

ACCOUNT MANAGEMENT AGREEMENT

This Agreement is made and entered into on 31 August 2010 between:

- (1) **EMPRESA PUBLICA DE HIDROCARBUROS DEL ECUADOR EP PETROECUADOR FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR** (the "**Account Holder**"); and
- (2) **CHINA DEVELOPMENT BANK CORPORATION** a financial institution organised and validly existing under the laws of The People's Republic of China ("**CDB**").

**WHEREAS:**

- (A) This Agreement governs the operation and management of the Proceeds Account.

**1. INTERPRETATION**

- 1.1 Unless otherwise defined or the context requires otherwise, terms defined in the Facility Agreement shall have the same meanings when used herein, and in addition:

"**Default**" means a default as defined and described in the Four Party Agreement;

"**Facility Agreement**" means the facility agreement dated 31 August 2010 between the Ministry of Finance for and on behalf of the Republic of Ecuador and CDB (as may be amended from time to time);

"**Initial Required Amount**" means US\$50,000,000;

"**Long Term Required Amount**" means US\$113,000,000 which, for the avoidance of doubt, includes any amounts held as the Initial Required Amount;

"**Month**" has the meaning given to it in Clause 7.3 (*Interest*);

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

"**Relevant Period**" means, for any Interest Period, the period beginning on and including the 30<sup>th</sup> day of the Interest Period and ending on (but not including) the day falling nine (9) days prior to the last day of that Interest Period; and

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

- 1.2 A reference to the Proceeds Account includes each sub-account or ledger account of the Proceeds Account and any replacement account.

**2. OPENING OF A DOLLAR ACCOUNT**

- 2.1 CDB shall, (subject to it receiving any information, authorisation or other document which CDB considers necessary in connection with opening and maintaining the Proceeds Account), open the Proceeds Account in the name of the Account Holder. CDB shall, within five (5) Business Days of the opening of the Proceeds Account, notify the Account Holder of the account number of the Proceeds Account and any other details customarily supplied by CDB to its account holders on opening an account.

- 2.2 The Parties acknowledge that the Republic of Ecuador has direct ownership and owns all incidental rights and interests in, towards and over the Proceeds Account and all balances therein from time to time.

- 2.3 CDB will provide Dollar clearing services to the Account Holder through CDB's correspondent banks abroad at all times necessary to carry out any of the transactions required or permitted under this Agreement and applicable law.
- 2.4 Both parties shall exchange specimens of their respective authorised signatories and SWIFT BKE.
- 2.5 The Account Holder will promptly notify CDB in writing of any change in:
- 2.5.1 its name or address;
  - 2.5.2 the authority of any authorised signatory even if such a change has been recorded in a public register; or
  - 2.5.3 any information, authorisation or document provided by the Account Holder under Clause 2.1 (*Opening of a Dollar Account*).

Until such time as CDB has received notice of any change, it is entitled to rely on any information, authorisation or document previously provided to it.

- 2.6 CDB shall not change the name or account number of the Proceeds Account without the prior written consent of the Account Holder.

### 3. DEPOSITS

- 3.1 The Account Holder shall procure that all amounts to be paid by PetroChina Intl. under the Sales and Purchase Contract are paid directly into the Proceeds Account.
- 3.2 Any deposit made into the Proceeds Account must be in Dollars.
- 3.3 If CDB receives any deposit for the Proceeds Account in a currency other than Dollars before 3:00 pm (Beijing time) on any day, it shall effect the conversion of those moneys into Dollars on that day, at the spot rate of exchange quoted by CDB for the conversion of that currency into Dollars on that day. If CDB receives any deposit for the Proceeds Account in a currency other than Dollars after 3:00 pm (Beijing time) on any day, it shall effect the conversion of those moneys into Dollars on the following day at the spot rate of exchange quoted by CDB for the conversion of that currency into Dollars on the following day (provided if banks in Beijing are not open for business on the following day, CDB shall effect the conversion on the next immediate day banks in Beijing are open for business).

### 4. MAINTENANCE OF REQUIRED AMOUNT

- 4.1 The Account Holder shall ensure that:
- 4.1.1 during the Tranche A Availability Period:
    - (i) by no later than the date falling twenty (20) Business Days prior to the date of first Utilisation of the Tranche A Facility and thereafter for each Relevant Period or part thereof in any Interest Period in the Tranche A Availability Period, the amount standing to the credit of the Proceeds Account is no less than the Initial Required Amount; and
    - (ii) by no later than the date falling twenty (20) Business Days prior to the date of first Utilisation of the Tranche B Facility and thereafter for each Relevant Period or part thereof in any Interest Period in the Tranche A Availability Period, the amount standing to the credit of the Proceeds Account is no less than the Long Term Required Amount;
  - 4.1.2 after the Tranche A Availability Period, the amount standing to the credit of the Proceeds Account in each Relevant Period in an Interest Period, is not less than the Long Term Required Amount.

**5. WITHDRAWALS**

5.1 Subject to Clause 18.2 (*Termination of the account service*), the Account Holder shall not be permitted to make any withdrawal from the Proceeds Account on any date:

5.1.1 if a Default or Mandatory Prepayment Event is continuing; or

5.1.2 if, or if as a result of the withdrawal, the amount standing to the credit of the Proceeds Account on the proposed withdrawal date is, or would be, less than the Long Term Required Amount.

5.2 Subject to Clause 5.1 (*Withdrawal*) above or as otherwise provided in this Agreement, the Account Holder shall have the ability to withdraw funds from the Proceeds Account at any time.

5.3 CDB may process payments and withdrawals in any order of priority it determines so long as such determination is consistent with CDB's customary banking practices.

5.4 The Account Holder confirms that all withdrawals from the Proceeds Account made or requested by the Account Holder are so made or requested at the instruction and on behalf of the Republic of Ecuador.

**6. OVERDRAFTS**

CDB may refuse to act on any instruction for withdrawal from the Proceeds Account if as a result of such withdrawal the Proceeds Account would be overdrawn.

**7. INTEREST**

7.1 CDB will pay interest on amounts standing to the credit of the Proceeds Account as follows:

7.1.1 for each Month where the balance standing to the credit of the Proceeds Account is equal to or exceeds the Long Term Required Amount for the duration of that Month CDB shall pay interest:

(A) on the Long Term Required Amount at CDB's 30 day Dollar deposit rate as published by CDB from time to time; and

(B) on amounts in excess of the Long Term Required Amount at the daily rate of Dollar deposits as published by CDB from time to time;

7.1.2 for each Month where:

(A) any of the events described in sub-clause 5.1.1 above have occurred; and

(B) the balance standing to the credit of the Proceeds Account is at any time less than the Long Term Required Amount,

CDB shall pay interest on amounts standing to the credit of the Proceeds Account at CDB's daily rate of Dollar deposits as published by CDB from time to time.

7.2 Interest will be calculated on the last day of each Month and paid on the first day of the next Month. If the last day of the Month is not a business day in China, interest for that day will be calculated based on the rate as at the preceding business day in China.

7.3 For the purposes of this Clause 7 (*Interest*), a "**Month**" means each period beginning on the last day of each calendar month and ending on the day falling prior to the last day of the next calendar month (inclusive).

7.4 CDB shall pay accrued interest in Dollars and into the Proceeds Account.

**8. PAYMENT ORDERS**

- 8.1 CDB will accept payment orders by way of SWIFT and facsimile.
- 8.2 The cut-off time for receipt by CDB of a payment order is 3:00pm (Beijing time) five (5) Business Days before the value date.
- 8.3 The cut-off time for receipt by CDB of amendments and cancellations to a payment order is 3:00pm (Beijing time) three (3) Business Days before the value date.
- 8.4 In the case of:
  - 8.4.1 a delayed or incorrect payment for which the Account Holder is responsible, the Account Holder shall bear interest and fees incurred or claimed by the receiving bank in addition to charges under Clause 11 (*Charges, Fees, Costs and Taxes*);
  - 8.4.2 a delayed or incorrect payment for which CDB is responsible, CDB shall bear interest and fees incurred or claimed by the receiving bank;
  - 8.4.3 a delayed payment to the Account Holder for which the ordering bank is responsible, the Account Holder shall claim for compensation with the ordering bank. CDB shall provide back value services to the Account Holder upon receipt of interest and fees from the ordering bank; and
  - 8.4.4 an incorrect payment to the Proceeds Account for which the ordering bank is responsible, CDB shall reverse the entry in the Proceeds Account for the same amount with the Account Holder's authorisation. CDB shall return payment to the ordering bank.

**9. ACCEPTANCE OF INSTRUCTIONS**

- 9.1 CDB may refuse to accept or to act on any instruction for any matter relating to the Proceeds Account if:
  - 9.1.1 CDB is unable to verify the Account Holder's identity to CDB's satisfaction;
  - 9.1.2 the signature is different from the specimen signature furnished to CDB or not signed in the authorised manner or not drawn in accordance with the signature requirements prevailing at the time of presentation;
  - 9.1.3 CDB has any doubt on the authenticity, clarity or completeness of the instruction;
  - 9.1.4 the form or content of such instruction is not in accordance with CDB's requirements, policies or practices as CDB may prescribe from time to time provided that following any such refusal CDB shall inform the Account Holder of the relevant requirements, policies or practices prompting such refusal;
  - 9.1.5 CDB has received or is obliged to comply with any regulatory, judicial or statutory requirement or request not to proceed with the payment or withdrawal request or to effect a payment to any government body or agency or is served with a court order or other form of legal process requiring CDB to freeze the Proceeds Account or to disallow withdrawals;
  - 9.1.6 CDB is notified by a third party that any funds in the Proceeds Account are subject to any actual, threatened or pending litigation, arbitration, administrative proceedings, other dispute or claim and, following such refusal, informs the Account Holder of such notification; or
  - 9.1.7 a payment order is issued contrary to this Agreement (including without limitation) Clauses 5 (*Withdrawals*), 6 (*Overdrafts*) or 8 (*Payment Orders*),and CDB will not be liable to the Account Holder as a result of such refusal.

- 9.2 Notwithstanding Clause 9.1 (*Acceptance of Instructions*) above, CDB may act upon any instruction which CDB reasonably believes (acting in accordance with international banking practice) to be given by the Account Holder, without inquiry as to the identity or the authority of the person giving or purporting to be giving such instruction or the authority thereof and notwithstanding that such instruction may conflict with other instructions given by the Account Holder, or any error, misunderstanding, fraud, forgery or lack of clarity in the terms of such instructions.
- 9.3 CDB may as it deems fit record all verbal instructions received from the Account Holder or the Account Holder's authorised signatories, and all other telephone conversations conducted with the Account Holder and the Account Holder's authorised signatories, and the Account Holder agrees to be bound by such recording.

**10. DEALINGS WITH ITSELF AND THIRD PARTIES**

- 10.1 CDB is authorised to deal with and use the services of third parties and/or deal with itself in executing orders, performing agreements and depositing goods and/or documents of title in custody and for any other purpose in connection with its relations with the Account Holder to the extent consistent with its customary banking practices.
- 10.2 CDB shall give the Account Holder prior notice of dealing with or using the services of any material third party necessary for CDB to carry out its obligations or exercise its rights under this Agreement.
- 10.3 CDB shall exercise reasonable skill and care in the choice of such third party provided that CDB shall at no time be liable for any loss, damage or liability arising from the act or omission of any such third party. Nothing in this Agreement **shall be construed to limit the liability or responsibility of the third party for its own misconduct or default or the misconduct or default of any substitute appointed by such third party.**

**11. CHARGES, FEES, COSTS AND TAXES**

- 11.1 The Account Holder will pay such fees as CDB may determine from time to time in accordance with CDB's usual banking practices having general application for the opening, closing, maintaining and operation of the Proceeds Account.
- 11.2 Without limiting the generality of Clause 11.1 (*Charges, Fees, Costs and Taxes*), the following fees will also apply as at the date of this Agreement:

Price Schedule

Bank to bank transfer	free of charge
Amendments or cancellations of bank-to-bank transfer	free of charge
Customer transfer (remitting fees for the Account Holder)	US\$30
Amendments or Cancellations for Customer Transfer	US\$40
Additional Account Statements (being those provided otherwise than in accordance with Clause 12.1 ( <i>Account Statements</i> ) of this Agreement)	US\$5 per page
Inquiry - Within 3 months	US\$30
Inquiry - Over 3 months	US\$50

Account Maintenance	US\$300 per month
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**11.3** CDB may without prior notice, debit the Proceeds Account with the service charges and any other amount representing any interest, fee, commission, service charge, tax, levy or reimbursement payable by the Account Holder to CDB.

**11.4** All payments by the Account Holder under this Agreement must be made free and clear of and without deduction of any tax or levy. In addition, the Account Holder will pay such goods and services tax (or any tax that may be substituted for or levied in addition to it) which may at any time be charged on any such payment under applicable law. The Account Holder further agrees to indemnify CDB against any payment made by CDB in respect of such tax or levy.

## **12. ACCOUNT STATEMENTS**

**12.1** CDB shall send a quarterly account statement to the Account Holder in respect of the Proceeds Account on the date falling ten (10) days after each Repayment Date in the form set out in Appendix 1 (*Form of Account Statement*) of this Agreement. If the date falling ten (10) days after a Repayment Date falls on a day that is not a Business Day, CDB shall send the account statement on the next Business Day following the 10<sup>th</sup> of that month. Each account statement shall detail all debits and credits in respect of the Proceeds Account for the period to which the account statement relates including, but not limited to, all debits and/or credits effected pursuant to Clause 11 (*Charges, fees, costs and taxes*) or Clause 14 (*Rights of debit and deduction*) of this Agreement.

**12.2** The Account Holder shall:

12.2.1 promptly examine all account statements; and

12.2.2 check whether the instructions given by or on behalf of the Account Holder have been executed correctly and in full by CDB and shall notify CDB of any error or omission as soon as possible after becoming aware of such error or omission.

**12.3** If the Account Holder has not informed CDB in writing of any error or omission contained in any account statement, or in the execution of any instructions, within thirty (30) days from the date on which the Account Holder is deemed to have received the relevant account statement, the Account Holder shall be deemed to have:

12.3.1 confirmed the accuracy of the contents of any such account statement; and

12.3.2 waived its rights to bring an action against CDB in respect of any error or omission which could have been brought to the attention of CDB within the said time limit,

provided that nothing in this Clause 12.3 (*Account statements*) shall relieve CDB from any liability arising as a result of its gross negligence or wilful misconduct.

**12.4** CDB's records, statements and schedules as to dates, amounts or rates shall, in the absence of manifest error, be conclusive evidence of the facts reflected in those records, statements and schedules.

## **13. RIGHTS OF INQUIRY**

**13.1** CDB will use all reasonable endeavours to answer any inquiry from the Account Holder in respect of the Proceeds Account within three (3) days of the date of the inquiry.

**13.2** When the inquiry cannot be answered within three (3) days of the date of the inquiry, CDB shall inform the Account Holder about the investigation process in respect of the Account

Holder's inquiry on the day falling three (3) days after the date of the inquiry, and thereafter diligently pursue the completion of such investigation process and answer such inquiry as soon as reasonably practicable thereafter.

**14. RIGHTS OF DEBIT AND DEDUCTION**

1 The Account Holder acknowledges CDB's statutory rights under Chinese law and regulation to deduct from amounts standing to the credit of the Proceeds Account any amounts owed to CDB under this Agreement or any other agreement between CDB and the Republic of Ecuador, with the express understanding by the Parties that this acknowledgment:

- 1 does not constitute the creation of any security interest, lien, priority right, contractual right of set-off and/or contractual privilege;
- 2 constitutes an admission by the Account Holder of the right of CDB to deduct or debit all or part of the balances in the Proceeds Account to pay and/or discharge all or part of the Republic of Ecuador's (acting for itself or through a person, entity acting as representative and/or entity, acting for and on behalf of the Republic of Ecuador) liabilities due and owing to CDB under this Agreement or any other agreement between CDB and 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) in exercise of its rights under Chinese law and regulation; and

14.1.1 acknowledges CDB's statutory rights under Chinese law and regulation to exercise its rights of deduction without giving notice to the Account Holder.

14.2 The Account Holder acknowledges and agrees that CDB will be entitled at any time and without prior notice to the Account Holder, to debit from the Proceeds Account any sum wrongly credited into that Proceeds Account.

14.3 In the event that:

14.3.1 CDB accepts or incurs liability, whether on the Proceeds Account or in respect of any activities or transactions in connection with or in the Proceeds Account (regardless of whether or not the Account Holder has knowledge of such activities or transactions), whether or not at the Account Holder's request, whether the liability is incurred in Beijing or elsewhere, present or future, actual or contingent, liquidated or unliquidated, primary or collateral, several or joint either alone or jointly with any other person;

14.3.2 the Account Holder fails to make payment of any amount due to CDB; or

14.3.3 the Account Holder fails to return to CDB any amount which has been wrongly credited to the Proceeds Account through any means or correctly credited but subsequently defaulted by the remitting or paying party,

the Account Holder will bear all costs, charges, expenses or any losses directly or indirectly related to any of the actions taken by CDB in Clause 15.1 (*Indemnity*) and will immediately upon demand from CDB pay CDB such amount, unless such costs, charges, expenses or losses arise out of or result from CDB's gross negligence or wilful misconduct.

**15. INDEMNITY**

15.1 The Account Holder will on demand fully indemnify CDB against all claims, demands, actions or proceedings which may be made against CDB, and all damages, liabilities, losses and expenses (including reasonable legal fees on a full indemnity basis) which CDB may

incur or suffer, directly or indirectly, in relation to this Agreement (except to the extent resulting from CDB's gross negligence or wilful misconduct).

**15.2** The Account Holder will also indemnify CDB against all losses, costs and liabilities incurred by CDB as a result of:

15.2.1 an error in or a reasonable misunderstanding arising from a communication by the Account Holder; and/or

15.2.2 acting on a communication given by or on behalf of the Account Holder.

**15.3** If any sum due and payable by the Account Holder is not paid on the due date, including without limitation any moneys claimed under this Clause 15 (*Indemnity*), the Account Holder shall be liable to pay interest on such unpaid sum (excluding on any interest already accrued) at a rate of interest equal to the Interest Rate plus 3 per cent. per annum from the date payment is due up to the date of payment as well as before judgement.

## **16. NO LIABILITY FOR LOSS**

**16.1** CDB will not be liable for any loss, damage or expense suffered or incurred by the Account Holder:

16.1.1 as a result of computer breakdown, mechanical failure or malfunction, interruption of services in respect of CDB or any reason of any kind whatsoever affecting the banking industry in Beijing generally, each through no fault of CDB's;

16.1.2 if CDB is prevented from acting as a result of governmental restrictions, imposition of emergency procedures or suspension of trading by any relevant market, civil order or threatened act of terrorism, natural disaster, war, strike or other circumstances beyond CDB's control;

16.1.3 for any embarrassment or loss of reputation that the Account Holder may incur or suffer directly or indirectly arising out of or in connection with the refusal of CDB to honour any withdrawal request whether thorough the use of electronic services or by any other means;

16.1.4 arising from the lawful exercise by CDB of any of CDB's rights under this Agreement; or

16.1.5 arising out of CDB honouring orders drawn on, and orders accepted and presented for payment against, the Proceeds Account or complying with any other directions given regarding the Proceeds Account, which orders, directions and receipts are signed by the Account Holder or in CDB's good faith determination appear to it to be signed by the Account Holder.

**16.2** If any event described in Clause 16.1 (*No liability for loss*) above occurs and CDB has debited the Proceeds Account, CDB is not obliged to reverse the debit or pay or compensate the Account Holder in respect of the amount so debited.

## **17. SUSPENSION**

**17.1** CDB has the right to, at any time and in its sole discretion, suspend the operation of the Proceeds Account and/or services provided pursuant to this Agreement and for such duration as CDB (acting reasonably) sees fit including, but not limited to, upon the occurrence of the following events:

- 17.1.1 receipt of contradictory instructions from the signatories to the Proceeds Account or any officer of the Account Holder, whether or not that officer is a signatory to the Proceeds Account;
- 17.1.2 as a result of any force majeure, natural disaster, calamity or event, industrial action, power failure, computer malfunction, system failure, or any reason affecting the banking industry in Beijing generally, CDB's customer records, the Proceeds Account or services are not available or access to such records, the Proceeds Account or services is hindered in any material respect;
- 17.1.3 CDB is notified or becomes aware of any actual, threatened or pending litigation, arbitration, administrative proceedings, other dispute or claim in respect of the Proceeds Account; or
- CDB is notified or becomes aware of any petition, application or resolution or the appointment of a receiver or judicial manager to declare the Account Holder bankrupt or insolvent.
- 17.2 CDB will not be liable for any direct or indirect loss, damage, expense or inconvenience suffered or incurred by the Account Holder as a result of the suspension of the Proceeds Account or services pursuant to Clause 17.1 (*Suspension*) above.
- 17.3 CDB acknowledges that if CDB suspends the operation of the Proceeds Account in accordance with this Clause 17 (*Suspension*) all rights, title and interest of the Account Holder to the Proceeds Account under this Agreement and pursuant to any applicable law shall, subject to any applicable law, order, judgment or decree of a court, be preserved but shall temporarily not be able to be exercised for the duration of such suspension.
- 17.4 If CDB suspends the operation of the Proceeds Account in accordance with this Clause 17 (*Suspension*) for a period in excess of three (3) consecutive Business Days, it shall promptly notify the Account Holder of such suspension (such notification to include the reasons for such suspension) and enter into discussions with the Account Holder in order to lift the suspension as soon as possible.
- 18. TERMINATION OF THE ACCOUNT SERVICE**
- 18.1 Provided that all amounts have been paid or prepaid under the Facility Agreement, the Account Holder may terminate the Proceeds Account service provided by CDB by giving thirty (30) days written notice to CDB.
- 18.2 Notwithstanding any other term of this Agreement, the Account Holder authorises CDB to at any time terminate any deposit in the Proceeds Account on the Account Holder's behalf and declare CDB's obligations to return amounts standing to the credit of the Proceeds Account to the Account Holder due.
- 18.3 In addition to CDB's rights under Clause 18.2 above and subject to any other provisions agreed in writing between the Account Holder and CDB, CDB may, at any time, terminate the Proceeds Account:
- 18.3.1 by giving ten (10) days' notice if the use of the Proceeds Account or any part of this Agreement violates the laws and regulations of the People's Republic of China; and
- 18.3.2 for any other reason, by giving one month's notice in writing to the Account Holder, such period starting from the date the Account Holder receives (*Rights of debit or deduction*) or is deemed to receive such notice.
- 19. DISCHARGE OF LIABILITY**

**19.1** CDB shall, upon termination of this Agreement or termination of the Proceeds Account (but excluding any operation by CDB of its rights under Clauses 14 (*Rights of debit or deduction*) and 18.2 (*Termination of the account service*) of this Agreement) discharge its entire liability with respect to the Proceeds Account by, at the risk and expense of the Account Holder, transferring by wire transfer in immediately available funds, the amount of the then credit balance in such Proceeds Account (including any accrued interest up to but not including the date of such transfer) to the bank account specified in writing by the Account Holder together with such other documents, if any, as may be necessary to transfer to the Account Holder such claims as CDB may have on such funds or against any placement bank.

**20. NOTICES**

**20.1 Communications in writing**

20.1.1 Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

20.1.2 Notwithstanding sub-clause 20.1.1 above and for the avoidance of doubt, communication made under Clause 8 (*Payment Orders*) must be made by SWIFT and/or facsimile. Such communication will be effective only when actually received in readable form.

**20.2 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 this Agreement is:

20.2.1 in the case of the Account Holder, that identified with its name below:

Apallana E8-86 y Avenida 6 de Diciembre  
Edificio Apallana  
Fax: +59 32 2 503-681  
Attention: General Manager ("Gerente General")

20.2.2 in the case of CDB, that identified with its name below,

China Development Bank Corporation  
Shandong Branch  
Shandong DaSha  
No. 2-1, Ma'anshan Road,  
Jinan  
Shandong Province  
250002  
The Peoples' Republic of China  
Fax: +86 (531) 8519 8215  
Attention: Ms Xu Jingyi and Mr Yang Cheng, 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.

**20.3 Delivery**

20.3.1 Any communication or document made or delivered by one person to another under or in connection with this Agreement 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;

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*), if addressed to that department or officer.

- 20.3.2 Any communication or document to be made or delivered to CDB will be effective only when actually received by CDB and then only if it is expressly marked for the attention of the department or officer identified in sub-clause 20.2.2 (or any substitute department or officer as CDB shall specify in writing pursuant to this Clause 20 (*Notices*) for this purpose).

#### **20.4 Electronic Communication**

- 20.4.1 Any communication to be made between the Account Holder and CDB under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Parties:

- (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.

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

#### **20.5 English language**

- 20.5.1 Any notice or other communication given under or in connection with this Agreement must be in English.

- 20.5.2 All other documents provided under or in connection with this Agreement must be:

- (A) in English; or
- (B) if not in English, 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 CDB will not be responsible for any loss caused by reliance on the English translation provided by the Account Holder.

### **21. DISCLOSURE OF INFORMATION**

Notwithstanding the terms of the Confidentiality Letter, the Account Holder hereby expressly agrees that CDB or its affiliates may from time to time provide or obtain information about the Account Holder, its accounts and transactions to or from CDB or its affiliates and its or their contractors, data carriers, agents or third parties around the world for the purpose of transaction and payment processing and for other purposes directly related to the services which CDB or its affiliates may provide (including other financial products and services) to the Account Holder.

**22. DETERMINATIONS**

Any determination by CDB of a rate or amount or responsibility for delay in relation to this Agreement or any document or payment order referred to in this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**23. PARTIAL INVALIDITY**

If, at any time, any provision of this Agreement 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.

**24. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under this Agreement 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.

**25. AMENDMENT**

Any term of this Agreement may be amended or waived only in writing and signed by both Parties.

**26. COUNTERPARTS**

This Agreement 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 this Agreement.

**27. IMMUNITY**

**27.1** The execution and delivery of this Agreement by the Account Holder constitute, and Account Holder's performance of and compliance with its obligations under this Agreement will constitute a commercial transaction.

**27.2** The Account Holder for and on behalf of the Republic of Ecuador agrees that its assets that do not constitute Immuned Property (as defined below) are subject to, and available for Proceedings (as defined below) and the Account Holder 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 assets which do not constitute Immuned Property with regard to any Proceedings.

**27.3** Notwithstanding any term in this Agreement, the following assets and only the following assets of the Republic of Ecuador and/or the Account Holder, 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 of England or other similar provisions or analogous legislation or otherwise in any other applicable jurisdiction, from any Proceedings:

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

- 27.3.2 property of a military character or used or designated for use in the performance of military functions;
  - 27.3.3 property forming part of the cultural heritage of Republic of Ecuador or part of its archives;
  - 27.3.4 unexploited non-extracted natural resources in Republic of Ecuador; or
  - 27.3.5 any other asset of the Republic of Ecuador to the extent that immunity cannot be waived under the laws of Republic of Ecuador in effect on the date of this Agreement.
- 27.4 For the avoidance of doubt and for the purposes of the exercise of CDB's rights under Clause 14 (*Rights of debit or deduction*) of this Agreement, the Account Holder for and on behalf of the Republic of Ecuador hereby confirms that the Proceeds Account and any amounts standing to its credit are not Immuned Property.
- 27.5 In this Clause 27 (*Immunity*), "**Proceedings**" means:
- 27.5.1 any execution on judgment, enforcement of arbitral award, set-off, deduction, attachment prior to judgment, attachment in aid of execution to which the Republic of Ecuador or the Account Holder or their respective assets may be entitled in any legal action or proceedings or arbitral proceedings;
  - 27.5.2 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
  - 27.5.3 service of process upon the Republic of Ecuador or the Account Holder or any agent of the Republic of Ecuador or PetroEcuador with respect to this Agreement or any of the transactions contemplated hereby.
- 27.6 The provisions of this Clause 27 (*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 27 (*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 this Agreement or relating to any other indebtedness of the Republic of Ecuador and/or PetroEcuador.

## 28. GOVERNING LAW

This Agreement and the Proceeds Account are governed by the laws of the People's Republic of China.

## 29. DISPUTE RESOLUTION

- 29.1 Any and all disputes, disagreements and requirements arising out of or in connection with this Agreement including any questions regarding the execution, existence, performance, validity, cancellation or termination of the same shall be submitted to the China International Economic and Trade Arbitration Commission ("**CIETAC**") for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon the Parties and:
- 29.1.1 the place of arbitration and/or hearing shall be Beijing;
  - 29.1.2 the language of arbitration shall be English;
  - 29.1.3 the number of arbitrators shall be three (3);

- 29.1.4 each Party appoints one arbitrator and the chairman shall be appointed by the arbitrators so appointed by the Parties;
- 29.1.5 all arbitrators must be appointed from the CIETAC's panel of arbitrators, unless:
  - (A) the Parties agree otherwise; and
  - (B) the chairman of CIETAC approves of the Parties' choice of arbitrators; and
- 29.1.6 The arbitration proceedings and arbitration award shall be kept confidential save as required by law.

**SIGNED BY**

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

**By:**

**Name:** VALM (SP) Mr. Manuel Zapater Ramos

**Title:** General Manager, EP PetroEcuador

**CHINA DEVELOPMENT BANK CORPORATION**

**By:**

**Name:** Mr. Zhen Zhijie

**Title:** Vice President

