

**MEMORANDUM OF UNDERSTANDING**  
**between**  
**Kuwait Petroleum Corporation**  
**and**  
**The State of Louisiana**

This Memorandum of Understanding (this “MOU”) is entered into by and between Kuwait Petroleum Corporation (“KPC”) and the State of Louisiana (“Louisiana”) (collectively, the “Parties”).

WHEREAS, His Excellency Shaikh Ali Jarrah Al-Sabah, Minister of Energy of the State of Kuwait and Chairman of Kuwait Petroleum Corporation, and The Honorable Kathleen Babineaux Blanco, Governor of the State of Louisiana, held discussions in Kuwait City, the State of Kuwait on 11 November 2006 concerning mutually beneficial economic cooperation between the State of Kuwait and the State of Louisiana, including research and studies for the potential development of business opportunities in crude oil refining and petroleum products marketing in the State of Louisiana;

WHEREAS, KPC is considering the building, ownership and operation of new crude oil refining capacity in the United States of America (the “Refinery”) in cooperation with one or more reputable international or major local oil companies as strategic partners (the “Project”);

WHEREAS, Governor Blanco expressed Louisiana’s desire that the Refinery be built in Louisiana;

WHEREAS, Minister Al-Sabah agreed to consider, as part of KPC’s overall studies with respect to the Project (the “Study”), location of the Refinery in Louisiana;

WHEREAS, the Parties decided to cause their respective and appropriate subsidiaries and agencies, as the case may be, to cooperate in the Study; and

WHEREAS, Minister Al-Sabah and Governor Blanco agreed to continue discussions between them regarding the Project.

NOW, THEREFORE, the Parties have agreed as follows:

1. The Project. The Project shall be based on the principle of meeting the strategic objectives of KPC and KPC’s strategic partners and shall preliminarily include the construction or expansion and operation of a refinery with a world-scale distillation capacity, based on Kuwaiti crude oil as feedstock, with link to downstream marketing, adequate crude oil storage and such other business infrastructure as may be necessary to deliver crude oil to and ship products from the Refinery and to conduct the commercial affairs of the Project in the most economic manner.

2. Support for the Project by Louisiana. Louisiana acknowledges its support for the Project and for the construction and operation of the Refinery at a suitable site and agrees to support and facilitate the development of the Project through the Louisiana Department of Economic Development (the “LED”) and its other state agencies. Louisiana shall cause the LED to facilitate the development of the Project and the construction of the Refinery and to expedite permits and applications through other State agencies and units of local government and to support the efforts of KPC and its strategic partners to achieve the construction and successful operation of the Refinery, including incentives and grants as they may be made available for the Project.
3. Establishment of a Joint Working Team. The Parties shall set up a Joint Working Team with representatives to be appointed respectively by the Parties. The Joint Working Team shall carry out all the necessary research and studies and identify incentives and grants in support of the Project, including, without limitation:
  - a. Fast-track environmental and other permitting procedures;
  - b. All Louisiana State tax issues that may impact the Project;
  - c. Construction and permanent payroll payments;
  - d. The appropriate site for the Refinery within the State of Louisiana;
  - e. Infrastructure for construction or expansion and operation of the Refinery;
  - f. Such additional incentives and programs as may be available to any other developer or business enterprise in the refinery business; and
  - g. Other incentives and grants as it may be necessary to economically support the establishment and operations of the Project.
4. No Legal Obligations. This MOU shall not create any legally binding obligations on either Party and neither of the Parties shall be liable to the other Party including, but not limited to, any losses or damages arising from the withdrawal from, expiration or termination of this MOU.
5. Confidentiality. All legal, technical, commercial and other data and information exchanged, acquired, or disclosed pursuant to this MOU shall be held confidential by the Parties.
6. Term and Termination. This MOU shall become effective on the date hereof and shall, unless otherwise terminated by giving the other Party notice in writing of its intention not to proceed further with the Study, remain in force and effect for two (2) years from the date hereof.

7. Relationship between the Parties. Nothing in this MOU shall be construed as creating a partnership, trust, corporation or other form of association. None of the Parties shall incur any obligation or liability on behalf of the other Party or the Parties until both Parties have entered into separate agreements in writing detailing such obligation and/or liability. None of the Parties shall act as the agent of the other Party or the Parties.
8. Costs. Each Party shall be solely responsible for its own costs incurred in connection with all activities under this MOU and neither Party shall have the authority to incur any monetary or other obligation on behalf of the other Party unless otherwise expressly agreed in writing by such other Party in advance.

IN WITNESS WHEREOF, the Parties have executed this MOU in duplicate originals at Kuwait City, the State of Kuwait, on the 12<sup>th</sup> day of November, 2006.

KUWAIT PETROLEUM CORPORATION      THE STATE OF LOUISIANA

By: \_\_\_\_\_  
Ali Jarrah Al-Sabah  
Chairman of the Board of Directors

By: \_\_\_\_\_  
Kathleen Babineaux Blanco  
Governor