

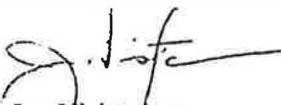
To the best of my knowledge, at the time of contract award the payment mechanisms in the contract were compliant with Libyan Government laws and policy. I understand local and national laws can and do evolve and change; however, the terms and conditions of the contract put the responsibility on Blue Mountain Libya to comply with the local and national laws. At the moment, this is a matter that you must resolve with your 50/50 partner.

If the 50/50 partnership wants to propose any changes to this contract, the US Government will consider the request when it is demonstrated that both parties agree to the proposed changes. If and when the US Government agrees with the proposed changes to the contract, a written contract modification is then prepared by the US Government. Until such time as a written modification is issued and signed by a warranted Contracting Officer, the terms and conditions of the contract remain unchanged.

Both parties of the 50/50 partnership are and were needed to enable this contract award and performance. As previously stated, both parties are jointly and severally liable for contract performance. To date, contract performance is satisfactory. If in the unlikely event that contract performance is compromised, both parties are accountable. This can and will be reflected in past performance evaluations for both parties. Please note that poor past performance evaluations do impact contractor's prospects for future US Government contract awards.

Given that this contract has less than eight months of performance remaining, I believe it is in the best interests of both of the 50/50 partners to resolve their differences and successfully complete this contract.

Sincerely,


Jan Visintainer
Contracting Officer

Cc: William Manience
Jerry Neal
Dave Spactowngrove



B6
B7(A)
B7(C)