

EURODOLLAR

LOAN AGREEMENT

U.S. \$10,000,000

among

G U Y A N A

and

THE ROYAL BANK OF CANADA
RBC FINANCE B.V.

THE BANK OF NOVA SCOTIA

THE ROYAL BANK OF CANADA INTERNATIONAL LIMITED
LIBRA BANK LIMITED

and

THE ROYAL BANK OF CANADA
(AS AGENT)

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THIS AGREEMENT dated as of the 1st day of February, 1980, (the Agreement):

GUYANA
(hereinafter called the "Borrower"),

EACH of the banks and financial institutions named on the signature pages of this Agreement (individually a "Lender" and collectively the "Lenders") as more fully defined in Section 1.01 (c) thereof),

THE ROYAL BANK OF CANADA, a Canadian chartered bank having its head office in the City of Montreal, Quebec, Canada, as Agent for the Lenders (in such capacity the "Agent" as more fully defined in Section 1.01 (c) hereof).

WHEREAS the Borrower desires to borrow a sum of up to Ten Million United States Dollars (US\$ 10,000,000) for the purpose of financing general development in Guyana,

WHEREAS the Lenders are prepared to make Advances to the Borrower on the terms and subject to the conditions of this Agreement,

THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 - Definitions

In this Agreement, except where the context otherwise requires:

- (a) "Additional Compensation" means the amount necessary to compensate a Lender for the additional cost or reduction in income pursuant to Section 5.07;
- (b) "Advance" means the principal amount of each drawing by the Borrower pursuant to Article III;
- (c) "Agent" means The Royal Bank of Canada, 1 Place Ville Marie, Montreal, Quebec, H3C 3A9, Canada or any successor appointed in accordance with Section 9.10;
- (d) "Banking Day" means a day on which dealings by and between banks in the London Interbank Market in US Dollars may be conducted;
- (e) "Business Day" means a Banking Day, which is also a day on which Banking institutions in New York City, U.S.A., Montreal and Toronto, Canada, are open for business;
- (f) "Commitment" means in relation to each Lender the obligation of the Lender to make available its proportion of the Loan to the Borrower in the aggregate amount of up to the amount set opposite its name in Schedule "A" to the extent not reduced or terminated under this Agreement (collectively the "Total Commitments");

- (g) "Drawdown Date" means a Business Day during the Drawdown Period on which an Advance is made to the Borrower by the Lenders pursuant to Article III;
- (h) "Drawdown Period" means the period commencing on the date of this Agreement and ending on that date which is four (4) months after the date of this Agreement;
- (i) "Encumbrance" includes any mortgage, pledge, lien, charge, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security interest or arrangement;
- (j) "Event of Default" means any event/out in Section 9.01;
- (k) "Extended Arrangement" shall mean the arrangement created by the IMF, pursuant to its Extended Fund Facility policy on use of resources of the IMF under which the IMF will provide financial assistance to member countries, for the benefit of the Borrower under a letter from the Borrower to the IMF dated May 26, 1979 and approved by the IMF at its Executive Board meeting on June 25, 1979;
- (l) "External Indebtedness" shall mean indebtedness which is denominated or payable in a currency other than Guyana dollars or payable to commercial banks or commercial financial institutions, or affiliates thereof having their principal place of business outside Guyana;
- (m) "Governmental Agency" means any agency, instrumentality, corporation, statutory body or other juridical entity directly or indirectly owned or controlled by the Borrower and "control" for this purpose shall mean the power to direct the management and policies of such entity (whether through the ownership of share capital or otherwise);
- (n) "Indebtedness" shall mean, for any Person, all indebtedness or other obligations of such Person for borrowed money or for the deferred purchase price of property or services in respect of which such person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which such Person otherwise assures a creditor against loss;
- (o) "Interest Date" means the dates which fall 6 and 12 months after the first Drawdown Date and each anniversary of those dates;
- (p) "Interest Determination Date" means each date on which the Rate of Borrowing is determined pursuant to Section 5.01;
- (q) "Interest Payment Date" means each Interest Date, or if such Interest Date is not a Business Day, the Business Day next following unless the result is to extend such Interest Payment Date into the following month in which case the Interest Payment Date is the Business Day next preceding such Interest Date;
- (r) "Interest Period" means with respect to each Advance, the period commencing on and including its Drawdown Date and ending on and including the day preceding the next succeeding Interest Payment Date and, thereafter, each successive period of approximately six (6) months commencing on and including the Interest Payment Date next succeeding the last day of the immediately preceding Interest Period and ending on and including the day preceding the first Interest Payment Date occurring after such Interest Payment Date;

- (s) "Lender" or "Lenders" means the banks and financial institutions whose names and addresses (being the respective offices through which the Lenders have at the date of this Agreement elected to act for the purpose of this Agreement) are set out on the signature pages, their respective successor(s) in title and assigns and any other bank or other financial institution for the time being participating in this Agreement by virtue of a transaction under Article XIII;
- (t) "Loan" means the aggregate principal amount of the Advances outstanding from time to time;
- (u) "Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or any other juridical entity or a governmental entity or any agency, department, instrumentality, statutory body;
- (v) "Process Agent" means the Consul General of Guyana in New York, New York, with offices on the date hereof at 633 Third Avenue, New York City, New York, or such other person as may be appointed pursuant to Section 14.03;
- (w) "Rate of Borrowing" means subject to Section 5.05, the rate stipulated in Section 5.01;
- (x) "Replacement Arrangement" means any standby arrangement or any other arrangement established by the IMF which replaces the Extended Arrangement;
- (y) "Reference Bank" shall mean any, and "Reference Banks" shall mean all, of the principal London offices of The Bank of Nova Scotia, Barclays Bank International Limited and The Royal Bank of Canada;
- (z) "Tax" and "Taxes" means all taxes, levies, imposts, stamp taxes, duties, charges to tax, fees, deductions, withholdings and any restrictions or conditions resulting in a charge imposed, levied, collected, withhold or assessed as of the date of this Agreement or at any time in the future;
- (aa) "US Dollars" and "US\$" mean lawful currency of the United States of America in the form of funds current at the New York Clearing House or, in the event that such funds cease to exist or are changed in character, such other form of currency of the United States of America as is the form of currency of the United States of America as is, for the time being, in the sole opinion of the Agent customarily used for settling international banking transactions in New York City, U.S.A.

Section 1.02 - Headings and Table of Contents

The headings and table of contents in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.03 - References

All reference to Sections, Articles, and Schedules are to Sections and Articles of and Schedules to this Agreement.

Section 1.04 - Currency of Account

In this Agreement the specification of US Dollars is of the essence and US Dollars are the currency of account and currency of payment.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 - Representations

The Borrower makes the following representations and warranties to and agreements with the Lenders, all of which shall survive the execution and delivery of this Agreement:

(a) the Borrower has full power, authority and legal right to incur the Loan and other obligations provided for in this Agreement, to execute and deliver this Agreement and all other documents and instruments to be delivered by it hereunder, and to perform and observe the terms and provisions hereof;

(b) the execution, delivery and performance by the Borrower of this Agreement have been duly authorised by all necessary legislative, administrative and other governmental action and do not contravene any law or any contractual restriction binding upon or affecting the Borrower;

(c) there is no constitutional provision, treaty, convention, law, rule, regulation, order or other authority binding upon the Borrower, and there is no provision of any contract, agreement or instrument of the Borrower, and no provision of any arrangement with the IMF, or of any Person or any other borrowing obligation or agreement with respect to Indebtedness (whether or not the Borrower is a party thereto), which would be contravened or breached, or under which a default would arise or a moratorium in respect of any obligations of the Borrower be effected, by virtue of the execution and delivery of this Agreement by the Borrower or by virtue of the execution and delivery of any other document or instrument to be delivered by it hereunder or by virtue of the performance or observance by the Borrower of any of the terms hereof or thereof;

(d) no authorisation or approval or other action by, and no notice to or public registration, recording or filing with any governmental authority or regulating body is required or desirable for the due execution, delivery and performance by, or as a condition to the legality, validity or enforceability with respect to, the Borrower of this Agreement, other than the items described in Sections 6.01 (c) (v), (vi), (vii) and (viii), all of which have been duly obtained or made and are in full force and effect;

(e) no consent or approval of any Person outside Guyana is required in connection with the execution, delivery and performance of this Agreement by the Borrower;

(f) the execution, delivery and performance by the Borrower of this Agreement and all other documents and instruments to be executed and/or delivered hereunder by the Borrower and the observance by the Borrower of the terms and provisions hereof have been duly authorised by all appropriate actions on the part of the Borrower; and this Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms;

(g) the Borrower is not in default in the payment of its External Indebtedness and is not in default under any agreement with respect to External Indebtedness, which default might have a material adverse effect on the operations, property of financial condition of the Borrower;

(h) this Agreement is the direct, unconditional and general obligation of the Borrower for the performance and payment of which the full faith and credit of the Borrower are pledged; the Borrower is subject to civil and commercial law with respect to its obligations under this Agreement, and the execution, delivery and performance of this Agreement by the Borrower constitute private and commercial acts. Neither the Borrower nor any of its assets enjoys any right of immunity from the jurisdiction of any court in Guyana. Notwithstanding, in order for proceedings to be prosecuted against the Borrower in Guyana, the statement of claim must be endorsed with the fiat of the Minister of Justice. Furthermore, Section 41 of the High Court Act, Chapter 3.02 of the laws of Guyana, expressly enacts that no execution will issue on a judgement against the Borrower but provides that the Minister of Finance shall by warrant under his hand direct the amount ordered by the Court to be paid.

The waiver contained in paragraph (a) of Section 14.03 of this Agreement by the Borrower of any right of immunity is irrevocably binding on the Borrower, and the appointment of the Process Agent and the consent by the Borrower to the jurisdiction of any New York State or Federal court sitting in New York City with respect to matters arising from this Agreement as contained in paragraph (a) of Section 14.02, and the provision that the laws of the State of New York shall govern this Agreement as contained in Section 14.01 are also irrevocably binding on the Borrower;

(i) an Order of the Minister of Finance under the Income Tax Act having been obtained exempting the interest on the Advances from income tax, there is no income, stamp or other tax of Guyana or any taxing authority thereof or therein, imposed by or in the nature of withholding or otherwise, which will be imposed on any payment to be made by the Borrower pursuant hereto, or which will be imposed on or by virtue of the execution, delivery or enforcement hereof (except that income tax may be payable in respect of any interest obligation hereunder which is paid to a resident of Guyana);

(j) no litigation or administrative proceeding is presently pending, or, to the best of the knowledge of the Borrower, threatened against the Borrower, which might have a material adverse effect on the ability of the Borrower to perform the obligations of the Borrower hereunder;

(k) no action or proceeding of or before any court has been commenced or, to the best of the knowledge of the Borrower, is threatened to restrain the execution and delivery of this Agreement or the Borrower's performance of and compliance with the obligations expressed to be assumed by it and the conditions imposed on it by this Agreement or to question the right and power of the Borrower to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in and the conditions imposed on it by this Agreement or the legality, validity and enforceability of this Agreement;

(l) the Borrower is a member in good standing of the IMF and is entitled to use the resources of the IMF, including but not limited to the Extended Arrangement or any Replacement Arrangement;

(m) the Indebtedness incurred and to be incurred by the Borrower hereunder constitutes and will constitute a charge created by virtue of the laws of Guyana on the Borrower's Consolidated Fund and assets; the Indebtedness and other obligations incurred and to be incurred by the Borrower hereunder rank and will rank at least pari passu in all respects with all Indebtedness of the Borrower; and there is presently existing no mortgage, lien, security interest, pledge or other charge or encumbrance, or other preferred arrangement, of any kind on or with respect to any of the assets, revenues or properties of the Borrower or any Governmental Agency, or with respect to any right of any such Person to receive income, in connection with any Indebtedness of the Borrower or any Governmental Agency;

(n) no information, exhibit or report furnished by the Borrower to the Lenders in connection with the negotiation of this Agreement contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading;

(o) this Agreement is in proper legal form under the laws of Guyana for the enforcement thereof against the Borrower in the jurisdiction of, or under the laws of Guyana;

(p) the aggregate of the Advances does not and will not result in the violation of any legal restriction as to the amount of character of debt which the Borrower may incur or has outstanding;

(q) the entering into of this Agreement by the Borrower is for the purpose of financing general development in Guyana as contemplated by Section 3(1) of the External Loan Act, Chapter 74.08 of the laws of Guyana; and

(r) the Borrower agrees that all representations and warranties made in this Agreement and in any certificate or other instrument delivered pursuant hereto shall be deemed to be relied upon by the Lenders, notwithstanding any investigation therefor or thereafter made by the Lenders or on their behalf,

ARTICLE III

THE LOAN

Section 3.01 - Obligations of the Lenders

Relying on the representations and warranties set out in Section 2.01, and subject to the terms and conditions of this Agreement, each Lender severally agrees to lend to the Borrower from time to time on any Business Day during the Drawdown Period up to an amount which in the aggregate shall not exceed its Commitment. The Total Commitment of the Lenders shall not exceed in the aggregate Ten Million United States Dollars (US\$10,000,000).

Section 3.02 - Disbursement of the Loan

Provided that the conditions precedent set out in Article VI have been satisfied:

- (a) the Borrower may at any time during the Drawdown Period draw down Advances in the aggregate not exceeding the Total Commitments to be advanced by the Lenders upon giving the Agent at least five (5) Business Days irrevocable written telegraphic or telex notice, effective only upon receipt by the Agent, which must specify (1) the amount in US Dollars of the Advance, (which must be in a minimum amount of US\$1,000,000 or in an integral multiple thereof), (2) the date for disbursement of the Advance, which must be a Business Day, and (3) the manner and place of payment of the Advance;
- (b) each notice referred to in Section 3.02(a) and the payment of interest on each Interest Payment Date constitute a representation and warranty by the Borrower that on the date of each notice and on the date of the making of the relevant Advance or payment the representations and warranties of the Borrower set out in Article II are true and correct on and as of that date as though made on and as of that date and that no event has occurred and is continuing which constitutes an Event of Default or which with the giving of notice or lapse of time or both or other condition, would constitute an Event of Default;
- (c) the Agent shall give at least three (3) Business Days prior notice of the date of each Advance to each of the Lenders and, on the date of the Advance, at or before noon (New York time) each Lender shall make available to the Agent at its New York Agency located at 68 William Street, New York City, New York, or at such other place as may be specified by the Agent, in US Dollars its proportion of the Advance to be made available to the Borrower on the relative Drawdown Date;
- (d) each advance made pursuant to Article III will be made available to the Borrower in the same funds as received from the Lenders (subject to the fulfillment of the conditions precedent set out in Article VI) for the account of the Borrower by the Agent on behalf of the Lenders; and

(e) forthwith upon the making of each Advance, the Agent shall forward to the Borrower and to each Lender a certificate certifying the aggregate amount advanced by each Lender under this Agreement as of the date of the certificate.

Section 3.03 - Termination Date

The Lenders are not obliged to disburse any amounts pursuant to this Agreement after the end of the Drawdown Period.

Section 3.04 - Lenders' Obligations Several

The obligations of the Lenders under this Agreement are several and not joint and no Lender nor the Agent is responsible to the Borrower for any failure or alleged failure on the part of any other Lender to perform its obligations under the terms of this Agreement, nor are the obligations of the Borrower to any Lender diminished or affected by any failure or alleged failure on the part of any other Lender to perform its obligations under the terms of this Agreement. Nothing contained in this Agreement and no action taken by the Lenders pursuant to it, are deemed to constitute the Lenders a partnership, association, joint venture or other similar entity.

Section 3.05 - Lenders Provision of Funds to Agent

Unless the Agent has been notified by any Lender in writing prior to the making of an Advance that such Lender does not intend to make available to the Agent its proportion of such Advance, the Agent may assume that such Lender has made its proportion of such Advance available to the Agent on the date of such Advance and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Agent by such Lender, the Agent is entitled to recover such corresponding amount, together with interest thereon to the date of recovery thereof, at the rate determined by the Agent to represent the cost to it of making such corresponding amount available to the Borrower, on written demand (which the Agent shall make promptly) from such Lender or, where such Lender does not pay such corresponding amount to the Agent forthwith on the Agent's demand therefor, from the Borrower which shall in turn have recourse against such Lender.

ARTICLE IV

REPAYMENT OF PRINCIPAL

Section 4.01 - Mandatory Repayment of Principal

The Borrower shall repay the principal amount of the Loan in US Dollars by ten (10) substantially equal semi-annual instalments of Nine Hundred Thousand United States Dollars (US\$900,000) on consecutive Interest Payment Date commencing on the fourth (4th) Interest Payment Date and an eleventh and final instalment in the amount of One Million United States Dollars (US\$1,000,000) on the fourteenth (14th) Interest Payment Date. If the Borrower does not draw the Total Commitments, each repayment instalment is reduced pro rata by reference to the principal amount borrowed.

Section 4.02 - Optional Prepayment

Subject to Sections 5.05, 5.06 and 5.07, at any time during the term of this Agreement, the Borrower may prepay any Advance hereunder in whole, or rateably in part, upon at least thirty (30) days' irrevocable notice in writing by telegraph, or by tested telex to the Agent, of which the Agent shall promptly advise the Lenders, stating the proposed date and aggregate amount of the prepayment, and if such notice is given, the Borrower shall make such prepayment on the last day of the Interest Period for such Advances together with accrued interest to the date of such prepayment on the amount prepaid provided that each partial payment (i) shall be in minimum amounts of Two Million United States Dollars (US\$2,000,000) or a whole multiple thereof, plus a prepayment

premium equal to one half of one percent (1/2%) of the aggregate amount being so prepaid (other than prepayment as a result of the circumstances set out in Sections 5.05, 5.06 and 5.07), (ii) shall be applied in reduction of the instalments of principal due pursuant to Section 4.01 in the inverse order of maturity, (iii) shall be in Dollars, and (iv) shall be distributed by the Agent on a pro rata basis.

Section 4.03 - Prepayments Other Than on an Interest Payment Date

If any prepayment is made other than on an Interest Payment Date the Borrower shall pay to the Lenders any amounts required to compensate the Lenders for any loss or expense which it may incur as a result of such prepayment (including, but not limited to, any loss or expense sustained or incurred in liquidating or employing deposits acquired or to be acquired from third parties to effect or maintain the Loan).

Section 4.04 - Evidence of Indebtedness - Loan Account

The Agent shall open and maintain on the books of its International Loans Administration Department, 1 Place Ville Marie, Montreal, Canada an account with respect to the indebtedness of the Borrower to the Lenders under this Agreement. The Agent shall debit therein the amount of such indebtedness and accrued interest thereon and shall credit therein each payment of principal, interest and other amounts becoming due to the Lenders under this Agreement. The accounts kept by the Agent constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Lenders, the date each Advance was disbursed to the Borrower and the amounts from time to time paid by the Borrower on account of the principal, interest and other amounts becoming due to the Lenders under this Agreement.

ARTICLE V

PAYMENT OF INTEREST

Section 5.01 - Rate of Interest

On each Interest Payment Date the Borrower shall pay to the Lenders interest on the Loan in respect of each Interest Period at that rate per annum determined by the Agent as being equal to the sum of (x) two and one-quarter of one percent (~~2%~~) per annum plus (y) the rate of interest at which the Reference Banks then would be prepared to offer to leading banks in the London Interbank Market in accordance with their normal practice as at or about 3:00 p.m. (London time) two (2) Banking Days prior to the beginning of the relative Interest Period for delivery on the first day of that Interest Period and for the number of days comprised therein, a sum of US Dollars comparable to the Loan to be outstanding during such Interest Period.

Section 5.02 - Interest on Overdue Amounts

The Borrower shall pay, on demand, interest on overdue principal, on overdue interest to the extent permitted by law and on any other overdue payments in connection with this Agreement at a rate per annum which is one per cent (~~1%~~) per annum in excess of the Rate of Borrowing on the assumption that such overdue amount constituted a Loan made under this Agreement for successive periods of up to six (6) months as determined by the Agent, both before and after demand, default and judgement.

Section 5.03 - Notice to the Borrower of Rate of Borrowing.

Upon each determination of the Rate of Borrowing, the Agent shall notify the Borrower and each Lender of the Rate of Borrowing. In the absence of manifest error, each determination of the Rate of Borrowing by the Agent is final, conclusive and binding upon the parties.

Section 5.04 - Calculation of Interest

Interest will be calculated on the basis of the actual number of days elapsed divided by 360. The yearly rates of interest to which the rates determined in accordance with the provisions of Section 5.01 are equivalent, are the said rates multiplied by the actual number of days in the year divided by 360.

Section 5.05 - Substitute Rate of Borrowing

(a) If, on or before any Interest Determination Date, (i) the Agent receives notice from at least one Reference Bank that deposits in Dollars are not being offered by such Reference Bank to first class banks in the London Interbank Market for the applicable Interest Period or in the applicable amounts, (ii) the Agent, after consultation with the Reference Banks, shall have determined (which determination shall be conclusive and binding upon all parties hereto) that by reason of circumstances affecting the London Interbank Market, adequate and reasonable means do not exist for ascertaining the interest rate applicable to the Advance for the applicable Interest Period for (iii) the Lenders notify the Agent that on any such date the rates at which deposits in Dollars are being offered by the Reference Banks in the London Interbank Market pursuant to this Agreement do not accurately reflect the cost to the Lenders of funding their Advances for such Interest Period, the Agent shall give notice of such fact to the Borrower and each Lender.

(b) Within 10 days from the giving by the Agent of any notice provided for in, paragraph (a) of this Section 5.05, the Agent (after consultation with the Lenders) and the Borrower shall enter into negotiations in good faith with a view to agreeing to an alternative, mutually acceptable basis for determining the interest rate applicable during such Interest Period to such Advance (the "Substitute Basis") which shall reflect the costs of each Lender of funding from alternative sources for such Interest Period plus the applicable Margin. If, at the expiration of 20 days from the giving of such notice, the Agent and the Borrower have agreed to such Substitute Basis, such Substitute Basis shall be retroactive to and take effect with respect to such Interest Period from the beginning of such Interest Period.

(c) If, at the expiration of 20 days from the giving of the notice by the Agent provided for in paragraph (b) of this Section 5.05, no Substitute Basis shall have been agreed to, the Agent after consultation with the Lenders shall notify the Borrower in writing of the Interest Period and of the rate of interest (as agreed upon by the Lenders) setting forth the computations made by the Agent in arriving at such rate of interest (which computations shall reflect the costs of each Lender of funding from alternative sources the Advances for such Interest Period plus the applicable Margin). The Borrower may, within 10 days after the giving of any such notification, give notice to the Agent of its election to prepay in full the principal amount of all the Advances outstanding, without penalty, on a date which shall be specified in such notice of election and which shall be a Business Day not less than 10 nor more than 30 days after the date of such notice of election; if it does so, the Borrower shall be obligated to pay to the Agent on such date the outstanding principal amount of the Advances, together with (i) an amount equal to the cost to each Lender of funding its Advances for the period from the last day of the immediately preceding Interest Period applicable thereto to and including the date of prepayment, plus the applicable Margin, and (ii) any amounts required to compensate each Lender for any loss or expense which it may incur as a result of such payment by the Borrower, including but not limited to any loss or expense sustained or incurred in liquidating or employing deposits acquired or to be acquired from third parties to effect or maintain its Advances (all such amounts under clauses (i) and (ii) of this paragraph (c) to be determined by each Lender and notified by the Agent to the Borrower).

If the Borrower does not so elect to prepay the Advances, then the rate of interest applicable to the Advances for which a rate is determined pursuant to the first sentence of this paragraph (c) shall be, in respect of such Interest Period, the rate determined pursuant to the first sentence of this paragraph (c) and such interest rate shall be retroactive to and take effect with respect to such Interest Period from the beginning of such Interest Period. The Agent shall then notify the Borrower and each Lender of such rate of interest.

Section 5.06 - Illegality

If for any reason it shall be or become unlawful in any jurisdiction for any Lender to make or to continue to maintain its Advances, the Borrower shall forthwith, upon demand by such Lender (with a copy thereof delivered to the Agent), prepay in full the principal amount of all the Advances of such Lender then outstanding, without penalty, together with accrued interest thereon to such date of prepayment and any amounts required to compensate such Lender for any loss or expense sustained or incurred in liquidating or reemploying deposits acquired or to be acquired for third parties to effect or maintain its Advances), and upon such demand the obligation of such Lender hereunder to make Advances shall forthwith terminate.

If, pursuant to this Section 5.06, the Borrower repays any Advances, the Agent shall use its best efforts to replace the Lender being prepaid with another bank satisfactory to the Lenders, which shall become a party to this Agreement and shall make and continue to maintain the Advances which were made or to be made by the Lender being prepaid.

Section 5.07 - Increased Cost

(a) If any change (whether or not having the effect or force of law) in any applicable law, treaty or regulation or in the interpretation thereof by any governmental or judicial authority or any central bank or other fiscal, monetary or other authority having jurisdiction over any Lender shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of, or loans by, or any other acquisition of funds for Advances by any Lender: or

(ii) impose on any Lender any other condition regarding its Advances; or

(iii) subject any Lender (or make it apparent that any Lender is subject) to any tax (including, without limitation, any interest equalization tax), levy, imposts, duty, charge, fee, deduction or withholding on or from payments due from the Borrower hereunder; or

(iv) change the basis of taxation of payments due from the Borrower to any Lender hereunder (otherwise than by a change in taxation of the overall net income of such Lender);

and the result of any of the foregoing is to increase the cost of such Lender of making or maintaining its Advances or to reduce the amount of principal or interest received by such Lender (otherwise than as contemplated by Section 5.09), then upon demand made by such Lender to the Borrower (with a copy thereof delivered to the Agent), the Borrower shall (A) pay to the Agent for the account of such Lender additional amounts which shall compensate such Lender for such increased cost or reduced amount, or (B) prepay in full the principal amounts of all the Advances of such Lender then outstanding, without penalty, together with accrued interest thereon to such date of prepayment and any amounts required to compensate such Lender for any loss or expense which it may incur as a result of such prepayment, (including, but not limited to, any loss or expense sustained or incurred in liquidating or employing deposits acquired or to be acquired on third parties to effect or maintain its Advances.

(b) Each Lender will notify the Borrower and the Agent of any event which will entitle such Lender to claim additional amounts pursuant to paragraph (a) of this Section 5.07. A certificate as to the increased cost incurred by or reduced amount accruing to such Lender as a result of any event mentioned in paragraph (a) of this Section 5.07 submitted by such Lender to the Borrower (with a copy thereof delivered to the Agent), shall be conclusive.

Section 5.08 - Determinations Conclusive

Each determination of an interest rate or an Interest Period in accordance with this Agreement shall be conclusive and binding on the Borrower and the Lenders.

Section 5.09 - Payments

All payments by the Borrower in connection with this Agreement are to be made in US Dollars before 11:00 a.m., New York time, on the date specified for payment, at the Agent's New York Agency located at 68 William Street, New York, New York, for the account of the Lenders (or such other place as is notified by the Agent). Whenever any payment is due to be made on a day which is not a Business Day, the day for payment will be extended to the next succeeding Business Day, unless it would fall in the next calendar month, in which case it will be advanced to the next preceding Business Day and interest will be adjusted accordingly. Promptly upon receiving any payment by the Borrower, except as otherwise provided in this Agreement, the Agent shall distribute the payment to the Lenders in the proportion to which the respective Commitment of each Lender bears to the Total Commitment.

Section 5.10 - Manner of Payment and Taxes

All payments to be made by the Borrower pursuant to this Agreement are to be made without setoff or counterclaim, free and clear of, and exempt from, and without deduction for or on account of any Taxes. If any Taxes are deducted or withheld from any payments, the Borrower shall promptly remit to the Lenders in US Dollars the equivalent of the amounts so deducted or withheld together with relevant receipts addressed to each Lender, provided, that in the event the Borrower is prevented by operation of law or otherwise from paying, causing to be paid or remitting such Taxes, the interest payable under this Agreement will be increased to such rate as is necessary to yield and remit to the Lenders the principal sum advanced together with interest at the rates specified in this Agreement after provision for payment of such Taxes.

The Borrower shall from time to time at the request of the Lenders execute and deliver any and all further instruments as may be necessary or advisable to give full force and effect to such increases in the rate of interest as are necessary to yield to the Lenders interest at the aforesaid specified rates. The Borrower further covenants and agrees to indemnify the Lenders in respect of any claim or loss which they may suffer as a result of the delay or failure of the Borrower to make any such payment as aforesaid, including penalties relating thereto or interest thereon.

Section 5.11 - Repayment by Borrower to Agent

Unless the Agent has been notified in writing by the Borrower not less than one Business Day prior to the date on which any payment to be made by the Borrower hereunder is due, that the Borrower does not intend to remit such payment, the Agent may, at its discretion, assume that the Borrower has remitted such payment when so due and the Agent may, at its discretion and in reliance upon such assumption, make available to each Lender on such payment date an amount equal to such Lender's portion of such assumed payment. If it proves to be the case that the Borrower has not in fact remitted such payment to the Agent, each Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available to such Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with its usual banking practice for advances of US Dollars to banks of like standing to such Lender.

ARTICLE VI.

CONDITIONS PRECEDENT TO DISBURSEMENT

Section 6.01 - Conditions Precedent

The Lenders are not obligated to make any Advance to the Borrower unless:

- (a) on each Drawdown Date, there exists no Event of Default and no condition, event or act which, with the giving of notice or lapse of time, or both, would constitute an Event of Default under this Agreement or under the Agreement between the Borrower and a consortium of banks dated as of October 31, 1979;
- (b) on each Drawdown Date, the representations and warranties contained in Article II are true and correct with the same effect as though made on and as of the Drawdown Date;
- (c) the Agent has received at or prior to the first Drawdown Date, in form and substance satisfactory to the Agent and in sufficient copies for each Lender:
 - (i) a duly executed copy of this Agreement,
 - (ii) a signed copy of the favourable opinion of the Attorney General of Guyana or such other attorney of the Attorney General's Department as he may designate, substantially in the form of Schedule "B", and as to such other matters as the Lenders through the Agent may reasonably request,
 - (iii) a signed copy of the favourable opinion of De Caries & Co., special Guyana counsel for the Lenders, substantially in the form of Schedule "C", and as to such other matters as the Agent or any Lender through the Agent may reasonably request,
 - (iv) a signed copy of the favourable opinion of Messrs. Sage Gray Todd & Sims, special New York Counsel for the Lenders substantially in the form of Schedule "D",
 - (v) a certified copy of any necessary governmental or other approvals required in connection with the carrying out of the transactions contemplated herein,
 - (vi) a signed copy of a letter from the Minister of Finance irrevocably appointing the Process Agent to receive process for and on behalf of the Borrower in the State of New York pursuant to this Agreement, and a letter from the Process Agent consenting to act as Process Agent pursuant to this Agreement,
 - (vii) an Order of the Minister of Finance pursuant to the provisions of the Income Tax Act exempting all payments due under this Agreement from income tax and withholding tax,
 - (viii) a guarantee in form and substance satisfactory to the Agent of foreign exchange availability permitting payment by the Borrower of principal and interest and other amounts due under this Agreement, and
 - (ix) any other documents and documentation which the Agent or the Lenders through the Agent may reasonably request;
- (d) The Agent has received the Agent's Fee, the Management Fee and the Participation Fee due to the Agent and the Lenders pursuant to Sections 7.01, 7.02 and 7.03 hereof;

- (e) the Agent shall have received in form and substance satisfactory to the Agent evidence that the Replacement Arrangement is in full force and effect.

Section 6.02 - Waiver

The terms and conditions set forth in Section 6.01 are inserted for the sole benefit of the Lenders and may be waived by the Agent, on behalf of the Lenders but only with the consent of all the Lenders, in whole or part (and with or without conditions) in respect of any Advance without prejudicing the right of the Agent to assert such terms or conditions or part thereof in respect of any other Advance or Advances on behalf of the Lenders.

ARTICLE VII

FEEES

Section 7.01 - Management Fees

The Borrower will, on the first Drawdown Date hereunder, pay a management fee to the Agent, for its own account, in an amount agreed to between the Borrower and the Agent prior to the date hereof.

Section 7.02 - Agent's Fee

The Borrower will, on the date of signing of this Agreement and on each anniversary thereof, pay an agent's fee to the Agent, for its own account, in any amount agreed to between the Borrower and the Agent prior to the date hereof.

Section 7.03 - Participation Fee

The Borrower will, on the first Drawdown Date hereunder, pay to the Agent for the account of the Lenders, a participation fee of Fifty Thousand US Dollars (US\$50,000), to be distributed by the Agent to each Lender on a pro rata basis.

Section 7.04 - Commitment Fee

On the last day of the Drawdown Period, the Borrower shall pay to the Agent for the account of the Lenders a commitment fee for the period commencing on and including the date hereof and ending on an including the last day of the Drawdown Period, in an amount in US Dollars computed on the basis of the actual number of days elapsed and a year of 360 days, at the rate of one half of one percent (1/2%) per annum on the **daily** unused portion of the Total Commitment.

ARTICLE VIII

COVENANTS

Section 8.01 - Covenants of the Borrower

The Borrower covenants with the Agent and the Lenders that it will:

(a) promptly pay when due all principal, interest, and any other amounts payable by it hereunder and in the manner set forth herein;

(b) ensure at all times (i) that the obligations of the Borrower hereunder are supported by the full faith and credit of the Borrower and constitute unconditional general obligations of the Borrower ranking at least pari passu (subject to Section 8.01 (d) with all other Indebtedness of the Borrower now or hereafter outstanding and (ii) that all appropriate governmental approvals, regulations, orders and exemptions, including with out limitation those specified in Section 2.01(e), shall remain in full force and effect;

(c) promptly obtain and continue in effect each consent, license, authorization or approval and make each filing or registration which shall be either necessary or desirable to enable the Borrower to comply with its obligations under this Agreement and promptly furnish evidence thereof to the Agent;

(d) not create, or permit any Governmental Agency to create, any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its present or future properties or income or revenues, in each case to secure External Indebtedness of such Governmental Agency or of any Person, other than (i) purchase money liens upon any property acquired or held by the Borrower or any Governmental Agency to secure the purchase price of such property or to secure External Indebtedness incurred solely for the purpose of financing the acquisition of such property, (ii) liens or security interests existing on such property at the time of its acquisition or (iii) liens or security interests on the present or future properties of the Borrower or of any Governmental Agency arising in the Ordinary course of banking transactions securing External Indebtedness maturing within one year of the date of its incurrence by such Person; provided, however, that the Borrower may create, or permit any Governmental Agency to create, any such lien, security interest or other charge or encumbrance or preferential arrangement if, at no cost to the Agent or any Lender, simultaneously therewith the Lenders shall be rateably granted an equal position with respect thereto or an equivalent secured position in other properties or income or revenues acceptable to the Lenders;

(e) furnish to the Agent in sufficient copies for each Lender:

- (i) as soon as possible and in any event within five days after the occurrence of each Event of Default or each event which is continuing and with the giving of notice or lapse of time or both would constitute an Event of Default, a notice from the Ministry of Finance of the Borrower setting forth the details of such Event of Default or event and the action which the Borrower proposes to take with respect thereto;
- (ii) on each November 1, commencing November 1, 1982, and on each November 1 during the term hereof, a certificate executed by a duly authorised official of the Borrower affirming as of such date the representations and warranties of the Borrower set forth in Sections 2.01 (c), (e), (g), (h), (i), (j), (k), (l), (m), (n), (p) and (r);
- (iii) as soon as available and in any event within 180 days after the end of each of the fiscal years of the Borrower, together with a certificate from the Minister of Finance of Guyana attesting the accuracy and completeness of:
 - (A) a statement of the revenues and expenditures of the Borrower during such fiscal year,
 - (B) a statement of the Indebtedness of the Borrower and the Governmental Agencies at the end of such fiscal year,
 - (C) a statement of the obligations of the Borrower and the Governmental Agencies under guarantees, indemnities and other assurances of payment in respect of the obligations of other Persons which will or may be in foreign currencies, as of the end of such fiscal year,
 - (D) statements (on both the current and capital account basis) of the overall balance of payments surplus or deficit of the Borrower in respect of the calendar year ending in such fiscal year,
 - (E) a statement of the amount of the foreign reserves of the Borrower at the end of such fiscal year, and

- (F) a statement of the Borrower's estimated revenues and expenditures for the following fiscal year, and, when available, any correcting or updating revisions thereof;
- (iv) Such other economics, financial and general information, together with pertinent statistical data, as is reasonably required by any Lender through the Agent or by the Agent to assess the economic condition and outlook of the Borrower;
- (f) pay all other External Indebtedness owed to commercial banks or commercial financial institutions or affiliates thereof by the Borrower when due, provided, however, that if any such External Indebtedness is re-financed, then the Borrower will pay when due such re-financed debt.

Section 8.02 - Covenant of the Lenders

Each Lender covenants with each other Lender and with the Agent that so long as any Lender shall have any commitment to make any Advance hereunder, such Lender, in its individual capacity, shall promptly, and shall cause any bank or other entity (which bank or entity is either a subsidiary or affiliate of said Lender) which is not a Lender hereunder, to promptly notify the Agent of any non-payment of any payments of principal, interest or fees to be paid directly to it hereunder.

ARTICLE IX

EVENTS OF DEFAULT AND AGENT-LENDERS RELATIONSHIP

Section 9.01 - Events of Default

Upon the occurrence of any of the following specified events:

- (a) the Borrower defaults in the payment of any payment due hereunder as and when due, by acceleration or otherwise;
- (b) the Borrower defaults in the due performance or observance of any covenant or agreement undertaken by it hereunder (other than that dealt with in Section 9.01 (a)) and such default (if capable of remedy) continues unremedied for a period of 30 days after receipt by the Borrower of notice thereof from the Agent;
- (c) any representation or warranty made by the Borrower herein or pursuant hereto proves at any time to be incorrect in any respect and (if capable of remedy) the Borrower has not taken corrective measures satisfactory to the Agent with respect thereto within ten (10) days after notice thereof has been received by the Borrower from the Agent;
- (d) the Borrower fails to pay when due, whether by acceleration or otherwise, any Obligation (as hereinafter defined) for monies borrowed or raised, or fails to comply with any Obligation under any credit facility, or any obligation of the Borrower for the payment of borrowed or raised money or under any credit facility, becomes or is capable of being declared pursuant to the terms thereof, to be due and payable prior to the expressed maturity thereof. For the purposes of this Section 10.01 (d), the term "Obligation" means any and all obligation, actual or contingent of the Borrower;

- (e) any restriction or requirement is imposed, whether by legislative enactment, decree, regulation, or otherwise, which limits the transfer of foreign exchange by the Borrower for the purpose of performing any of its obligations under this Agreement unless within 15 days after the imposition of any such restriction or requirement, the Borrower has delivered to the Agent a letter signed by a duly authorised officer of the Borrower and by the duly authorised governmental authority, stating that such obligations of the Borrower are in all respects exempt from such restriction or requirement;
- (f) the Borrower shall cease to be a member in good standing, or shall cease to be eligible to use the resources, of the IMF; or the Borrower shall cease to be entitled to purchase funds under the Replacement Arrangement; or the IMF shall terminate the Replacement Arrangement; prior to its originally scheduled termination date due to a failure by the Borrower in satisfying the requirements of the Replacement Arrangement;
- (g) the international monetary reserves (or any portion thereof) of the Borrower shall at any time be subject to any mortgage, lien, security interest, pledge or other charge or encumbrance or preferred arrangement of any kind;
- (h) an extraordinary situation shall occur, or a change affecting the Borrower shall occur, which situation or change gives reasonable grounds to conclude, in the judgement of the Lenders, that the Borrower will be unable to perform or observe in the normal course its obligations under this Agreement.

then, and in any such event, and at any time while such an event is continuing, the Agent may, and if so instructed by the Lenders, shall by written or telex notice to the Borrower either (i) declare the principal of and accrued interest and all indebtedness of the Borrower to the Lenders hereunder to be due and payable or (ii) terminate any right of the Borrower to any further Advances hereunder whereupon all indebtedness of the Borrower to the Lenders is immediately due and payable without further demand or other notice of any kind, all of which are expressly waived by the Borrower and the Borrower shall pay to the Lenders notwithstanding anything to the contrary contained herein, failing which the Lenders may pursue their remedies under this Agreement and all collateral and other securities may be enforced by the Lenders or their duly authorised agents.

Section 9.02 - Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; any single or partial exercise by the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained does not affect their rights and does not waive, alter, affect, or prejudice any other right or remedy, or other rights or remedies to which the Lenders may be lawfully entitled for the same default or breach, and any waiver by the Agent or the Lenders of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Agent or the Lenders is not a waiver of that or any subsequent default. The terms and conditions of Article VI are inserted for the sole benefit of the Lenders and subject to Section 15.04 may be waived by the Agent in whole or in part with or without terms or conditions in respect of any Advance, without prejudicing the right of the Lenders to assert such terms or conditions or part thereof in respect of any other Advance.

Section 9.03 - Remedies Independent

The obligations of the Borrower to the Lenders are several and the rights and remedies of each of the Lenders may be exercised independently at any time and from time to time and subject to the provisions of Section 9.07, shall not depend upon any joint or concurrent exercise thereof by any other Lenders.

Section 9.04 - Lenders Rank Equally

Each of the Lenders and, to the extent necessary, the Borrower, covenants and agrees each with the other that the indebtedness of the Borrower to each of the Lenders under this Agreement will at all times rank equally and without preference.

Section 9.05 - Sharing of Information

The Borrower covenants and agrees that the Agent and the Lenders are entitled to share with each other any information possessed by them regarding the Borrower relating to the liability and indebtedness of the Borrower hereunder to the Lenders and to payments received by the Lenders from the Borrower.

Section 9.06 - Set-Off

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, each Lender is hereby authorized at any time or from time to time, without notice to the Borrower or to any other person, any such notice being hereby expressly waived, to set-off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Lender to or for the credit or the account of the Borrower against and on account of the obligations and liabilities of the Borrower due or payable to such Lender under this Agreement, including without limitation, all claims of any nature or description arising out of or connected with this Agreement, irrespective of whether or not such Lender has made any demand hereunder and although said obligations, liabilities or claims, or any of them are contingent or unmatured.

Section 9.07 - Sharing Among the Lenders

The Lenders agree among themselves that, with respect to all sums received by the Lenders in payment of principal of or interest on the Loan (with the exception of any amounts which any Lender may independently recover by suit as permitted by Section 9.03 and any amounts which the Borrower pays to any Lender pursuant to Section 5.05 unless all Lenders are to be paid or repaid in full pursuant to such Sections), equitable adjustment will be made between the Lenders so that, in effect, all such sums whether received by voluntary payment, by the exercise of the right of set-off or banker's lien, or by counterclaim or cross-action will be shared by each Lender in the proportion which the amount disbursed by each such Lender bears to the total principal amount disbursed by all the Lenders immediately prior to such receipt; if any Lender receives any payment of a sum or sums in excess of its proportional share, the Lender receiving such excess payment shall purchase for cash without recourse from the other Lenders a participation in their loan in such amounts as will result in a proportional participation by all the Lenders in the aggregate unpaid principal amount of the Loan

Section 9.08 - Appointment of Agent

Each Lender authorizes and appoints the Agent as its representative to act on its behalf in dealings with the Borrower with respect to the preparation, execution and administration of this Agreement, to exercise and to carry out all the discretions, authorities, powers and duties conferred on the Agent as the Agent by this Agreement, together with such powers as are reasonably incidental thereto.

Section 9.09 - Disclaimer of Agent

The Agent makes no representation or warranty, and assumes no responsibility with respect to the due execution, legality, validity, sufficiency, enforceability or collectibility of this Agreement or any instruments or

documents referred to therein, relative thereto or issued thereunder. The Agent assumes no responsibility for the financial condition of the Borrower or for the performance of any of the obligations of the Borrower under this Agreement. The Agent assumes no responsibility with respect to accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by the Borrower to the Agent. The Agent is under no duty to provide information to the Lenders other than information provided by the Borrower to the Agent on behalf of the Lenders.

Section 9.10 - Replacement of Agent

The Agent may resign at any time by giving to the Borrower and to each of the Lenders not less than thirty (30) days notice of its intention to do so. The Lenders may appoint a successor during this period but if they fail to do so, the Agent shall appoint its successor after consultation with the Lenders; the Agent's resignation is not effective until the appointment of its successor has taken effect.

Section 9.11 - Indemnification of Agent

Each Lender severally agrees to reimburse, on demand, to the extent of its respective pro rata participations in the Loan for any and all costs, expenses and disbursements which may be incurred or made by the Agent in connection with the making, performance and enforcement of this Agreement for which the Agent is not promptly reimbursed at any time by or on behalf of the Borrower, unless such costs or expenses and disbursements arise out of the Agent's gross negligence or wilful misconduct. The Agent shall not be obliged to expend its own funds (other than in proportion) or otherwise incur any financial obligations in connection with the Loan Agreement unless it is so reimbursed.

Section 9.12 - Acknowledgement of Lenders

Each Lender acknowledges and represents that it has made its own independent assessment of the financial condition of the Borrower prior to agreeing to signing this Agreement.

ARTICLE X

PAYMENT OF EXPENSES

Section 10.01 - Payment of Expenses

Whether or not an Event of Default exists, the Borrower shall:

- (a) pay all expenses of the Agent in connection with the preparation, negotiation, execution, delivery, operation of this Agreement as well as in connection with the preparation of any amendments, modifications or waivers relating to this Agreement;
- (b) pay all expenses of the Agent and of each of the Lenders incurred in the enforcement, administration and preservation of any rights under this Agreement, the making and the repayment of the Loan and the payment of interest;
- (c) pay and indemnify the Lenders from any and all present and future stamp and other taxes in connection with the enforcement of or preservation of any rights under this Agreement;
- (d) indemnify the Lenders from and against any and all liabilities with respect to or resulting from any delay or omission to pay any Taxes;

- (e) indemnify the Lenders against all losses, expenses and liabilities which the Lenders may sustain or incur (including, without limitation, any loss of profit or any interest or other charges payable by the Lenders to lenders of funds borrowed in order to make or maintain the Loan or any participation therein or to maintain any amount in default) as a consequence or any default by the Borrower under any of the provisions of this Agreement, any misrepresentation by the Borrower contained in or delivered in writing in connection with this Agreement or any prepayment pursuant to the provisions of this Agreement.

ARTICLE XI

NOTICES

Section 11.01 - Notices

Unless otherwise stated in this Agreement all notices pursuant to this Agreement must be in writing and sent either by air mail postage paid, by telegraph, or by telex and are deemed to have been given and received if sent by mail on the fifteenth (15th) Business Day following the date of mailing, and, if sent by telex or telegraph, on the Business Day next following the date of transmission of the telex or telegraph. The mailing and telex addresses of the parties for the purposes of this Agreement are the addresses opposite the respective names of the parties on the signature pages or such other mailing or telex address as any party from time to time may notify the others.

ARTICLE XII

JUDGEMENT CURRENCY

Section 12.01 - Judgement Currency

If for the purpose of obtaining judgement in any court or for any other purpose hereunder it is necessary to convert an amount due hereunder in the currency in which it is due (the "Original Currency") into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Agent could purchase, in the New York foreign exchange market, the Original Currency with the Second Currency on the date two Business Days preceding that on which judgement is given. The Borrower agrees that its obligation in respect of any Original Currency due from it to a Lender or the Agent (as the case may be) hereunder shall, notwithstanding any judgement of payment in such other currency, be discharged only to the extent that, on the Business Day following receipt of any sum so paid or adjudged to be due hereunder in the Second Currency, such Lender or the Agent (as the case may be) may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and, if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the Borrower agrees as a separate obligation and notwithstanding any such payment or judgement to indemnify such Lender or the Agent (as the case may be) against such loss.

ARTICLE XIII

SALES, ASSIGNMENT, TRANSFER AND PARTICIPATION

Section 13.01 - Sales, Assignment, Transfer and Participation

Any of the Lenders, upon notifying the Agent in writing, may at any time and from time to time,

- (a) sell, assign, grant an interest, or transfer the whole or any part of its property and rights in this Agreement to any other person, including without limitation, any branch or office of such Lender (an "Assignee"),
- (b) cause any other person (an "Assignee Lender") to be substituted for that Lender in respect of the whole or of a specified original amount of the obligations of that Lender under this Agreement,
- (c) participate all or any part of its rights, benefits and obligations under this Agreement to any other person.

Section 13.02 - Reductions of Borrower's Obligations to Assignor

Upon a Lender's making any sale, assignment, grant of interest, transfer or participation (with the exception of a transfer to the Lender's branch or office as provided in Section 13.01(a)), ~~the obligations of the~~ Borrower to that Lender are pro tanto reduced and the Borrower covenants that the benefit of the respective obligations set forth herein will in any such case run directly to the benefit of and may be enforced by the Assignee thereof, ~~irrespective~~ of any defense or counterclaim which the Borrower may at any time have against such Lender, all of which the Borrower agrees not to assert in any proceeding brought by an Assignee in respect of this Agreement.

Section 13.03 - Release of Lender

Upon a Lender's substituting an Assignee Lender in accordance with Section 13.01(h) that Lender is released from its obligations hereunder to the extent of the amount that the obligations of that Lender are assumed by the Assignee Lender.

Section 13.04 - Consent of Lenders

The Borrower may not assign its rights and obligations without the prior written consent of the Lenders.

Section 13.05 - Successors and Assigns

This Agreement when executed and delivered is binding upon and ~~enures~~ to the benefit of the parties and their respective successors and assigns.

ARTICLE XIV

JURISDICTION AND PROPER LAW

Section 14.01 - Governing Law

The parties hereto agree that this Agreement shall be conclusively deemed to be made under, and shall for all purposes be governed by and construed in accordance with the laws of the State of New York, and the United States of America applicable herein without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where assets of the Borrower may be found.

Section 14.02 - Submission to Jurisdiction and Waiver of Immunities

(a) By the execution and delivery of this Agreement, the Borrower irrevocably waives any rights of immunities which it has or may acquire in respect of its obligations under this Agreement and thereby submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York, County of New York or of the U.S. District Court for the Southern District of New York, United States of America, and of Guyana, and irrevocably waives any immunity from jurisdiction or suit, from attachment before or after judgement, attachment in aid of execution of judgement, set off of its property, or from execution of a judgement to which it may otherwise be entitled in any suit or proceeding in any jurisdiction in which such proceedings or suits are taken arising out of or relating to this Agreement.

(b) The Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in the Supreme Court of the State of New York, County of New York or in the U.S. District Court for the Southern District of New York, and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such Court has been brought in any such Court in an inconvenient forum.

Section 14.03 - Appointment of Agent for Process

(a) The Borrower hereby irrevocably appoints the Process Agent as its agent to receive on behalf of the Borrower and its property service of copies of the summons and writ and any other process which may be served in any such action or proceeding in the State of New York. Such service may be made by mailing or delivering a copy of such process to the Borrower in care of the Process Agent at the Process Agent's above address, and the Borrower hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. In the event that, for any reason, service of legal process can not be made in the manner described above, such service may be made in the manner set out in paragraph (3) and (4) of Section 1608 (a) of Title 28 of the United States Code. Each Lender agrees to mail to the Borrower at its address specified in the signature page hereof a photocopy of any process served in accordance with the preceding sentence provided that such mailing shall not be a condition of service made in accordance with the preceding sentence. As an alternative method of service, the Borrower also irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Borrower at its address specified in the signature page. The Borrower agrees that a final judgement in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgement or in any other manner provided by law.

(b) Nothing in this Section 14.03 shall affect the right of any Lender or the Agent to serve legal process in any other manner permitted by law or affect the right of any Lender or the Agent to bring any action or proceeding against the Borrower or its property in the courts of any other jurisdiction or jurisdictions.

ARTICLE XV

MISCELLANEOUS

Section 15.01 - Severability

Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 15.02 - Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together constitute one and the same instrument and any of the parties may execute this Agreement by Signing any such counterpart.

Section 15.03 - Survival of Undertakings

All covenants, agreements, representations and warranties made pursuant to this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the full repayment of all obligations incurred by the Borrower hereunder.

Section 15.04 - Amendments

No amendment, modification or waiver of any provision of this Agreement nor consent to any departure by the Borrower herefrom is in any event effective unless the same is in writing and signed by the Lenders, and then such waiver of consent is effective only in the specific instance and for the purpose for which it is given.

IN WITNESS WHEREOF, the Borrower, the Agent and the Lenders have caused this Agreement to be executed by their respective officers or representatives on the date of this Agreement.

ADDRESS FOR NOTICES:

1 Place Ville Marie
P.O. Box 6001
Montreal, Quebec H3C 3A9
Canada

Telex: 05-267631
Answerback: ROYALBANKA MTL

1 Place Ville Marie
P.O. Box 6001
Montreal, Quebec H3C 3A9
Canada

Telex: 05-267631
Answerback: ROYALBANKA MTL

Herengracht 485
Amsterdam 1001
The Netherlands

Attention: Managing Director

Telex: 15595
Answerback: RBC NL

44 King Street West
Toronto, Ontario

Attention: Mr. R. Cooke
Vice President and
General Manager
Latin America

Telex: 0622106

GUYANA

By:

THE ROYAL BANK OF CANADA
(as Agent)

By:

Title:.....

THE ROYAL BANK OF CANADA
(as Lender)

By:.....

Title:.....

RBC FINANCE B.V.

By:.....

Title:.....

THE BANK OF NOVA SCOTIA

By:.....

Title:

Beaumont House
Bay Street
P.O. Box N-3024
Nassau N.P. Bahamas

THE ROYAL BANK OF CANADA
INTERNATIONAL LIMITED

By:

Attention: Mr. R.A. Lacey
President

Title:.....

Telex: 20184
Answerback: INTERROYAL

140 London Wall
London EC2Y 5DN
England, United Kingdom

LIBRA BANK LIMITED

By:.....

Attention: Mr. Treadwell
Telex: 885869
Answerback: LIBRABANK LDN

Title:

Schedule "A" to the Loan Agreement dated as of the 1st day of February, 1980, between Guyana as Borrower and The Royal Bank of Canada as Agent and the following as Lenders.

<u>LIST OF FINANCIAL INSTITUTIONS</u>	<u>AMOUNT</u>
The Royal Bank of Canada	US\$ 8,120,400
RBC Finance B.V.	US\$ 1,017,900
The Bank of Nova Scotia	US\$ 562,000
The Royal Bank of Canada International Limited	US\$ 187,300
Libra Bank Limited	US\$ 112,400
TOTAL.....	<u>US\$10,000,000</u>

SCHEDULE "B"

FORM OF OPINION OF ATTORNEY GENERAL OF GUYANA

To the Lenders party to the Agreement referred to below and to The Royal Bank of Canada, as Agent thereunder

Gentlemen:

In my official capacity as Attorney General of Guyana, I am pleased to give you this legal opinion which is furnished pursuant to Section of the Agreement dated as of (the "Agreement") among Guyana (the "Borrower") each of the Lenders and The Royal Bank of Canada, as Agent. Terms used herein which are defined in the Agreement shall have their defined meanings unless otherwise defined herein. I have acted as Counsel for the Borrower in connection with the preparation, execution and delivery of the documents delivered thereunder.

In that connection, I have examined:

- (1) the agreement;
- (2) the documents delivered pursuant to Section of the Agreement;
- (3) the Constitution of Guyana (the "Constitution"), the Income Tax Act, The External Loans Act, and the High Court Act; and
- (4) such other documents, agreements and instruments, and such treaties, laws, rules, regulations, orders, writs, judgements, awards, injunctions, and the like, as I have deemed necessary as a basis for the opinions hereinafter expressed.

Based upon the foregoing, and having regard for legal considerations which I deem relevant, I am of that opinion that:

(a) The Borrower has full power, authority and legal right to execute and deliver the Agreement and all other documents and instruments to be delivered by it thereunder, and to perform and observe the terms and provisions thereof on its part to be performed and observed to which it is a party, and the Borrower has full power, authority and legal right to incur the indebtedness and other obligations provided for in the Agreement.

(b) The execution, delivery and performance by the Borrower of the Agreement have been duly authorized by all necessary legislative, administrative and other governmental action, and do not contravene (i) the Constitution, (ii) any treaty, convention, law, rule, regulation, order or other authority, or, to the best of my knowledge after due inquiry, any writ, judgement, award, injunction or similar legal restriction applicable to the Borrower, or (iii) to the best of my knowledge after due inquiry, any contractual restriction contained in any indenture, loan or credit agreement, guaranty, or mortgage, deed of trust, bond, note or other agreement or instrument which binds or affects or purports to bind or affects the Borrower.

(c) No consent or approval of the IMF or any other Person is required in connection with the execution, delivery and performance of the Agreement by the Borrower.

(d) No authorization or approval or other action by, and no notice to or public registration, recording or filing with, any governmental authority or regulatory body is required with respect to the due execution, delivery and performance by, or as a condition to the legality, validity or enforceability with respect to, the Borrower of the Agreement, except for the following, all of which have been duly obtained or made and are in full force and effect:

- (i) a signed copy of a letter from the Minister of Finance authorizing to execute and deliver the Agreement on behalf of the Borrower;
 - (ii) an Order of the Minister of Finance pursuant to the provisions of the Income Tax Act exempting all payments due under the Agreement from income tax including withholding tax; and
 - (iii) a guarantee of foreign exchange availability permitting payment by the Borrower of principal and interest and other amounts due under the Agreement;
- (e) The Agreement has been duly authorized, executed and delivered by the Borrower, and the Agreement is a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(f) The Agreement is the direct, unconditional and general obligations of the Borrower for the performance and payment of which the full faith and credit of the Borrower are pledged. The Borrower is subject to civil and commercial law with respect to its obligations under the Agreement. The Borrower nor any of its assets enjoy any right of immunity from suit, set-off, attachment prior to judgment or in aid of execution or execution on a judgment in respect of its obligations under the Agreement. Neither the Borrower nor any of its assets enjoy any right of immunity from suit or set-off in respect of the obligations of the Borrower under the Agreement. The Borrower does not have any immunity from the jurisdiction of any court in Guyana. Notwithstanding, in order for proceedings to be prosecuted against the Borrower in Guyana the statement of claim must be endorsed with the fiat of the Minister of Justice. Furthermore, Section 41 of the High Court Act, chapter 3.02 of the laws of Guyana expressly enacts that no execution will issue on a judgment against the Borrower but provides that the Minister of Finance shall by warrant under his hand direct the amount ordered by the court to be paid.

The waiver contained in paragraph (d) of Section 14.02 (a) of the Agreement by the Borrower of any such right of such immunity is an authorized, legal and valid act of, and is assuming that such act would be determined to be irrevocable under the applicable laws of any given jurisdiction in which the issue is raised, irrevocably binding on the Borrower in accordance with its terms. The appointment of the Process Agent contained in paragraph (a) of Section 14.03 and the consent to the jurisdiction of any New York State or Federal court sitting in New York, New York with respect to matters arising from the Agreement, contained in paragraph (a) of Section 14.02, the waiver of objections concerning forum and venue contained in paragraph (b) of Section 14.02 and the choice contained in Section 14.01 by the Borrower of the laws of the State of New York to govern the Agreement are, respectively authorized, legal and valid acts of, and, assuming that any such act would be determined to be irrevocable under the applicable laws of any jurisdiction in which the issue is raised, are irrevocably binding on the Borrower in accordance with their respective terms and, to the best of my knowledge, do not contravene any constitutional provision, treaty, convention, law, rule, regulation, order or other authority or the public policy of Guyana. The Process Agent's letter referred to in Section 6.01 (c) (vi) of the Agreement has been duly authorized, executed and delivered by the Process Agent and is irrevocably binding on the Process Agent.

(g) There is no income, stamp or other tax of Guyana or any taxing authority thereof or therein, imposed by or in the nature of withholding or otherwise, which will be imposed on any payment to be made by the Borrower pursuant to the Agreement, or which will be imposed on or by virtue of the execution, delivery or enforcement of the Agreement;

(h) No litigation or administrative proceeding is presently pending or, to the best of my knowledge after due inquiry, threatened against the Borrower or any Governmental Agency which might have a material adverse effect on the ability of the Borrower to perform the obligations of the Borrower under the Agreement.

(i) No action or proceeding of or before any court has been commenced or to the best of my knowledge after due inquiry, is threatened to restrain the execution and delivery of the Agreement or the Borrower's performance of and compliance with the obligations expressed to be assumed by it and the conditions imposed on it by the Agreement or to question the right and power of the Borrower to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in and the conditions imposed on it by the Agreement or the legality, validity and enforceability of the Agreement.

(j) The Borrower is a member in good standing of the IMF and is entitled to use the resources of the IMF, including but not limited to the Extended Arrangement.

(k) The indebtedness incurred and to be incurred by the Borrower under the Agreement ~~constitutes and will constitute a charge created by virtue of the laws of Guyana on the Borrower's Consolidated Fund and Assets; the indebtedness and other~~ obligations incurred and to be incurred under the Agreement rank and will rank at least pari passu in all respects with all indebtedness of the Borrower; and, to the best of my knowledge after due inquiry, there is presently existing no mortgage, lien, security interest, pledge or other charge or encumbrance, or other preferred arrangement, of any kind on or with respect to any of the assets, revenues or properties of the Borrower or any Governmental Agency, or with respect to any right of any such Person to receive income in connection with any Indebtedness of the Borrower or any Governmental Agency.

(l) The Agreement is in proper legal form under the laws of Guyana for the enforcement thereof against the Borrower in the jurisdiction of, and under the laws of Guyana.

(m) to ensure the enforceability or admissibility in evidence of the Agreement in Guyana, it is not necessary that the Agreement or any other document be filed or recorded with any court or other authority in Guyana or be notarized or that any stamp or similar tax be paid on or in respect of the Agreement.

(n) If any judgement of a foreign court is rendered against the Borrower in connection with any action arising out of or relating to the Agreement, such judgement could be sued upon in the courts of Guyana as a valid cause of action; and in any such suit, the Guyana courts would, if satisfied that:

(i) the foreign court had competence by virtue of the submission of the Borrower to jurisdiction of that court at the time at which the action was brought;

(ii) such judgement was final and conclusive;

(iii) such judgement was a fixed sum (including an award for damages);

(iv) such judgement was not contrary to the public policy of Guyana; and

(v) such judgement was not obtained by fraud;

grant a judgement which would be enforceable against the Borrower in Guyana without any retrial or re-examination of the merits of the original action; and if any action were brought against the Borrower in the courts of Guyana based on or relating to the Agreement, the Borrower would have no immunity from the Jurisdiction of the Guyana courts; and that a judgement obtained against the Borrower from a Guyana court based upon a judgement of a foreign court meeting the requirements set forth above or obtained at first instance in a Guyana court would be honoured in the manner mentioned in paragraph (f).

Very truly yours,

Attorney General

"SCHEDULE C"

FORM OF OPINION OF SPECIAL GUYANA COUNSEL FOR THE BANKS

To the Lenders party to the Agreement referred to below and to the Royal Bank of Canada, as Agent thereunder

Gentlemen:

This opinion is furnished to you pursuant to Section of the Agreement dated as of (the "Agreement") among Guyana (the "Borrower"), each of the Lenders and The Royal Bank of Canada, as the Agent. Terms used herein which are defined in the Agreement shall have their defined meanings unless otherwise defined herein.

I have acted as your special Guyana solicitor in connection with the preparation, execution and delivery of the Agreement and the documents delivered thereunder.

In preparing this opinion I have examined:

- (1) the Agreement;
- (2) the documents delivered pursuant to Agreement; of Section of the
- (3) the Constitution of Guyana (the "Constitution");
- (4) The Income Tax Act, chapter 81:01 of the laws of Guyana;
- (5) The External Loans Act, chapter 74:08 of the laws of Guyana;
- (6) The High Court Act, chapter 3.02 of the laws of Guyana; and
- (7) such other documents, agreements and instruments, and such treaties, laws, rules, regulations, orders, writs, judgement, awards, injunctions, and the like, as I have deemed necessary as a basis for the opinions hereinafter expressed.

I am qualified to practice law in Guyana and do not herein express any opinions as to any matters governed by any laws other than the laws of Guyana. I specifically do not hold myself out as an expert on the laws of the State of New York and the Federal laws of the United States of America.

Based upon the foregoing, and having regard for legal considerations which I deem relevant, I am of the opinion that:

(a) The Borrower has full power, authority and legal right to execute and deliver the Agreement and all other documents and instruments to be delivered by it thereunder, and to perform and observe the terms and provisions thereof on its part to be performed and observed, and the Borrower has full power, authority and legal right to incur to Indebtedness and other obligations provided for in the Agreement.

(b) The execution, delivery and performance by the Borrower of the Agreement have been duly authorised by all necessary legislative, administrative and other governmental action, and do not contravene (i) the Constitution, (ii) any treaty, convention, law, rule, regulation, order or other authority or to the best of my knowledge after due inquiry, any writ, judgement, award, injunction or similar legal restriction applicable to the Borrower, or (iii) to the best of my knowledge after due inquiry, any contractual restriction contained in any indenture, loan or credit agreement, guaranty, or mortgage, deed of trust, bond, note or other agreement or instrument which binds or affects or purports to bind or affect the Borrower.

(c) No authorization or approval or other action by, and no notice to or public registration, recording or filing with, any governmental authority or regulatory body is required with respect to the due execution, delivery and performance by, or as a condition to the legality, validity or enforceability with respect to, the Borrower, except for the following, all of which have been duly obtained or made and are in full force and effect:

(i) a signed copy of a letter from the Minister of Finance authorizing to execute and deliver the Agreement on behalf of the Borrower;

(ii) an Order of the Minister of Finance pursuant to the provisions of the Income Tax Act exempting all payments due under this Agreement from income tax including withholding tax; and

(iii) a guarantee of foreign exchange availability permitting payment by the Borrower of principal and interest and other amounts due under the Agreement.

(d) The Agreement has been duly authorized, executed and delivered by the Borrower and the Agreement is a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(e) The Agreement is the direct, unconditional and general obligations of the Borrower for the performance and payment of which the full faith and credit of the Borrower are pledged. The Borrower is subject to civil and commercial law with respect to its obligations under the Agreement. The Borrower does not nor do its assets enjoy any right of immunity from suit or set-off, in respect of its obligations under the Agreement. Notwithstanding, I would like to point out that in order for proceedings to be prosecuted against the Borrower in Guyana the statement of claim must be endorsed with the fiat of the Minister of Justice. Furthermore, Section 41 of the High Court Act, chapter 3.02 of the laws of Guyana expressly enacts that no execution will issue on a judgement against the Borrower but provides that the Minister of Finance shall be warrant under his hand direct the amount ordered by the court to be paid.

The waiver contained in paragraph (a) of Section 14.02 of the Agreement

by the Borrower of any such right of such immunity is an authorized, legal and valid act of, and is, assuming that such act would be determined to be irrevocable under the applicable laws of any given jurisdiction in which the issue is raised, irrevocably binding on the Borrower in accordance with its terms. The appointment of the Process Agent contained in paragraph (a) of Section 14.03 and the consent to the jurisdiction of any New York State or Federal court sitting in New York, New York with respect to matters arising from the Agreement, contained in paragraph (a) of Section 14.02, the waiver of objections concerning forum and venue contained in paragraph (b) of Section 14.02 and the choice contained in Section 14.01 by the Borrower of the laws of the State of New York to govern the Agreement are, respectively, authorized, legal and valid acts of, and assuming that any such act would be determined to be irrevocable under the applicable laws of any given jurisdiction in which the issue is raised, are irrevocably binding on the Borrower in accordance with its terms and to the best of my knowledge, do not contravene any constitutional provision, treaty, convention, law, rule, regulation, order or other authority or the public policy of Guyana. The Process Agent's letter referred to in Section 6.01 (c) (vi) of the Agreement has been duly authorized, executed and delivered by the Process Agent and is irrevocably binding on the Process Agent.

(f) There is no income, stamp or other tax of Guyana or any taxing authority thereof or therein, imposed by or in the nature of withholding or otherwise, which will be imposed on any payment to be made by the Borrower pursuant to the Agreement, or which will be imposed on or by virtue of the execution, delivery or enforcement of the Agreement.

(g) To the best of my knowledge after due inquiry, no litigation or administrative proceeding is presently pending or threatened against the Borrower or any Governmental Agency which might have a material adverse effect on the ability of the Borrower to perform the obligations of the Borrower under the Agreement.

(h) To the best of my knowledge after due inquiry, no action or proceeding of or before any court has been commenced or is threatened to restrain the execution and delivery of the Agreement or the Borrower's performance of any compliance with the obligations expressed to be assumed by it and the conditions imposed on it by the Agreement or to question the right and power of the Borrower to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in and the conditions imposed on it by the Agreement or the legality, validity and enforceability of the Agreement.

(i) The Borrower is a member of the IMF.

(j) The indebtedness incurred and to be incurred by the Borrower under the Agreement constitutes and will constitute a charge created by virtue of the laws of Guyana on the Borrower's Consolidated Fund and assets; the indebtedness and other obligations incurred and to be incurred under the Agreement rank and will rank at least pari passu in all respects with all indebtedness of the Borrower and, to the best of our knowledge after due inquiry, there is presently existing no mortgage, lien, security interest, pledge or other charge or encumbrance, or other preferred arrangement, of any kind on or with respect to any of the assets, revenues or properties of the Borrower or any Governmental Agency, or with respect to any right of any such Person to receive income, in connection with any External Indebtedness of the Borrower or any Governmental Agency.

(k) The Agreement is in proper legal form under the laws of Guyana for the enforcement thereof against the Borrower under the jurisdiction of the laws of Guyana.

(l)

(1) To ensure the enforceability or admissibility in evidence of the Agreement in Guyana, it is not necessary that the Agreement or any other document be filed or recorded with any court or other authority in Guyana or be notarized or that any stamp or similar tax be paid on or in respect of the Agreement.

Yours faithfully,

DE CARES & CO.

By: _____

David de Caries

"SCHEDULE D"

FORM OF OPINION OF SPECIAL NEW YORK COUNSEL
TO THE BANKS

To the Lenders party to the
Agreement referred to below
and to The Royal Bank of Canada,
as Agent thereunder

Gentlemen:

You have requested our opinion regarding the enforceability under New York law of the Agreement dated as of February 1, 1980 among Guyana (the "Borrower"), each of the Lenders and The Royal Bank of Canada, as Agent (the "Agreement").

The terms defined in the Agreement and used herein shall have the respective meanings ascribed to them in the Agreement.

In preparing this opinion, we have examined:

- (1) the Agreement;
- (2) the documents delivered pursuant to _____ of Section 2.01 (e) of the Agreement;
- (3) the opinion of _____ General of Guyana, counsel for the Borrower, dated as of _____ and delivered pursuant to Section _____, of the Agreement; and
- (4) The opinion of De Caires and Co., special Guyana solicitor for the Banks, dated _____ and delivered pursuant to Section _____, of the Agreement.

We have assumed for purposes of this opinion the authenticity of all documents examined by us, the genuineness of all signatures and the due authority of the parties executing such documents.

As to factual matters, we have relied upon the documents we have examined without independently considering the matters covered by such documents, and, as to matters of law not governed by the laws of the State of New York or the Federal laws of the United States of America, we have relied upon the opinions of counsel referred to above without independently considering the matters covered by such opinions.

We are members of the Bar of the State of New York and do not herein express my opinions as to any matters governed by any laws other than the laws of the State of New York and the Federal laws of the United States of America. We specifically do not hold ourselves out as experts on the laws of Guyana and, to the extent such laws may be relevant to this opinion, we have relied with your permission upon the above-mentioned opinions of Attorney General of Guyana and De Caires & Co.

Based upon the foregoing, we are of the opinion that, under the laws of the State of New York and the applicable Federal laws of the United States of America, the Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, except as any of the foregoing may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting enforceability of creditors' rights generally at the time in effect, and by the application of equity principles if remedies in equity are sought, and except that we express no opinion as to (1) the effect of the laws of any jurisdiction (other than the State of New York) wherein any Bank or any Lending Office of any Bank may be located, (2) Section of the Agreement as it relates to subject matter jurisdiction of any Federal court sitting in New York, New York and (3) Section of the Agreement as it relates to waiver of objection to venue and waiver of the right to move to transfer or dismiss a pending action on the ground of forum non conveniens.

Very truly yours,