

ANNEX “D”

Bank Guarantee

[Date]

The Ministry of Mineral Resources
Av. Fernão de Magalhães, 34, 1st floor
Maputo
Mozambique

1. We understand that, on December ..., 2008, the Government of the Republic of Mozambique, ABC and XYZ (the “Guarantee Party”) entered into an Exploration and Production Concession Contract for Block in Mozambique (the “EPC”). For purposes of this Bank Guarantee, ABC and the Guarantee Party are collectively referred to as the “Concessionaire”. Capitalised words not defined in this Bank Guarantee shall have the meaning ascribed to them in the EPC.
2. We, the undersigned [BANK LEGAL NAME] (the “Bank”), hereby, save for the conditions stipulated below in clause 5, unconditionally and irrevocably on demand guarantee in favour of the Government of the Republic of Mozambique (the “Government”) the due and punctual payment of all sums owed to the Government and unpaid by the Guarantee Party in respect of the Concessionaire’s failure to fulfil the Exploration work commitments in relation to the Exploration Period, up to a maximum of United States dollars (US\$); or
3. The guarantee amount referred to in clause 2 above shall be reduced from time to time upon delivery to the Bank of a certificate issued by the Guarantee Party and purportedly countersigned by authorized signer (s) of the Government setting forth the amount of such reduction based on completion of the corresponding items of the Minimum Expenditure resulting from the Exploration work commitments stipulated in the EPC.
4. This Bank Guarantee shall become effective on the Effective Date of the EPC and shall terminate on the expiry of the Exploration Period, or if applicable, on the expiry of any subsequent Exploration Period, or such earlier time as the total of the reductions during any particular Exploration Period equals the applicable guarantee amount referred to in clause 2 above.

5. Demands may be made under this Bank Guarantee by the Government by delivering to the Bank the Government's written statement with the certified copy of this Bank Guarantee plus all amendments as approved by the Government (if any) setting forth the amount claimed and certifying that the amount claimed represents the amount due and owing by the Guarantee Party in respect of the Concessionaire's failure under the EPC to fulfil the Exploration work commitments in relation to the Exploration Period, or if applicable, in relation to any subsequent Exploration Period and:
- (a) the Concessionaire has failed to incur the Minimum obligatory work commitment as stipulated in the EPC in relation to the relevant Exploration Period;
 - (b) the Guarantee Party and the Concessionaire have been notified in writing by the Minister of Mineral Resources, by registered letter or courier (a copy of which to be attached to such written statement), of Concessionaire's non-compliance and the details thereof, and has been advised that a drawing is being made against this unconditional and irrevocable Bank Guarantee; and
 - (c) the Concessionaire has been provided thirty (30) days following written notice pursuant to item (b) above of such non-compliance within which to correct the conditions of non-compliance and has failed to do so.
6. Upon its cancellation or expiry, this Bank Guarantee shall be returned to the Guarantee Party.

The duly authorised representative of the Bank has executed this Bank Guarantee on this the day of 20.....

Very truly yours,

for and on behalf of
[BANK LEGAL NAME]