March 29, 2001

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 4558 CD and Loan No. 7020 CM
Project Agreement
(Petroleum Development and Pipeline Project)
Performance Indicators

Dear Sirs:

We refer to paragraph (a) of Schedule 1 of the above-referenced Project Agreement and confirm, on behalf of CHEVRON CHAD, that the performance indicators agreed upon between CHEVRON CHAD and the Bank are as shown in the Annex to this letter.

Very truly yours,

CHEVRON CHAD

By/s/ Robert G. Bearden
Authorized Representative

Attachment

ANNEX
Performance Indicators


(b) Chad petroleum revenues of at least US$70 million per annum by 2005-2007.

2. Private sector ownership and control of Doba oilfields and pipeline companies (excluding Government share).

3. Achievement of targets and norms prescribed in the EMP, including the Resettlement and Compensation Plan.

4. (a) Drilling of at least 50 wells by end-2003 and at least 150 wells by end-2004.

(b) Construction of at least 35% of the infrastructure facilities referred to in paragraphs (a), (b), (c), (d), (e) and (f) of Part A of Schedule 2 to the Chad and Cameroon Loan Agreements by end-2002, and at least 75% of these infrastructure
facilities by end-2003.

(c) Construction of 70 km of pipeline in Chad by end-2003.

(d) Upgrading of at least 100km of roads and construction of Mbere River bridge by end-2002.

(e) Commissioning of Export System and Field System before end-2004.


6. Re: environmental and social aspects:

(a) compensation and resettlement completed in a timely manner;

(b) no significant or lasting environmental damage caused by construction;

(c) minimal social conflict in project area; and

(d) affected communities participate in economic benefits.