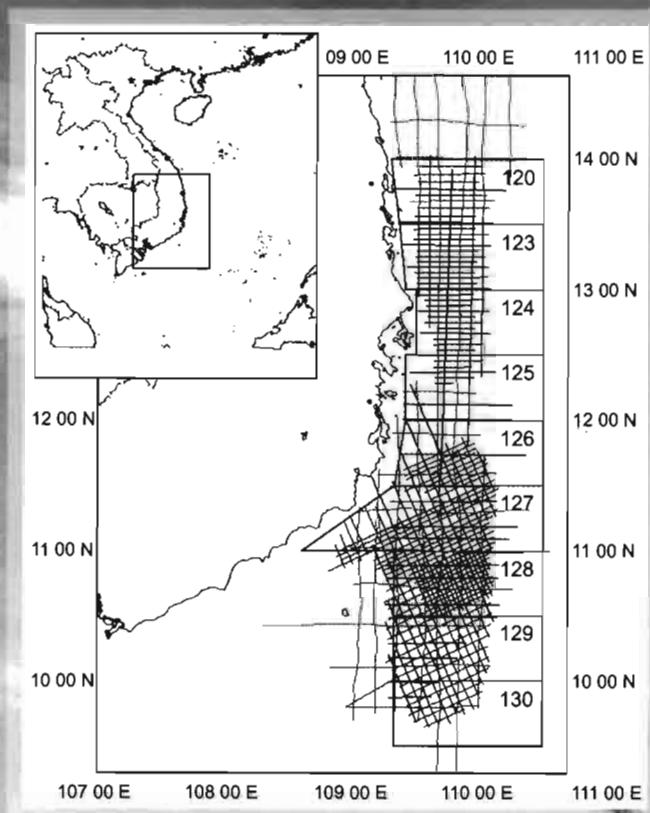
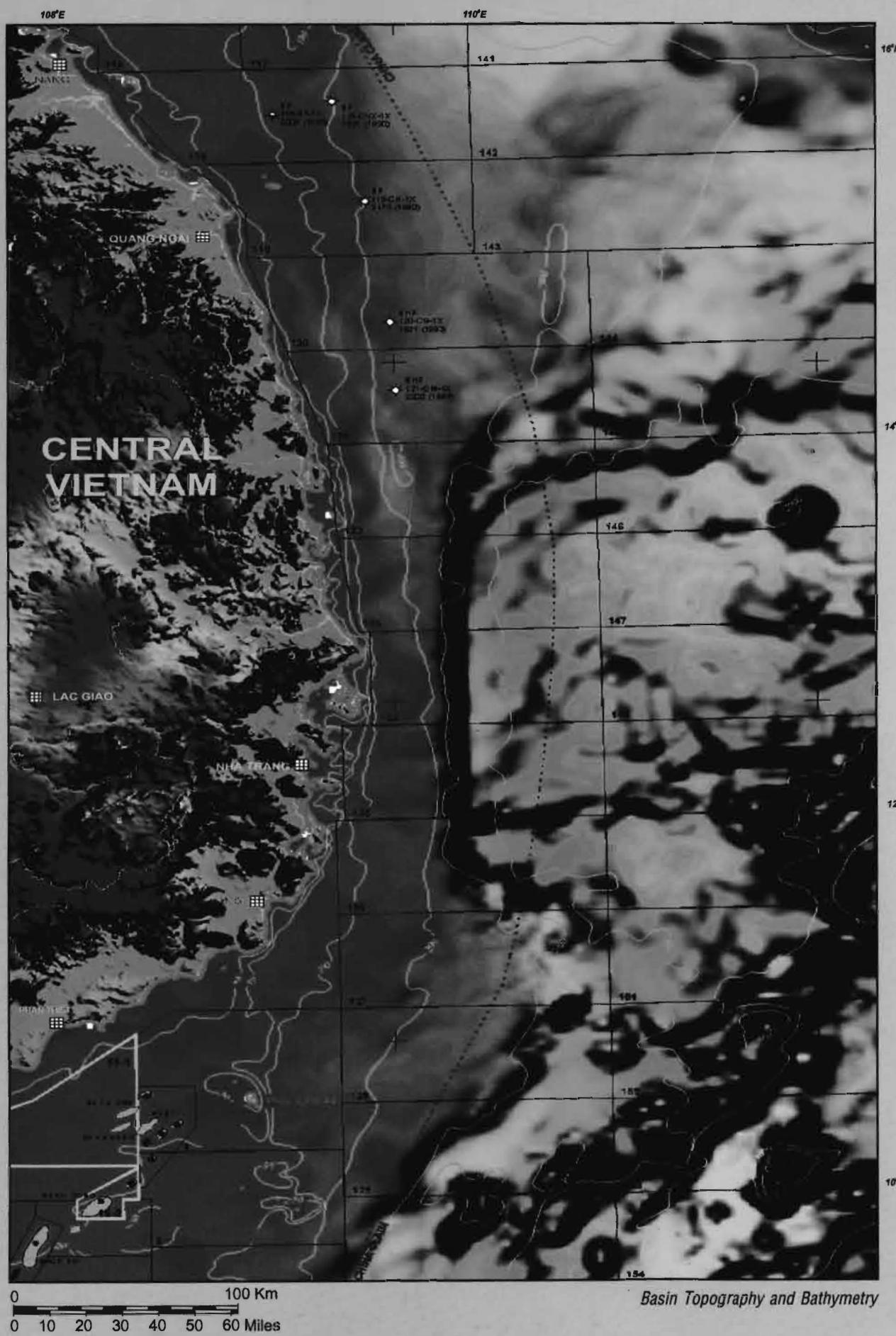


VIETNAM'S 2004 LICENSING ROUND





INTRODUCTION

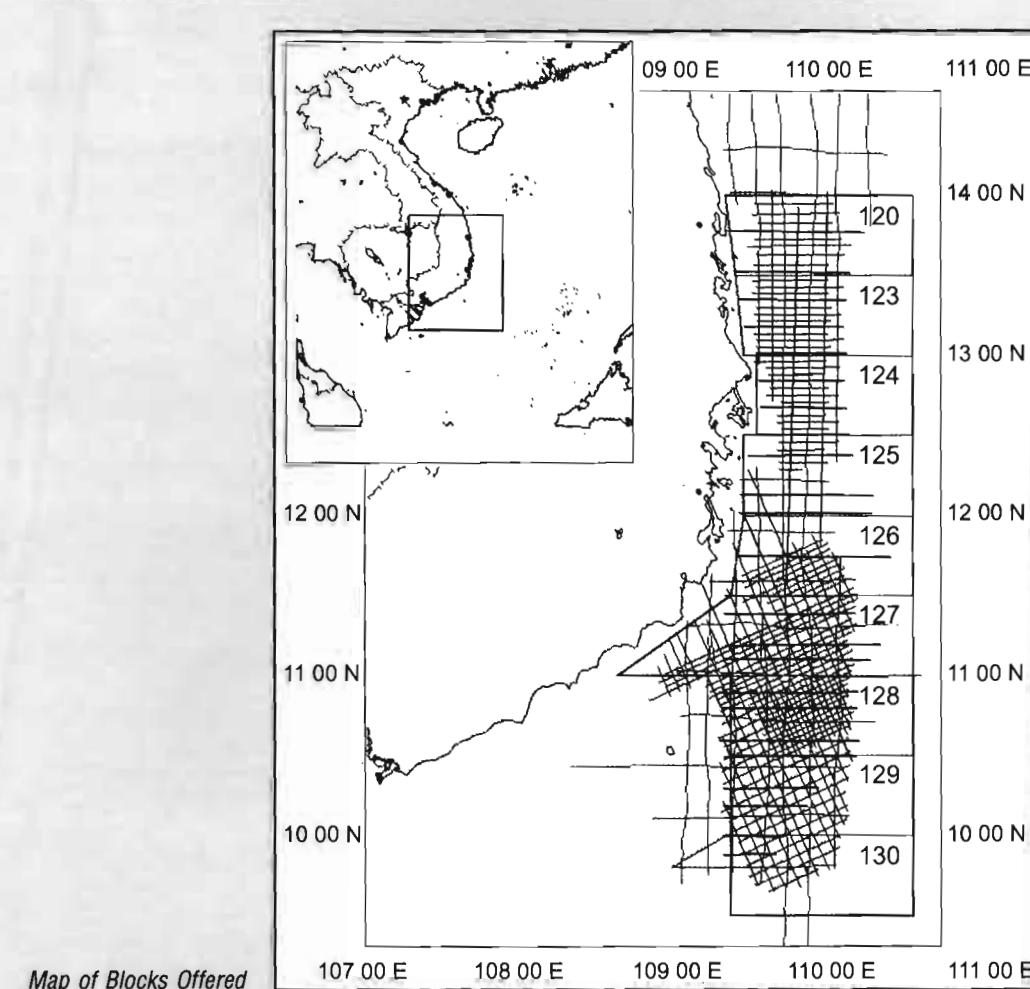
Petrovietnam is pleased to announce and invite oil and gas companies to participate in Vietnam'2004 Licensing Round, which will be opening on the 1st October 2004.

The 2004 Licensing Round covers 9 blocks (named 122-130) in Phu Khanh basin, offshore central Vietnam with an average 7,000 sq. km per block. Database of the area consists of around 17,000 km 2D seismic, of which approx. 7,000 km acquired/processed in 2003 and another 7,000 km acquired/reprocessed in 1993 shall be available for sale.

Phu Khanh Basin is the deepwater basin located along the southern central coastline of Vietnam with various water depths (from 50 to 2,500 m) and high sediment thickness (up to 8,000 m). Recently, Petrovietnam has carried out a seismic program to infill existing coarse coverage. Petrovietnam hopes that in the light of recent discoveries in the country and in the region as well as the better legal and fiscal terms offered by the Government, the Licensing Round will be more attractive to the international oil and gas investors.

The key dates of the Licensing Round are as follows:

1 October 2004	Opening of the Round - Data Review
14 October 2004	Promotion Seminar in Hanoi
30 November 2004	Deadline for Data Review and Register to Bid
31 March 2005	Deadline for Bid Submission - Closing of the Round

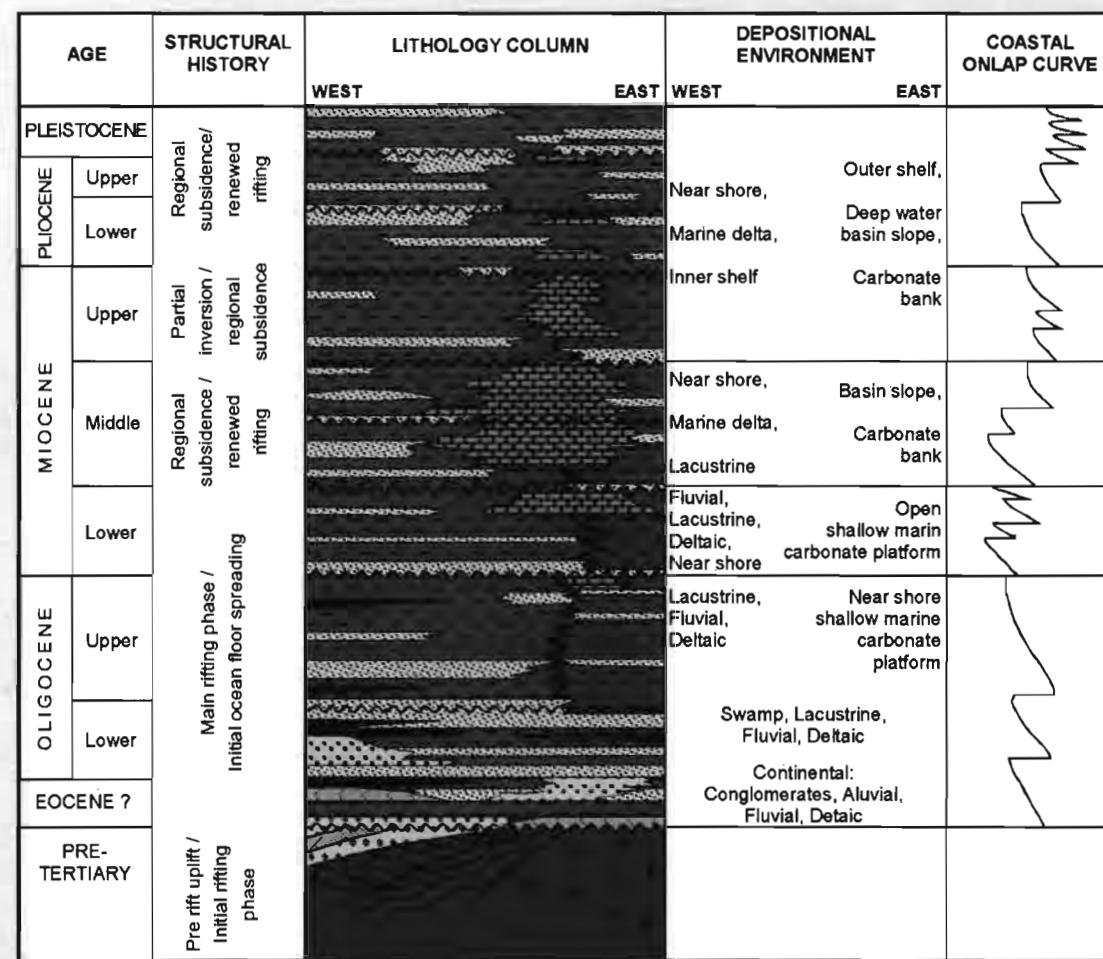


GEOLOGICAL FRAMEWORK

Phu Khanh Basin is located within the transition zone from the continental crust of the Indo-China Craton and the suboceanic crust of the adjacent Eastern Sea and considered as one of the most structurally complex areas in Vietnam. Structurally, the basin is a fault-bounded depression, initially formed at the Paleozoic-Mesozoic igneous metamorphic basement. The main stages in tectonic evaluation of the Phu Khanh Basin are Late Cretaceous-Eocene initial rifting phase, Oligocene-Early Miocene main rifting phase, followed by regional subsidence/renewed rifting until Pleistocene.

The main faults systems of the Phu Khanh Basin are N-S, NW-SE and NE-SW, of which N-S and NW-SE faults are pre-rift and strongly reactivate during rifting. The NW-SE Tuy Hoa shear zone separates Phu Khanh Basin with the extension part of Cuu Long and Nam Con Son Basin.

Phu Khanh Basin is characterised by high sedimentation rates, abrupt facies changes, abrupt thickening of sedimentary sequences over short ranges and numerous unconformities. The sediments are dominated by siliciclastic and carbonate deposits in continental, paralic and marine environments. Thickness of the sedimentary successions varies from less than 500 m along the western margin to 8,000 m in the main depocentre of the basin.



Stratigraphy of the Phu Khanh Basin

PETROLEUM SYSTEM AND PLAYS

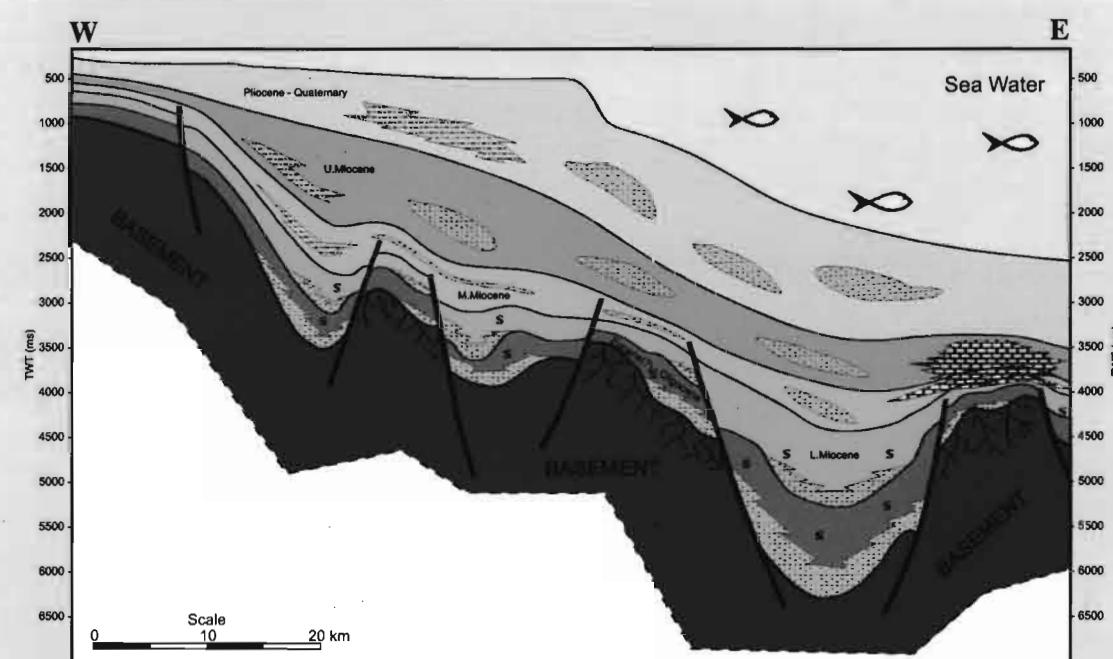
Sources: + Major source rocks: Oligocene-early Miocene lacustrine shales and deltaic coals and coaly claystones. Kerogen is type II to III potential for both oil/gas generation.
+ Secondary source rocks: Early Miocene carbonate mudrocks

Reservoirs: + Basement: Weathered/fractured igneous or carbonates, widely known as the most important target for oil exploration in Vietnam.
+ Clastic reservoirs: Oligocene and Early Miocene sandstones deposited in delta plain and fluvial channel environments; Late Miocene-Pliocene submarine slope fans.
+ Carbonate reservoirs: Mid Miocene to Pliocene good quality carbonate platforms and reefs.

Traps: + Fault-block tectonic traps: Tilted fault blocks, inversion anticlines, rollover anticlines, flower structures and drape anticlines...
+ Basement traps: Associated with horst blocks or rotated fault blocks (three-way dip and fault or two-way dip and two fault closures)
+ Carbonate traps: Four-way dip closure over the top of carbonate build-up or trap associated with lithological change within platforms.
+ Stratigraphic traps: Fluvial-alluvial fan complexes, submarine slope fans, pinch-out zones and dip reservoir beds beneath angular erosional unconformities.

Seals: + Regional seals: Marine claystones composing the Plio-Pleistocene sequence and probably the package composed of marine claystones 200 to 300 m thick in upper early Miocene ("Rotalia shale")
+ Subregional and intraformational seals: Lower delta, lagoon/lacustrine shales; Miocene marine clastic and carbonate mudrocks.

Plays: + Pre-Tertiary Basement Plays
+ Oligocene Clastic Plays
+ Miocene Clastic Plays
+ Miocene Carbonate Plays



Schematic Cross-section of the Phu Khanh Basin

BIDDING GUIDELINES

Contract Terms

The contract type in respect of the offered blocks shall be Production Sharing Contract (PSC). Under the recent decision by the Government of Vietnam, incentive conditions shall be applied for all PSCs in the area. Successful Bidders shall be allowed to sign contract for up to two blocks for the period of 30 years (7 years for exploration). Except for the current tax regimes as regulated by the Government, two main criteria, Work Program and Budget and profit shares, shall be biddable. Other financial offers as bonuses, training fee, fees of different natures as a whole shall have additional weight for selection of successful bidder.

Data Review and Promotion Seminar

Following to the official announcement, starting 1st October 2004, during the period of up to two months, data room shall be opened in Hanoi for one or two-day quick look.

Data sample consists of brief evaluation report, representative seismic lines (raw and interpreted) and related seepage study.

Petrovietnam highly recommends oil and gas companies to participate in the Promotion Seminar, which will take place in Hanoi on Thursday 14th October 2004, followed by one-day data assessment. This is an opportunity for participants to meet vis a vis with Petrovietnam experts and discuss any matter relating to the Licensing Round.

Bid Preparations and Requirements

Not later than two months since opening of the Round, companies who are interested and wish to take further in-house studies shall submit Petrovietnam with a Letter of Registration for Bidding Participation (form provided) to receive Bid Documents (with necessary forms and guidelines to complete a Contract Proposal). A data package for the bidden block(s), which consist of processed seismic SEG-Y tapes and well-tie data of related block(s), is available for sale with reasonable prices.

Bids on different blocks are valid and unlimited. However, each specific Bid shall consist of as maximum two adjoining blocks. The content of Bid shall include:

1. Name of the Block(s) to bid
2. Contract Proposal
3. Proof of Bidder's technical and financial capability
4. Evaluation Report of the block(s) to bid
5. Administrative details and additional information

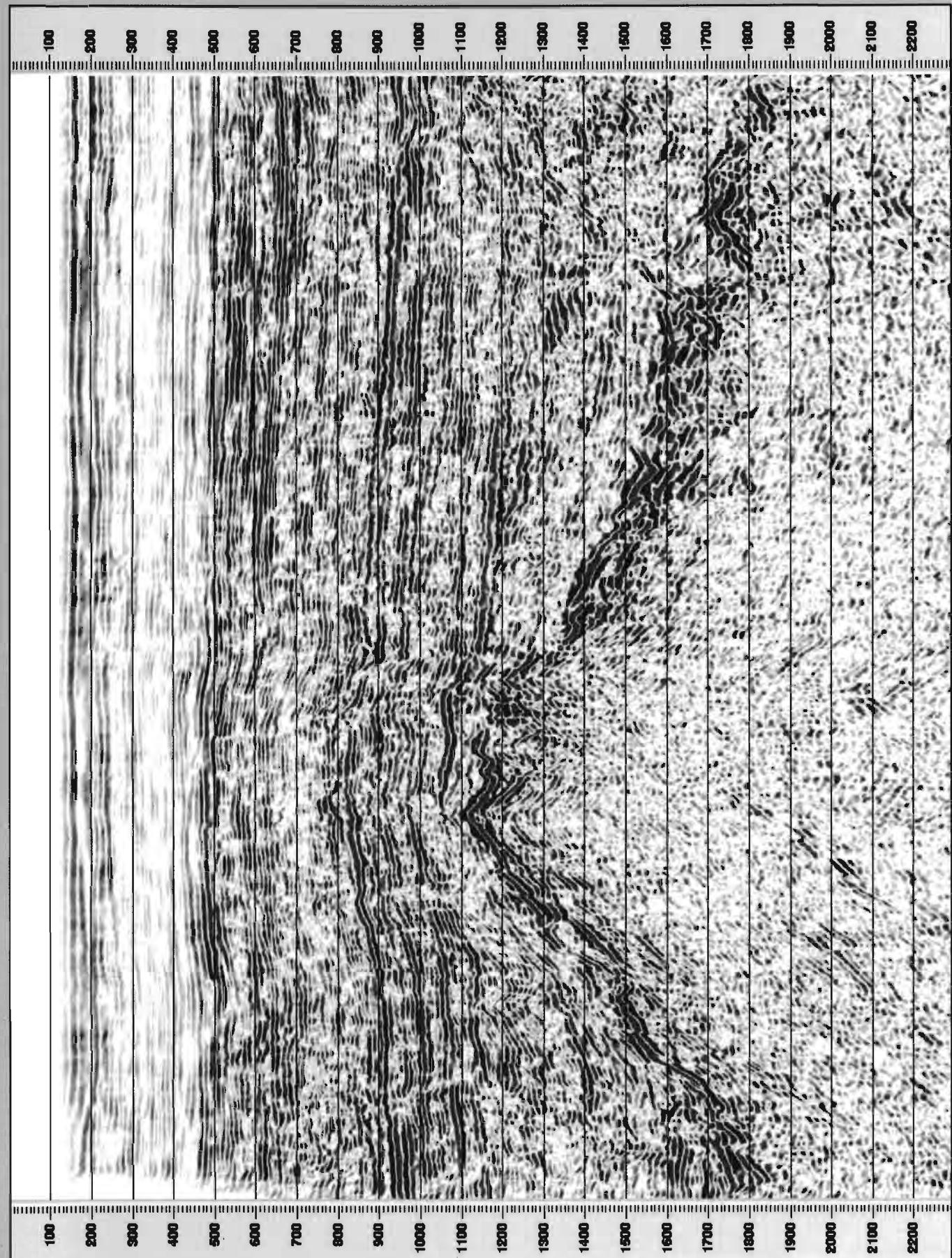
Deadline for Bid submission shall be 31st March 2005.

Contact

All questions concerning general information, technical aspects, legal and fiscal terms and conditions in respect of the blocks on offer, as well as request for meetings or participating in the data room and Promotion Seminar, should be sent to the following address:

Mr. Nguyen Dang Lieu, Vice President
copy to Dr. Tran Duc Chinh, Acting General Manager, Exploration Division
Telephone: (844) 826 5942
Facsimile: (844) 825 2526
Email: round2004@hn.pv.com.vn

Please regularly visit our website www.petrovietnam.com.vn for updates.



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INTRODUCTION

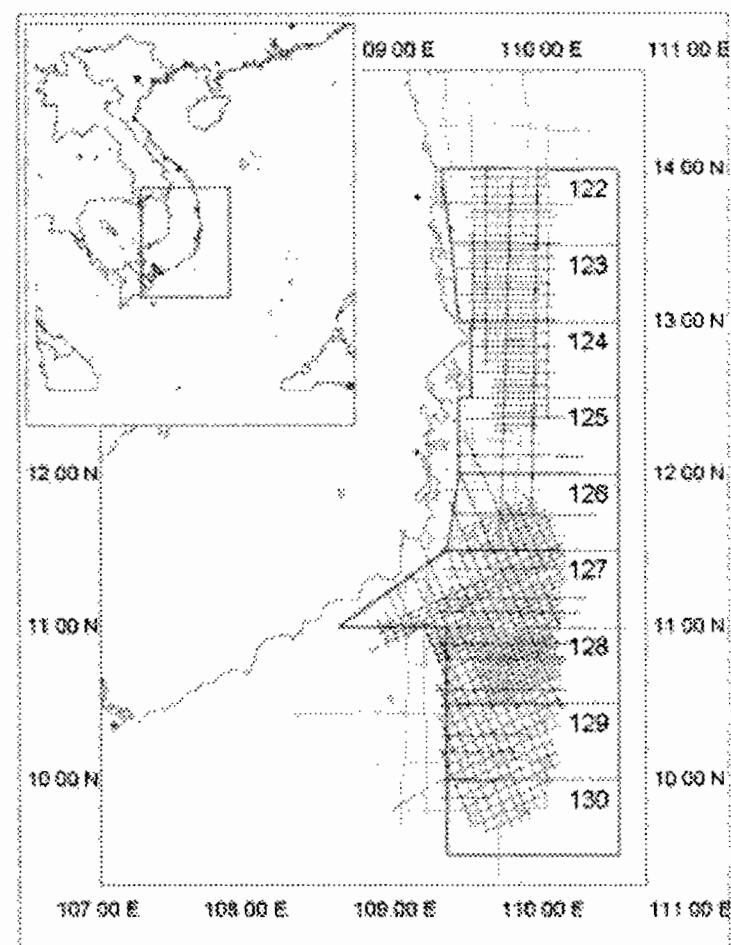
PetroVietnam is pleased to announce and invite oil and gas companies to join Vietnam's 2004 Licensing Round, which will be opening on the 1st October 2004.

The 2004 Licensing Round covers 9 blocks (named 122-130) in Phu Khanh offshore central Vietnam with an average 7,000 sq. km per block. Database consists of around 17,000 km² 2D seismic, of which approx. 10,000 km² acquired/processed in 2003 and another 7,000 km acquired/reprocessed in 2004. All data will be available for sale.

Phu Khanh Basin is the deepwater basin located along the southern central coast of Vietnam with various water depths (from 50 to 2,500 m) and high sediment thickness (up to 8,000 m). Recently, PetroVietnam has carried out a seismic program to improve existing coarse coverage. PetroVietnam hopes that in the light of recent developments in the oil and gas industry in the country and in the region as well as the better legal and fiscal terms offered by the Government, the Licensing Round will be more attractive to the international oil and gas investors.

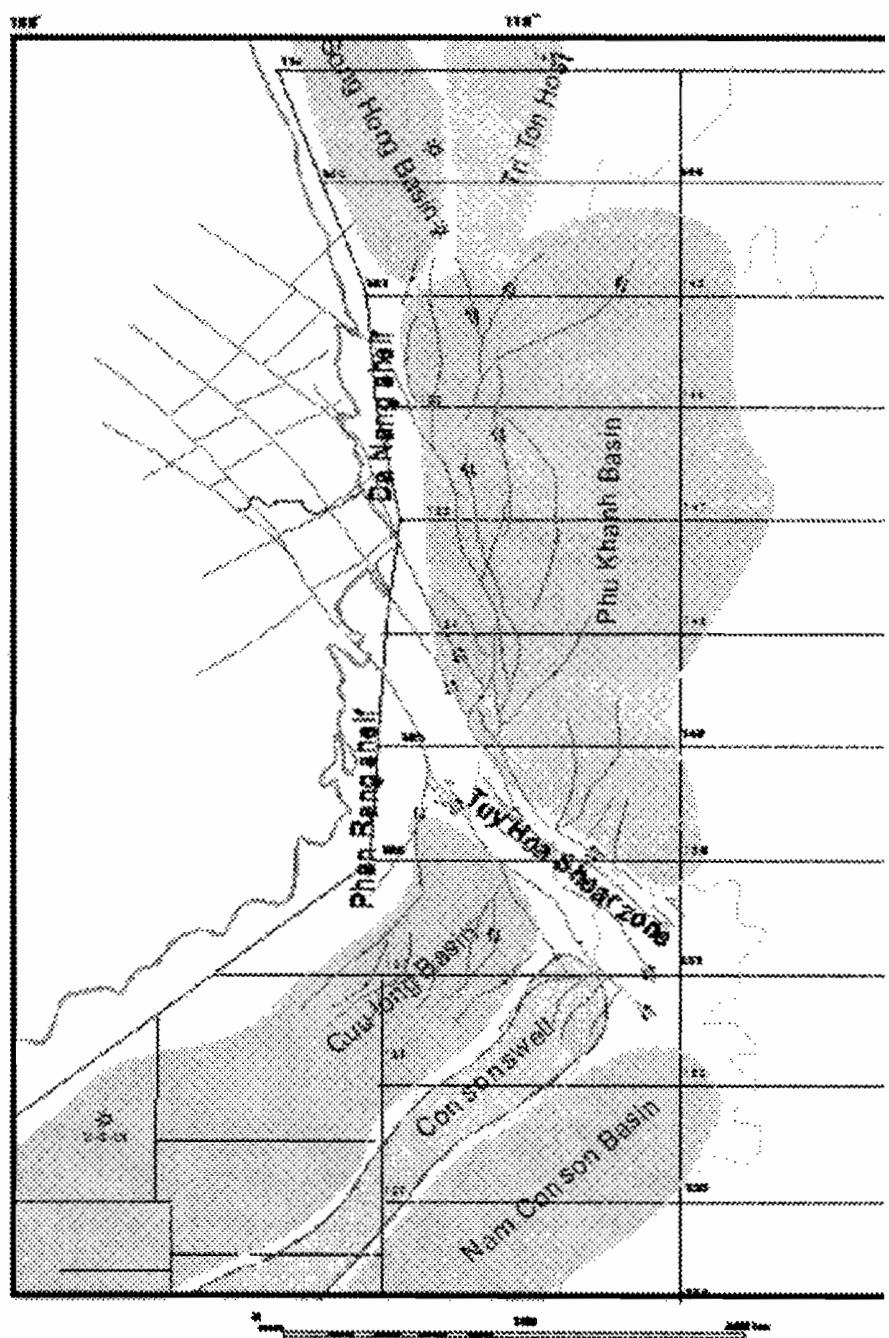
The key dates of the Licensing Round are as follows:

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- **14 October 2004:** Promotion Seminar in Hanoi.
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- **31 March 2005:** Deadline for Bid Submission - Closing of the Round.



Map of Blocks Offered

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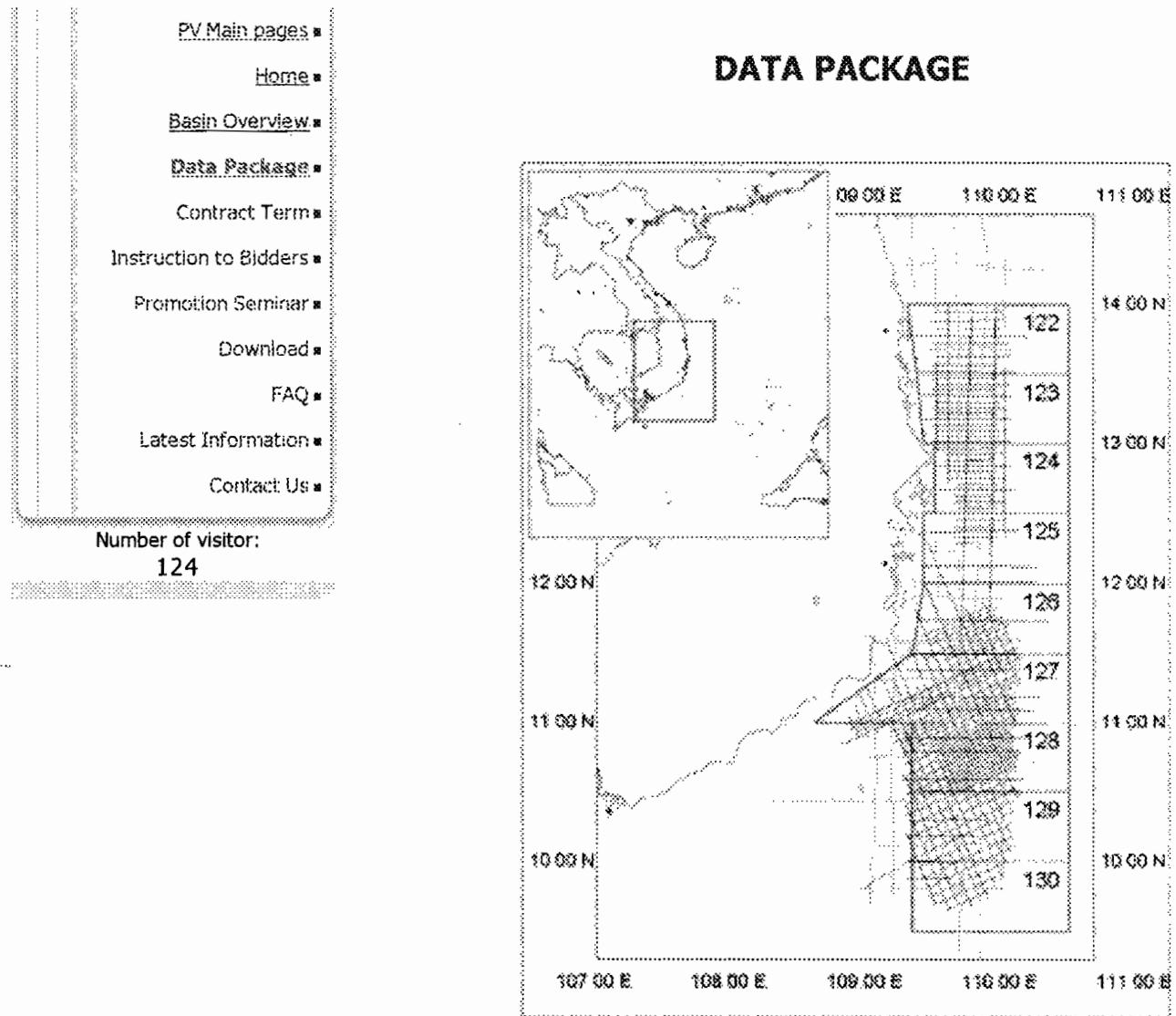


Structural features of the Phu Khanh Basin

Ne

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Click to see coverage and list of seismic data on each block

Specifications of Data Package

a) Datasets used in Data Package

- 2D seismic dataset acquired/processed in 2003/2004, approx. 7,500 km²
- 2D seismic dataset acquired/processed in 1993, approx 3,300 km²
- 2D seismic dataset acquired in 1985, reprocessed in 1993, approx. 3,000 km²

b) Data of each Block

- Processed SEG-Y final seismic data on each Block on tapes.
- Navigation data of all vintages of data on tape/diskette.

c) Regional dataset

- SEG-Y final migrated seismic data of regional lines (including tie-lines wells as provided for data review) on tapes.
- Navigation data of regional lines on tapes.
- Paper composite logs of wells 120-CS-1X, 121-CM-1X, 15-G-1X, 04-A-

Notes:

Regional dataset is established to support companies in evaluation of regional lines. This is considered as a compliment from PetroVietnam with a small fee.

Each line shall be added around five kilometres outside block boundaries for the purpose.

License Fee

Block Name	Area (Sq. Km)	Volume of Data (Km)	License Fee (USD)
122	6,981	1,168	3
123	6,645	1,150	4
124	6,007	930	3
125	6,520	879	2
126	6,782	1,663	5
127	9,246	3,196	1
128	7,058	3,127	1
129	7,069	2,030	7
130	7,080	952	3
Total Area	63,388	13,921	56

Regional Data package: 2,561 km² 5000 USD

Data License Agreement

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BASIN OVERVIEW

Basin Evolution | Stratigraphy | Petroleum System | Plays | Seismic Data S

Basin Evolution

Phu Khanh Basin is located within the transition zone from the continental Indo-China Craton and the suboceanic crust of the adjacent Eastern Sea and as one of the most structurally complex areas in Vietnam. Structurally, the basin is a fault-bounded depression, initially formed at the Paleozoic-Mesozoic metamorphic basement. The sediments are dominated by siliciclastic and carbonate deposits in continental, paralic and marine environments. Thickness of the successions varies from less than 500 m along the western margin to 8,000 m in the main depocentre of the basin.

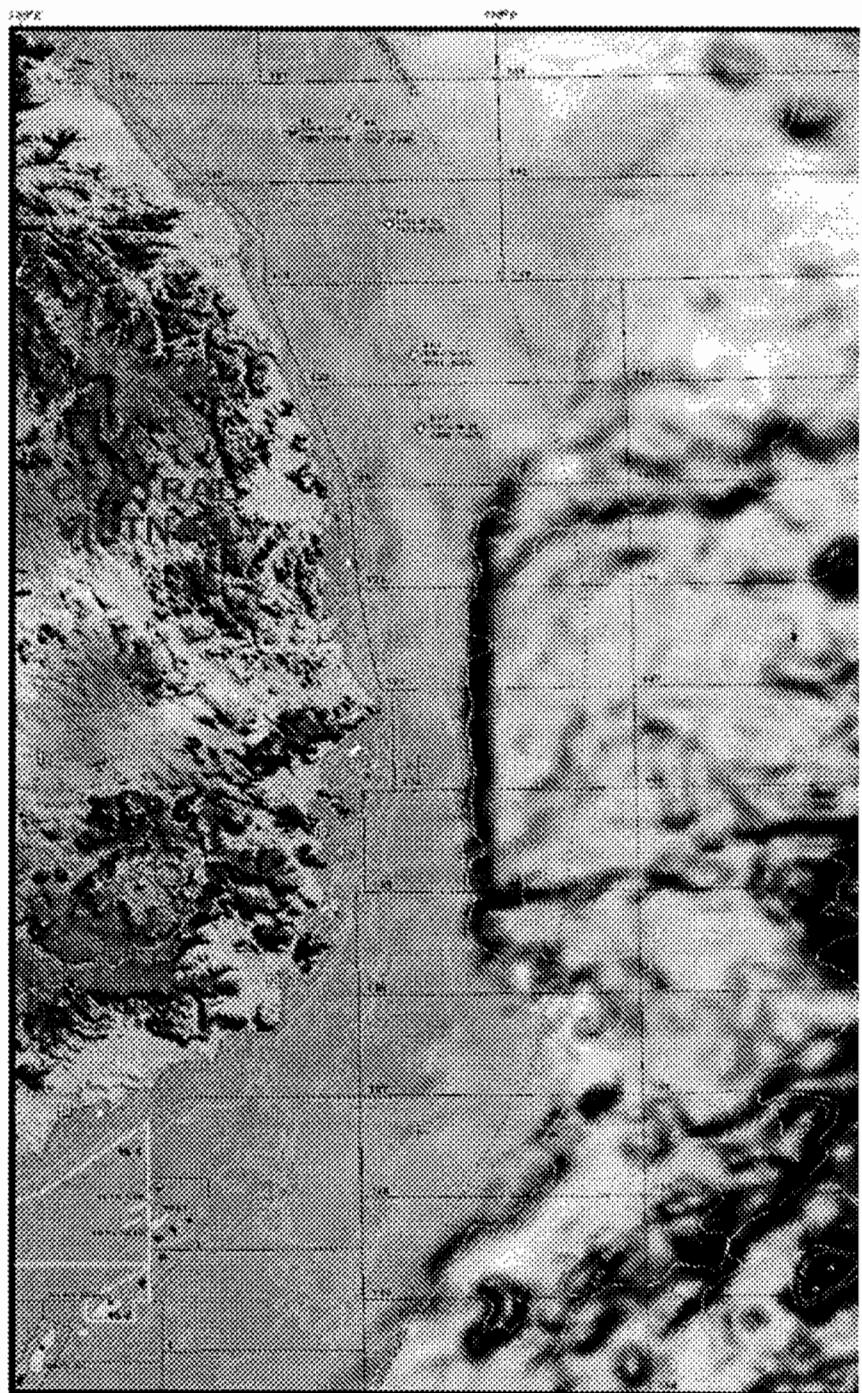
The main stages in tectonic evolution of the Phu Khanh Basin are:

- Pre-rift uplift/initial rifting phase (Late Cretaceous-Eocene)
- Main rifting phase/initial ocean floor spreading (Late Eocene(?) - Oligocene)
- Regional subsidence/renewed rifting (Middle Miocene)
- Partial inversion/regional subsidence (Late Miocene)
- Regional subsidence/renewed rifting (Pliocene-Pleistocene)

The main faults systems of the Phu Khanh Basin are N-S, NW-SE and NE-SW. The N-S and NW-SE faults are pre-rift and strongly reactivate during rifting.

Phu Khanh Basin consists of the following main structural elements:

- Phu Khanh Basin (northern part): bounded by two major fault systems (Tuy Hoa shear zones), to the west by steep continental slope.
- Tuy Hoa shear zone: high-amplitude NW-SE faults, cut off the southern part of the central Phu Khanh Basin, closely related with progressive spreading of the deep water areas of the East Sea
- Extension part of Cuu Long and Nam Con Son Basin: The area has a blocky structure with numerous linear high blocks and grabens, formed during the extensional phase and controlled by normal faults detached to the basement, separated by Con Son Swell.



Basin Topography and Bathymetry

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CONTRACT TERMS

The main terms for a Petroleum Contract applied to the blocks 122-130 Phu can be summarised as follows:

- **Contract Type:** Production Sharing Contract (PSC)
- **Duration:** 30 years (5 years extendable)
7 years for exploration phase (2 years extendable)
- **Fiscal Regime:**

Royalty:*Oil (bopd):*

- Up to 20,000: 4%
- Over 20,000 to 50,000: 6%
- Over 50,000 to 75,000: 8%
- Over 75,000 to 100,000: 10%
- Over 100,000 to 150,000: 15%
- Over 150,000: 20%

Gas (mmcmd):

- Up to 5: 0%
- Over 5 to 10: 3%
- Over 10: 6%

Enterprise Income Tax: 32% (some reduction may be granted)

Export Tax: 4% for Oil, N/A for Gas

VAT and other taxes: In accordance with Vietnamese laws

Cost Recovery: Up to 70% for both Oil and Gas

- **Work Program and Budget:** BIDDABLE, Each exploration phase cor
 - Duration
 - Work Commitments
 - Financial Commitments
- **Profit Sharing:** BIDDABLE, on incremental trenches basis of product
- **Bonuses:** To be proposed by Bidder
- **PetroVietnam's Participation:** Up to 20%
- **Governing Laws:** Laws of Vietnam

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INSTRUCTION TO BIDDERS

Data Review

Data Room will be available as soon as the official announcement of Op Licensing Round on 1st October 2004. Companies may request for up to 1 review in Hanoi. Data sample includes:

- "Phu Khanh Basin Blocks 122-130 Petroleum Potential Overview" study results of a oil seep location in the area);
- Set of regional seismic lines, including interpreted paper section nearby wells and original processed data on workstation for pur quality checking;
- Composite log of four tying wells;
- Basemap.

Companies are allowed to take the interpretation report and paper sections office for further evaluation and making decision. If they interested in partic Bidding Round and wish to license the data for in-house study and prepar they need to submit a Bid Registration letter for the Block(s)/acreages of int

The cost for Data Review is free, except some minor service charges (roo snack, etc).

The deadline for data review and submit the Bid Registration letter is 16 November 2004.

Data Licensing

Data Package shall be arranged by blocks. PetroVietnam will not restrict th Data Package each company or group of companies wish to license. The information derived shall solely be used for company's internal purposes i the petroleum potential of the acreage to which the data refer. Companie on the specification of the data to be licensed and the license fee for the ri Please refer the Data Package page for details of offered data.

Data can be order as soon as company submit Bid Registration letter in acc a Data Licensing Agreement signed with PetroVietnam. PetroVietnam st effort to deliver the data within 15 days upon signing of the Agreement.

Data licensing is required for company who wish to submit Bid, however, co not obliged to submit Bid with licensing of the data.

Information Required from Bidders

Technical Capability

- Name of countries in which the bidding company, its affiliates companies have been active in exploration and production activi production and investment (exploration and production) levels;
- Description of key oil/gas fields (or areas) that are currently being developed by the bidding company;
- The experience of bidding company in difficult operating conditic deepwater, high temperature/pressure operation and environment areas;

Financial Capability

- Annual reports, Balance sheets and Profit and Lost statement in Eng for the last three years, with opinion of qualified independent auditor(
- Any additional information supporting the financial capacity of company including a draft Bank or Parent Company Guarantee.

Legal and Administrative Information

- The name, title, address, telephone and fax number of the person the single point contact of the bidding company to whom all correspo be sent;
- Documents evidencing the legal existence of bidding compar certificate of incorporation/registration);
- Document whereby the parent company knows and endorses the Bi contractual obligations of its affiliate or subsidiary, if applicable;
- Consortium or association agreement, if applicable.

Technical Evaluation Report

Each submitted Bid shall be accompanied by a Technical Evaluation report figures of prognosed hydrocarbon recoverable reserves (preferably in Minimum, Most Likely and Maximum cases) of the applicable Block(s).

Bid Submission

Company wishing to participate in the Bidding for the Blocks 122-130 Phu must submit its formal Bid so as to be received by PetroVietnam **not later local time, on Thursday 31st March 2005**, to the following address:

Vietnam Oil and Gas Corporation (PETROVIETNAM)
22 Ngo Quyen Street, Hoan Kiem District, Ha Noi, Vietnam
Telephone: (844) 825 2526
Facsimile: (844) 826 5942
Attention: Dr. Tran Ngoc Canh
President & CEO

The Bid, consisting of the information on the form and as requested in the Document above, in **two (02)** copies in English, on a sealed envelop marked

**Bid for Petroleum Contract on Blocks 122-130 offshore Vietnam
Strictly Confidential - Not open before 16.30 on 31st March 2**

must be sent by international courier or may be hand delivered to the address. The address should also include a covering letter or transmittal form indicating name and address of the sender.

Bids on different blocks are valid and unrestricted. In case a Bidder has submitted bids for more than one blocks, please present in separately and provide a letter indicating the priority ranking the Bidder's relative interest (in accordance with Bid Document). The letter will be sent to you upon Bid Registration).

Bid Evaluation and Contract Negotiation

Bid opening shall be made at 16h30 Thursday 31st March 2005 at PetroVietnam. The Bidders representatives may also attend the Bid opening. Pursuant to the Regulations of the Vietnamese Government, Bid evaluation shall be conducted within twenty (20) working days as from the date of Bid opening.

Bid evaluation criteria will be as follows:

1. Benefit to Vietnamese Party:

(This is based mainly on the sharing rate of profit oil proposed by bidding company after taxes according to the current laws and regulations of Vietnam)

2. Minimum work and financial commitments:

a) Work program:

- + Seismic
- + Drilling
- + Others

b) Financial commitments:

3. Others (Bonuses, Training fee, etc.):

Total:

Bid will be considered firm and final. All supplements or conditions made to the Bid after it has been opened and sealed shall be invalid and shall not be considered.

PetroVietnam, at its sole discretion reserves the right to accept or reject any Bid. Bids received, at any time prior to award of contract, without thereby incurring any liability to the affected Bidder(s) or any obligation to inform the affected Bidder(s) the reasons for the rejection of any Bid during its evaluation, for the following limited to, reasons:

- Previous infringement to Vietnamese laws;
- No compliance with the requirements and specifications;

- No compliance with PetroVietnam's instruction;
- Insufficient demonstration of knowledge and experience.

The Bidder is expected to provide the information as requested with as much detail as possible. PetroVietnam reserves the right to seek any clarification or additional information in order to enable proper evaluation of Bids.

The first Bid shall be ranked according to the Bid evaluation results. The Bidder shall be the Bid winner and entitled to negotiate a petroleum contract with PetroVietnam.

Upon completion of Bid evaluation, bidding results shall be submitted to the Ministry of Planning and Investment of Vietnam for verification, which shall be conducted within fifteen (15) working days as from the time the documents related to the bid are appropriately received. The Ministry of Planning and Investment shall submit to the Prime Minister the bidding result-verification report for final approval. Upon final approval thereof, PetroVietnam shall notify the Bidders of the bidding results and notify the Bid winner of the plan for negotiation of the petroleum contract.

PetroVietnam shall conduct negotiation with the Bid winner on the detailed terms and conditions of the petroleum contract on the basis of the Bid winner's terms and conditions. The negotiation of the petroleum contract shall be conducted within ninety (90) days as from the time of notification of bidding results. Where the Bid winner fails to reach agreement with PetroVietnam on the petroleum contract within the above time limit or the Bid winner voluntarily withdraws, the second-ranking Bidder shall be invited to negotiate the petroleum contract on the basis of the conditions offered by such Bidder.

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PROMOTION SEMINAR

Date

Thursday 14th October 2004

Venue

Melia Hanoi Hotel
44B Ly Thuong Kiet Street, Hoan Kiem District
Ha Noi, Viet Nam
Tel: (84-4) 9 343 343
Fax: (84-4) 9 343 344
Website: <http://www.meliahanoi.com>
Email: melia.hanoi@solmelia.com

Program

08:30 Welcome and Registration
09:00 Introduction to the Round
09:15 Exploration History and Available Data
09:30 Geology and Petroleum Potential of the Basin
10:30 Break
10:45 Contract Terms and Legislation
11:00 Bidding Guidelines and Time Schedule
11:30 Questions and Answers
12:00 Lunch

Data Room (at the same venue)

13 October 2004 08.00 ñ 18.00

14 October 2004 14.00 ñ 18.00

15 October 2004 08.00 ñ 18.00

(Data Room can be organized at any other time during the period of 1 ñ November 2004 upon request)

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