

U.S.\$650,000,000

THE REPUBLIC OF ECUADOR

9.375% Bonds due 2015

Purchase Agreement

December 7, 2005

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

The Republic of Ecuador (the "Republic") proposes, subject to the terms and conditions stated herein, to issue and sell to the several Initial Purchasers listed in Schedule 1 hereto (the "Initial Purchasers") an aggregate of U.S.\$650,000,000 principal amount of its 9.375% Bonds due 2015 (the "Bonds") in the principal amounts set forth opposite such Initial Purchaser's name in Schedule 1 hereto. The Bonds will be issued pursuant to a Trust Indenture (the "Indenture") to be dated as of December 12, 2005 between the Republic and JPMorgan Chase Bank, N.A., as trustee (the "Trustee").

The Bonds will be sold to the Initial Purchasers without being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), in reliance upon exemptions therefrom. The Republic has prepared a preliminary offering memorandum dated November 29, 2005 (as amended or supplemented as of the date of this Agreement, the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Republic and the Bonds. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Republic to the Initial Purchasers pursuant to the terms of this Agreement. The Republic hereby confirms that it has authorized the use of the Preliminary Offering Memorandum and the Offering Memorandum in connection with the offering and resale of the Bonds by the Initial Purchasers in the manner contemplated by this Agreement.

The Republic hereby confirms its agreement with the several Initial Purchasers concerning the purchase and resale of the Bonds, as follows:

1. Purchase and Resale of the Bonds. (a) The Republic agrees to issue and sell the Bonds to each of the Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees to purchase from the Republic, severally and not jointly, the principal amount of Bonds set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 91.692% of the principal amount thereof, plus accrued interest, if any, from December 12, 2005 to the date of payment and delivery. The Republic agrees to pay the Initial Purchasers a combined management and underwriting commission of 0.0787% of the aggregate principal amount of the Bonds (the "Management and Underwriting Commission").

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(b) The Republic understands that the Initial Purchasers intend to offer the Bonds for resale on the terms set forth in the Offering Memorandum. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Bonds by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Bonds as part of their initial offering except:

(A) within the United States to persons whom it reasonably believes to be qualified institutional buyers, as defined in Rule 144A under the Securities Act ("Rule 144A"), in transactions pursuant to Rule 144A, and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Bonds is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex A hereto.

(c) Each Initial Purchaser acknowledges and agrees that the Republic and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 5(e) and 5(f), U.S. counsel for the Republic and U.S. counsel for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers and their compliance with their agreements contained in Section 1(b) hereof (including Annex A hereto), and each Initial Purchaser hereby consents to such reliance.

(d) The Republic acknowledges and agrees that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any

such affiliate may offer and sell Bonds purchased by it to or through any Initial Purchaser.

2. Payment and Delivery. (a) Payment for and delivery of the Bonds will be made at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004 at 10:00 A.M., New York City time, on December 12, 2005, or at such other time on the same or such other date, not later than the fifth Business Day thereafter, as the Initial Purchasers and the Republic may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date". As used herein, the term "Business Day" means any day other than a day on which banks are permitted or required to be closed in New York City.

(b) Payment for the Bonds shall be made by wire transfer in immediately available funds to the account specified by the Republic to the Initial Purchasers against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global certificates representing the Bonds (collectively, the "Global Bonds"), with any transfer taxes payable in connection with the sale of the Bonds duly paid by the Republic. The Global Bonds will be made available for inspection by the Initial Purchasers not later than 11:00 A.M., New York City time, on the Business Day prior to the Closing Date.

(c) Payment of the Management and Underwriting Commission by or on behalf of the Republic shall be made by wire transfer in immediately available funds to the account specified by the Initial Purchasers against delivery of payment for the Bonds in accordance with Section 2(b) hereof.

3. Representations and Warranties of the Republic. The Republic represents and warrants to each Initial Purchaser that:

(a) Offering Memorandum. The Preliminary Offering Memorandum and the Offering Memorandum and any amendments or supplements thereto did not and will not, as of their respective dates, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Republic makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Republic in writing by such Initial Purchaser expressly for use in the Preliminary Offering Memorandum and the Offering Memorandum.

(b) Financial and Similar Information. The financial and similar information set forth in the Preliminary Offering Memorandum and the Offering Memorandum presents fairly the financial position and revenues and expenditures of the Republic as of the dates and for the periods indicated.

(c) No Material Adverse Change. Since the respective dates as of which information is given in the Preliminary Offering Memorandum and the Offering Memorandum, there has not been any material adverse change or any development

involving a prospective material adverse change in (i) the ability of the Republic to perform its obligations under this Agreement, the Indenture or the Bonds (collectively, the "Transaction Documents") or (ii) the condition (financial, economic, political or other) of the Republic (each a "Material Adverse Change"), except in each case as set forth in the Offering Memorandum.

(d) *Power and Authority.* The Republic has full power and authority to execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization of each of the Transaction Documents has been duly and validly taken, and all action required to be taken for the due and proper execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been or will have been duly and validly taken by or on the Closing Date.

(e) *Transaction Documents.* This Agreement has been duly authorized, executed and delivered by the Republic; the Indenture has been duly authorized by the Republic and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and binding agreement of the Republic enforceable in accordance with its terms (subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity); the Bonds have been duly authorized by the Republic and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and binding obligations of the Republic enforceable in accordance with their terms (subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity) and entitled to the benefits of the Indenture; and the Indenture and this Agreement conform, and the Bonds will conform, in all material respects, to the descriptions thereof contained in the Preliminary Offering Memorandum and the Offering Memorandum as of their dates.

(f) *Full Faith and Credit.* The Bonds, when duly executed, authenticated, issued and delivered as provided in the Indenture will constitute general, direct, unconditional, unsubordinated and unsecured obligations of the Republic, will be backed by the full faith and credit of the Republic, and will rank at least *pari passu* in priority of payment with all other existing and future unsecured and unsubordinated Publicly Issued External Indebtedness of the Republic (as defined in the Bonds).

(g) *No Violation or Default.* The Republic is not (i) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any fiscal agency agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Republic is a party or by which the Republic is bound or to which any of the property or assets of the Republic is bound or (ii) in violation of any law or statute (including, without limitation, the Ecuadorian Constitution,

any Ecuadorian law, decree, resolution or regulation or any treaty to which the Republic is a party) or any judgment, order or regulation of any governmental agency or body or court to which it or its property or assets may be subject, except in each case (i) as set forth in the Offering Memorandum and (ii) for any such default or violation that would not, individually or in the aggregate, have a material adverse effect on the condition (monetary, financial, economic, political or other) of the Republic or on the ability of the Republic to perform its obligations under any Transaction Document.

(h) *No Conflicts with Existing Instruments.* The execution, delivery and performance by the Republic of each of the Transaction Documents, the issuance and sale of the Bonds and compliance by the Republic with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Republic pursuant to, any fiscal agency agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Republic is a party or by which the Republic is bound or to which any of the property or assets of the Republic is subject, nor will any such action result in any violation of any law or statute (including, without limitation, the Ecuadorian Constitution, any Ecuadorian law, decree, resolution or regulation or any treaty to which the Republic is a party) which is binding on or applicable to the Republic or any judgment, order or regulation of any governmental agency or body or court having jurisdiction over the Republic or any of its properties or assets.

(i) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any governmental agency or body or court is required for the execution, delivery and performance by the Republic of each of the Transaction Documents, the issuance and sale of the Bonds as contemplated in this Agreement (including Annex A hereto) and the Offering Memorandum and compliance by the Republic with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for the following, all of which have been duly obtained and are in full force and effect on the date hereof and all of which will be in full force and effect on the Closing Date: (i) the authorization under *Decreto Ejecutivo* 533 of September 21, 2005, under which the President of the Republic authorized the Minister of Economy and Finance to negotiate an issuance of up to U.S.\$750,000,000 in the international markets, (ii) the favorable opinion of the *Procuraduría General del Estado*, set forth in *Oficio No. 014949* of February 22, 2005, (iii) the favorable opinion of the *Banco Central del Ecuador*, set forth in DBCE-0314-2005 of February 22, 2005, (iv) the favorable opinion of the *Contraloría General del Estado*, set forth in *Oficio No. 050573* of November 8, 2005, (v) the favorable opinion of the *Procuraduría General del Estado*, set forth in *Oficio No. 020447* of October 28, 2005, and (vi) any such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable Blue Sky or securities laws of the states comprising the United States in connection with the purchase and resale of the Bonds by the Initial Purchasers.

(j) *Legal Proceedings.* Except as set forth in the Preliminary Offering Memorandum and the Offering Memorandum, to the best knowledge of the Republic, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Republic is or may be a party or to which any property or assets of the Republic is or may be subject that, individually or in the aggregate, if determined adversely to the Republic, could reasonably be expected to have a material adverse effect on the condition (monetary, financial, economic, political or other) of the Republic or on the ability of the Republic to perform its obligations under any Transaction Document; and to the best knowledge of the Republic, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental body or agency or other person.

(k) *No Withholding Taxes or Exchange Controls.* All payments of principal, premium, if any, interest and other amounts in respect of the Bonds made to holders of Bonds will not be subject to any income, withholding or other taxes under Ecuadorian laws and regulations or treaties to which the Republic is a party and may otherwise be made free and clear of any tax, duty, withholding or deduction in the Republic except as described in the Offering Memorandum and without the necessity of obtaining governmental authorization in the Republic (including without limitation, under tax, exchange control or other laws or regulations); provided that, if such payments are subject to any such tax, duty, withholding or deduction, the Republic shall pay such additional amounts as may be necessary to ensure that the amounts received by the holders of Bonds after such tax, duty, withholding or deduction shall equal the respective amount of principal, premium, if any, interest and other amounts which would have been received by them in respect of the Bonds in the absence of such tax, duty, withholding or deduction, as provided under paragraph 3(a) of the terms and conditions of the Bonds.

(l) *No Other Securities of Same Class as the Bonds.* No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Bonds are or, as of the date of issuance of the Bonds, will be (i) listed on the New York Stock Exchange or any other national securities exchange in the United States or (ii) quoted on the Nasdaq National Market or any other automated inter-dealer quotation system in the United States.

(m) *No Integration.* Neither the Republic nor any of its affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Bonds in a manner that would require registration of the Bonds under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts.* None of the Republic or any of its affiliates or any other person acting on its or their behalf has (i) solicited offers for, or offered or sold, the Bonds by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the

Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(o) *U.S. Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex A hereto) and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Bonds to the Initial Purchasers and the offer, resale and delivery of the Bonds by the Initial Purchasers in the manner contemplated by this Agreement and the Offering Memorandum, to register the Bonds under the Securities Act.

(p) *Transaction Documents in Proper Legal Form.* This Agreement, the Indenture and the Bonds are in proper form under Ecuadorian law for the enforcement thereof against the Republic; and to ensure the legality, validity or enforceability of each of this Agreement, the Indenture, the Bonds and any other document to be furnished hereunder or thereunder in the Republic, it is not necessary that any such document be filed or recorded with any Ecuadorian governmental agency or body or court or that any stamp or similar tax be paid in the Republic on or in respect of any such document, to enforce the Transaction Documents in the Republic. Once the Bonds are issued, the Republic must register the Bonds as debt with the Central Bank; provided, however, that the failure to effect such registration shall not affect the legality, validity or enforceability of the Bonds.

(q) *No Immunity from Suit.* Except as set forth in the Offering Memorandum, neither the Republic nor any of its property or assets is entitled to sovereign or other immunity from suit, execution, attachment or other legal process in the Republic.

(r) *No Licenses Needed for Enforcement.* It is not necessary under Ecuadorian law that the Initial Purchasers, any holder of Bonds or the Trustee be licensed or qualified in the Republic or elsewhere (i) to enable any of them to enforce their respective rights under each Transaction Document or any other document to be delivered in connection herewith or therewith or (ii) solely by reason of the execution, delivery or performance of any Transaction Document or any other document to be delivered in connection herewith or therewith, in each case except as set forth in the Offering Memorandum.

(s) *No Notice of Downgrading.* The Republic is not aware that any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act, has made any announcement that it will have under surveillance or review, with possible negative implications, its rating of any of the Republic's debt securities; and the Republic has not been informed by any such organization that it intends or is contemplating any downgrading in any rating accorded to the Republic's debt securities or any announcement that it will have under surveillance or review, with possible negative implications, its rating of any of the Republic's debt securities.

(t) *Ecuadorian Law.* The statements with respect to matters of Ecuadorian law set forth in the Preliminary Offering Memorandum and the Offering Memorandum are correct in all material respects.

(u) *Governing Law.* The courts of Ecuador will observe and give effect to the choice of New York law as the governing law of this Agreement, the Indenture and the Bonds.

(v) *IMF.* The Republic is a member, and is eligible to use the general resources, of the International Monetary Fund.

For purposes of this Agreement, references to "the Republic" shall be deemed to include the governmental agencies and bodies of the central government of the Republic, except where the context otherwise requires.

4. Further Agreements of the Republic. The Republic covenants and agrees with each Initial Purchaser that:

(a) *Delivery of Copies.* The Republic will deliver to the Initial Purchasers without charge as many copies of the Preliminary Offering Memorandum and the Offering Memorandum (including all amendments and supplements thereto) as the Initial Purchasers may reasonably request.

(b) *Amendments or Supplements.* Before distributing any amendment or supplement to the Preliminary Offering Memorandum or the Offering Memorandum, the Republic will furnish to the Initial Purchasers a copy of the proposed amendment or supplement for review and will not distribute any such proposed amendment or supplement to which the Initial Purchasers reasonably object.

(c) *Notice to the Initial Purchasers.* The Republic will advise the Initial Purchasers promptly, and confirm such advice in writing, (i) of the issuance by any governmental agency or body or court of any order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose of which the Republic has knowledge; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Bonds as a result of which the Preliminary Offering Memorandum and the Offering Memorandum, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) of any event occurring after the date hereof, and on or prior to the payment being made to the Republic on the Closing Date, that would render untrue or incorrect in any material respect the Republic's representations and warranties contained herein; and (iv) of the receipt by the Republic of any notice with respect to any suspension of the qualification of the Bonds for offer and sale in any jurisdiction or the Republic's knowledge of the initiation or threatening of any proceeding for such purpose; and the Republic will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Offering

Memorandum or the Offering Memorandum or suspending any such qualification of the Bonds and, if issued, will use its reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(d) *Ongoing Compliance of the Offering Memorandum.* If at any time prior to the completion of the offering of the Bonds (i) any event shall occur or condition shall exist as a result of which it is necessary to amend or supplement the Offering Memorandum in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary or advisable to amend or supplement the Offering Memorandum to comply with applicable law, the Republic will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to Section 4(b) hereof, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented will not, in the light of the circumstances under which they were made, be misleading or so that the Offering Memorandum will comply with applicable law.

(e) *Blue Sky Compliance.* The Republic will cooperate with the Initial Purchasers to qualify the Bonds for offer and sale under the Blue Sky or securities laws of the states comprising the United States as the Initial Purchasers shall reasonably request and will continue such qualifications in effect so long as may be reasonably required for the offering and resale of the Bonds; *provided* that the Republic shall not be required to file a general consent to service of process in any jurisdiction, nor shall the Republic be required to take any action that would subject it to the service of process in proceedings, other than relating to the distribution of the Bonds, in any jurisdiction where it is not now so subject.

(f) *Clear Market.* During the period from the date hereof through and including the date that is 90 days after the Closing Date, the Republic will not, outside the territory of the Republic, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell or otherwise dispose of any U.S. dollar-denominated debt securities issued or guaranteed by the Republic and having a final maturity of more than one year, except that the Republic may, at its option, (i) proceed with an exchange offer registered under the Securities Act pursuant to which the Bonds may be exchanged by the holders thereof for substantially identical bonds registered under such Act and (ii) proceed with an exchange offer pursuant to which any series of debt securities of the Republic outstanding as of the date hereof may be exchanged for any new issuance of debt securities of the Republic.

(g) *PORTAL and DTC.* The Republic will assist the Initial Purchasers in arranging for the Bonds to be designated Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") Market securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. ("NASD") relating to trading in the PORTAL Market and for the Bonds to be eligible for clearance and settlement through DTC.

(h) *No Resales by the Republic.* The Republic will not, and will use its best efforts to cause its affiliates not to, resell any of the Bonds that have been acquired by any of them.

(i) *No Integration.* The Republic will not, and will use its best efforts to cause its affiliates not to, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security that is or will be integrated with the sale of the Bonds in a manner that would require registration of the Bonds under the Securities Act.

(j) *No General Solicitation or Directed Selling Efforts.* None of the Republic or any other person acting on its behalf (other than the Initial Purchasers or any affiliate of an Initial Purchaser, as to which the Republic assumes no responsibility) will (i) solicit offers for, or offer or sell, the Bonds by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirements of Regulation S.

(k) *No Stabilization.* The Republic will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Bonds.

(l) *Listing.* The Republic will apply to list the Bonds on the Luxembourg Stock Exchange and will use its best efforts to have the Bonds listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, the alternative market of the Luxembourg Stock Exchange.

(m) *Additional Amounts.* If the compensation or any other amounts to be received by the Initial Purchasers under this Agreement including, without limitation, indemnification and contribution payments, as a result of entering into this Agreement, are subject to any present or future taxes, assessments, deductions, withholdings or charges of any nature imposed or levied by or on behalf of the Republic or any political subdivision thereof or taxing authority therein ("Ecuadorian Taxes"), then the Republic shall pay to the Initial Purchasers an additional amount so that the Initial Purchasers shall retain, after taking into consideration all such Ecuadorian Taxes, an amount equal to the amounts owed to it as compensation or otherwise under this Agreement as if such amounts had not been subject to Ecuadorian Taxes, except with respect to withholding on the underwriting discount in an amount not to exceed 25% of such underwriting discount. Notwithstanding the foregoing limitation, if any stamp or other issuance or transfer taxes or duties or any income, capital gains, withholding or other taxes are paid by or on behalf of the Initial Purchasers or the Trustee by someone other than the Republic, to the Republic or to any political subdivision or taxing authority thereof or therein as a result of or in connection with (i) the execution, delivery and enforcement of this Agreement, the Indenture or the Bonds, (ii) the authorization, issuance, sale or delivery of the Bonds by the Republic, and (iii) the sale and delivery of the Bonds by the Initial Purchasers to the initial purchasers therefrom; then the Republic

will reimburse the person paying such taxes or duties for the amount so paid, together with any additional amounts required so that the amount received by such person, after deduction or withholding of any applicable Ecuadorian Taxes, is sufficient to reimburse such person fully for the amount so paid. The Republic will not, however, pay any additional amount in respect of any Ecuadorian Tax that is imposed due to any connection that the Initial Purchaser has or had with Ecuador other than entering into this Agreement or its obligations herein. If any Ecuadorian Taxes are assessable on any amounts to be received by the Initial Purchasers under this Agreement, the Republic shall provide to the Initial Purchasers copies of documents evidencing the transmittal to the proper authorities of the amount of Ecuadorian Taxes deducted or withheld.

(n) *Ongoing Effectiveness of Consents and Authorizations.* The Republic will use its reasonable best efforts to obtain and keep in full force and effect all consents, approvals, authorizations and orders from, and make and keep in full force and effect all filings, registrations and qualifications with, any governmental agency or body or court that may be required for (i) the validity or enforceability against the Republic of this Agreement and the Indenture and (ii) the issuance, validity or enforceability of the Bonds.

(o) *Use of Proceeds.* The Republic will apply the net proceeds from the sale of the Bonds as described in the Offering Memorandum under the heading "Use of Proceeds".

5. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Bonds on the Closing Date as provided herein is subject to the performance by the Republic of its obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties.* The representations and warranties of the Republic contained herein shall be true and correct on the date hereof and on and as of the Closing Date; the statements of the Republic and its officials made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date; and the Republic shall have complied with all agreements and all conditions to be performed or satisfied on its part hereunder at or prior to the Closing Date.

(b) *No Downgrading.* Subsequent to the execution and delivery of this Agreement and on or prior to the Closing Date, (i) no downgrading shall have occurred in the rating accorded the Bonds, if rated, or any other debt securities issued or guaranteed by the Republic by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and (ii) no such organization shall have publicly announced that it has under surveillance or review (other than an announcement with positive implications of a possible upgrading) its rating of the Bonds, if rated, or of any other debt securities issued or guaranteed by the Republic.

(c) *No Material Adverse Change.* Subsequent to the execution and delivery of this Agreement, no Material Adverse Change shall have occurred or shall exist, which is not described in the Offering Memorandum and the effect of which in the judgment of the Initial Purchasers makes it impracticable or inadvisable to proceed with the offering, resale and delivery of the Bonds on the Closing Date on the terms and in the manner contemplated by this Agreement and the Offering Memorandum.

(d) *Official's Certificate.* The Initial Purchasers shall have received on and as of the Closing Date a certificate in English of the Minister of Economy and Finance of the Republic, or other senior public official of the Republic who is satisfactory to the Initial Purchasers, to the effect set forth in paragraphs (a) through (c) above.

(e) *Opinion of U.S. Counsel for the Republic.* Cleary, Gottlieb, Steen & Hamilton LLP, U.S. counsel for the Republic, shall have furnished to the Initial Purchasers, at the request of the Republic, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex B hereto.

(f) *Opinion of U.S. Counsel for the Initial Purchasers.* The Initial Purchasers shall have received on and as of the Closing Date the favorable opinion or opinions of Sullivan & Cromwell LLP, U.S. counsel for the Initial Purchasers, with respect to such matters as the Initial Purchasers may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters. In rendering such opinion or opinions, such counsel may rely as to all matters of the laws of the Republic upon the opinion of Perez, Bustamante & Ponce referred to below.

(g) *Opinion of Ecuadorian Counsel for the Republic.* The *Procurador General del Estado* shall have furnished to the Initial Purchasers, at the request of the Republic, his written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex C hereto (which opinion may be in Spanish at the option of the Republic; provided, however, that in such case, the Spanish opinion shall be accompanied by a certified translation of same into the English language).

(h) *Opinion of Ecuadorian Counsel for the Initial Purchasers.* The Initial Purchasers shall have received on and as of the Closing Date a favorable opinion of Perez, Bustamante & Ponce, Ecuadorian counsel for the Initial Purchasers, with respect to such matters as the Initial Purchasers may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *PORTAL and DTC.* The Bonds shall have been approved by the NASD for trading in the PORTAL Market and shall be eligible for clearance and settlement through DTC.

(j) *Additional Documents.* On or prior to the Closing Date, the Republic shall have furnished to the Initial Purchasers such further certificates and documents as the Initial Purchasers and U.S. counsel for the Initial Purchasers may reasonably request in order to evidence the fulfillment of any conditions set forth in this Section 5.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to U.S. counsel for the Initial Purchasers.

6. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchasers.* The Republic agrees to indemnify and hold harmless each Initial Purchaser, and each of its affiliates, directors, officers, partners and each person, if any, who controls such Initial Purchaser (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred, and when and as incurred, in connection with any suit, action or proceeding or any claim asserted), joint or several, caused by any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum (or any amendment or supplement thereto), or caused by any omission or alleged omission to state therein a material fact or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Republic in writing by such Initial Purchaser through the Initial Purchasers expressly for use therein (or in any amendment or supplement thereof); *provided*, that with respect to any such untrue statement in or omission from the Preliminary Offering Memorandum the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Initial Purchaser in connection with any sale of the Bonds by such Initial Purchaser to any person that asserts any loss, claim, damage or liability arising from the sale of the Bonds to such person by that Initial Purchaser if that Initial Purchaser or another party acting on its behalf failed to send or give a copy of the Offering Memorandum, as the same may be amended or supplemented, to that person, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Offering Memorandum was corrected in the Offering Memorandum and the Offering Memorandum, as so corrected, would have cured the defect giving rise to such loss, claim, damage or liability unless such failure to deliver the Offering Memorandum was a result of a non-compliance by the Republic with the provisions of Section 4(a) hereof.

(b) *Indemnification of the Republic.* Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Republic from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and

other expenses incurred, and when and as incurred, in connection with any suit, action or proceeding or any claim asserted), caused by any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum (or any amendment or supplement thereto), or caused by any omission or alleged omission to state therein a material fact or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Republic in writing by such Initial Purchaser through the Initial Purchasers expressly for use in the Preliminary Offering Memorandum and the Offering Memorandum (or any amendment or supplement thereto).

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either Section 6(a) or 6(b) hereof, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided, further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 6. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 6 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed in writing to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded (based upon advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors, officers, partners and any control persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc. and

Deutsche Bank Securities Inc. and any such separate firm for the Republic shall be designated in writing by the Republic. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (i) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in Sections 6(a) and 6(b) hereof is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Republic on the one hand and the Initial Purchasers on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Republic on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Republic on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Republic from the sale of the Bonds and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Bonds. The relative fault of the Republic on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Republic or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Republic and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by *pro rata* allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6(d) hereof. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in Section 6(d) hereof shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Bonds exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 6 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

7. Termination. This Agreement may be terminated, in the sole discretion of the Initial Purchasers, by notice to the Republic, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by either of the New York Stock Exchange or the Luxembourg Stock Exchange; (ii) trading of any securities issued or guaranteed by the Republic shall have been suspended on any securities exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by U.S. federal, New York State or Ecuadorian authorities; (iv) there shall have occurred a material disruption in commercial banking or securities settlement in the United States, the United Kingdom or the Republic; (v) there shall have been imposed by the Republic any currency exchange controls; (vi) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or affecting the United States or the Republic, that in the judgment of the Initial Purchasers is material and adverse and makes it impracticable or inadvisable to market the Bonds on the terms and in the manner contemplated by this Agreement and the Offering Memorandum; (vii) subsequent to the respective dates as of which information is set forth in the Offering Memorandum, there shall have occurred any material adverse change or development involving a prospective material adverse change in the condition (monetary, financial, economic, political or other) of the Republic which would, in the judgment of the Initial Purchasers, make it impracticable to market the Bonds on the terms and in the manner contemplated in the Offering Memorandum; or (viii) the Republic or the United States, or any of their respective governmental agencies or bodies or courts, shall have issued, enacted or promulgated

any statute, regulation, rule, decree or order that, in the judgment of the Initial Purchasers, does or will constitute a Material Adverse Change not described in the Offering Memorandum that, in the judgment of the Initial Purchasers, makes it impracticable to market the Bonds on the terms and in the manner contemplated in the Offering Memorandum.

8. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Bonds that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Bonds by other persons satisfactory to the Republic on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Bonds, then the Republic shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Bonds on such terms. If other persons become obligated or agree to purchase the Bonds of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Republic may postpone the Closing Date for up to five full Business Days in order to effect any changes that in the opinion of U.S. counsel for the Republic or U.S. counsel for the Initial Purchasers may be necessary in the Offering Memorandum or in any other document or arrangement, and the Republic agrees to promptly prepare any amendment or supplement to the Offering Memorandum that effects any such changes. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 8, purchases Bonds that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Republic as provided in Section 8(a) hereof, the aggregate principal amount of such Bonds that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Bonds, then the Republic shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Bonds that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's *pro rata* share (based on the principal amount of Bonds that such Initial Purchaser agreed to purchase hereunder) of the Bonds of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Republic as provided in Section 8(a) hereof, the aggregate principal amount of such Bonds that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Bonds, or if the Republic shall not exercise the right described in Section 8(b) hereof, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers or the Republic, except that the Republic will continue to be liable for the payment of expenses as set forth in Section 9 hereof and except that the provisions of Section 6 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Republic or any non-defaulting Initial Purchaser for damages caused by its default.

9. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Republic agrees to pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including, without limitation, the following: (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Bonds and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof to the Initial Purchasers; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Republic's counsel; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Bonds under the laws of such jurisdictions as the Initial Purchasers may, with the Republic's prior written consent, designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of U.S. counsel for the Initial Purchasers); (vi) any fees charged by rating agencies for rating the Bonds; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the application for the inclusion of the Bonds on the PORTAL Market and the approval of the Bonds for book-entry transfer by DTC; (ix) all expenses in connection with any "road show" presentation to potential investors, including costs associated with any Bloomberg or internet presentations; and (x) all expenses and application fees related to the listing of the Bonds on the Luxembourg Stock Exchange; *provided, however*, that the Initial Purchasers will pay (i) the fees and expenses of U.S. and Ecuadorian counsel to the Initial Purchasers and (ii) their out-of-pocket costs and expenses other than any such expenses that are incurred in connection with any "road show" presentation to potential investors.

(b) In the event that (i) this Agreement is terminated pursuant to Section 7 hereof, (ii) the Republic for any reason fails to tender the Bonds for delivery to the Initial Purchasers as provided herein or (iii) the Initial Purchasers decline to purchase the Bonds for any reason permitted under this Agreement, the Republic agrees to reimburse the Initial Purchasers for all out-of-pocket costs and expenses (including, without limitation, the costs and expenses referred to in the final proviso of Section 9(a) hereof, provided, however, that the Republic will not pay the fees and expenses of U.S. and Ecuadorian Counsel to the Initial Purchasers referred to in the final proviso of Section 9(a) if the foregoing occurs due to the negligence of the Initial Purchasers) reasonably incurred and documented by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby. Any such reimbursement shall be payable solely and exclusively in U.S. dollars.

10. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Republic, the Initial Purchasers, their respective affiliates and any controlling persons referred to in Section 6 hereof, and their respective

successors. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Bonds from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

11. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Republic and the Initial Purchasers contained in this Agreement or made by or on behalf of the Republic or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Bonds and shall remain in full force and effect, regardless of any investigation made by or on behalf of the Republic or the Initial Purchasers. The provisions of Section 6 and Section 9 hereof shall survive the termination of this Agreement.

12. Initial Purchasers' Information. The Republic and the Initial Purchasers acknowledge and agree that the only information relating to any Initial Purchaser that has been furnished to the Republic in writing by any Initial Purchaser through the Initial Purchasers expressly for use in the Preliminary Offering Memorandum and the Offering Memorandum (or any amendment or supplement thereto) consists of the third, fourth, fifth and eleventh paragraphs and the second and third sentences of the thirteenth paragraph of text under the caption "Plan of Distribution" in the Offering Memorandum concerning stabilization.

13. Submission to Jurisdiction, Waiver of Immunity. The Republic irrevocably submits to the jurisdiction of any U.S. federal or New York state court sitting in the Borough of Manhattan, The City of New York, and any appellate court from any court thereof, in any suit, action or proceeding arising out of or relating to this Agreement and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such U.S. federal or New York state court. The Republic also irrevocably waives, to the fullest extent that they may effectively do so, any objection to venue or defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in such court. The Republic hereby irrevocably appoints its Consul General of the Republic in New York and his successors (the "Authorized Agent"), with an office on the date hereof at 800 Second Avenue, Suite 600, New York, New York 10017, as its agent to receive on behalf of itself and its property service of any process which may be served in any such suit, action or proceeding. Such service may be made by delivering or mailing a copy of such process to the Republic in care of the Authorized Agent at the above specified address, and the Republic authorizes and directs such Authorized Agent to accept such service on its behalf. A final judgment that is not appealable in any such suit, action or proceeding shall be conclusive and may be enforced to the fullest extent permitted by applicable law in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

14. To the fullest extent permitted by applicable law, the Republic irrevocably waives immunity (including sovereign immunity) from jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process

arising out of or relating to this Agreement in any U.S. federal or New York state court in the Borough of Manhattan, The City of New York or in any competent court in the Republic. Without limiting the generality of the foregoing, the Republic agrees that the foregoing waiver of immunity shall have the fullest scope permitted under the U.S. Foreign Sovereign Immunities Act of 1976 and is intended to be irrevocable for purposes of such Act. Notwithstanding anything to the contrary contained herein, neither the appointment of the Authorized Agent, nor the Republic's waiver of immunity, shall be interpreted to extend to any action brought under the U.S. federal securities laws or state securities laws.

15. Judgment Currency. The Republic shall indemnify the Initial Purchasers against any loss incurred by them as a result of any judgment or order against the Republic, being given or made and expressed and paid in a currency (the "Judgment Currency") other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in New York, New York at which the Initial Purchasers on the date of payment of such judgment or order are able to purchase U.S. dollars with the amount of the Judgment Currency actually received by the Initial Purchasers. The foregoing indemnity shall constitute a separate and independent obligation of the Republic and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. dollars.

16. Miscellaneous. (a) *Authority of the Initial Purchasers.* Any action by the Initial Purchasers hereunder may be taken by J.P. Morgan Securities Inc. and/or Deutsche Bank Securities Inc. on behalf of the Initial Purchasers, and any such action taken by J.P. Morgan Securities Inc. and/or Deutsche Bank Securities Inc. shall be binding upon the Initial Purchasers.

(b) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given both to Deutsche Bank Securities Inc., 60 Wall Street, New York, New York 10005 (Fax: 212-797-5158), Attention: Roy Ellis; and to J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 (fax: 212-834-6618), Attention: Latin America New Issues. Notices to the Republic shall be given to the Authorized Agent at Consul General of Ecuador in New York, 800 Second Avenue, Suite 600, New York, New York 10017 (fax: 212-808-0170), Attention: Consul General; with a copy to the Republic at República del Ecuador, Ministry of Finance and Public Credit, Avenida 10 de Agosto 1661 y Bolivia, Quito, Ecuador (fax: 5932 250 3111), Attention: Undersecretary of Public Credit and a copy to Banco Central del Ecuador, Avenida Amazonas N34-451 y Avenida Atahualpa, Quito, Ecuador; Attention: General Manager.

(c) *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

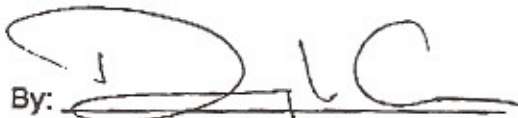
THE REPUBLIC OF ECUADOR

By _____
Name:
Title:

Accepted as of the above date:

DEUTSCHE BANK SECURITIES INC.

By: 
Name: Marcelo Blanco
Title: Managing Director

By: 
Name: Douglas Chen
Title: Director

J.P. MORGAN SECURITIES INC.

By: _____
Name:
Title:

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

THE REPUBLIC OF ECUADOR

By _____
Name:
Title:

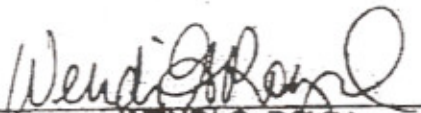
Accepted as of the above date:

DEUTSCHE BANK SECURITIES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

J.P. MORGAN SECURITIES INC.

By: 
Name: WENDI G. ROYAL
Title: VICE PRESIDENT

If the foregoing is in accordance with your understanding, please
acceptance of this Agreement by signing in the space provided below.

Very truly yours,

THE REPUBLIC OF ECUADOR

By: Magdalena Barrios
Name:
Title:

Accepted as of the above date:

DEUTSCHE BANK SECURITIES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

J.P. MORGAN SECURITIES INC.

By: _____
Name:
Title:

SCHEDULE 1

<u>Initial Purchaser</u>	<u>Principal Amount</u>
Deutsche Bank Securities Inc.....	U.S.\$325,000,000
J.P. Morgan Securities Inc.....	325,000,000
Total.....	<u>U.S.\$650,000,000</u>

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Bonds outside the United States:

(a) Each Initial Purchaser acknowledges that the Bonds have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Bonds, and will offer and sell the Bonds, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the Closing Date, only in accordance with Regulation S under the Securities Act or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Bonds, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Bonds, except with its affiliates or with the prior written consent of the Republic.

Terms used in paragraph (a) and this paragraph (b) have the meanings given to them by Regulation S.

(c) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Public Offers of Securities Regulations 1995 with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

(d) Each Initial Purchaser acknowledges that no action has been or will be taken by the Republic that would permit a public offering of the Bonds, or possession or distribution of the Preliminary Offering Memorandum, the Offering Memorandum or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required, and that each Initial Purchaser and any person acting on its behalf has complied with and will comply with all applicable laws and regulations in each country or jurisdiction in which it has sold or offered for sale the Bonds.

Form of Opinion of U.S. Counsel for the Republic

[CGSH FORM, BEGINNING NEXT PAGE]

December [●], 2005

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

We have acted as special United States counsel to the Republic of Ecuador (the "Republic"), in connection with the Republic's offering of US\$[●] aggregate principal amount of its [●]% Bonds due [●] (the "Bonds") pursuant to the terms of the purchase agreement, dated as of [●], 2005 (the "Purchase Agreement") among the Republic and Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. (collectively, the "Initial Purchasers"). The Bonds will be issued under a trust indenture, dated as of [●], 2005 (the "Indenture"), between the Republic and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). The offering memorandum, dated as of [●], 2005, related to the offering of the Bonds[, as supplemented/amended by [●] dated [●], 2005,] is herein called the "Offering Memorandum." This opinion letter is furnished pursuant to Section 5(e) of the Purchase Agreement.

In arriving at the opinions expressed below, we have reviewed the following documents:

- (a) an executed copy of the Purchase Agreement;
- (b) the Offering Memorandum;

- (c) a facsimile copy of the Bonds in global form as executed by the Republic (the "Global Bond");
- (d) an executed copy of the Indenture; and
- (e) the documents delivered to you by the Republic at the closing pursuant to the Purchase Agreement.

In addition, we have reviewed the originals or copies certified or otherwise identified to our satisfaction of all such records of the Republic and such other instruments and other certificates of public officials and representatives of the Republic and such other persons, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below.

In rendering the opinions expressed below, we have assumed the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies. In addition, we have assumed and have not verified the accuracy as to factual matters of each document we have reviewed (including, without limitation, the accuracy of the representations and warranties of the Republic in the Purchase Agreement).

Based on the foregoing, and subject to the further assumptions and qualifications set forth below, it is our opinion that:

1. The Indenture has been duly executed and delivered by the Republic under the law of the State of New York and is a valid, binding and enforceable agreement of the Republic.
2. The Global Bond has been duly executed and delivered by the Republic under the law of the State of New York, and, assuming that the Global Bond has been duly authenticated in accordance with the terms of the Indenture and delivered and paid for in accordance with the terms of the Purchase Agreement, is the valid, binding and enforceable obligation of the Republic, entitled to the benefits of the Indenture.
3. The statements set forth under the heading "Description of the Bonds" in the Offering Memorandum, insofar as such statements purport to summarize certain provisions of the Bonds and the Indenture, provide a fair summary of such provisions, and the statements set forth under the heading "Taxation-United States Taxation," in the Offering Memorandum, insofar as such statements purport to summarize federal tax laws of the United States referred to thereunder, constitute a fair summary of the principal U.S. federal tax consequences of an investment in the Bonds.
4. The Purchase Agreement has been duly executed and delivered by the Republic under the law of the State of New York.

5. The issuance and sale of the Bonds to the Initial Purchasers pursuant to the Purchase Agreement, do not, and the performance by the Republic of its obligations in the Purchase Agreement, the Indenture and the Bonds will not, require any consent, approval, authorization, registration or qualification of or with any governmental authority of the United States of America or the State of New York that in our experience normally would be applicable with respect to such issuance, sale or performance (but we express no opinion relating to the United States federal securities laws or any state securities or Blue Sky laws except as set forth in paragraph 6 below).

6. No registration of the Bonds under the U.S. Securities Act of 1933, as amended, and no qualification of an indenture under the U.S. Trust Indenture Act of 1939, as amended, are required for the offer and sale of the Bonds by the Republic to the Initial Purchasers pursuant to and in the manner contemplated by the Purchase Agreement or by the Initial Purchasers as contemplated by the Purchase Agreement and the Offering Memorandum.

7. Under the laws of the State of New York relating to submission to jurisdiction, the Republic, pursuant to Section 13 of the Purchase Agreement, has (i) validly and irrevocably submitted to the personal jurisdiction of any New York State or U.S. federal court located in the Borough of Manhattan, The City of New York, in any action arising out of or relating to the Purchase Agreement, (ii) to the fullest extent permitted by the law, validly and irrevocably waived any objection to the venue of a proceeding in any such court, and (iii) to the fullest extent permitted by the law, validly and irrevocably appointed the Consul General of the Republic in New York and his successors as its authorized agent for the purpose described in Section 13 of the Purchase Agreement; and service of process effected in the manner set forth in Section 13 of the Purchase Agreement will be effective to confer valid personal jurisdiction over the Republic in any such action.

Insofar as the foregoing opinions relate to the validity, binding effect or enforceability of any agreement or obligation of the Republic, (a) we have assumed that the Republic and each other party to such agreement or obligation has satisfied those legal requirements that are applicable to it to the extent necessary to make such agreement or obligation enforceable against it (except that no such assumption is made as to the Republic regarding matters of the federal law of the United States or the law of the State of New York that in our experience normally would be applicable with respect to such agreement or obligation), (b) such opinions are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general principles of equity and (c) such opinions are subject to the effect of judicial application of foreign laws or foreign governmental actions affecting creditors' rights.

In rendering the opinion expressed in paragraph 6 above, we have assumed the accuracy of, and compliance with, the representations, warranties, covenants and procedures contained in the Purchase Agreement and the Offering Memorandum relating to the offer and sale of the Bonds.

We note that the enforceability in the United States of the waiver by the Republic of its immunities from court jurisdiction and from legal process, as set forth in the Purchase Agreement and the Indenture, is subject to the limitations imposed by the Foreign Sovereign Immunities Act of 1976. In addition, we note that the designation in Section [13] of the Purchase Agreement, Section [11.7] of the Indenture, and Section [16] of the Global Bonds of the U.S. federal courts sitting in the Borough of Manhattan, The City of New York, as the venue for actions or proceedings relating to the Purchase Agreement, the Indenture and the Bonds, respectively, is (notwithstanding the waiver contained in such sections) subject to the power of such courts to transfer actions pursuant to 28 U.S.C. § 1404(a) or to dismiss such actions or proceedings on the grounds that such federal court is an inconvenient forum for such action or proceeding.

The foregoing opinions are limited to the federal law of the United States of America and the law of the State of New York.

We are furnishing this opinion letter to you, as Representatives of the Initial Purchasers, solely for the benefit of the Initial Purchasers in their capacity as such in connection with the offering of the Bonds. This opinion letter is not to be relied on by or furnished to any other person or used, circulated, quoted or otherwise referred to for any other purpose. We assume no obligation to advise you, or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the views expressed herein.

Very truly yours,

CLEARY GOTTlieb STEEN & HAMILTON LLP

By: _____
Neil Whoriskey, a Partner

December [●], 2005

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

We have acted as special United States counsel to the Republic of Ecuador (the "Republic") in connection with the issuance and sale of US\$[●] aggregate principal amount of the Republic's [●]% Bonds due 20[●] (the "Bonds") pursuant to the terms of the purchase agreement, dated as of [●], 2005 (the "Purchase Agreement") among the Republic and Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. (collectively, the "Initial Purchasers"). The offering memorandum dated [●], 2005 related to the Bonds[, as supplemented/amended by the [●] dated [●], 2005,] is herein called the "Offering Memorandum." This letter is furnished to you at the request of the Republic and pursuant to Section 5(e) of the Purchase Agreement.

Because the primary purpose of our professional engagement was not to establish or confirm factual matters or financial or statistical information, and because many determinations involved in the preparation of the Offering Memorandum are of wholly or partially non-legal character or relate to legal matters outside the scope of our opinion letter to you of even date herewith, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Offering Memorandum (except to the extent expressly set forth in numbered paragraph [3] of our opinion letter to you of even date herewith) and we make no representation we have independently verified the accuracy, completeness or fairness of such statements (except as aforesaid).

However, in the course of our acting as special New York counsel to the Republic in connection with the preparation of the Offering Memorandum, we participated in conferences and telephone conversations with officials and representatives of the Republic, your representatives, your counsel and your Ecuadorian Counsel, during which conferences and conversations the contents of the Offering Memorandum and related matters were discussed, and we reviewed certain records and documents furnished to us by the Republic.

Based on our participation in such conferences and conversations, and our review of such records and documents as described above, our understanding of the U.S. federal securities laws and the experience we have gained in our practice thereunder, we advise you that no information has come to our attention that causes us to believe that the Offering Memorandum (except the financial and statistical data included therein and the information included therein under the caption "Plan of Distribution," as to which we express no view), as of the date thereof, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are furnishing this letter to you solely for your benefit as the Initial Purchasers in your capacity as such in connection with the issuance and sale of the Bonds. This letter is not to be relied on by or furnished to any other person or used, circulated, quoted or otherwise referred to for any other purpose. We assume no obligation to advise you, or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the views expressed herein.

Very truly yours,

CLEARY GOTTlieb STEEN & HAMILTON LLP

By: _____
Neil Whoriskey, a Partner

Form of Opinion of Ecuadorian Counsel for the Republic

(i) The Republic has full power and authority to execute and deliver the Purchase Agreement and perform its obligations hereunder; and the Purchase Agreement has been duly authorized, executed and delivered by the Republic and, assuming that the Purchase Agreement constitutes a valid and legally binding agreement under the laws of the State of New York, constitutes a valid and legally binding agreement of the Republic enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

(ii) The Republic has full power and authority to execute and deliver the Indenture and perform its obligations thereunder; and the Indenture has been duly authorized, executed and delivered by the Republic and, assuming that it constitutes a legal, valid and binding agreement under the laws of the State of New York, constitutes the valid and legally binding obligation of the Republic enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

(iii) The Republic has full power and authority to execute, issue and deliver the Bonds and perform its obligations thereunder; and the Bonds have been duly authorized and executed by the Republic and, when authenticated as provided in the Indenture and delivered against payment therefor as provided in the Purchase Agreement and, assuming that the Bonds constitute valid and legally binding obligations under the laws of the State of New York, will be duly issued and will constitute valid and legally binding obligations of the Republic enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

(iv) The execution, delivery and performance by the Republic of each of the Purchase Agreement and the Indenture, the issuance and sale of the Bonds and compliance by the Republic with the terms thereof and the consummation of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any fiscal agency agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Republic or any of its governmental agencies or bodies is a party or by which the Republic or any of its governmental agencies or bodies is bound or to which any of the properties or assets of the Republic or any of its governmental agencies or bodies is subject, nor will any such action result in a violation of the provisions of any Ecuadorian statute or law (including,

without limitation, the Ecuadorian Constitution, any Ecuadorian law, decree, regulation or resolution or any treaty to which the Republic is a party) or any rule, regulation, order or decree of any Ecuadorian governmental agency or body or court in each case having jurisdiction over the Republic or any of its properties or assets.

(v) No consent, approval, authorization, order, registration or qualification of or with any Ecuadorian governmental agency or body or court is required for the execution, delivery and performance of each of the Purchase Agreement and the Indenture and the issuance and sale of the Bonds as contemplated in the Purchase Agreement and the Offering Memorandum, and compliance with the terms thereof and the consummation of the transactions contemplated in the Purchase Agreement and the Offering Memorandum, except for the following, all of which have been duly obtained and are in full force and effect on the date hereof and all of which will be in full force and effect on the Closing Date: (i) the authorization under *Decreto Ejecutivo* 533 of September 21, 2005, by which the President of the Republic authorized the Minister of Economy and Finance to negotiate an issuance of up to U.S.\$750,000,000 in the international markets, (ii) the favorable opinion of the *Procuraduría General del Estado*, set forth in Oficio No. 014949 of February 22, 2005, (iii) the favorable opinion of the *Banco Central del Ecuador*, set forth in DBCE-0314-2005 of February 22, 2005, (iv) the favorable opinion of the *Contraloría General del Estado*, set forth in Oficio No. 050573 of November 8, 2005, (v) the favorable opinion of the *Procuraduría General del Estado*, set forth in Oficio No. 020447 of October 28, 2005, and (vi) any such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable Blue Sky or securities laws of the states comprising the United States in connection with the purchase and resale of the Bonds by the Initial Purchasers. Once the Bonds are issued, the Republic must register the Bonds as debt with the Central Bank; provided, however, that the failure to effect such registration shall not affect the legality, validity or enforceability of the Bonds.

(vi) The Bonds, when duly executed, authenticated, issued and delivered as provided in the Indenture, constitute general, direct, unconditional, unsubordinated and unsecured obligations of the Republic, will be backed by the full faith and credit of the Republic and will rank at least *pari passu* in priority of payment with all other existing and future unsecured and unsubordinated Publicly Issued External Indebtedness of the Republic (as defined in the Bonds).

(vii) Except as otherwise specified in the Offering Memorandum, neither the Republic nor any of its property or assets is entitled to sovereign or other immunity from suit, execution, attachment or other legal process in the Republic.

(viii) Each person who signed (i) the Bonds; (ii) the Indenture; (iii) the Purchase Agreement; and (iv) any other document or certificate delivered prior to or on the date hereof contemplated by the Indenture or the Purchase Agreement or in connection with the offering of the Bonds by or on behalf of any person purporting to be an official of the Ministry of Finance, was at the respective times of such signing and delivery and is now duly appointed, qualified and acting as such official.

(ix) To the extent that the Republic has agreed to pay certain taxes and other expenses in Sections 4(m) and 9 of the Purchase Agreement and Section 3 of the Bonds on behalf of the Initial Purchasers and Holders of Bonds, the Republic is validly authorized to make such payments.

(x) Pursuant to [Statutory Source], all payments of interest in respect of the Bonds made to holders of Bonds will not be subject to withholding or other taxes under Ecuadorian law, and payments of principal in respect of the Bonds made to foreign (i.e., non-Ecuadorian) holders of the Bonds who are not resident in the Republic will not be subject to any withholding or other taxes in the Republic, except in each case as described in the Offering Memorandum.

(xi) It is not necessary under Ecuadorian law that the Initial Purchasers, any of the holders of the Bonds or the Trustee be licensed or qualified in the Republic solely by reason of the execution, delivery or performance of, or in order to enforce the Purchase Agreement, the Indenture or the Bonds.

(xii) Each of the Purchase Agreement, the Indenture and the Bonds and [any authorization/certificate] is in proper legal form under Ecuadorian law for enforcement against the Republic without further action on the part of the Initial Purchasers, the holders of the Bonds or the Trustee; and to ensure the legality, validity or enforceability in the Republic of each of the Purchase Agreement, the Indenture and the Bonds and any other document required to be furnished hereunder or thereunder, it is not necessary that the Purchase Agreement, the Indenture or the Bonds or any such other document be filed or recorded with any Ecuadorian governmental agency or body or court or that any stamp or similar tax be paid on or in respect of any thereof. All formalities required in the Republic for the validity and enforceability of each of the Purchase Agreement, the Indenture and the Bonds (including any necessary registration, recording or filing with any Ecuadorian court or other authority) have been accomplished.

(xiii) Any judgment obtained in a U.S. federal or New York state court of competent jurisdiction sitting in New York City arising out of or in relation to the obligations of the Republic under the Purchase Agreement, the Indenture or the Bonds would be enforced against the Republic.

(xiv) No stamp or other issuance or transfer taxes or duties and no income, capital gains, withholding or other taxes are payable by or on behalf of the Initial Purchasers, any holders of Bonds or the Trustee to the Republic or to any political subdivision or taxing authority thereof or therein solely as a result of (i) the execution, delivery and performance of the Purchase Agreement, the Indenture or the Bonds, (ii) the authorization, issuance, sale or delivery of the Bonds by the Republic, or (iii) the sale and delivery of the Bonds by the Initial Purchasers to the initial purchasers therefrom.

(xv) The indemnification and contribution provisions set forth in Section 6 of the Purchase Agreement do not contravene Ecuadorian law or public policy.

(xvi) Ecuadorian courts will recognize the choice of law provisions of the Purchase Agreement, the Indenture and the Bonds.

(xvii) The submission by the Republic to the jurisdiction of the U.S. federal or New York state courts sitting in New York City set forth in the Purchase Agreement, the Indenture and the Bonds constitute valid and legally binding obligations of the Republic, and service of process effected in the manner set forth in, and the waivers of sovereign and other immunity in, the Purchase Agreement, the Indenture and the Bonds, assuming validity under the laws of the State of New York, will be effective, insofar as Ecuadorian law is concerned, in each case to the extent set forth therein.

(xviii) To the knowledge of such counsel, the Republic is not in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any fiscal agency agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Republic or any of its governmental agencies or bodies is a party or by which the Republic or any of its governmental agencies or bodies is bound or to which any of the property or assets of the Republic or any of its governmental agencies or bodies is subject, except (i) as set forth in the Offering Memorandum and (ii) for any such default that would not, individually or in the aggregate, have a material adverse effect on the ability of the Republic to perform its obligations under the Purchase Agreement.

(xix) To the knowledge of such counsel, the Republic is not in violation in any material respect of any statute or law (including, without limitation, the Ecuadorian Constitution, any Ecuadorian law, decree, resolution or regulation or any treaty to which the Republic is a party) or any judgment, order or regulation of any Ecuadorian governmental agency or body or court to which it or its property or assets may be subject, except (i) as set forth in the Offering Memorandum and (ii) for any such violation that would not, individually or in the aggregate, have a material adverse effect on the condition (monetary, financial, economic, political or other) of the Republic or on the ability of the Republic to perform its obligations under the Purchase Agreement, the Indenture or the Bonds.

(xx) To the knowledge of such counsel, other than as set forth in the Offering Memorandum, there are no legal or governmental proceedings pending to which the Republic is a party or of which any property of the Republic is the subject which, if determined adversely to the Republic, would individually or in the aggregate reasonably be expected to have a material adverse effect on the condition (monetary, financial, economic, political or other) of the Republic or on the ability of the Republic to perform its obligations under the Purchase Agreement, the Indenture or the Bonds; and, to the knowledge of such counsel, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(xxi) The statements in the Offering Memorandum relating to the Bonds and the Indenture, insofar as matters of Ecuadorian law are concerned, and all other statements in the Offering Memorandum, with respect to or involving Ecuadorian law, are correct in

all material respects. The statements in the Offering Memorandum under the caption "Taxation—Ecuadorian Taxation", constitute accurate summaries of the provisions of Ecuadorian law therein described.

(xxii) Nothing has come to the attention of such counsel to cause such counsel to believe that the Preliminary Offering Memorandum and the Offering Memorandum and any amendments or supplements thereto did not and will not, as of their respective dates, contain any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The opinion of such counsel described above shall be rendered to the Initial Purchasers at the request of the Republic and shall so state therein.

The opinion of such counsel may state that such opinion is limited to matters of the laws of the Republic.

The opinion of such counsel may contain such qualifications as such counsel may reasonably deem appropriate and which are reasonably satisfactory to the Initial Purchasers.