

July 25, 2005

AGREEMENT**Republic of the Philippines – Venable LLP**

This writing constitutes the Agreement between the Government of the Republic of the Philippines (the "Philippine Government") and Venable LLP ("Venable") whereby Venable will represent the interests of the Philippine Government in the United States. The scope of the representation shall be as follows:

- (1) Serve as liaison with U.S. Government officials including the Executive Branch on behalf of the Philippine Government.
- (2) Provide information on U.S. policy, including likely directions of Federal legislation that would have a potential impact on the Philippines.
- (3) Advise and participate in strategic planning efforts to advance the interest of the Philippine Government in the United States.

As part of this representation, the Philippine Government has identified specific tasks, described below, which Venable will undertake and use best efforts to accomplish:

- (1) Secure grants or congressional earmarks for support of the Charter Change initiative of the President of the Philippines, which would reshape the form of government in the Philippines from its current structure into a parliamentary federal system. Part of such grant would be used for the much needed re-engineering of the bureaucracy to recover large estimated losses from acts of corruption and government inefficiency.
- (2) Facilitate re-inclusion of the Philippines into various assistance and development programs as well as credit facilities of US government institutions such as the Overseas Private Investment Corporation to help build a fresh economic impetus. Similarly, Venable will work for the gradual upgrading of investment ratings of the Philippine Government by entities such as the US EXIMBANK to reduce the cost of borrowed funds.
- (3) Create a capability enhancement program for the Armed Forces of the Philippines under the auspices of the US Defense Loan Guarantee Program where the Philippines will be able to acquire military equipment and develop facilities from a credit facility of up to USD \$00 million payable

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over a long term. Under this program, Venable will attempt to have waived country risk fees charged against less stable countries.

(4) Achieve a similar upgrade program for the Philippine National Police, to include training and equipping of units in various areas of mutual concern including counter-terrorism, forensic sciences, transportation, and communication. Closer coordination with regional police forces in the ASEAN and Pacific region will be fostered.

(5) Advance Philippine objectives relating to U.S. investment and trade, including the participation of American companies in the development of needed infrastructure projects in the Philippines; effect favorable trade legislation and to secure international business arrangements such as project finance, debt and equity offerings, and BOT, BOO and BOOT projects; and encourage policy changes in the U.S. to support overall Philippine economic development programs and grant in aid support for structural reforms.

In compensation for the above activities, Venable will receive a monthly retainer of seventy-five thousand United States dollars (US\$75,000), plus costs for travel, telephone, fax, copying, etc., according to our standard rates. Work by Venable on behalf of the Philippine Government shall commence upon receipt of an initial retainer for the first three months of service. Further payments shall be submitted in advance on a quarterly basis. For specific matters on which Venable is consulted beyond the scope of the retainer arrangement, as may be identified and mutually agreed upon in advance, Venable shall be compensated at standard hourly rates. For purposes of this Agreement, the Philippine Government shall be Venable's client and Venable shall be directed under this Agreement by the authorized representative of the President of the Philippines, National Security Adviser Norberto B. Gonzalez, or by such other person as the President may designate. For purposes of this Agreement the designated Venable partners will be James T. Pitts and James George Jatra.

As indicated in Venable's General Terms and Conditions of Engagement, a copy of which is also attached and incorporated as a part of this Agreement by reference, Venable normally charges for professional services by the hour, and will do so for work beyond the scope of services described herein. Venable's hourly rates range from USD 120 for junior associates to USD 720 for senior partners. Venable also uses advisors and paralegal personnel to perform appropriate tasks, and their time is billed at lower rates. Venable's billing rates are subject to adjustment from time to time, usually in January of each year.

Venable is a relatively large law firm and represents many companies and individuals all around the world. It is possible that some present or future Venable clients will have interests adverse to the Philippine Government. In fact, Venable will seek to introduce clients to the Philippines in connection with economic development activities. Some of these clients, which Venable may

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represent, would be negotiating with agencies of the Philippine Government. Therefore, Venable requests the Philippine Government's agreement that Venable may continue to represent or may undertake in the future to represent existing or new clients in matters that are not substantially related to work for the Philippine Government, even if the interests of such clients in those other matters are adverse to the Philippine Government.

In connection with Venable's activities under this Agreement, Venable will be required by U.S. law to register with the United States Department of Justice, which registration must include a copy of this Agreement and which is available to the public. Venable will require the cooperation of the Philippine Government to complete such registration, and by agreeing to this engagement, Philippine Government agrees to Venable's registration as described above.

This Agreement (1) will be effective upon receipt by Venable of the first three months' retainer and upon execution of the Agreement by both parties, specifically by (a.) the duly authorized representative of the Philippine Government, and (b.) by Venable; and (2) shall remain in effect for a period of one year from the effective date, unless extended in writing by mutual agreement of the parties. Nevertheless, this Agreement may be cancelled by either party, provided that a written notification is made of the other party not less than ninety (90) days prior to the intended termination date and all fees and expenses incurred through the date of termination have been paid.

AGREED TO AND ACCEPTED:

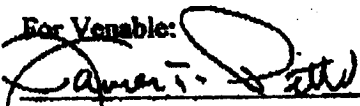
For the Philippine Government:

 July 25, 2005

Norberto B. Gonzalez Date

National Security Adviser

For Venable:

 July 25, 2005

James T. Pitts Date

 7/25/05

James George Jetras Date

Signed in duplicate originals at Manila, Republic of the Philippines