

**MEMORANDUM OF
UNDERSTANDING
(MOU)**

BETWEEN

PTT PUBLIC COMPANY LIMITED

AND

KAWBAWZA GROUP

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, herein after referred to as "MOU", is made on 29 March 2017 by and between:

1. **PTT Public Company Limited**, having its registered office at No. 555 Vibhavadi Rangsit Road, Bangkok, Thailand, herein after referred to as "PTT", and
2. **Kawbawza Group**, having its registered office at Strand Square No. 53, Strand Road, Pabedan Township, Yangon, Myanmar, herein after referred to as "KBZ".

PTT and KBZ are hereinafter collectively referred to as "Parties" and individually as "Party".

WHEREAS:

- A. PTT is, a Thai state-owned SET-listed oil and gas company, involved in electricity generation, petro-chemical products, oil and gas exploration and production, and gasoline retailing businesses. PTT, through one or more of its subsidiaries and/or affiliates, is in the process of developing petroleum terminal of international standards with an initial capacity to store of petroleum products ("Terminal"), as well as looking for business opportunities in relation to the operation of petroleum business from supply sourcing, petroleum terminal of international standards as well as the distribution of petroleum products in the Republic of the Union of Myanmar ("Myanmar").
- B. KBZ is the trading and operating company in the Republic of the Union of Myanmar.
- C. KBZ is interested in exploring current and future opportunities in petroleum business in the Republic of the Union of Myanmar.
- D. Both Parties desire to establish the proper relationship through one or more legal entities (the "Project Company") for jointly conducting the business of the Terminal to be located [near/within] the Thilawa Special Economic Zone ("Thilawa SEZ") in Myanmar and operating fully integrated petroleum distribution chains as approved or to be approved by the Myanmar Investment Commission ("MIC") hereinafter collectively referred to as "Project".
- E. The Parties have entered into this MOU to set out certain preliminary matters relating to Project Company.

NOW, THEREFORE, the Parties agreed as follows:

1. **PURPOSE OF PROJECT COMPANY**
 - 1.1 To develop, finance, build, own and operate the Terminal as well as to import, store, market, sell and distribute petroleum products in Myanmar.
 - 1.2 In the future, KBZ intends to operate and PTT intends to grant (subject to further agreement to be agreed between the Parties), its own or Project Company's [petrol] service stations under brand, trademarks or service marks owned by PTT.
 - 1.3 The Parties agree to collaborate to seek future investment opportunities in order to create additional value for the Project Company for business expansion and long term growth.
2. **PROJECT COMPANY**

Possible structures and possible shareholding structures of the Project Company will be between Brighter Energy Company Limited (one of KBZ's subsidiaries) and PTT Oil Myanmar Company Limited (one of PTT's subsidiaries).

3. LAND FOR THE PROJECT

- 3.1 KBZ shall procure and provide the lease or sublease of land (709.79 acres) in Thilawa required for the Project to the Project Company from Myanmar Economic Corporation ("MEC"); provided that the total area of the land shall not be smaller than 100 acre ("Site") at USD 10000 per acre as premium and USD 4,800 per acre per year as annual lease fee for a lease term of not less than 50 years from the completion date of 24 months construction period or commissioning date which is occurred earlier with extensions of the lease term for at least 2 times of 10 years each ("Lease Term").
- 3.2 KBZ shall ensure that MEC is entitled to and shall lease out the land and enter into a land lease/sublease agreement in respect of the Site with the Project Company for the Lease Term.
- 3.3 KBZ shall also procure to the Project Company any necessary consent and/or right to ensure that a jetty measuring as agreed by both Parties can be constructed and used exclusively by the Project Company throughout the Lease Term.

4. COLLABORATION

- 4.1 It is agreed by the Parties that any critical decision and action in relation to the Project including to enter into relevant agreements shall be mutually agreed by both Parties in advance.
- 4.2 Both Parties shall use their best endeavors to prepare, and facilitate the submission of any proposal/application in order for obtaining any necessary permits and/or licenses from MIC ("MIC Permit") as well as any and all other required licenses, consents, permits and approvals in relation to the Project and obtaining non-recourse project financing for the Project Company.
- 4.3 Notwithstanding anything contained herein, for whatever reason, if the Project Company does not receive an MIC Permit within 3 months from the submission date or if the MIC rejects the Parties' proposal/application, PTT, at its sole discretion, shall have the right to terminate the Project and/or any agreement or document which includes but not limited to this MOU executed between both Parties.

5. CONDITIONS PRECEDENT

The Project shall be subjected to the prior fulfillment of all appropriate corporate approvals from their boards of directors and/or shareholders as required by relevant laws, rules and regulations, including any articles or regulations of each Party and any relevant agreement (if any).

6. COSTS AND EXPENSES

Unless otherwise agreed by the Parties in writing, PTT and KBZ agree to be responsible for its own costs and expenses in relation to the negotiation and executions of this MOU and other various definitive agreements as well as the conduct of the Project.

To avoid of doubt, in the event that both Parties agreed to jointly bear any costs and expenses in writing, such costs and expenses shall be shared in the portions of their own shares in Project Company.

7. CONFIDENTIALITY

Each of the Parties undertakes that, at all times, it shall keep strictly confidential any Confidential Information (as herein below defined), except otherwise required by law or

regulations of any governmental offices having jurisdiction over the disclosing Party. Notwithstanding the above, such Confidential Information may be disclosed to the advisors, consultants, contractors and agents of the respective Party, to the extent needed to evaluate or implement the Project, provided that such recipient of the Confidential Information agrees in writing that they shall keep confidential the information received under the same standard of the confidential information contained herein.

Confidential information ("**Confidential Information**") shall mean all discussions, negotiations, information and documents relating to the Project, including but not limited to data, information, formulae, process systems, design, plans, pictures, drawings, specifications, samples, reports, studies, original ideas, inventions, and the results of all the above, other than (a) publicly available information, and (b) information that each of the Parties has already possessed or lawfully acquired from other sources prior to the date of this MOU. The Confidential Information can be expressed in any form, including without limitation orally, in writing, and computer readable form. The Party who disclose the Confidential Information hereby represents and warrants that it has the right and authority to disclose such Confidential Information.

In the event that the Parties agree not to proceed with the Project, or the termination of this MOU, this confidentiality obligation shall survive this MOU for the duration of 1 (one) year after the termination date of this MOU.

8. **PUBLIC RELATIONS**

Either Party shall have the right to disclose or make public relations of the cooperation, unless causing any damages to the other Party, by presenting the text or symbol of cooperation of the Parties in such disclosure or public relations. Subject to Clause 8 (Confidentiality) of this MOU, the disclosing Party shall not disclose any confidential information and trade secrets provided under this MOU or received from the other Party without obtaining a prior written consent from such other Party.

9. **10. DEFINITIVE AGREEMENTS.**

9.1 Subjected to Clause 5, in the event that the Parties agree to proceed with the Project, each of the Parties will endeavor to ensure that all aspects of the Project under its reasonable control will be met in a timely manner and will fully co-operate to expeditiously conduct and complete negotiation of the various definitive agreements contemplated herein to enable the Parties to enter into such definitive agreements.

9.2 The Parties agree that each of the Parties shall appoint its respective advisers (including but not limited to financial advisers, legal advisers, land notaries and technical advisers) in order to perform feasibility and other studies in respect of the Project and shall negotiate and enter into various definitive agreements in order to operate the Project within [3] months from the date of this MOU; provided that such period may be extended by a mutual written agreement between the Parties.

9.3 It is not intended that the terms of this MOU should preclude any Party from seeking inclusion of additional or different terms in the definitive agreements that are needed to reflect adequately the intents and substances of the negotiations between the Parties.

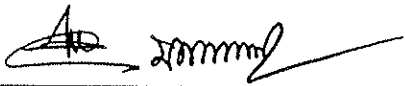
10. **MISCELLANEOUS**

10.1 This MOU sets out the intentions and initial understandings of the Parties and is therefore not generally binding between the Parties except for Clauses 8, and 9 which shall all be binding. The provisions of Clause 8, 9 shall survive the termination or expiry of this MOU.


- 10.2 No amendments, changes or modifications to this MOU shall be valid unless made in writing and signed by duly authorized representative(s) of all Parties hereto.
- 10.3 This MOU shall come into force on the date of this MOU and shall continue for a period of 3 months from the date of this MOU, unless earlier terminated by mutual agreement between all Parties.
- 10.4 This MOU shall be governed by and construed in accordance with the laws of Myanmar.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this MOU to be executed on the date written above.


PTT Public Company Limited

By: 
Mr. Wisarn Chawalitanon
Executive Vice President, International Marketing

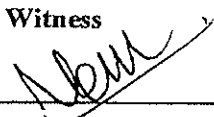
Kawbawza Group

By: 
Miss Nang Lang Kham
Chairman of Brighter Energy Co.Ltd and
Executive Director of KBZ Group

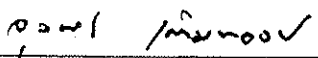
Witness

By: 
Mr. Nisit Phongvutirapant
Vice President, International Planning and
Group
Business Development, PTT Public Company Limited

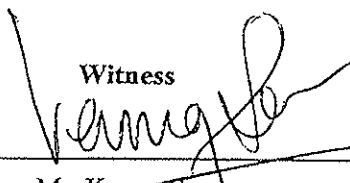
Witness

By: 
Mr. Nyo Myint
Senior Managing Director, KBZ

Witness

By: 
Mr. Chulaporn Teumtongchai
Managing Director, PTT Oil Myanmar

Witness

By: 
Mr. Kaung San
Director of Brighter Energy Co.Ltd.