

Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant Burson-Marsteller 1825 Eye Street NW Suite 950 Washington, D.C. 20006	2. Registration No. 2469
3. Name of foreign principal Petroleos de Venezuela S.A.	4. Principal address of foreign principal Av. Libertador La Campina Apdo. 169 Caracas 1010A, Venezuela

5. Indicate whether your foreign principal is one of the following type:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify) _____
- Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

- a) Principal address
- b) Name and title of official with whom the registrant deals.
- c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

- a) State the nature of the business or activity of this foreign principal
Production and marketing of crude oil, refining and marketing of
petroleum and petrochemical products

Term id
6-15-87

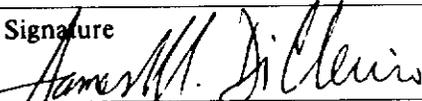
b) Is this foreign principal

- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

This foreign principal is the national oil company of Venezuela

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A	Name and Title	Signature
8 Nov 84	Sr. Vice President	

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Burson-Marsteller	Petroleos de Venezuela S.A.

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

See attachment

RECEIVED
REGISTRATION DIVISION
JUN 14 4 50 PM '89
INTERNATIONAL SECURITY
ADMINISTRATIVE SECTION
REGISTRATION UNIT

Term Id
6-15-89

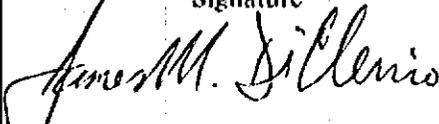
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See attachment

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Burson-Marsteller will be gauging possible reactions of key governmental officials to the lawsuit in its capacity as public relations counsel. In the future, other steps may be taken in response to or in anticipation of events which may have a negative impact on PDVSA's reputation and business relationships in the U.S.

Date of Exhibit B	Name and Title	Signature
8 Nov 84	Sr. Vice President	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of the Government of a foreign country or a foreign political party.

OFFICE OF THE
ATTORNEY GENERAL
STATE OF TEXAS
AUSTIN, TEXAS

AGREEMENT

Petróleos de Venezuela, S.A.

and

Burson-Marsteller

This agreement is made on 16 October 1984 in the city of Caracas, the Republic of Venezuela, by and between:

Petróleos de Venezuela, S.A., a corporation duly organized and existing under the laws of the Republic of Venezuela, having its principal office in the city of Caracas, and hereinafter called "PDVSA" or "CLIENT"

and

Burson-Marsteller, a corporation duly organized and existing under the laws of the State of New York, United States of America, having its principal office in the city of New York, and hereinafter called "B-M."

I. Scope of Work

B-M will conduct the following activities for PDVSA:

A. Short term strategic actions

- 1) Review selected newspapers and other periodical publications to determine the extent and geographical location of journalistic interest,

so far, in the lawsuit. This would involve research in the issues published since 7 September, of:

- 1) Houston Chronicle
- 2) Houston Post
- 3) Beaumont Enterprise
- 4) Dallas Morning News
- 5) Dallas Times Herald
- 6) Texas Business
- 7) Mobile Press
- 8) New York Times
- 9) New York Daily News
- 10) New York Post
- 11) Wall Street Journal
- 12) Washington Post
- 13) Washington Times
- 14) USA Today
- 15) San Francisco Examiner
- 16) San Francisco Chronicle
- 17) The Christian Science Monitor
- 18) Miami Herald
- 19) Time
- 20) Newsweek
- 21) U.S. News & World Report
- 22) Nation's Business
- 23) Oil & Gas Journal

- 24) Platt's Oilgram News
 - 25) The Times (London)
 - 26) The Financial Times (London)
 - 27) The Economist (London)
 - 28) Petroleum Economist (London)
 - 29) Petroleum Times (London)
-
- 2) Monitor these publications to determine the nature and extent of any future coverage of the lawsuit, published after 16 October. The media monitoring will be done through a commercial monitoring service. A customized list of publications important to PDVSA will be reviewed as soon as published. By 9 o'clock each non-holiday weekday morning, the most recent coverage of PDVSA in these publications will be delivered to B-M. Material of immediate importance will be transmitted by telex to Caracas; items of lesser importance will be mailed.
 - 3) Monitor network and local New York City television for reference to the lawsuit.
 - 4) Analyze, with the assistance of Shearman & Sterling, the behavior of the plaintiffs in previous lawsuits they may have brought, in order to attempt to forecast possible strategies they

may seek to use against PDVSA, especially in the realm of publicity.

- 5) Try to predict the possible reactions of certain sectors of the public, if such strategies were used against PDVSA. The public sectors whose reactions most interest PDVSA are:
 - a) Congressional and State representatives of Texas and Alabama;
 - b) other political figures who have traditionally shown interest in energy related litigation;
 - c) representatives of State and federal departments and agencies associated with energy matters;
 - d) PDVSA's customers;
 - e) the financial community;
 - f) the communications media, especially those devoted to the petroleum industry.

- 6) Draw up a list of Congressional representatives and State political figures of Texas, Alabama and Florida, who for personal or political reasons may be presumed to be in favor of or hostile to the plaintiffs.

- 7) Prepare contingency plans which will generally include:
 - Definition of media-related steps to be taken in response to or in anticipation of events in the USA which may have a negative impact on PDVSA's reputation and business relationships in the USA.

 - Recommendation of any communication tools (e.g., fact sheets) which may be needed to implement such action.

B. Medium term strategic planning

Study of a possible program to meet the longer range objective of nurturing and protecting PDVSA's reputation in selected sectors of the US public.

C. Additional services

Provide additional services during the term of this Agreement for such communications projects and activities as CLIENT may request.

II. Compensation

CLIENT will pay B-M \$7,500 (U.S.) per month for the performance of the above-specified services. If and as CLIENT requests projects or activities as noted in I-C, requiring a level of service which cannot be accommodated under the basic fee, B-M will so advise CLIENT, estimate the additional compensation required, and obtain CLIENT approval before proceeding.

CLIENT will also reimburse B-M for all out-of-pocket expenses incurred in providing the above-mentioned services. With the exception of charges arising from the design and production of information media, out-of-pocket expenses will be billed at net cost. Such expenses include travel, telephone, telex, facsimile transmission, postage, copies, subscriptions, and charges such as those arising from the establishment and maintenance of contact with media representatives. Also to be separately billed is the cost of the commercial monitoring service, \$1,600 (U.S.) per month

beginning 5 October 1984, as noted in B-M letter to PDVSA dated 25 September 1984. Where projects require production supervision by specialist B-M personnel (e.g. printing a brochure), out-of-pocket expenses will be marked up 17.65 percent in compensation for the specialist's time and for carrying charges.

III. Duration

The duration of this Agreement will be twelve (12) months effective from the date of signing by both parties, renewable for another period of similar duration at CLIENT's request. The Agreement may be terminated by CLIENT with 60 days notice to B-M.

IV. Payment

CLIENT will be billed in advance for monthly services fee. First invoice will be dated 15 October 1984, with succeeding invoices dated the 15th of each month. Beginning with the invoice of 15 November 1984, out-of-pocket expenses incurred in the preceding month will be included. Payment will be due 30 days from receipt of invoices. All payments to be made in U.S. dollars.

V. Confidentiality

The work and materials covered by this Agreement shall remain confidential between CLIENT and B-M and shall not be disclosed to anyone other than personnel actually involved in performance of this Agreement except the following:

- o Knowledge that comes into the public domain by means other than by disclosure by B-M.
- o Facts which are disclosed to B-M by an unrelated third party.
- o Information possessed by B-M prior to disclosure by CLIENT.

B-M shall ensure B-M personnel maintain the confidentiality of any of the above work and materials except where otherwise instructed by CLIENT.

VI. Indemnification

CLIENT shall be responsible for the accuracy, completeness, and propriety of information concerning its organization and industry which it furnishes to

B-M. It will be the CLIENT's responsibility to review all materials prepared by B-M under this Agreement. CLIENT shall indemnify and hold B-M harmless from and against any and all losses, damages, claims, demands and expenses that B-M may incur or be liable for as a result of any proceeding made against B-M directly based upon descriptions or depictions provided by CLIENT.

B-M, or its agents and subcontractors, shall be responsible for any negligence, misinterpretation, or misconduct arising from or connected with the implementation of this Agreement. B-M shall indemnify and hold CLIENT harmless from and against any and all losses, damages, claims, demands and expenses that CLIENT may incur or be liable for as a result of any proceeding made against CLIENT based upon errors, negligence, misinterpretation or misconduct of B-M or its agents, personnel or subcontractors.

VII. Ownership

All publicity materials, ideas and know-how, submitted or developed by B-M for CLIENT and paid for hereunder, shall be exclusively CLIENT's property.

VIII. Entire Agreement

This Agreement constitutes the entire Agreement with respect to the subject matters hereof, and may be modified or amended only in writing signed by CLIENT and B-M.

IX. Jurisdiction and Settlement of Disputes

This Agreement shall be construed and interpreted in accordance with and governed by the laws of the Republic of Venezuela.

X. Notice

Any notice or communications to be given pursuant to this Agreement by either party to the other shall be addressed as follows and shall be effective upon receipt:

If to CLIENT: Mr. Gabriel Paoli
Petróleos de Venezuela, S.A.
Av. Libertador, La Campiña, Apdo. 169
Caracas 1010-A
Venezuela

If to B-M: Mr. James M. DiClerico
 Burson-Marsteller
 866 Third Avenue
 New York, NY 10022
 USA

XI. Language

This Agreement has been executed in both Spanish and English. In case of discrepancy, the Spanish version will prevail.

XII. Agency/Client

In purchasing materials or services on CLIENT's behalf, B-M will be acting as CLIENT's agent, and all orders placed and contracts entered into by B-M for such purposes with its suppliers and other persons may so state.

XIII. Titles

Titles are for reference only. In the event of a conflict between a title and the content of a section, the content of the section will control.

B-M and CLIENT have indicated their acceptance and approval of the foregoing by signing in the spaces provided below.

For PDVSA

For BURSON-MARSTELLER

James M. DiClerico
Senior Vice President