

China Development Bank Corporation
No. 29, Fuchengmenwai Street
Xicheng District
Beijing
The People's Republic of China
100037

PetroChina International Company Limited
No. 27 Chengfang Street
Xicheng District
Beijing 100033
The People's Republic of China

Empresa Publica De Hidrocarburos Del Ecuador EP PetroEcuador
for and on behalf of the Republic of Ecuador
Alpallana y Av. 6 de diciembre
Edif. "El Rocio" 2do piso
Quito
The Republic of Ecuador

27 January 2011

PROPOSED US\$2,000,000,000 FACILITY WITH CHINA DEVELOPMENT BANK CORPORATION

1. We refer to the US\$2,000,000,000 equivalent loan facility to be denominated in US\$ and RMB (the "**Facility**") to be provided to the Ministry of Finance of Ecuador as representative for and on behalf of the Republic of Ecuador (the "**Ministry**") by China Development Bank Corporation ("**CDB**") and the related sale of 72,000 barrels of oil per day for a term to be agreed (the "**Oil Transaction**") by Empresa Publica De Hidrocarburos Del Ecuador EP PetroEcuador for and on behalf of the Republic of Ecuador ("**PetroEcuador**") to PetroChina International Company Limited ("**PetroChina Intl.**"). By our signing of this letter together with your signed acknowledgements below, we agree as follows.

2. In this letter the following terms shall have the following meanings:

"**Confidential Information**" means all information of whatever nature relating to the Transaction and any Party whether in writing, disk or electronic form or orally and including, without limitation:

(a) any facility agreement to be signed between the Ministry and CDB in respect of the Facility (the "**Facility Agreement**")



- (b) any oil sales and purchase contract to be signed between PetroEcuador and PetroChina Intl. in respect of the Oil Transaction;
- (c) any account management agreement to be signed between PetroEcuador and CDB in respect of the Transaction;
- (d) any four party agreement to be signed between the Parties in respect of the Transaction;
- (e) any other documentation signed or to be signed by the Parties in respect of the Transaction;
- (f) the existence and contents of any and all discussions and negotiations between any of the Parties in respect of the Transaction; and
- (f) all other information given orally or in written form and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information,

but excludes information that:

- (x) has been disclosed prior to the date of this letter;
- (y) is or becomes public information other than as a direct or indirect result of any breach by a Party of this letter; or
- (z) is identified at the time of delivery as non-confidential by a Party or its advisers.

"Parties" means the Ministry, PetroEcuador, CDB and PetroChina Intl. and "Party" shall mean any one of them.

"Transaction" means the Facility and the Oil Transaction.

- 3. In consideration of each Party's agreement to disclose Confidential Information to each other Party, each Party hereby agrees to:
 - 3.1 keep all Confidential Information secret and not to disclose it to anyone and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to the Party's own confidential information;
 - 3.2 to keep confidential and not to disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are and will be taking place between the Parties in connection with the Transaction; and
 - 3.3 use the Confidential Information only in connection with the Transaction.
- 4. Notwithstanding paragraph 3. above, a Party may disclose Confidential Information:
 - 4.1 to any other Party;

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- 4.2 to its officers, directors, employees, professional advisers and auditors provided that each such person is aware of the Party's obligations under this letter and the Party shall procure that each such person complies with such obligations as though such person was a party to this letter;
- 4.3 to the extent required by any order of any court of competent jurisdiction or any competent judicial, governmental, regulatory or supervisory body;
- 4.4 to the extent required by the laws or regulations of the Republic of Ecuador or the laws or regulations of The People's Republic of China; or
- 4.5 with the prior written consent of each other Party.
5. Before a Party discloses any Confidential Information under paragraphs 4.3 and/or 4.4 above, that Party shall (to the extent permitted by law) inform each other Party to whom such Confidential Information relates of the full circumstances and the information to be disclosed and consult with that Party or Parties as to any possible steps to avoid or limit disclosure and take any such steps as those Parties may reasonably require.
6. A Party shall immediately inform each other Party of the full circumstances of any disclosure of Confidential Information in breach of this letter upon becoming aware that Confidential Information has been disclosed in breach of the terms of this letter.
7. If a Party (the "**Requesting Party**") requests in writing, the Party to whom such request is made (the "**Returning Party**") shall:
- 7.1 return to the Requesting Party all original and copy documents containing Confidential Information received from the Requesting Party (other than documents and material prepared by the Returning Party derived from the Confidential Information for its internal purposes); and/or
- 7.2 destroy all original and copy documents containing analyses, studies, compilations and other materials derived from the Confidential Information received from the Requesting Party and permanently remove all such Confidential Information from any computer, disk or other device containing such Confidential Information,
- in each case, save to the extent that the Returning Party is required to retain any such Confidential Information by any applicable law or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy.
8. If so requested in writing by a Party, the Party receiving such a request (the "**Confirming Party**") shall provide a certificate signed by an authorised signatory of the Confirming Party confirming the Confirming Party's compliance with its obligations under this letter.
9. If a Party breaches the terms of this letter, that Party (the "**Defaulting Party**") hereby agrees to indemnify and keep indemnified each other Party and each of its officers, directors, employees, professional advisers and auditors against any costs, claims, demands



losses or liabilities whatsoever arising directly or indirectly out of any breach by the Defaulting Party of its obligations under this letter.

10. Each Party's obligations in this letter are continuing and, in particular, shall continue until the earlier of:
 - 10.1 the date falling 6 months after the date of signing of the Facility Agreement; and
 - 10.2 the date falling 1 year after the date on which all discussions or negotiations in respect of the Transaction are terminated.
11. Without prejudice to any other rights or remedies that a Party may have, each Party acknowledges and agrees that a Party may be irreparably harmed by a breach of the terms of this letter and damages may not be an adequate remedy for any breach by a Party of the provisions of this letter, and that remedies of injunction and specific performance as well as any other equitable relief for any actual or threatened breach of the provisions of this letter by a Party would be more appropriate remedies.
12. Each Party acknowledges and agrees that no other Party, or that Party's directors, officers, employees, professional advisers (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by them or the assumptions on which it is based; or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or other information supplied by that Party or be otherwise liable to any other Party or any other person in respect of the Confidential Information or any such information.
13. No failure by a Party in exercising any right, power or privilege hereunder shall constitute a waiver by that Party of any such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise of any such right, power or privilege.
14. If any part of this letter shall be void or unenforceable by reason of any applicable law, it shall be deemed to be deleted and the remaining parts of this letter shall continue in full force and effect and if necessary the Parties agree to issue a revised letter containing amendments agreed between the Parties necessary to give effect to the spirit of this letter.
15. This letter constitutes the entire agreement between the Parties in relation to the Parties' obligations regarding Confidential Information and supercedes any previous agreement, whether express or implied, regarding Confidential Information.
16. This letter and any non-contractual obligations arising out of or in connection with this letter shall be governed by English law.
17. Any dispute arising out of this letter shall be resolved as soon as possible through discussions between Parties.





18. Please indicate receipt and acceptance of the terms of this letter by signing the relevant acknowledgement below.

Yours faithfully,



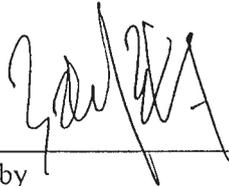
Signed by
Mr. William Vasconez Rubio
Undersecretary of Public Credit
for and on behalf of
**the Ministry of Finance as
representative for and on behalf of the Republic of Ecuador**

We acknowledge and agree to the terms of this letter



Signed by
Mr Li Yunzhi
Division Chief
for and on behalf of
China Development Bank Corporation

We acknowledge and agree to the terms of this letter



Signed by
Mr Zhang Tao
for and on behalf of
PetroChina International Company Limited

We acknowledge and agree to the terms of this letter

Signed by

Mr Nilson Arias Sandoval

Deputy Manager for International Commerce

for and on behalf of

Empresa Publica De Hidrocarburos Del Ecuador EP PetroEcuador

for and on behalf of

the Republic of Ecuador

periodismo de
INVESTIGACIÓN



Bicentenario