



M : IPC SUDAN LTD.

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MR. Alex Schneider

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AS

**SUDAN BLOCK 5A
MINUTES OF THE JOINT MANAGEMENT COMMITTEE MEETING
KHARTOUM 4 OCTOBER 2000**

GOVERNMENT Representatives:

Mr Awad El Kareem Mohamed Kheir	Chairman	OEPA
Mr Omer Bashab	Representative	OEPA
Mr Ismail Abdalla Eisa	Representative	OEPA
Mr Muzamil Abdalla	Representative	OEPA

Contractor Representatives:

Mr Alexander Schneider	Vice-Chairman	IPC
Dr Alam A/Bagi	Observer	IPC
Mr Tim Sarney	Observer	IPC
Mr Mike Webb	Observer	IPC
Mr Abu Elhassan Mussa	Observer	IPC
Mr Gerhard Milan	Representative	OMV
Mr Artur Kremser	Observer	OMV
Mr Michael Leong	Representative	Petronas
Mr Abd Aziz Abd Kadir	Observer	Petronas
Mr Nour Azahar Ibrahim	Observer	Petronas
Mr Mohamed Ahmed Hassan	Representative	Sudapet
Mr Faiz Mohamed Abdel Rahman	Observer	Sudapet

I INTRODUCTION

Alex Schneider (AS) welcomed all those present and introduced the IPC members, Tim Sarney (TS) and Mike Webb (MW). The Chairman echoed the welcome and expressed a hope for good progress in the block over the coming year.

AS handed out a set of overhead projector slides and proceeded to review the original objectives for the 1999-2000 year and compare them against the milestones achieved. AS then presented an overview of the Project Status, including the Aeromag survey, the acquisition and interpretation of seismic data and drilling and construction activities. AS pointed out that because of security reasons only part of the 1999-2000 Programme had been achieved. Unfortunately, despite multiple attempts to mobilise both the seismic and drilling crews in Block 5A, a decision had to be made to cancel both the seismic and drilling contracts because of unresolved security issues and the ending of the dry season. AS advised that despite the above set-backs significant progress had been made with construction activities, particularly in relation to the establishment of a base camp and warehouse facilities at the Rubkona site.

AS also presented an account of the Geneva and Khartoum Project Teams, emphasising changes in personnel: AS to replace Keith Hill as Project Coordinator and Ken Barker to be appointed as Khartoum Operations Manager.

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TS outlined the structure of the Block 5A Drilling organisation and emphasised that a number of positions were filled by contract staff who would not be needed when operations were suspended as a result of weather constraints.

II DRILLING, SEISMIC AND CONSTRUCTION UPDATE

AS presented an update of the 1999-2000 seismic acquisition events and outlined the reasons for the inability to mobilise the seismic crew into the Block as planned.

TS presented a detailed update of drilling and construction activities, including the construction of the Rubkona base and the refurbishment of the old Chevron warehouse, which was being used to store all tangible material that had been procured for the drilling of three wells. The old Chevron airstrip at Rubkona had been renovated. The river crossing had also been constructed in place of the ferry that had previously been used but which would have been impracticable for the transportation of the 7-8,000 tons of gravel needed for the construction of the all weather road. The all weather road was being constructed for a price of approximately \$5.5MM. Approximately 9 kilometres has been constructed south of the river as at the date of the JMC meeting. The road would remain as single track until testing of Thar Jath and would be extended to Jarayan. The completion date had been brought forward from 31 March 2001 to 28 February 2001. A VHF communications network had been installed to allow direct communications between Rubkona and Thar Jath. A repeater station would be installed once the all weather road had been completed along 50% of its length. TS also presented a breakdown of drilling costs for the 1999 to 2000 drilling campaign and costs shared between seismic and drilling activities. OEPA asked for a breakdown of the \$2.263MM shown for mobilisation and demobilisation costs and IPC undertook to supply this.

III WORK PROGRAMME AND BUDGET

AS presented details of the 2000 Budget, comparing forecast expenditure by category against budgeted and revised budgeted amounts and explaining any variations. It was stated that a revised Budget had been submitted to OEPA 4-5 weeks prior to the JMC meeting.

AS outlined the proposed 2000-2001 Work Programme, involving completion of the all weather road, testing of Thar-Jath-1 and the drilling of an exploration well on Jarayan. It was stated that completion of the road was essential to the successful implementation of the Work Programme.

AS presented a summary of the 2001 Budget, already approved by the Contractor parties, in the sum of \$21,269,000. In response to a question from OEPA, IPC confirmed that the Budget complied fully with the terms of the EPSA.

AS explained the 2001 Work Programme philosophy and details of budgeted and contingent Work Programme activities for Block 5A. It was emphasised, in response to a question from OEPA, that the ZPEB rig was already at Thar Jath site and it was therefore not proposed to use a workover rig to test Thar Jath unless the ZPEB rig was unavailable.

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IV EPISA AMENDMENT STATUS

IPC outlined a proposed amendment agreement to incorporate the 12 month extension to the Exploration Period that had been granted. The draft amendment had been approved by partners. OEPA suggested that the Minister's letter was sufficient and a formal amendment was unnecessary. A discussion followed and it was agreed that IPC would draft a clarification letter to be signed by the Minister and counter-signed by the partners.

V SECURITY STATUS

TS presented a report on the security situation on the Block from June 1999 to August 2000.

OEPA questioned the statement in one of the overhead projector slides that no "credible guarantees" of Block security could be given. IPC emphasised that no criticism of Government efforts and achievements was implied or intended: on the contrary the Government was to be congratulated on its past efforts and future commitments. IPC had intended to signify that despite the best efforts of all concerned the security situation on the Block remained uncertain. Nevertheless, AS and TS pointed out that they felt that the security situation on block 5A seems to have improved since the last operating season. It is clear that the Government is making a great effort on behalf of the Block 5A joint venture to secure the area for next year's operations.

VI TRAINING PROGRAMME FOR SUDANESE

AS outlined the 2000 programme for the training of Sudanese nationals

VII ANY OTHER BUSINESS

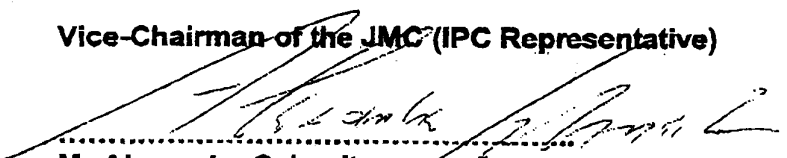
OEPA asked if there had been any cooperation between IPC and GNPOC. IPC replied that a cooperation agreement had been signed and a meeting had recently taken place to carry out Block 1 and Block 5A joint seismic data acquisition.

Approved and signed:

Chairman of the JMC (OEPA Representative)

For 
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Mr Awad El Karim Mohamed Kheir

Vice-Chairman of the JMC (IPC Representative)


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Mr Alexandre Schneiter