

**ENVIRONMENTAL LICENSE FOR THE PROJECT: DEVELOPMENT AND PRODUCTION OF THE SINGUE FIELD, FOR THE SINGUE-1 PAD AND EXPANSION OF THE ACCESS ROAD, LOCATED IN THE PROVINCE OF SUCUMBIOS, COUNTIES OF PUTUMAYO AND LAGO AGRIO, PARISHES OF PACAYACU AND PALMA ROJA.**

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The Ministry of the Environment, as the National Environmental Authority, and in fulfillment of its responsibilities, as set forth in the Constitution of the Republic of Ecuador and the Environmental Management Law, to safeguard public interest with regards to environmental conservation, preventing environmental contamination, and guaranteeing sustainable development, hereby confers this Environmental License to CONSORCIO DGC, by way of its Legal Representative, to carry out the project subject to the Ex Post Environmental Impact Assessment for the Development and Production Phase of the Singue Field, for the Singue-1 Pad and Expansion of the Access Road, located in the parishes of Pacayacu and Palma Roja, counties of Putumayo and Lago Agrio, province of Sucumbios.

Based on the aforementioned, CONSORCIO DGC is obliged to:

1. Strictly comply with what is set forth in the Ex Post Environmental Impact Assessment for the Development and Production Phase of the Singue Field, for the Singue-1 Pad and Expansion of the Access Road, located in the parishes of Pacayacu and Palma Roja, counties of Putumayo and Lago Agrio, province of Sucumbios.
2. Carry out internal monitoring and send the monitoring reports to the Ministry of the Environment, in accordance with what is established in Article 12 of the Substitutive Regulation of the Environmental Regulation for Hydrocarbons Operations in Ecuador, and other applicable laws.
3. Implement processes and activities, technologies and methods that mitigate and prevent negative environmental impacts, wherever possible, while carrying out the project.
4. Bear complete responsibility for activities performed by contractors and subcontractors.
5. Present Environmental Audits of compliance with the Environmental Management Plan to the Ministry of the Environment, as established in Articles 42 and 43 of the Substitutive Regulation of the Environmental Regulation for Hydrocarbons Operations in Ecuador, Executive Decree No. 1215 (RAOHE D.E. 1215).
6. Provide all facilities necessary to technical personnel of the Ministry of the Environment to carry out processes related to monitoring, control, follow up and compliance with the approved Environmental Management Plan while the project is being carried out and according to this license.
7. Subject to project duration, pay for environmental services required to follow up on and monitor compliance with the approved Environmental Management Plan, as established in Ministerial Agreement No. 068, dated April 26, 2010, which modified the amounts stipulated in Ordinal V of Article 11, Title II of Book IX of the Unified Text of Secondary Legislation of the Ministry of the Environment.
8. If within the work or project there are affected areas of forest coverage (natural, primary or secondary forests, tree remnants, natural regeneration), approval must be obtained from the Forestry Inventory, in accordance with what is set forth in Ministerial Agreement No. 076, dated July 4, 2012, published in the Second Supplement to Official Gazette No. 766, dated August 14, 2012.
9. Comply with the environmental laws in force.

10. Maintain the Performance Bond for the Environmental Management Plan in effect.
11. 15 days prior to commencing activities for the Development and Production of the Singue Field, for the Singue-1 Pad and Expansion of the Access Road, submit the updated work schedule, as well as the implementation of the Environmental Management Plan, reporting on the status and progress of such activities, in a timely manner, until their completion; with the aim of receiving adequate follow-up from the Ministry of the Environment.

The duration of this Environmental License is as of the date it is issued until the project has ended.

Breach of the provisions and obligations set forth in the Environmental License will cause it to be suspended or revoked, as set forth in the legislation that governs it; it is hereby issued at the sole cost and risk of the interested party, holding third parties harmless.

This Environmental License is governed by the provisions of the Environmental Management Law, the Unified Text of Secondary Legislation of the Ministry of the Environment, and by the Legal Administrative Regimen Statute of the Executive Branch.

The Environmental License shall be recorded in the National Index and License Registry.

Let it hereby be made known.

Signed in Quito, **November 29, 2012**

**Lorena Tapia Nuñez**  
**Minister of the Environment**

NP/DA/VP/CC/RF/MM/CS