist for the creation by the Borrower of any Security, except as permitted by Clause 17.6 (*Negative Pledge*).

15.19 **No Omissions**

None of the representations and warranties set out in Clauses 15.1 (*Status*) to 15.18 (*Existing Security*) (both clauses included) omits any matter the omission of which makes any of such representation and warranty misleading in any material respect.

15.20 **Repetition**

The representations set out in Clauses 15.1 (*Status*) to 15.19 (*No Omissions*) (both clauses included) shall be deemed to be made by the Borrower by reference to the facts and circumstances then existing on the date of the Utilisation Request, of each Utilisation, each Repayment Date and each Interest Payment Date.

15.21 **Letter of Undertaking**

The Borrower has delivered to the Lender a letter of undertaking ("**Letter of Undertaking**") on or before the Execution Date, in the form provided in Schedule 8 (*Form of Letter of Undertaking*), pursuant to which, the Borrower, as representative for and on behalf of the Republic of Ecuador, undertakes that it will use the funds of the Treasury or proceeds from other sources of the Republic of Ecuador to fund contractually obligated shortfalls pursuant to the relevant commercial contracts, as determined in accordance with the applicable law of such contracts, in order for the relevant project companies to complete any projects to which funds from the Tranche II-B Facility or the Tranche III-C Facility were applied.

16. INFORMATION UNDERTAKINGS

The undertakings in this Clause 16 (*Information Undertakings*) remain in force from the Execution Date for so long as any amount is outstanding under the Finance Documents or any part of the Total Commitments is in force.

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16.1 **Information**

The Borrower shall supply to the Lender:

16.1.1 as soon as the same becomes available, but in any event within five (5) Business Days of publication, its published budget;

16.1.2 promptly, all documents dispatched by the Borrower to its creditors generally;

16.1.3 promptly, such further information regarding the financial and economic condition, business and operations of the Borrower or any other Public Entity relevant to the transactions under the Finance Documents as the Lender may reasonably request;

16.1.4 promptly, notice of any change in authorised signatories of the Borrower accompanied by specimen signatures of any new authorised signatories;

16.1.5 promptly upon becoming aware of them, the details of any material alteration or modification to its law, constitutional documents and/or any other instrument governing its establishment or incorporation and of any public proposal filed in the Congress of the Republic of Ecuador or decision of any Governmental Agency of the Republic of Ecuador known to the Borrower which envisages the introduction of such alteration or modification, in each case which has or could reasonably be expected to have a Material Adverse Effect;

16.1.6 notwithstanding Clause 16.2 (*Proceedings*) hereunder, at monthly work meetings of the Joint Office, supply to the Lender a quarterly report regarding the status of any litigation, arbitration or other proceedings before any court, arbitration tribunal or other competent authority current, pending or threatened against the Borrower or the Republic of Ecuador where the amount claimed equals to or exceeds US$200,000,000 (or its equivalent if in another currency) and relevant annulment, appeal or adjudication proceedings in reasonable details including any material documents requested or correspondence delivered to the court, arbitration committee, tribunal, or other competent arbitration authority, and other information or documents reasonably requested by the Lender to monitor the progress of any Administrative Event and its impact on the Borrower and the Republic of Ecuador, to the extent such information and documents can be obtained by the Borrower in accordance with applicable law; and

16.1.7 promptly upon becoming aware of them, any event or condition which has or may reasonably be expected to have a Material Adverse Effect.

16.2 **Proceedings**

16.2.1 The Borrower shall supply to the Lender promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against it where the amount claimed exceeds US$200,000,000 (or its equivalent in another currency or currencies) individually.

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16.2.2 The Borrower will not be required to supply any information in respect of sub-clause 16.2.1 above to the extent that doing so could or could potentially result in the breach of any agreement or order to which the Borrower is subject or cause the Borrower to waive or lose any attorney-client work product or other privilege or protection to which it is entitled.

16.3 **Notification of Default**

16.3.1 The Borrower shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

16.3.2 Promptly upon a request by the Lender, the Borrower shall supply to the Lender a Compliance Certificate signed by two of its authorised signatories on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

17. GENERAL UNDERTAKINGS

The undertakings in this Clause 17 (*General Undertakings*) remain in force from the Execution Date for so long as any amount is outstanding under the Finance Documents or any part of the Total Commitments is in force.

17.1 **Use of Proceeds**

The Borrower shall ensure that the proceeds of each Utilisation will only be used for the purposes specified in Clause 3.1 (*Purpose*) of this Agreement.

17.2 **Undertakings with respect of the Proceeds of the Loan**

17.2.1 The Borrower shall:

(A) freely apply the proceeds of the Tranche A Loan exclusively for the purpose specified in sub-clause 3.1.1 above;

(B) apply the proceeds of the Tranche B Loan exclusively for the purpose specified in sub-clause 3.1.2 above;

(C) without prejudice to the Borrower's obligations under paragraphs (A) and (B) above, ensure that a portion of the proceeds of the Facilities are applied towards Eligible Projects that stabilise and/or enhance oil production by the Republic of Ecuador and include such projects in the Tranche A Eligible Projects List and/or the Tranche B Eligible Projects List (as the case may be);

(D) deliver to the Lender, by no later than six (6) months after the end of the Tranche A Availability Period a certificate signed by an authorised signatory of the Borrower certifying that the proceeds of the Tranche A Facility have been applied towards Eligible Projects;

(E) furnish the Lender with a Semi-annual Report on 31 March and 30 September of each year;

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(F) procure that the proceeds of the Loan are not invested in, and do not contribute (financially or otherwise) to any project involving child labour, gambling, drugs or other illicit substances or projects involving the military;

(G) provide to the Lender all information available to the Borrower and reasonably requested by the Lender in respect of Approved Projects to which the proceeds of the Tranche B Facility have been applied and such information shall include:

(1) reports in relation to the progress of Approved Projects in which the proceeds of the Tranche B Facility have been applied; and

(2) news reports (including pictures and video) of which the Borrower is aware and can obtain by reasonable means in relation to Approved Projects in which the proceeds of the Tranche B Facility have been applied which have a significant impact on the social and economic development of the Republic of Ecuador.

(H) obtain and arrange, at the Lender's reasonable request, site visits for the Lender to the sites of Approved Projects in which the proceeds of the Tranche B Facility have been applied at such times and in such manner as agreed between the Parties; and

(I) permit the Lender to provide support (technical and otherwise) as requested by the Borrower to the Approved Projects in which the proceeds of the Tranche B Facility have been applied.

17.2.2 Notwithstanding sub-clause 17.2.1 above and for the avoidance of doubt, the Borrower and associated parties in the Republic of Ecuador shall be solely responsible for the administration and management of the proceeds of the Loan in accordance with this Agreement and selection of any contractors retained for the development of Approved Projects.

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17.3 Authorisations

17.3.1 The Borrower shall promptly:

(A) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(B) supply certified copies to the Lender of,

any Authorisation required to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document in the Republic of Ecuador.

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17.3.2 The Borrower shall include the relevant annual principal and interest payments that are or become due under this Agreement in the relevant annual fiscal budgets for the Republic of Ecuador.

17.4 **Compliance with Laws**

17.4.1 The Borrower shall comply in all material respects with all laws and official requirements to which it may be subject (including public international law).

17.4.2 The Borrower shall promptly notify the Lender of the introduction, amendment, repeal or withdrawal of:

(A) any law or regulation by the Congress of the Republic of Ecuador; and

(B) any regulation published in the Official Gazette of the Republic of Ecuador, which, in each case, has or could reasonably be expected to have a Material Adverse Effect.

17.5 **Pari Passu Ranking**

The Borrower shall ensure that its payment obligations under the Finance Documents rank and continue to rank at least pari passu with all of its other unsecured and unsubordinated Financial Indebtedness.

17.6 **Negative Pledge**

17.6.1 The Borrower has agreed that as long as all or any part of the Loans remain outstanding, the Borrower will not create or suffer to exist, any Lien, upon any of its assets or revenues to secure the payment of any External Indebtedness of the Borrower unless, when such Lien is created, the obligations of the Borrower under this Agreement are secured equally and ratably with such External Indebtedness.

17.6.2 Notwithstanding sub-clause 17.6.1 above, the Borrower may create or permit to subsist:

(A) any Lien on property to secure External Indebtedness arising in the ordinary course of business to finance export, import or other trade transactions, which matures (after giving effect to renewals and refinancing) no more than one year after it was originally incurred;

(B) any Lien upon property to secure the purchase price of such property or to secure any External Indebtedness incurred solely for the purpose of financing the acquisition of such property;

(C) any Lien on property arising by operation of law (or pursuant to any agreement establishing a Lien equivalent to one which would otherwise exist under relevant local law), including any right of set-off with respect to demand or time deposits with financial

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institutions and bankers' liens with respect to property held by financial institutions;

(D) any Lien existing on such property at the time of its acquisition;

(E) any Lien in existence as of the Execution Date;

(F) any Lien securing External Indebtedness issued upon surrender or cancellation of the principal amount of such indebtedness to the extent the Lien is created to secure the External Indebtedness;

(G) any Lien created in connection with any Project Financing, as defined below, provided that the properties to which any such Lien applies are solely with respect to:

(1) properties which are the subject of such Project Financing; or

(2) revenues or claims which arise from the operation, failure to meet specifications, failure to complete, exploitation, sale or loss of, or damage to, such properties;

(H) additional Liens created in any calendar year upon assets, revenues or receivables of the Borrower having, when encumbered, a fair market value not exceeding an aggregate amount equal to US$50,000,000 (or the equivalent in other currencies) to collateralize, or to purchase collateral, guarantees or other credit support in respect of new borrowings by the Borrower, provided that, to the extent that in any calendar year US$50,000,000 (or the equivalent in other currencies) exceeds such aggregate fair market value of the assets, revenues or receivables so encumbered during that year, the aggregate fair market value of assets, revenues or receivables which may be encumbered in subsequent calendar years shall be increased by the amount of such excess; provided, however, that the fair market value of assets, revenue or receivables so encumbered in any calendar year will in no event exceed US$150,000,000 (or equivalent in other currencies); and

(I) any renewal or extension of any of the Liens described above, provided that no renewal or extension of any permitted Lien shall:

(1) extend to or cover any property other than the property then subject to the Lien being extended or renewed; or

(2) increase the amount of financing secured by that Lien.

17.7 **Management of the Facilities**

The Borrower shall provide all information and support reasonably required to enable the Lender to monitor the Borrower's compliance with the terms and conditions of this Agreement and the application of the proceeds of the Facilities by the Borrower. Such support shall include providing direct contact between the Borrower's senior

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personnel, management and other relevant persons and the Lender at such times and in such manners as agreed between the Parties.

17.8 **Establishment of Joint Office**

The Borrower shall maintain the Joint Office with the Lender in accordance with Schedule 7 (*Joint Office*).

17.9 **Other Undertaking**

In the event that the sovereign credit rating of the Republic of Ecuador as published by Standard & Poor's or Moody's deteriorates with the result that the capacity of the Borrower to fulfil its payment obligations under this Agreement is impaired, then the Borrower undertakes to meet with the Lender to discuss in good faith mechanisms for mitigating such risk of payment to the reasonable satisfaction of the Lender under the framework of the Four Parties Agreement.

17.10 **Administrative Event and Control of Accounts**

For so long as an Administrative Event exists, the Borrower shall immediately authorise the Lender in writing to, and the Lender shall immediately transfer the balance from the Tranche A Repayment Account, the Tranche B Repayment Account and the Settlement Account under the name of the Borrower respectively (each of such accounts, a "**MOF Account**", together the "**MOF Accounts**") to the Tranche A Repayment Account, the Tranche B Repayment Account and the Settlement Account under the name of the Central Bank of Ecuador (each of such accounts, a "**BCE Account**", together the "**BCE Accounts**"), with the US Dollar amount of the account balance to be converted to Euros at the Applicable Rate of Exchange. Notwithstanding any other provision of any Finance Document to the contrary, the Central Bank of Ecuador shall immediately and without any further act needed, pursuant to the BCE Undertaking Letter, irrevocably and unconditionally follow instructions solely from the Borrower in connection with the operations and other activities of the BCE Accounts. The Parties expressly agree that funds shall only be transferred from the MOF Accounts to the BCE Accounts upon the occurrence of an Administrative Event.

17.11 **Notice of Account-related Proceedings**

Each of the Borrower and the Lender undertakes to notify the other party immediately upon becoming aware of pending or threatened litigation seeking to attach, freeze or otherwise encumber the use of the Tranche A Repayment Account, the Tranche B Repayment Account or the Settlement Account, or the funds paid into or from any of such accounts.

17.12 **Cool-Off Period**

During the term of one hundred and eighty (180) days provided in Clauses 18.10.2 and 18.17 (*Failure to Pay Final Judgment*) hereunder (the "**Cool-Off Period**"), the Parties shall create an "ad-hoc" committee to monitor the developments contemplated in those two clauses (the "**Ad-Hoc Committee**"). The monitoring functions of the Ad-Hoc Committee shall include the exchange of any information specified in Clause 16.2 (*Proceedings*) as frequently as it is requested by the Lender, as well as any

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information that might be required by the Lender to assess the Borrower's ability to perform its obligations under any Finance Documents. The Ad-Hoc Committee shall (i) monitor the impact (if any) that the events specified in Clauses 18.10.2 and 18.17 (*Failure to Pay Final Judgment*) have or might have on the Lender, (ii) attempt to minimize any adverse effects on the Lender related to such events (including any negative impact on its functions, potential adverse economic consequences, etc.), and (iii) attempt to mitigate or recommend the Borrower to adopt measures intended to mitigate such effects. The Ad-Hoc Committee will meet as regularly as necessary during the Cool-Off Period. Notwithstanding any provisions in this Agreement or the Transaction Documents, this Clause 17.12 (*Cool-Off Period*) shall not imply a waiver of any right of the Lender under the Finance Documents, including the Lender's acceleration rights provided in Clause 18.20 (*Acceleration*).

17.13 Undertaking in relation to the Central Bank of Ecuador

The Borrower shall ensure that the Central Bank of Ecuador fully complies with its undertakings and obligations set forth in the BCE Undertaking Letter.

18. EVENTS OF DEFAULT

Each of the events or circumstances set out in the following sub-clauses of this Clause 18 (other than Clause 18.20 (*Acceleration*)) is an Event of Default.

18.1 Non-payment

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless its failure to pay is in respect of:

18.1.1 any amount other than any amount payable pursuant to Clause 6.1 (*Repayment of the Tranche A Loan*), Clause 6.2 (*Repayment of the Tranche B Loan*) or Clause 8.2 (*Payment of Interest*); and

18.1.2 is caused by an administrative or technical error and payment is made within five (5) Business Days.

18.2 Other Obligations

18.2.1 The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 18.1 (*Non-payment*)).

18.2.2 No Event of Default under sub-clause 18.2.1 above will occur if the failure to comply is capable of remedy, and is remedied within twenty (20) Business Days of the earlier of the Lender giving notice to the Borrower or the Borrower becoming aware of the failure to comply.

18.3 Misrepresentation

Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

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18.4 **Cross Default**

18.4.1 Any Financial Indebtedness of the Borrower or the government of the Republic of Ecuador is not paid when due nor within any originally applicable grace period.

18.4.2 Any Financial Indebtedness of the Borrower or the government of the Republic of Ecuador is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

18.4.3 Any commitment for any Financial Indebtedness of the Borrower or the government of the Republic of Ecuador is cancelled or suspended by a creditor of the Borrower or the government of the Republic of Ecuador as a result of an event of default (however described).

18.4.4 Any creditor of the Borrower or the government of the Republic of Ecuador becomes entitled to declare any Financial Indebtedness of the Borrower or the government of the Republic of Ecuador due and payable prior to its specified maturity as a result of an event of default (however described).

18.4.5 Any Security securing Financial Indebtedness of the Borrower or the government of the Republic of Ecuador, becomes enforceable.

18.4.6 The Borrower or the government of the Republic of Ecuador proposes any rescheduling, reorganisation or conversion of all or any part of its Financial Indebtedness by reason of financial or economic difficulties which, for the avoidance of doubt excludes any rescheduling, reorganisation or conversion of all or any part of its Financial Indebtedness undertaken in the course of the prudent fiscal management to improve the financial condition of the Republic of Ecuador.

18.4.7 No Event of Default will occur under this Clause 18.4 (*Cross Default*) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within sub-clauses 18.4.1 to 18.4.5 (inclusive) is less than US$200,000,000 (or its equivalent in any other currency or currencies).

18.5 **Moratorium on Financial Indebtedness**

The Government of the Republic of Ecuador, the Central Bank of the Republic of Ecuador, the Borrower or any other Public Entity declares a moratorium, standstill or similar suspension of payments in respect of its Financial Indebtedness or the Financial Indebtedness of the Republic of Ecuador.

18.6 **Creditors Process**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower which has or could reasonably be expected to have a Material Adverse Effect.

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18.7 **Insolvency**

18.7.1 The Borrower:

(A) is or is presumed or deemed to be unable (or is deemed by any law or court to be) or admits inability to pay its debts as they fall due;

(B) stops or suspends (or announces an intention to stop or suspend) making payments on any of its Financial Indebtedness; or

(C) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

18.7.2 Any step is taken or event occurs in any jurisdiction which would have an analogous or equivalent effect to those set out in sub-clauses 18.7.1 of this Clause.

18.8 **Insolvency Proceedings**

18.8.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision of the Borrower;

(B) a composition, compromise, assignment or arrangement with any creditor of the Borrower; or

(C) enforcement of any Security over any assets of the Borrower and such action, procedure or step would or could reasonably be expected to have a Material Adverse Effect unless discharged within thirty (30) Business Days of such step being taken,

or any procedure or step is taken in any jurisdiction which would have an analogous or equivalent effect.

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18.9 **Unlawfulness**

It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

18.10 **Legal Proceedings**

18.10.1 Litigation, arbitration of or before any court, arbitral body, agency or other competent authority has (to the best of its knowledge and belief) been started or threatened against the Borrower which has or could reasonably be expected to have a Material Adverse Effect, and such litigation or arbitration is not stayed or terminated within sixty (60) Business Days of its commencement.

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18.10.2 An attachment or analogous process is levied or enforced upon or secured against any property of the Borrower or the Republic of Ecuador for an amount equal to or in excess of $200,000,000 or its equivalent if in another currency where such attachment or analogous process has not been nullified or stayed within one hundred and eighty (180) days of its commencement.

18.11 **IMF**

The Borrower suspends or ceases to be a member in good standing of the International Monetary Fund or fully eligible to use the resources of the International Monetary Fund in accordance with the Articles of Agreement of the International Monetary Fund.

18.12 **Repudiation**

The Borrower repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

18.13 **PRC Entities**

18.13.1 The Borrower, any Governmental Agency or any Public Entity of the Republic of Ecuador, after the Execution Date:

(A) condemns, nationalises, seizes or otherwise expropriates all or any substantial part of the property or other assets of a PRC Entity or its share capital;

(B) assumes custody or control of the property or other assets or of the business or operations of a PRC Entity or its share capital;

(C) takes any action for the dissolution or disestablishment of a PRC Entity or any action that would prevent a PRC Entity or its officers from carrying on all or a substantial part of its business or operations;

(D) takes any action, other than actions having general effect in the Republic of Ecuador, which would disadvantage a PRC Entity in carrying out its business or operations in the Republic of Ecuador; or

(E) commences any action or proceeding in relation to the matters described in paragraphs (A), (B) or (C) above.

18.13.2 The PRC Government has determined to sever diplomatic ties with the Republic of Ecuador, or the government of the Republic of Ecuador has determined to sever diplomatic ties with the PRC.

18.13.3 Sub-clause 18.13.1 shall not apply if any of the events or circumstances described in paragraphs 18.13.1(A) to 18.13.1(E) (inclusive) has occurred as a result of:

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(A) a breach by a PRC Entity of any of its obligations to the Borrower, any Government Agency or any Public Entity of the Republic of Ecuador; or

(B) an action of the Republic of Ecuador having general effect and/or not specifically targeted to prejudice PRC Entities or the interests of the People's Republic of China in the Republic of Ecuador.

18.14 **Financial Cooperation**

Any agreement on financial cooperation entered into between:

18.14.1 the Borrower and any Governmental Agency of the Republic of Ecuador; and

18.14.2 the PRC Government,

is terminated, suspended, revoked or amended in a manner which is materially prejudicial to the Lender, in the Lender's sole discretion.

18.15 **Extraordinary Situation**

Any significant civil strife, rebellion, war, revolution or natural disaster, has arisen which has or could reasonably be expected to have a Material Adverse Effect.

18.16 **Change in Law**

Any decree, ruling, law or regulation is issued or passed by any Public Entity which:

18.16.1 is wholly or partly inconsistent with the provisions of a Transaction Document; or

18.16.2 suspends, revokes, modifies, amends or diminishes any of the Lender's, PetroChina Intl.'s or Unipec's rights under any Transaction Document to which it is a party.

18.17 **Failure to Pay Final Judgment**

A final non-appealable judgment of a court, a settlement or a final arbitral award is rendered against the Borrower or the Republic of Ecuador requiring it to pay an amount in excess of US$200,000,000 or its equivalent if in another currency and such payment is not paid in full on or before the date falling one hundred and eighty (180) days after its due date.

18.18 **Material Adverse Change**

Any other event or series of events occurs which has or could reasonably be expected to have a Material Adverse Effect.

18.19 **Joint Office Management Mechanism**

The Joint Office Management Mechanism is amended, varied or supplemented, suspended or terminated without the prior written consent of the Lender.

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18.20 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by notice to the Borrower:

18.20.1 cancel all or part of the Total Commitments whereupon it shall immediately be cancelled;

18.20.2 declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or

18.20.3 declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Lender.

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SECTION 8
CHANGES TO THE PARTIES

19. CHANGES TO THE LENDER AND THE BORROWER

19.1.1 After the expiry of the Tranche B Availability Period, the Lender may assign any of its rights or transfer by novation any of its rights and obligations under this Agreement and the other Finance Documents:

(A) to any of its branches or related companies;

(B) to any bank or financial institution;

(C) to any trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets; or

(D) to any person controlled by any Government Agency of the PRC.

19.1.2 The Lender shall give thirty (30) days prior notice to the Borrower prior to any assignment or transfer pursuant to paragraph (B) or (C) above.

19.1.3 The Lender shall give notice to the Borrower after any assignment or transfer pursuant to paragraph (A) or (D) above.

19.1.4 The Borrower may not assign or transfer any of its rights or obligations under this Agreement or the other Finance Documents without the Lender's written consent.

20. DISCLOSURE OF INFORMATION

The Borrower and the Lender shall keep confidential and be permitted to disclose Confidential Information as defined in and in accordance with the terms of the Confidentiality Undertaking. In addition, the Borrower undertakes to keep Clause 30 (*Governing Law*) and Clause 31 (*Dispute Resolution*) of this Agreement confidential (to the fullest extent permitted by law) until the Final Repayment Date.

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SECTION 9
ADMINISTRATION

21. PAYMENT MECHANICS

21.1 Payments to the Lender

21.1.1 On each date on which the Borrower is required to make a payment under a Finance Document, the Borrower shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment. If no such time is specified, payment shall be made no later than 11:00 a.m. Beijing time on such due date.

21.1.2 Payment shall be made to the account specified to the Borrower by the Lender.

21.2 Conversion

If the Lender receives payment for an obligation in a currency (the "**First Currency**") that is not the currency in which that obligation is denominated (the "**Second Currency**"), the Lender may convert the amount received in the First Currency to the Second Currency using the Lender's spot rate of exchange and apply such amount to payment of that obligation.

21.3 Partial Payments

21.3.1 If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender may apply that payment towards the obligations of the Borrower under the Finance Documents in the following order:

(A) first, in or towards payment of any unpaid fees, costs and expenses of the Lender under the Finance Documents;

(B) secondly, in or towards payment of any default interest due but unpaid under this Agreement;

(C) thirdly, in or towards payment of any accrued interest due but unpaid in respect of the Tranche B Facility;

(D) fourthly, in or towards payment of any accrued interest due but unpaid in respect of the Tranche A Facility;

(E) fifthly, in or towards payment of any principal due but unpaid in respect of the Tranche B Facility;

(F) sixthly, in or towards payment of any principal due but unpaid in respect of the Tranche A Facility; and

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(G) seventhly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

21.3.2 The Lender may at its own discretion vary the order set out in paragraphs (B) to (G) of sub-clause 21.3.1 above.

21.3.3 Sub-clauses 21.3.1 and 21.3.2 above will override any appropriation made by the Borrower.

21.4 **No Set-off by the Borrower**

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

21.5 **Business Days**

21.5.1 Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

21.5.2 During any extension of the due date for payment of any principal or Unpaid Sum under sub-clause 21.5.1 above, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

21.6 **Currency of Account**

21.6.1 Dollars is the currency of account and payment for any sum due from the Borrower in relation to the Tranche A Facility and Tranche B Facility under any Finance Document.

21.6.2 Renminbi is the currency of account and payment for any sum due from the Borrower in relation to the Tranche B Facility under any Finance Document.

21.6.3 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

21.6.4 Any amount expressed to be payable in a currency other than Dollars shall be paid in that other currency.

21.6.5 Notwithstanding the forgoing provisions or any other provisions in the Transaction Documents to the contrary, any US Dollar payment obligation of the Borrower shall, for so long as an Administrative Event exists, be made in its Euro Equivalent.

22. SET-OFF

The Lender may set off any matured obligation due from the Borrower under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in

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different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

23. NOTICES

23.1 Communications in Writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

23.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

23.2.1 in the case of the Borrower, that identified with its name below:

Ministerio de Finanzas de Ecuador
Avenida 10 de Agosto #162
Quito, Ecuador
Fax: +593 2 2569-386
Attention: Minister of Finance (*Ministro de Finanzas*)

23.2.2 in the case of the Lender, that identified with its name below:

China Development Bank Corporation
Shandong Branch
Shandong Dasha No.2-1
Ma'anshan Road, Jinan
Shandong Province 250002
People's Republic of China
Fax: +86 531 8519 8215
Attention: Mr Li Jizhou and
Mr Liu Minghui, Division of International Co-operation

or any substitute address, fax number or department or officer as the Party may notify to the other Party by not less than five (5) Business Days' notice.

23.3 Delivery

23.3.1 Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:

(A) if by way of fax, only when received in legible form; or

(B) if by way of letter, only when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

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and, if a particular department or officer is specified as part of its address details provided under Clause 23.2 (*Addresses*), if addressed to that department or officer.

23.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

23.4 Electronic Communication

23.4.1 Any communication to be made between the Borrower and the Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Borrower and the Lender:

(A) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(B) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(C) notify each other of any change to their address or any other such information supplied by them.

23.4.2 Any electronic communication made between the Borrower and the Lender will be effective only when actually received in readable form and in the case of any electronic communication made by the Lender to the Borrower only if it is addressed in such a manner as the Borrower shall specify for this purpose.

23.5 English Language

23.5.1 Any notice given under or in connection with any Finance Document shall be in English.

23.5.2 All other documents provided under or in connection with any Finance Document shall be:

(A) in English; or

(B) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document and the Lender will not be responsible for any loss caused by reliance on the English translation.

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24. CALCULATIONS AND CERTIFICATES

24.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

24.2 Notification of Amounts Due to the Borrower

In order to assist the Borrower in making payments under this Agreement, the Lender shall provide to the Borrower, no later than forty (40) calendar days prior to any Interest Payment Date, notice of the amount of the Repayment Instalment(s) and/or any interest due on that Interest Payment Date.

24.3 Certificates and Determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24.4 Day Count Convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed (including the first but excluding the last) and a year of three hundred and sixty (360) days.

25. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

26. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

27. AMENDMENTS AND WAIVERS

27.1 Written Amendments and Waivers

Any term of the Finance Documents may be amended or waived only in writing signed by the Borrower and the Lender. For the avoidance of doubt, this Clause does

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not prevent either the Borrower or the Lender exercising any discretion granted to it pursuant to the Finance Documents.

27.2 **Additional Payments Requiring Amendments**

If any term of this Agreement requires the Borrower to make additional payments which are not contemplated or foreseen as at the Execution Date, and the Borrower so requests, the Lender and the Borrower will negotiate and enter into a supplemental letter or agreement to document such additional payments. Failing any such agreement, the Borrower shall be solely liable for any such additional payments.

28. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

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SECTION 10
IMMUNITY, GOVERNING LAW AND DISPUTE RESOLUTION

29. IMMUNITY

29.1 The execution and delivery of this Agreement by the Borrower constitutes, and the Borrower's performance of and compliance with its obligations under this Agreement will constitute a commercial transaction, being acts of commercial public credit (as provided under the laws of the Republic of Ecuador). The Borrower agrees that it and its other assets which do not constitute Immuned Property (as defined below) are subject to, and available for, the Proceedings (as defined below) and the Borrower irrevocably and unconditionally waives any right which it has now or may subsequently acquire to assert any state immunity from or in any Proceedings in relation to the transactions described in this Agreement against it or its assets, or the assets of any state entity other than Immuned Property and undertakes not to invoke any defence on the basis of any kind of immunity, for itself and/or its other assets which do not constitute Immuned Property, with regard to any Proceedings.

29.2 Notwithstanding any term in this Agreement, the following and only the following assets of the Borrower or any state entity, wherever located (the "**Immuned Property**"), shall be entitled to immunity from enforcement or relief pursuant to section 13(2) of the State Immunity Act 1978 or other similar provisions or analogous legislation or otherwise in any other applicable jurisdiction, from any Proceedings:

29.2.1 any property which is used or designated for use in the performance of the functions of the diplomatic mission of Republic of Ecuador or its consular posts;

29.2.2 property of a military character or used or designated for use in the performance of military functions;

29.2.3 property forming part of the cultural heritage of the Republic of Ecuador or part of its archives;

29.2.4 unexploited non-extracted natural resources in Republic of Ecuador; or

29.2.5 any other asset of Republic of Ecuador (to the extent that immunity cannot be waived under the laws of Republic of Ecuador) in effect on the Execution Date.

29.3 In this Clause 29 (*Immunity*), "**Proceedings**" means:

29.3.1 any execution on judgment, enforcement of arbitral award, set-off, deduction, attachment prior to judgment, attachment in aid of execution to which the Borrower or their respective assets may be entitled in any legal action or proceedings or arbitral proceedings;

29.3.2 any suit, jurisdiction of any arbitration institution or arbitral tribunal, judgment, arbitral award, pre-judgment, interim relief, execution or other enforcement of any award, relief or judgment; and

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29.3.3 service of process upon the Borrower or any agent of the Borrower with respect to this Agreement or any of the transactions contemplated hereby.

29.4 The provisions of this Clause 29 (*Immunity*) have been negotiated and agreed solely with respect to the transactions described in this Agreement. In no event shall the definition or scope of Immuned Property described in this Clause 29 (*Immunity*) be relied upon, utilised, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to the transactions contemplated in this Agreement or relating to any other indebtedness of the Borrower or the Republic of Ecuador.

30. GOVERNING LAW

This Agreement shall be governed by English law.

31. DISPUTE RESOLUTION

Any dispute, controversy or claim ("**Dispute**") arising out of or in connection with this Agreement or any of the Finance Documents shall be resolved by arbitration at the London Court of International Arbitration ("**LCIA**") under the Rules of the London Court of International Arbitration ("**LCIA Rules**"), which LCIA Rules are deemed to be incorporated by reference into this Clause 31 (*Dispute Resolution*). In particular:

31.1 Parties' Addresses for Service

The parties' addresses for service of any documents in relation to any such arbitration (including any request for arbitration) are set out in Clause 23.2 (*Addresses*).

31.2 Service of Request for Arbitration on All Parties to the Finance Documents

At the same time as serving the request for arbitration on the respondent(s), the claimant(s) in any such arbitration shall serve copies of that request for arbitration on all parties to this Agreement and the Finance Documents.

31.3 Number and Nomination of Arbitrators

31.3.1 the number of arbitrators shall be three;

31.3.2 except as provided in sub-clauses 31.3.3 and 31.3.4 below, each party to the Dispute shall be entitled to nominate one arbitrator;

31.3.3 if there are multiple claimants and/or multiple respondents, all claimants and/or all respondents shall attempt to agree upon their respective appointment(s);

31.3.4 if any such party or multiple parties fail to nominate an arbitrator within thirty (30) days from and including the date of the relevant notice of arbitration, an arbitrator shall be appointed on their behalf by the LCIA in accordance with its rules. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the Party or Parties on the other

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side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the LCIA Rules; and

31.3.5 the third arbitrator and chairman of the tribunal shall be jointly nominated by the two party-nominated arbitrators. The chairman of the tribunal shall be nominated thirty (30) days from and including the date of the LCIA's formal appointment of the second arbitrator. Where the two party-nominated arbitrators fail to nominate the chairman of the tribunal or such nomination is not made within time, the chairman shall be appointed by the LCIA in accordance with its rules.

31.4 **Seat of Arbitration**

The seat, or legal place, of arbitration shall be London, England. Accordingly the Parties submit to the jurisdiction of the English courts over such arbitration proceedings.

31.5 **Language**

The language to be used in the arbitration shall be English.

31.6 **Intervention**

Any Party may intervene in any arbitral proceedings under this Agreement or any of the other Transaction Documents (other than the Account Management Agreement and the Settlement Account Agreement), provided that:

31.6.1 such intervention is based upon a Dispute substantially related to the Dispute in the relevant request for arbitration; and

31.6.2 such intervention is made by written notice to the LCIA and to all other Parties within either thirty (30) days from the receipt by such party of the relevant request for arbitration or such longer time as may be determined by the LCIA or the arbitrators.

31.7 **Counterclaims**

Any joined or intervening Party may make a counterclaim against any Party, provided that:

31.7.1 such counterclaim is based upon a Dispute substantially related to the Dispute, in the relevant notice of arbitration; and

31.7.2 such counterclaim is made by written notice to the LCIA and to all other Parties within either thirty (30) days from the receipt by such Party of the relevant request for arbitration or such longer time as may be determined by the LCIA or the arbitrators.

31.8 **Consolidation**

If more than one arbitration is commenced under this Agreement or the Finance Documents, and any Party contends that two or more arbitrations are substantially

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related and that the issues should be heard in one proceeding, the arbitral tribunal appointed in the first-filed of such proceedings shall have the power to determine whether, in the interests of justice and efficiency, the whole or part of the matters at issue should be consolidated before that arbitral tribunal upon such terms or conditions as the arbitral tribunal thinks fit.

31.9 **Binding Nature of Award**

31.9.1 Any joined or intervening Party shall be bound by any award rendered by the arbitral tribunal even if such Party chooses not to participate in the arbitral proceedings.

31.9.2 Any award rendered shall be final and binding and nothing shall prevent any Party from enforcing such award in any court.

31.10 **No Prejudice to Obligations**

Neither the existence of any Dispute nor any legal or arbitral proceedings arising out of or in connection with this Agreement shall prejudice the obligations of the Parties under this Agreement or the performance thereof.

31.11 **Waiver of Right to Appeal**

For the purposes of arbitration pursuant to this Clause 31 (*Dispute Resolution*), the Parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 (Determination of a preliminary point of law) and 69 (Appeal on a point of law) of the Arbitration Act 1996.

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SCHEDULE 1
CONDITIONS PRECEDENT

I. CONDITIONS PRECEDENT TO EXECUTION OF THIS AGREEMENT

1. The Lender has received a certified copy of the Letter of Commitment.

2. The Lender has received a certified copy of the approval of the Debt and Finance Committee of the Republic of Ecuador authorising the transactions contemplated in the Transaction Documents.

3. The Lender has received a certified copy of the authorisation from the Attorney General of the Republic of Ecuador authorising the Borrower's entry into each of the governing law and dispute resolution clauses contained in the Transaction Documents to which it is a party.

4. The Lender has received a copy of the BCE Undertaking Letter signed by the Central Bank of Ecuador and acknowledged by the addressees thereto

5. The Lender has received the documents and evidence listed in Schedule 1, Part I (*PetroEcuador Deliverables*), and Schedule 3, Part I (*Ministry Deliverables*) of the Four Parties Agreement.

6. The Lender has received the documents and evidence listed in Schedule 1, Part I (*Deliverables*) of the Three Parties Agreement.

II. INITIAL CONDITIONS PRECEDENT OF UTILISATION

1. Borrower

1.1 A copy of the Presidential Decree No. 854 dated January 16, 2008 pursuant to which the President of the Republic of Ecuador renamed the Ministry of Finance.

1.2 Evidence that the Borrower has:

1.2.1 approved the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

1.2.2 authorised a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

1.2.3 authorised a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, the Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

1.3 A specimen of the signature of each authorised person referred to in sub-clause 1.2 above.

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1.4 A certificate from the Borrower confirming that borrowing the Loan up to the Total Commitments would not cause any borrowing or similar limit binding on it to be exceeded.

1.5 A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the Execution Date.

2. Finance Documents

A signed original of each Finance Document and other instruments to be delivered to the Lender in accordance with the provisions therein.

3. Joint Office

A letter from the Borrower confirming the Borrower's appointees to the Joint Office.

4. Authorisations

4.1 All authorisations and consents necessary under the laws of the Republic of Ecuador to authorise and effect the transactions contemplated by the Transaction Documents.

4.2 Evidence that the Board for Monetary and Financial Policy and Regulation has authorised and approved the opening and holding of the Tranche A Repayment Account, Tranche B Repayment Account and the Settlement Account by the Borrower.

5. Other Documents and Evidence

5.1 The Lender having received the Repayment Procedure Mechanism signed and acknowledged by the parties thereto.

5.2 The Lender having received the documents and evidence listed in Schedule 1, Part II (*PetroEcuador Deliverables*), Schedule 2 (*PetroChina Intl. Deliverables*) and Schedule 3, Part II (*Ministry Deliverables*) of the Four Parties Agreement.

5.3 The Lender having received the documents and evidence listed in Schedule 1, Part II (*Deliverables*) of the Three Parties Agreement.

5.4 A certified copy of the English version of the Tranche A Eligible Projects List.

5.5 Evidence that:

5.5.1 The Tranche A Repayment Account, the Tranche B Repayment Account and the Settlement Account have been opened and are operational; and

5.5.2 the Borrower is participant of CPIS.

5.6 Certified true copies of all filing and registrations in respect of this Agreement required under the laws and regulations of the Republic of Ecuador to ensure the validity, legality and enforceability of this Agreement, including registration of this

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Agreement with the Borrower together with a certificate of the Borrower confirming that such registration has been effected and is in full force and effect.

5.7 A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document.

5.8 A copy of the ministerial resolutions of the Borrower declaring that the Transaction Documents shall be kept confidential until the respective credit transaction terminates under this Agreement (the "**Ministerial Resolutions**").

5.9 A letter of undertaking from the Borrower (the "**Confidentiality Undertaking**"), undertaking that the Borrower will, to the best of its ability, uphold and defend the declaration of confidentiality pursuant to the Ministerial Resolutions.

5.10 Evidence satisfactory to the Lender that the filing of the Transaction Documents at the Office of the Undersecretary of Public Finance contains the statement that the Transaction Documents will remain confidential pursuant to the terms of the Ministerial Resolutions and the Confidentiality Undertaking.

5.11 The Letter of Undertaking delivered by the Borrower to the Lender on or before the Execution Date, in the form provided in Schedule 8 (*Form of Letter of Undertaking*), pursuant to which, the Borrower, as representative on behalf of the Republic of Ecuador, undertakes that it will use the funds of the Treasury or proceeds from other sources of the Republic of Ecuador to fund contractually obligated shortfalls pursuant to the relevant commercial contracts, as determined in accordance with the applicable law of such contracts, in order for the relevant project companies to complete any projects to which funds from the Tranche II-B Facility and Tranche III-C Facility were applied.

5.12 An undertaking (the "**Ministry Undertaking**") delivered by the Borrower as representative on behalf of the Republic of Ecuador substantially in the form as Schedule 9 (*Form of Ministry Undertaking*).

5.13 A certificate from the Borrower that certifying that it has entered into a settlement agreement with respect to ICSID Case No. ABB/06/11 and confirming that the Borrower is in compliance with the terms of such settlement agreement.

5.14 Evidence that (i) the National Assembly of the Republic of Ecuador (or other relevant authority) has approved the inclusion of the interest, principal (if any) and other amounts scheduled to be due for payment by the Borrower under the Finance Documents in the fiscal budget of the Republic of Ecuador for the fiscal year ending 31 December 2016; and (ii) evidence that such amounts have been included in such budget.

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SCHEDULE 2
REQUESTS

PART I - UTILISATION REQUEST

From: [•]

To: China Development Bank Corporation Dated:

Dear Sirs

Facility Agreement dated 29 April 2016 between the Ministry of Finance as representative for and on behalf of the Republic of Ecuador and China Development Bank Corporation (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement shall have the same meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
Tranche to be utilised:	[Tranche A / Tranche B (delete as appropriate)]
Amount:	[•]
Account into which the Loan is to be paid:	[insert details of account] [Settlement Account]

[3]/[4]. We confirm that each condition specified in Clause 4.2 (*Further Conditions Precedent*) is satisfied on the date of this Utilisation Request.

[4]/[5]. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
[•]

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PART II - DISBURSEMENT NOTICE

Eligible Project			
Commercial Contract		Commercial Invoice No.	
Proposed Date of disbursement		Amount (RMB)	
[Offshore Account Bank]		[Transmission Date]	
Beneficiary (Name of Approved Contractor / PRC supplier)			
Originating Bank	China Development Bank Corporation [Shandong Branch]	Settlement Account No.	

Payment Route	Correspondent of Beneficiary's Bank Information	Bank Name: A/C NO.:
		Address:
		BIC Code:
	Beneficiary's Bank Information	Bank Name: A/C NO.:
		Address:
		BIC Code. :
	Beneficiary's Information	Name: A/C NO.:
		Address:
		BIC Code:
Remittance Information		1. Eligible Project Progress Report: 2. Eligible Project Total Investment and Contribution Report: 3. Others:
Authorised Signatory for Borrower		
Attachments		Commercial Contracts and Invoices for Eligible Project

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Yours faithfully

.....

authorised signatory for

THE MINISTRY OF FINANCE AS REPRESENTATIVE FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR

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PART III - ACKNOWLEDGEMENT LETTER

To: China Development Bank Corporation ("CDB")

[Address]

Date: [•]

Dear Sirs,

We refer to (i) the [*contract*] entered into by [•] and us, dated [•], in relation to [description of project] ("**Project**"). We understand that CDB has provided financing to the Republic of Ecuador which will be utilised to fund the Project.

We hereby acknowledge that (i) CDB will have no obligations to ensure timely remittance of funds to be used in the Project, (ii) CDB will not be responsible if the Project is negatively impacted due to any delay in payments of funds which is caused by the Republic of Ecuador, (iii) CDB has no further obligations in connection with the Project, and (iv) CDB does not owe any responsibility, duty of care or liability whatsoever to us in connection with the Project.

Sincerely,

On or behalf of
[*Name of Approved Contractor*]

_____
Name: [•]
Title: [•]

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SCHEDULE 3
FORM OF COMPLIANCE CERTIFICATE

From: [•]

To: China Development Bank Corporation

Dated:

Dear Sirs,

Facility Agreement dated 29 April 2016 between the Ministry of Finance as representative for and on behalf of the Republic of Ecuador and China Development Bank Corporation (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Compliance Certificate. Terms used in the Facility Agreement shall have the same meaning in this Compliance Certificate.

2. We confirm that no Default exists and is continuing. [A Default is continuing.] [*Borrower to provide details of Default and any corrective action taken or proposed to be taken with respect thereof.*]

Signed: .....
Authorised Signatory
of
[Borrower]

.....
Authorised Signatory
of
[Borrower]

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SCHEDULE 4
REPAYMENT SCHEDULES

PART I - TRANCHE A FACILITY REPAYMENT SCHEDULE

Tranche A Repayment Instalment	Repayment Date	Tranche A Repayment Instalment Amount in USD being an amount equal to the percentage listed below of the aggregate of the outstanding Tranche A Loans on the last day of the Tranche A Availability Period
1	29 July 2018	4.17%
2	29 October 2018	4.17%
3	29 January 2019	4.17%
4	29 April 2019	4.17%
5	29 July 2019	4.17%
6	29 October 2019	4.17%
7	29 January 2020	4.17%
8	29 April 2020	4.17%
9	29 July 2020	4.17%
10	29 October 2020	4.17%
11	29 January 2021	4.17%
12	29 April 2021	4.17%
13	29 July 2021	4.17%
14	29 October 2021	4.17%
15	29 January 2022	4.17%
16	29 April 2022	4.17%
17	29 July 2022	4.16%
18	29 October 2022	4.16%
19	29 January 2023	4.16%
20	29 April 2023	4.16%
21	29 July 2023	4.16%
22	29 October 2023	4.16%
23	29 January 2024	4.16%
24	29 April 2024	4.16%
		100%

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PART II - TRANCHE B FACILITY REPAYMENT SCHEDULE

Tranche B Repayment Instalment	Repayment Date	Tranche B Repayment Instalment Amount in RMB being an amount equal to the percentage listed below of the aggregate of the outstanding Tranche B Loans on the last day of the Tranche B Availability Period
1	29 July 2018	4.17%
2	29ctober 2018	4.17%
3	29 January 2019	4.17%
4	29 April 2019	4.17%
5	29 July 2019	4.17%
6	29 October 2019	4.17%
7	29 January 2020	4.17%
8	29 April 2020	4.17%
9	29 July 2020	4.17%
10	29 October 2020	4.17%
11	29 January 2021	4.17%
12	29 April 2021	4.17%
13	29 July 2021	4.17%
14	29 October 2021	4.17%
15	29 January 2022	4.17%
16	29 April 2022	4.17%
17	29 July 2022	4.16%
18	29 October 2022	4.16%
19	29 January 2023	4.16%
20	29 April 2023	4.16%
21	29 July 2023	4.16%
22	29 October 2023	4.16%
23	29 January 2024	4.16%
24	29 April 2024	4.16%
		100%

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SCHEDULE 5
REPAYMENT PROCEDURE MECHANISM

PARTIES

(A) **THE MINISTRY OF FINANCE AS REPRESENTATIVE FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR (the "Borrower"); and**

(B) **CHINA DEVELOPMENT BANK CORPORATION (the "Lender").**

1. INTRODUCTION

1.1 Pursuant to a facility agreement dated 29 April 2016 between the Borrower and the Lender (the "**Facility Agreement**") the Lender has provided to the Borrower:

1.1.1 a Dollar term loan facility of up to US$1,500,000,000 (the "**Tranche A Facility**"); and

1.1.2 a Renminbi term loan facility of up to RMB3,255,000,000 (the "**Tranche B Facility**"); and

the Tranche A Facility and the Tranche B Facility together being the "**Facilities**".

1.2 In consideration of the Lender's provision of the Facilities, the Borrower and the Lender have agreed to enter into this document to set out their agreement and understanding in respect of certain payment mechanisms in connection with the Facilities.

2. INTERPRETATION

Unless otherwise defined in this document or the context requires otherwise, terms defined in the Facility Agreement shall have the same meanings when used in this document. In addition, "**Repayment Instalment**" means a Tranche A Repayment Instalment or a Tranche B Repayment Instalment due on the same Repayment Date.

3. OPERATION OF THE REPAYMENT ACCOUNTS

3.1 In respect of each Interest Payment Date the Borrower is required to pay:

3.1.1 in accordance with Clause 6.3 (*Payment to the Tranche A Repayment Account*) of the Facility Agreement, all interest accrued, or that will accrue, on the Tranche A Loans for the Interest Period immediately prior to that Interest Payment Date and the Tranche A Repayment Instalment payable on that Interest Payment Date to the Tranche A Repayment Account; and

3.1.2 in accordance with Clause 6.4 (*Payment to the Tranche B Repayment Account*) of the Facility Agreement, all interest accrued, or that will accrue, on the Tranche B Loans for the Interest Period immediately prior to that Interest Payment Date and the Tranche B Repayment Instalment payable on that Interest Payment Date to the Tranche B Repayment Account,

in each case, no less than ten (10) days prior to that Interest Payment Date.

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3.2 The Borrower and the Lender agree that if the 10th day prior to an Interest Payment Date falls on a day that is not a Business Day, the Borrower shall pay the relevant Repayment Instalment and/or interest to the Tranche A Repayment Account or the Tranche B Repayment Account (as the case may be) on the first Business Day falling after the 10th day prior to the Interest Payment Date.

3.3 Pursuant to sub-clauses 6.3.5 and 6.4.5 of the Facility Agreement, the Borrower and the Lender have agreed that in any Interest Period the failure by the Borrower to pay funds into the Tranche A Repayment Account in accordance with sub-clause 6.3.1 of the Facility Agreement and/or the Tranche B Repayment Account in accordance with sub-clause 6.4.1 (as the case may be):

3.3.1 shall create a matured obligation of the Borrower to immediately pay to the Lender all principal and interest due under the Facilities in respect of that Interest Period (the "**Matured Obligation**"); and

3.3.2 without prejudice to any of the rights of the Lender in respect of any existing or future Default, does not constitute a Default.

3.4 Upon the creation of a Matured Obligation pursuant to paragraphs 6.3.5(A) and/or 6.4.5(A) of the Facility Agreement, the Borrower acknowledges the Lender's statutory right under PRC law and regulation to deduct or debit all or part of the balances of any bank account held with the Lender by the Republic of Ecuador (acting for itself or through a person, entity acting as representative and/or entity acting, for and on behalf of the Republic of Ecuador to discharge all or part of the relevant Matured Obligation (the "**Statutory Deduction Right**"). If the obligations are in different currencies, the Lender may convert either obligation at a spot market rate of exchange in its usual course of business ("**Lender's Spot Rate**") for the purpose of the exercise of the Statutory Deduction Right.

3.5 If the Lender exercises the Statutory Deduction Right prior to or on the relevant Interest Payment Date and discharges the Matured Obligation in full (but not in part), notwithstanding that the Statutory Deduction Right may have been exercised prior to the relevant Interest Payment Date:

3.5.1 the Matured Obligation shall be deemed to have been discharged on the Interest Payment Date without any shortening of the Interest Period to which the Matured Obligation relates; and

3.5.2 the principal and interest due under the Facilities on that Interest Payment Date shall also be deemed to have been paid in full on that Interest Payment Date.

3.6 If, prior to:

3.6.1 the exercise by the Lender of the Statutory Deduction Right; and

3.6.2 the relevant Interest Payment Date,

the Borrower pays the relevant Repayment Instalment and all interest due under the Facility Agreement in respect of that Interest Period to the Tranche A Repayment Account and/or the Tranche B Repayment Account (as the case may be), the Lender

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shall not exercise the Statutory Deduction Right and will instead apply amounts standing to the credit of the Tranche A Repayment Account and/or the Tranche B Repayment Account (as the case may be) towards satisfaction of the principal and interest due on the last day of that Interest Period on the Interest Payment Date in accordance with Clause 3.8 below and the Matured Obligation shall be deemed to have been satisfied in full.

3.7 If after the exercise by the Lender of the Statutory Deduction Right and prior to the relevant Interest Payment Date, the Borrower pays to the Tranche A Repayment Account and/or the Tranche B Repayment Account (as the case may be) the relevant Repayment Instalment and interest due under the Facility Agreement on that Interest Payment Date, that part of such amounts that were so paid to the Tranche A Repayment Account and/or the Tranche B Repayment Account (as the case may be) that are equal to the amount deducted or debited by the Lender in exercise of the Statutory Deduction Right (the "**Refund Amount**") shall be immediately re-credited in full to the bank account from which the funds were deducted or debited and the Borrower hereby authorises and instructs the Lender to effect such transfer. To effect such transfer, if the Refund Amount was originally converted from a different currency by the Lender in accordance with Clause 3.4 above, the Lender shall convert the Refund Amount to its original currency at the Lender's Spot Rate used on exercise of the Statutory Deduction Right.

3.8 On each Interest Payment Date, the Borrower hereby authorises and instructs the Lender to apply the amounts standing to the credit of:

3.8.1 the Tranche A Repayment Account in payment of the relevant Tranche A Repayment Instalment and/or interest payment due on that Interest Payment Date; and

3.8.2 the Tranche B Repayment Account in payment of the relevant Tranche B Repayment Instalment and/or interest payment due on that Interest Payment Date.

4. MISCELLANEOUS

4.1 This document is a Schedule to, and shall be construed as one with, the Facility Agreement. In the event of any inconsistency between this document and the Facility Agreement, the Facility Agreement shall prevail.

4.2 The Borrower and the Lender designate this document as a Finance Document.

4.3 This document is governed by English law.

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IN WITNESS whereof this document has been executed in Beijing, The People's Republic of China.

SIGNED

Borrower

THE MINISTRY OF FINANCE
AS REPRESENTATIVE
FOR AND ON BEHALF
OF THE REPUBLIC OF ECUADOR

By:_____
Name: Mr. Fausto Herrera
Title: Minister of Finance

Lender

CHINA DEVELOPMENT BANK CORPORATION

By:_____
Name: Mr. Wang Yongsheng
Title: Executive Vice President

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ACKNOWLEDGEMENT

Empresa Publica De Hidrocarburos Del Ecuador EP PetroEcuador for and on behalf of the Republic of Ecuador hereby acknowledges the terms of the Repayment Procedure Mechanism signed between the Ministry of Finance as representative for and on behalf of the Republic of Ecuador and China Development Bank Corporation.

EMPRESA PÚBLICA DE HIDROCARBUROS
DEL ECUADOR EP PETROECUADOR
FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR

By:_____
Name: Mr. Pedro Merizalde
Title: General Manager

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SCHEDULE 6
FORM OF SEMI-ANNUAL REPORT

[to be placed on the Borrower's letterhead]

Semi-annual Report to China Development Bank Corporation on application of the proceeds of the Tranche B Facility for the period [insert date] to [insert date] (the "**Reporting Period**"):

[Insert date]

This report is provided to China Development Bank Corporation ("**CDB**") in accordance with Clause [•] of the facility agreement between ourselves and CDB dated 29 April 2016 (the "**Facility Agreement**").

Terms defined in the Facility Agreement have the same meanings when used in this report.

1.	Total principal amount of the proceeds of the Tranche B Facility:	[insert figure]
2.	Total amount of the proceeds of the Tranche B Facility paid to Approved Contractors to date:	[insert figure]
3.	Total amount of the proceeds of the Tranche B Facility paid to Approved Contractors during the Reporting Period:	[insert figure]
4.	Approved Projects in which the proceeds of the Tranche B Facility have been paid to Approved Contractors during the Reporting Period:	See Appendix 1

Signed for and on behalf of

[•]

_____

[insert name]

[President]

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Appendix 1

Approved Projects in which the proceeds of the Tranche B Facility have been paid to Approved Contractors during the Reporting Period

Approved Project Name	Approved Project Sponsor(s)	Approved Project Description	Name of Approved Contractors	Approved Project start date and scheduled Approved Project completion date	Total amount required to be paid to Approved Contractors in respect of the Approved Project [(RMB/USD)]	Amount of proceeds of the Tranche B Facility paid or required to be paid to Approved Contractors in the Approved Project [(RMB/USD)]	Total amount of Tranche B Loan proceeds paid to Approved Contractors to date [(RMB/USD)]	Total amount paid to Approved Contractors to date by all parties (US$/RMB)

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SCHEDULE 7
JOINT OFFICE

Whereas,

1. On 31 August 2010, China Development Bank Corporation ("**CDB**") and the Ministry of Finance as representative for and on behalf of the Republic of Ecuador (the "**Ministry**") (each as a "**Party**" and together "**Parties**") entered into a facility agreement, pursuant to which CDB provided the Ministry with a term loan facility of up to US$1,000,000,000 loan (the "**Phase I Facility**"). The proceeds of Tranche B of the Phase I Facility were to be used by the Ministry towards the social, economic, infrastructure and energy development and enhancement in the Republic of Ecuador, and the Parties established a joint office (the "**Joint Office**") to provide a forum to enhance co-operation between the Parties. The Phase I Facility has been repaid in its entirety in accordance with its terms.

2. On 27 June 2011, the Parties entered into a facility agreement, pursuant to which CDB provided the Ministry a term loan facility of up to US$1,400,000,000 (the "**Tranche II-A Facility**") and a term loan facility of up to RMB4,000,000,000 (the "**Tranche II-B Facility**", and together, the "**Phase II Facilities**").

3. On 20 December 2012, the Parties entered into a facility agreement pursuant to which CDB provided the Ministry a term loan facility of up to US$1,400,000,000 (the "**Tranche III-A Facility**"), a term loan facility of up to US$300,000,000 (the "**Tranche III-B Facility**") and a term loan facility of up to RMB1,900,000,000 (the "**Tranche III-C Facility**", together with the Tranche III-A Facility and the Tranche III-B Facility being the "**Phase III Facilities**").

4. Following the success of the Phase I Facility, the Phase II Facilities and the Phase III Facilities, the Parties have entered into a facility agreement on 29 April 2016 (the "**Facility Agreement**"), pursuant to which CDB will provide the Ministry a term loan facility of up to US$1,500,000,000 (the "**Tranche A Facility**") and a term loan facility of up to RMB3,255,000,000 (the "**Tranche B Facility**") (the Tranche A Facility and the Tranche B Facility together being the "**Phase IV Facilities**" and together with Phase I Facility, the Phase II Facilities and the Phase III Facilities, the "**Long Term Loan Facilities**", and each a "**Long Term Loan Facility**").

The Parties agree, subject to the terms and conditions of the Facility Agreement and the other Transaction Documents (as defined in the Facility Agreement), to redefine the management mechanism for the Joint Office to manage the Long Term Loan Facilities as follows:

Unless otherwise defined or where the context requires otherwise, terms defined in the Facility Agreement shall have the same meanings when used herein.

1. Relation to the Joint Office Management Mechanism for the Phase I Facility, Phase II Facilities and Phase III Facilities

The Parties agree that the Joint Office established for the purpose of the Phase I Facility, Phase II Facilities and Phase III Facilities shall also manage the Phase IV Facilities and the functions and responsibilities of the Joint Office with respect to the

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Phase II Facilities and Phase III Facilities shall be replaced by the functions and responsibilities of the Joint Office set forth herein.

2. Functions and Responsibilities of the Joint Office

2.1 Members of the Joint Office

Members of the Joint Office will consist of representatives designated by CDB and the Ministry respectively, among which four (4) members will be appointed by CDB and four (4) members by the Ministry. There will be two (2) co-chairmen (the "**Co-Chairmen**", and each a "**Chairman**") for the Joint Office, and CDB and the Ministry will each appoint one (1) person selected among its members to serve as the Co-Chairman. In addition, there will be two (2) executive directors (the "**Executive Directors**", and each an "Executive Director") for the Joint Office who will be responsible for the day-to-day operation and management of the Joint Office, and CDB and the Ministry will each appoint one (1) person selected among its members to serve as its respective Executive Director. If either Party intends to replace its representative serving in the Joint Office, it shall give the other Party seven (7) day's prior written notice.

2.2 Place of Business

The Ministry shall provide designated office space for the operation of the Joint Office free of charge, where the day-to-day business of the Joint Office will be conducted.

2.3 Functions of the Joint Office

(a) Recommendation of Eligible Projects: to collect and collate documents such as lists of projects and enterprises, and after communication and confirmation with each relevant party, submit the same to the CDB and the Ministry.

(b) Recommendation of PRC Entities: to recommend and promote the participation by PRC Entities in the Eligible Projects and Approved Projects, and to collate and submit a list of Approved Contractors to CDB and the Ministry (the "Approved Contractors List").

(c) Payment to Approved Contractors: to liaise and coordinate with CDB to facilitate the making of payments to Approved Contractors for projects listed in the lists of Eligible Projects for (i) the Tranche II-B Facility; (ii) Tranche III-B Eligible Projects List and Tranche III-C Eligible Projects List with respect to the Phase III Facilities; and (iii) Tranche B Eligible Projects List with respect to the Phase IV Facilities and working with CDB to resolve disputes or any other issues with these Approved Contractors in connection with these payments.

(d) Post-Loan Management: to conduct on-site inspection of Eligible Projects financed or receiving payment from the proceeds of the Long Term Loan Facilities and submitting the summary reports to CDB and the Ministry.

(e) Any other functions as may be agreed and decided by the Parties from time to time.

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2.4 Meetings of the Joint Office

(a) Monthly Work Meetings

(i) The Joint Office shall convene monthly work meetings in Quito, Ecuador, which shall be presided over by the two (2) Executive Directors in rotation. The first monthly working meeting shall be presided over by the Executive Director appointed by CDB. Where necessary or as required by circumstances, work meetings of the Joint Office may be convened on an ad hoc basis after the giving of three (3) Business Days' notice.

(ii) All members of the Joint Office are required in principle to attend each monthly work meeting. The preceding sentence notwithstanding, at least two (2) members from each Party shall attend each monthly work meeting.

(iii) The monthly work meetings may be convened by physical attendance, telephone conference or video conference.

(iv) The monthly work meetings will handle operational issues in connection with the Long Term Loan Facilities, including, recommendation of the projects and enterprises in the Approved Contractors List, collating the projects list of the Phase III and Phase IV Facilities, reviewing and monitoring the disbursements and repayments of the Tranche II-B Facility, the Tranche III-B Facility, the Tranche III-C Facility and the Tranche B Facility (the "**Designated Purposes Facilities**"), and other post loan management functions as provided for in Article 2.5 (b) of this Schedule 7 (*Joint Office*). During the monthly work meetings, (A) the representatives of the Ministry will provide information in writing on the projects to which proceeds of the Long Term Loan Facilities have been applied, in particular, the names and descriptions and progress of such projects, the identity of the project development entity involved in such projects, and the amount of proceeds from the Long Term Loan Facilities which have been disbursed for such projects, capital shortfalls or other problems of such projects (e.g. providing information in reasonable details of the projects that are suspended or cancelled, the reasons of such suspensions or cancellation, and the proposed solutions (if any)); (B) the representatives of the Ministry shall provide reports in writing with reasonable details regarding the bidding, tendering and direct contracting of any Eligible Projects to which proceeds from the Long Term Loan Facilities are proposed to apply; and (C) representatives of the Ministry shall provide copies of relevant Ecuadorian laws and regulations pertaining to bidding, tendering and direct contracting to the members of the Joint Office, if so requested.

(v) Minutes shall be taken for each monthly working meeting in the English language and signed by each Executive Director. Copies of these minutes shall be submitted by the Joint Office to CDB within five (5) Business Days after the date of each monthly working meeting.

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(b) Semi-Annual Summary Meetings

(i) The Joint Office shall convene summary meetings semi-annually in Quito, Ecuador, which shall be presided over by the two Co-Chairmen (or other members appointed by a Co-Chairman) in rotation. The first semi-annual summary meeting shall be presided over by the Co-Chairman appointed by CDB.

(ii) All members of the Joint Office are required to attend each semi-annual summary meeting.

(iii) The semi-annual summary meetings may be convened by physical attendance, telephone conference or video conference.

(iv) The semi-annual summary meetings will collect, discuss and summarize the issues arising from the execution of the Long Term Loan Facilities.

(v) Minutes shall be taken for the semi-annual summary meeting in the English language and signed by both Co-Chairmen. Copies of these minutes shall be submitted by the Joint Office to CDB within ten (10) Business Days after the date of each semi-annual summary meeting.

2.5 Procedure of the Long Term Loan Facilities Management

(a) Recommendation of Projects and Enterprises

(i) Tranche A Facility

The Eligible Projects financed under the Tranche A Facility will be selected exclusively by the executive power of the Republic of Ecuador. The Ministry will deliver the Tranche A Eligible Projects List (in the form attached hereto as Appendix 1) to the Joint Office, which will then deliver the Tranche A Eligible Projects List to CDB. The Ministry may amend the Tranche A Eligible Projects List from time to time, and any such amendment to the Tranche A Eligible Projects List shall be submitted to CDB in accordance with Article 2.4(a)(iv) of this Schedule 7 (*Joint Office*). The award of a contract in respect of an Eligible Project on the Tranche A Eligible Projects List shall be at the sole discretion of the executive power of the Republic of Ecuador.

(ii) Tranche II-B Facility, the Tranche III-B Facility, the Tranche III-C Facility and the Tranche B Facility (the "**Designated Purposes Facilities**")

The proceeds of the Designated Purposes Facilities will be used for payments to Approved Contractors in connection with the Approved Projects which are selected by the government of Ecuador and collated by the Ministry and listed in the lists of Eligible Projects of such Designated Purposes Facilities (in the form attached hereto as Appendix 1).

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The Ministry may amend the lists of Eligible Projects of the Designated Purposes Facilities from time to time, and any such amendment of the lists of Eligible Projects of the Designated Purposes Facilities shall be submitted to CDB in accordance with Article 2.4(a)(iv) of this Schedule 7 (Joint Office). To the extent possible, the lists of Eligible Projects of the Designated Purposes Facilities shall also contain details of any relevant Approved Contractor(s) in respect of any Approved Project specified in the lists of Eligible Projects of such Designated Purposes Facilities.

The lists of Eligible Projects of Tranche II-B Facility the Tranche III-B Facility, the Tranche III-C Facility and the Tranche B Facility (the "**RMB Eligible Projects Lists**") shall be submitted to the Joint Office and CDB. For the avoidance of doubt, the award of a contract to an Approved Contractor in respect of an Eligible Project on the RMB Eligible Projects List shall be at the sole discretion of the executive power of the Republic of Ecuador and the selection process for Approved Contractors will be conducted in accordance with Ecuador law.

The Joint Office will also collate an Approved Contractors List and deliver the same to CDB within sixty (60) days after the submission of the RMB Eligible Projects List. The Joint Office may amend the Approved Contractors List from time to time, and any such amendment shall be submitted to CDB in accordance with Article 2.4(a)(iv) of this Schedule 7 (*Joint Office*).

(b) Post-Loan Management

(i) On-site Inspections

The Joint Office will conduct on-site inspections on the Eligible Projects financed through the Long Term Loan Facilities (including the Designated Purposes Facilities) no less than twice each year. An on-site inspection report will be produced and submitted to CDB and the Ministry within thirty (30) Business Days after completion of the inspection (in the form attached hereto as Appendix 2).

(ii) Management Report

The Joint Office will be responsible for monitoring the progress of the Eligible Projects financed through the Tranche II-A Facility, the Tranche II-B Facility, the Tranche III-A Facility, the Tranche III-B Facility, the Tranche III-C Facility, the Tranche A Facility and the Tranche B Facility, in accordance with CDB's rights to be informed of the use of proceeds of such facilities. The Joint Office shall produce a semi-annual summary reports (in the form attached hereto as Appendix 3) in such connection, which shall be submitted to CDB and the Ministry in January and July each year.

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The Joint Office will also submit a quarterly progress report to CDB within the first ten (10) days of each quarter to update CDB on the use of the proceeds of the Designated Purposes Facilities in the preceding quarter.

3. Compliance of the Borrower

The Joint Office shall remind and urge the Borrower to comply with the Borrower's obligations set forth under Clause 16 (*Information Undertaking*) and Clause 17 (*General Undertaking*) of the Facility Agreement.

4. Miscellaneous

Any revision or supplement to this mechanism rules shall be effective only if agreed in writing by the Parties. Any outstanding issues in relation to the operations and functions of the Joint Office shall be resolved through discussion between the Parties.

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Appendix 1

Tranche II-B, Tranche III-A, Tranche III-B/Tranche III-C, Tranche B Eligible Projects List

Name of Project	Sponsor of Project	General Status of Project	Commencement Date and Anticipated Completion Date	Currency (US$/RMB)	Total Investment	Amount of Investment Already Paid	Outstanding Amount of Investment	[Amount of the Tranche II-B, Tranche III-A/Tranche III-B/Tranche III-C Facility/Tranche B Facility to be applied]	[Chinese Enterprise Participant]	[Means of Participation]	Remarks

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Appendix 2

Form of On-site Inspection Report

[Letterhead of the Joint Office]

To: China Development Bank Corporation

[Insert address]

Date: [insert date]

[Insert name of project] On-site Inspection Report

I. General Status of Project

II. On-site Status of Project

III. Existing Issues and Suggestions

IV. .....

V. Conclusion

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Appendix 3

Summary Report

[Letterhead of the Joint Office]

To: China Development Bank Corporation

Summary Report for the Phase II Facilities / the Phase III Facilities / the Phase IV Facilities during period from [*insert date*] to [insert date] ("Report Period")

[insert date]

1. *Total principal amount of the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities: [insert figure]*

2. *Total amount in connection with the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities invested [redacted]: [insert figure]*

3. *Total amount in connection with the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities during Report Period: [insert figure]*

4. *To date, total amount in connection with the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities invested in the Eligible Projects where goods and/or services are provided by Chinese Contractors (including know-how): [insert figure]*

5. *During Report Period, total amount in connection with the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities invested in the Eligible Projects where goods and/or services are provided by Chinese Contractors (including know-how): [insert figure]*

6. *Eligible Projects invested in connection with the Phase II Facilities/ the Phase III Facilities / the Phase IV Facilities during Report Period: refer to Annex 1*

7. *Existing issues and suggestions*

Joint Office

[*Insert name*]

[*Signatures of the authorized representatives of Chinese and Ecuadorian Parties*]

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Annex 1 to Appendix 3

Eligible Projects invested in connection with the the Phase II Facilities / the Phase III Facilities / the Phase IV Facilities during the Reporting Period

Name of Eligible Project	Sponsor of Eligible Project	Briefing on Eligible Project	Commencement date and anticipated completion Date of Eligible Project	Total amount of investment needed for the Eligible Project (US$/RMB)	Amount of investment already paid or to be paid to the eligible project in connection with the Phase II Facilities/ Phase III Facilities / the Phase IV Facilities (US$/RMB)	Amount of investment paid to the eligible project during relevant period in connection with the Phase II Facilities/ Phase III Facilities / the Phase IV Facilities (US$/RMB)	Total investment amount to the eligible project in connection with the Phase II Facilities/ Phase III Facilities / the Phase IV Facilities by now (US$/RMB)	Total investment amount to the eligible project by all parties concerned (including the Phase II Facilities) / Phase III Facilities / the Phase IV Facilities by now (US$/RMB)	Whether the Eligible Project involves Approved Contractor(s)? (If Yes, the Status of Approved Contractor (s) shall be filled out.)	If the Eligible Project involves Approved Contractor(s), amount paid to the Approved Contractor(s) during Relevant Period (US$/RMB)

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SCHEDULE 8
FORM OF LETTER OF UNDERTAKING

[*to be placed on the Borrower's letterhead*]

From: [•]

To: China Development Bank Corporation

Dated: [•]

Dear Sirs,

We refer to the facility agreement between the Ministry of Finance, as representative for and on behalf of the Republic of Ecuador (the "**Borrower**") and China Development Bank Corporation (the "**Lender**") dated 29 April 2016 (the "**Facility Agreement**"). Pursuant to sub-clause 15.21 of the Facility Agreement, the Borrower hereby undertakes to use the funds of the Treasury of the Republic of Ecuador, or proceeds from other sources of the Republic of Ecuador, to fund contractually obligated shortfalls pursuant to the relevant commercial contracts, as determined in accordance with the applicable law of such contracts, payable to the relevant project companies which are necessary to complete any projects to which funds have been paid from (a) the tranche B facility under a term loan facility agreement entered into between the Borrower and Lender on 27 June 2011; or (b) the tranche C facility under the term loan facility agreement entered into between the Borrower and the Lender on 20 December 2012, that have not otherwise been funded from the proceeds of the tranche B facility under the Facility Agreement.

Signed for and on behalf of the

Ministry of Finance of the Republic of Ecuador

By: _____

Name: [•]

Title: [•]

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SCHEDULE 9
FORM OF MINISTRY UNDERTAKING

[Letterhead of the Borrower]

Borrower's Ministry Undertaking

Official No. [•]
To: China Development Bank Corporation Attention: [•]
Date: [•]

Dear sirs,

1. We refer to the facility agreement dated 29 April 2016 between us for the loans of an aggregate amount of approximately US$ 2,000,000,000 from you to us (the "**Facility Agreement**"). Unless otherwise defined herein, terms defined and/or used in the Facility Agreement shall have the same meaning when used in this letter.

2. Pursuant to section 3.1 (*Purpose*) of the Facility Agreement, the Tranche B Facility should be used to invest in, or provide funds to the Tranche B Eligible Projects by payment to the Borrower to the Settlement Account for onward payment to the applicable Approved Contractors involved in the Approved Projects by the contracting public entity of the Republic of Ecuador or as otherwise agreed in writing by the Lender.

3. Accordingly, we hereby :

   (i) Undertake that we will apply the proceeds from the Tranche B Facility to the payments of the applicable Approved Contractors in accordance with the Facility Agreement;

   (ii) Undertake to pay or procure payments of any contractually obligated shortfalls pursuant to the relevant commercial contracts, as determined in accordance with the applicable law of such contracts in order to complete any Approved Project ("**Deficiency Amounts**") to the applicable Approved Contractor(s) and acknowledge that any failure by us to pay or procure the payment of the Deficiency Amounts to an Approved Contractor shall not be your responsibility and you will be under no obligation to pay or make available the Deficiency Amounts;

   (iii) Acknowledge and confirm that no responsibility, duty of care or liability whatsoever (whether in contract or tort or otherwise including negligence) is or will be owed by you or your employees to us or any other party in connection with the Approved Projects; and

   (iv) Undertake not to make any claim against you (whether in contract or tort or otherwise including negligence) in connection with the Approved Projects or the Deficiency Amount.

4. Without prejudice to the application of any other provisions of the Facility Agreement to this letter, clause 30 (*Governing law*) of the Facility Agreement shall apply to this

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letter, mutatis mutandis, as if the same had been set out in full herein with references in such clause to "this Agreement" shall be construed as a reference to this letter.

THE MINISTRY OF FINANCE
AS REPRESENTATIVE
FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR
acting by:

_____

Name: [•]
Title: [•]

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IN WITNESS whereof this Agreement has been executed on the date first written above, in Beijing, The People's Republic of China.

SIGNATURE PAGE

Borrower

THE MINISTRY OF FINANCE
AS REPRESENTATIVE
FOR AND ON BEHALF
OF THE REPUBLIC OF ECUADOR

By: _____
Name: Mr. Fausto Herrera
Title: Minister of Finance

Lender

CHINA DEVELOPMENT BANK CORPORATION

By: _____
Name: Mr. Wang Yongsheng
Title: Executive Vice President

REPUBLICA DEL ECUADOR
MINISTERIO DE FINANZAS
Subsecretaría de Financiamiento Público
REGISTRO No. 572
FECHA 02/MAYO/2016.
PAGINA No. 000000008
Registro de la Deuda Pública

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