

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<br>Gray and Company Public Communications International, Inc.<br>The Power House, Washington, D.C. 20007 | 2. Registration No.<br>3301 |
|--|-----------------------------|

|  |  |
|--|--|
| 3. Name of foreign principal<br>SONANGOL | 4. Principal address of foreign principal<br>P.O. Box 1316<br>Luanda, ANGOLA |
|--|--|

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

Foreign government (Government-owned oil company)

Foreign political party

Foreign or  domestic organization: If either, check one of the following:

|                                      |  |
|--------------------------------------|--|
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Committee             |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Voluntary group       |
| <input type="checkbox"/> Association | <input type="checkbox"/> Other (specify) _____ |

Individual—State his nationality \_\_\_\_\_

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

a) Branch or agency represented by the registrant. Government-owned oil company

b) Name and title of official with whom registrant deals. Herminio Escorcio  
Director General

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

a) Principal address n/a

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

n/a

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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.)

SONANGOL is a government-owned oil company.

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.

n/a

| Date of Exhibit A | Name and Title                    | Signature   |
|-------------------|-----------------------------------|---|
| March 11, 1986    | Daniel J. Murphy<br>Vice Chairman |  |

**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 |
|--|---------------------------|
| Gray and Company Public Communications International, Inc. | SONANGOL                  |

Check Appropriate Boxes:

1.  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.
2.  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.
3.  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.

Registrant will provide public relations and government relations counsel and services to Sociedade Nacional de Combustives de Angola (SONANGOL).

COMMUNICATIONS SECTION  
U.S. DEPARTMENT OF JUSTICE  
MAR 18 9 46 AM '86  
RECEIVED  
FEDERAL BUREAU OF INVESTIGATION

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

Please refer to #4 on the reverse side.

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

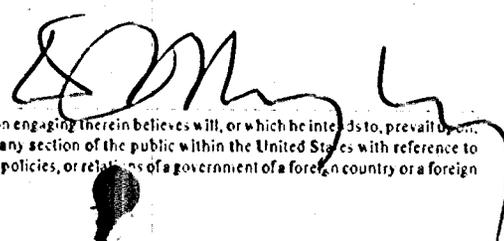
If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Please refer to #4 on the reverse side.

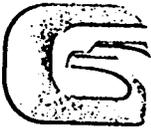
Date of Exhibit B  
March 11, 1986

Name and Title  
Daniel J. Murphy  
Vice Chairman

Signature



<sup>1</sup>Political 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 a government of a foreign country or a foreign political party.



**GRAY AND COMPANY**

ADMIRAL DANIEL J. MURPHY, USN (RET)  
VICE CHAIRMAN

February 28, 1986

Hermínio Escorcio, Director General  
Sociedade Nacional de Combustivies  
de Angola (SONANGOL)  
P. O. Box 1316  
Luanda, Angola

Dear Mr. Escorcio:

Please accept this letter of agreement by which Gray and Company Public Communications International, Inc. ("Gray and Company") will provide public relations and government relations counsel and services to Sociedade Nacional de Combustivies de Angola ("SONANGOL").

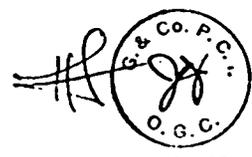
The fee for Gray and Company services will consist of a monthly retainer of US \$2,500.00 to be paid each month plus the hourly charges of officers and staff who participate on the account. ~~\_\_\_\_\_~~ *HJ*

~~\_\_\_\_\_~~ In addition, out-of-pocket expenses incurred will be billed at cost plus a ten percent (10%) administrative handling fee. Invoices will be submitted on a monthly basis. Any amounts outstanding for more than sixty (60) days will incur a carrying charge of two percent (2%) per month. *DM*

*HJ*  
*DM* Payments shall be made by an irrevocable letter of credit in the amount of US ~~\_\_\_\_\_~~ *\$250,000*, to be established by SONANGOL in favor of Gray and Company within ten (10) days hereof with The Riggs National Bank in Washington, D.C. Gray and Company shall draw against the SONANGOL irrevocable letter of credit on a monthly basis to cover actual costs of monthly staff hours, retainer and out-of-pocket expenses incurred.

Gray and Company cannot independently verify factual material supplied to it by SONANGOL and therefore SONANGOL will indemnify and hold harmless Gray and Company for any claim, loss, damage, expense or other legal liability based upon information, representations, reports, news releases, or other material produced by Gray and Company for SONANGOL's use.

Gray and Company's activities hereunder on behalf of SONANGOL shall be subject to all applicable U.S. laws, including the Foreign Agents Registration Act and the Foreign Corrupt Practices Act. Pursuant to such laws, it is understood Gray and Company will be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.



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de Angola  
February 28, 1986  
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This contract shall be effective for a one-year period, beginning March 1, 1986, and ending February 28, 1987. If notice of termination is not given by either party in writing thirty (30) days prior to the expiration date, the contract will be extended, and may thereafter be terminated upon sixty (60) days' notice in writing by either party.

This agreement represents the entire agreement of the parties and may be amended only by a writing signed by all parties. It shall be governed by and construed in accordance with the laws of the District of Columbia.

If you concur with the terms set forth above, please signify your acceptance by signing and returning to us the enclosed copy of this Agreement.

GRAY AND COMPANY PUBLIC  
COMMUNICATIONS INTERNATIONAL, INC.

By: *Daniel J. Murphy*

Daniel J. Murphy  
Vice Chairman

ACCEPTED:

SOCIEDADE NACIONAL DE COMBUSTIVIES DE ANGOLA  
(SONANGOL)

By: *Herminio Escorcio*

Herminio Escorcio  
Director General

Date: 8-3-86

