**ANNEX E**

**Procedure for the Determination of Work Units for Work Obligations**

This procedure shall govern the calculation of Work Units for the work obligations pursuant to Articles 6, 7 and 13 of this Contract.

1. Determination of Work Units

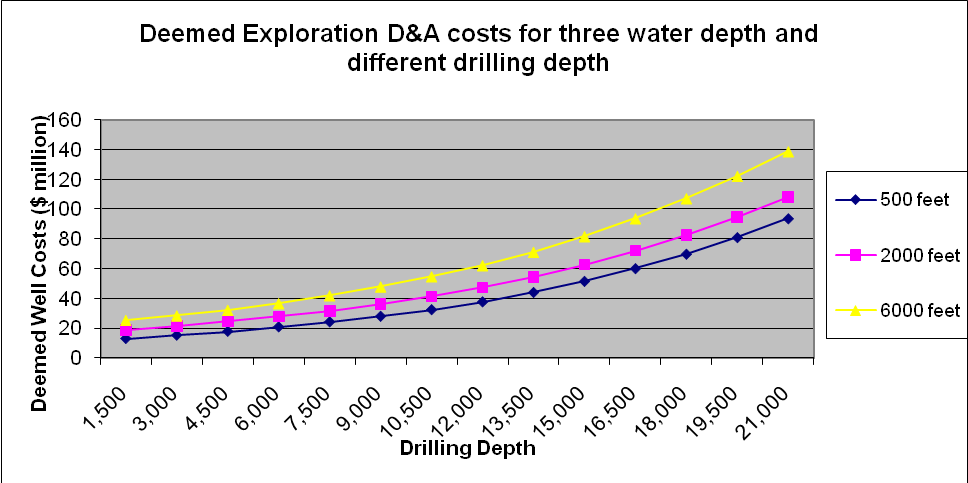
The total number of Work Units for work obligations pursuant to Articles 6, 7 and 13 is determined by the sum of the cost of individual Work Obligations divided by the value of each Work Unit

1. Method for calculating Work Units
2. Geophysical programme

The Work Units for the geophysical programme shall be the cost of acquisition of the programme divided by the value of the work units.

1. Drilling

The well cost for the well shall be calculated using the following figure, entering the graph with the well depth and utilising the relevant depth graph to arrive at the deemed well cost.



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Each Work Unit shall have the value of US $1 million on the Effective Date. Therefore a well which costs US$ 40 million will have a value of 40 work units.