

MINUTES OF MEETINGS

1. Background

- 1.1 On January 21, 2016, China Development Bank Corporation ("CDB") and the Ministry of Finance of the Republic of Ecuador (the "Ministry of Finance") executed an Indicative Term Sheet (the "Term Sheet") setting out the principal terms of the proposed credit facilities to be extended by CDB to the Ministry of Finance, of up to the equivalent of US\$2,000,000,000 (the "Facilities") for a term of eight (8) years, to be supported by the sale of crude oil by Empresa Pública de Hidrocarburos del Ecuador, EP PetroEcuador ("PetroEcuador") to PetroChina International Company Limited ("PetroChina Intl.") as set out in the Term Sheet (the "Oil Transaction", the Facilities and Oil Transaction together being the "Phase IV Transaction").
- 1.2 From March 3, 2016 to March 11, 2016, representatives from CDB, PetroEcuador and PetroChina met in Beijing to continue the discussions on the terms of the Phase IV Transaction, as documented by these Minutes.

2. Oil Transaction

- 2.1 The Oil Transaction will consist of the sale of a total of volume of 181,440,000 barrels of crude oil, during the last six (6) years of the Phase IV Transaction, from PetroEcuador to PetroChina Intl. pursuant to a sale and purchase contract of crude oil (the "Sale and Purchase Contract"), with the fixed volume to be defined in the Sale and Purchase Contract subject to increase solely to the extent necessary to include additional volume to account for any period between the expiration of the Unipec Oil Contracts (as defined below) and the first delivery pursuant to the Sale and Purchase Contract, if the Phase IV transaction documents are signed after March 31, 2016. The form of the Sale and Purchase Contract shall substantially conform to that of prior contracts between PetroEcuador and PetroChina Intl., and must be in form and substance satisfactory to CDB. A draft of the Sale and Purchase Contract is attached as Exhibit A.
- 2.2 Throughout the term of the Phase IV Transaction, the proceeds from the sale of crude oil pursuant to the Sale and Purchase Contract will be paid by PetroChina Intl. into the Proceeds Account (the "Phase IV Proceeds Account") that PetroEcuador will open with CDB in connection with the Phase IV Transaction.
- 2.3 Due to the absence of deliveries of crude oil under the Sale and Purchase Contract during the first two (2) years of the Phase IV Transaction, PetroEcuador will enter into (or procure the entry into of) contractual arrangements relating to the delivery of crude oil by PetroEcuador during such period in connection with the Phase IV Transaction. Such contractual arrangements will include such other relevant contractual counterparties as may be required by, and be in form and substance acceptable to, CDB (in its sole discretion) and shall include, without limitation, irrevocable instructions from PetroEcuador to Unipec Asia Co., Ltd. ("Unipec") to pay into the Phase IV Proceeds Account all amounts payable to PetroEcuador pursuant to (a) the Sale and Purchase Contract of Crude Oil dated May 15, 2014, between PetroEcuador and Unipec, and (b) the Sale and Purchase Contract of Fuel Oil No. 6 dated May 15, 2014 (together, the "Unipec Oil Contracts"). Such arrangements shall also be subject to the completion of satisfactory due diligence by CDB on the Unipec Oil Contracts and related transactions.

3. Phase IV Proceeds Account

- 3.1 As in prior transactions with CDB: (a) PetroEcuador, for and on behalf of the Republic of Ecuador, will open the Phase IV Proceeds Account with CDB in China; and (b) the Phase IV Proceeds Account will be an interest bearing account that will be an "investment account" for the purposes of Ecuador law, which means that the money in the Proceeds Account will accrue interest at a rate to be agreed taking into account market conditions.
- 3.2 For each interest period of the Facilities, PetroEcuador will be required to maintain a minimum balance in the Proceeds Account as follows:
- (a) an Initial Required Amount of:
 - (i) US\$72,500,000 during the first six (6) months of the availability period of the Facilities; and
 - (ii) US\$50,000,000 during the last eighteen (18) months of the availability period of the Facilities; and
 - (b) a Long Term Required Amount of:
 - (i) US\$156,000,000 during the first three (3) years of the repayment period of the Facilities; and
 - (ii) US\$132,000,000 during the last three (3) years of the repayment period of the Facilities.

After the first three (3) months of the availability period of the Facilities, PetroEcuador may withdraw amounts above these minimum balances for repatriation to Ecuador.

4. Miscellaneous

- 4.1 PetroChina Intl. requests that, prior to the signing of the Phase IV transaction documents, PetroEcuador provide evidence that prior oil purchase transactions entered into between PetroEcuador and PetroChina Intl. are legal, valid, binding and were entered into in accordance with the laws of the Republic of Ecuador.
- 4.2 The parties agree that these Minutes and all information provided by one party to another in relation to the Phase IV Transaction constitute confidential information ("**Confidential Information**"). The parties agree not to disclose Confidential Information to any third party except: (a) as required by applicable law, (b) to professional advisors subject to similar confidentiality obligations or (c) to the respective governmental authorities of China and Ecuador for the purpose of advancing the Phase IV Transaction. The parties agree that this confidentiality provision is binding, notwithstanding the disclaimer of binding legal effect on the cover page of these Minutes, and shall remain in effect until the earlier of (x) the date falling two (2) years after the date these Minutes are signed by the parties or (y) the date the parties sign more detailed binding documents, such as the Phase IV transaction documents.
- 4.3 The parties agree that issues not addressed in these Minutes shall be discussed and agreed in final documentation for the Phase IV Transaction.

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EXHIBIT A

DRAFT SALE AND PURCHASE CONTRACT



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CHINA DEVELOPMENT BANK CORPORATION, EMPRESA PÚBLICA DE HIDROCARBUROS DEL ECUADOR, EP PETROECUADOR FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR, AND PETROCHINA INTERNATIONAL COMPANY LIMITED CONFIRM THAT THESE ARE THE MINUTES AGREED IN THEIR MEETINGS IN BEIJING FROM 3 MARCH TO 11 MARCH 2016. THE PARTIES FURTHER CONFIRM THAT THESE MINUTES ARE NON-BINDING AND HAVE NO LEGAL EFFECT WITH THE TRANSACTIONS DESCRIBED THEREIN BEING SUBJECT TO FURTHER DISCUSSION, DUE DILIGENCE AND THE INTERNAL AND ANY NECESSARY GOVERNMENTAL APPROVALS OF THE PARTIES.



Ms. Xu Yan
Director
For and on behalf of
**CHINA DEVELOPMENT BANK
CORPORATION**



Mr. Li Shuai
Senior Trading Manager
For and on behalf of
**PETROCHINA INTERNATIONAL
COMPANY LIMITED**



Mr. Nilsen Arias Sandoval
International Trade Manager
For and on behalf of
**EMPRESA PÚBLICA DE
HIDROCARBUROS DEL ECUADOR,
EP PETROECUADOR
AS REPRESENTATIVE FOR AND ON
BEHALF OF THE
REPUBLIC OF ECUADOR**

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