HYDROCARBON EXPLORATION & LICENSING POLICY

VOLUME -3

सत्यमेव जयते

MODEL BID DOCUMENTS

MODEL REVENUE SHARING CONTRACT (MRSC)

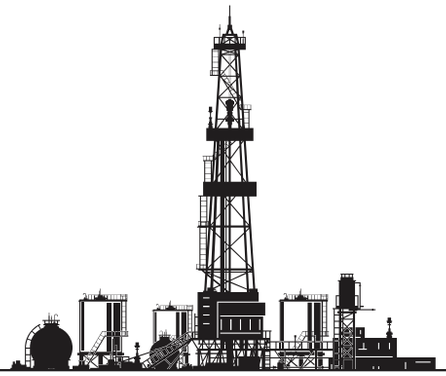
Ministry of Petroleum & Natural Gas
Government of India

August, 2019

सत्यमेव जयते

Ministry of Petroleum & Natural Gas
Government of India

MODEL REVENUE SHARING CONTRACT (MRSC)
BETWEEN
THE GOVERNMENT OF INDIA
AND
XYZ LIMITED
UNDER
HYDROCARBON EXPLORATION AND LICENSING POLICY
WITH RESPECT TO CONTRACT AREA IDENTIFIED AS
BLOCK _____



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REVENUE SHARING CONTRACT
FOR OFFSHORE AREAS

This Contract made on this _____ Day of_____, Two thousand and _____ between:

The President of India, acting through the _____, Ministry of Petroleum and Natural Gas (hereinafter referred to as "the Government") of the FIRST PART;

AND

XYZ Limited, a company incorporated under the laws of _____ (hereinafter referred to as "**XYZ**") having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 26 hereof, of the SECOND PART;

AND

ABC Limited, a company incorporated under the laws of _____ (hereinafter referred to as "**ABC**") having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 26 hereof, of the THIRD PART;

(Parties in Second and Third part collectively hereinafter referred to as "**Contractor**")

WITNESSETH:

WHEREAS

(1) By virtue of Article 297 of The Constitution of India, Petroleum in its natural state in the territorial waters, exclusive economic zone, and the continental shelf of India is vested in the Union of India;

(2) The Oilfields (Regulation and Development) Act, 1948 (53 of 1948) (hereinafter referred to as "the Act") and the Petroleum and Natural Gas Rules, 1959, made there under (hereinafter referred to as "the Rules") make provisions, inter alia, for the regulation of Petroleum Operations and grant of Licenses and Leases for exploration, development and production of Petroleum in India;

(3) The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976) (hereinafter referred to as "the Maritime Act") provides for the grant of a license by the Government to explore and exploit the resources of the continental shelf and exclusive economic zone and any Petroleum Operation under this Contract shall be carried out under a license granted by the Central Government;

(4) The above Oilfields Act and the Maritime Act shall form part of the Applicable Laws (as defined hereunder) read with the Rules provide for the grant of License and Lease in respect of any land or mineral underlying the ocean, within the territorial waters, the continental shelf and exclusive economic zone of India by the Central Government;

(5) Rule 5 of the Rules provides for an agreement between the Government and the Licensee or Lessee containing additional terms and conditions with respect to the License or Lease;

(6) The Government desires that all types of Petroleum resources which may exist in the territorial waters (ultra-deep, deep or shallow water), exclusive economic zone, the continental shelf of India, be discovered and exploited in accordance with Good International Petroleum Industry Practices (GIPIP) with utmost expedition in the overall interests of India;

(7) The Government has formulated and approved a new exploration and licensing policy named 'Hydrocarbon Exploration and Licensing Policy' ("HELP") vide Resolution dated 30.03.2016, whereby it has been determined to provide a uniform license to enable E&P operators to explore and extract all hydrocarbon resources including conventional and unconventional oil and gas resources including CBM, Shale Gas/Oil, Tight Gas, Gas Hydrates and any other resource to be identified in future which fall within the definition of 'Petroleum" and "Natural Gas" under the Rules. The Government has notified further Policy Reforms vide Resolution dated 28.02.2019 to increase exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins;

(8) The Government, pursuant to HELP (as revised), invited companies to submit competitive bids to obtain the right to undertake exploration, discovery and commercial production of Petroleum resources within India, which would also be governed by Applicable Laws governing Petroleum Operations within India formulated by the Government;

(9) The members constituting the Contractor has/have committed that it has/they have, or will acquire and make available, the necessary financial and technical resources and the technical and industrial competence and experience necessary for proper discharge and / or performance of all obligations required to be performed under this Contract in accordance with Good International Petroleum Industry Practices (GIPIP) and will provide guarantees as required in Article 27 for the due performance of its obligations hereunder; and

(10) As a result of discussions between representatives of the Government and the Contractor on the bid submitted by the Contractor XYZ, the Government has agreed to enter into this Contract with the Contractor with respect to the Contract Area as specified and named in Appendix A (hereinafter referred to as "the Block") on the terms and conditions herein set forth.

(11) Participating Interest ("PI") of constituents of the Contactor, Name of the Designated Operator, Committed Work Programme along with execution timelines and Estimated Expenditure and Government Revenue Share (wherever applicable), are specified in Appendix"B"

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein contained, IT IS HERE BY AGREED between the Parties as follows:

REVENUE SHARING CONTRACT
FOR ONLAND AREAS

This Contract made on this _____Day of_____, Two thousand and _____ between:

The President of India, acting through the_____, Ministry of Petroleum and Natural Gas (hereinafter referred to as "the Government") of the FIRST PART;

AND

XYZ Limited, a company incorporated under the laws of_____ (hereinafter referred to as "XYZ") having its registered office at _____which expression shall include its successors and such assigns as are permitted under Article 26 hereof, of the SECOND PART;

AND

ABC Limited, a company incorporated under the laws of _____ (hereinafter referred to as "**ABC**") having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 26 hereof, of the THIRD PART;

(Parties in Second and Third part collectively hereinafter referred to as "**Contractor**")

WITNESSETH:

WHEREAS

(1) The Oilfields (Regulation and Development) Act, 1948 (53 of 1948) (hereinafter referred to as "the Act") and the Petroleum and Natural Gas Rules, 1959, made there under (hereinafter referred to as "the Rules") make provisions, inter alia, for the regulation of Petroleum Operations and grant of Licenses and Leases for exploration, development and production of Petroleum in India;

(2) The Rules provide for the grant of Licenses and Leases in respect of land vested in a State Government by that State Government with the previous approval of the Central Government;

(3) Rule 5 of the Rules provides for an agreement between the Government and the Licensee or Lessee containing additional terms and conditions with respect to the License or Lease;

(4) The Government desires that all types of Petroleum resources which may exist in India, whether within territorial waters (Ultra Deep, Deep or Shallow Water), exclusive economic zone, the continental shelf of India, or Onland, be discovered and exploited in accordance with Good International Petroleum Industry Practices (GIPIP) with utmost expedition in the overall interests of India;

(5) The Government has formulated and approved a new exploration and licensing policy named 'Hydrocarbon Exploration and Licensing Policy' ("HELP") vide Resolution dated 30.03.2016, whereby it has been determined to provide a uniform license to enable E&P operators to explore and extract all hydrocarbon resources including conventional and unconventional oil and gas resources including CBM, Shale Gas/Oil, Tight Gas, Gas Hydrates

and any other resource to be identified in future which fall within the definition of 'Petroleum" and "Natural Gas" under the Rules. The Government has notified further Policy Reforms vide Resolution dated 28.02.2019 to increase exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins;

(6) The Government, pursuant to HELP (as revised), invited companies to submit competitive bids to obtain the right to undertake exploration, discovery and commercial production of Petroleum resources within India, which would also be governed by Applicable Laws governing Petroleum Operations within India formulated by the Government;

(7) Members constituting the Contactor or Contractor has/have committed that it has/they have, or will acquire and make available, the necessary financial and technical resources and the technical and industrial competence and experience necessary for proper discharge and / or performance of all obligations required to be performed under this Contract in accordance with Good International Petroleum Industry Practices (GIPIP) and will provide guarantees as required in Article 27 for the due performance of its obligations hereunder; and

(8) As a result of discussions between representatives of the Government and the Contractor on the bid submitted by the Contractor, the Government has agreed to enter into this Contract with the Contractor with respect to the Contract Area as specified and named in Appendix A(hereinafter referred to as "the Block") on the terms and conditions herein set forth.

(9) Participating Interest ("PI") of constituents of the Contactor, Name of the Designated Operator, Committed Work Programme along with execution timelines and Estimated Expenditure and Government Revenue Share (wherever applicable), are specified in Appendix "B".

(10) Parties hereby agreed that for CBM Blocks, provisions of Appendix H shall apply wherever applicable.

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein contained, IT IS HERE BY AGREED between the Parties as follows:

ARTICLE 1

DEFINITIONS

1.1 In this Contract, unless the context requires otherwise, the following terms shall have the meaning ascribed to them hereunder:

1.1.1. "**Applicable Law**" or "Law" means, with respect to each jurisdiction relevant to the Parties, any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, government resolution, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication, having the force of law or any of the foregoing, by Central Government/ State Government having jurisdiction over the matter in question whether in effect on the Effective Date or thereafter;

1.1.2. "**Affiliate**" means a company or a body: (a) which directly or indirectly controls or is controlled by a Member which is a Party to this Contract; or (b) which directly or indirectly controls or is controlled by a company which directly or indirectly controls or is controlled by a Member which is a Party to this Contract. For the purpose of this definition it is understood that "control" means the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder's agreements or voting agreements or in any other manner.

1.1.3. "**Appendix**" means an Appendix attached to this Contract and made a part thereof.

1.1.4. "**Appraisal**" means an activity to establish commerciality of a Discovery which may include acquisition, processing and interpretation of G&G (Geological and Geophysical) data, drilling of Appraisal Wells, extended well testing or any stimulation activity.

1.1.5. "**Appraisal Programme**" means a programme, as formulated in accordance with Article 10 and carried out, following a Discovery in the Contract Area for the purpose of Appraisal of the Discovery and delineating the Reservoirs to which the Discovery relates in terms of thickness and lateral extent and determining the characteristics thereof and the quantity of recoverable Petroleum therein.

1.1.6. "**Appraisal Well**" means a Well drilled pursuant to an Appraisal Programme.

1.1.7. "**Arm's Length Sales**" shall mean, for the purpose of this Contract, the sales of Petroleum carried out between buyer and seller parties, not being the same legal entity, following a transparent and competitive bidding process according to procedures as prescribed by Government.

1.1.8. "**Article**" means an article of this Contract and the term "Articles" means more than one Article.

1.1.9. "**Associated Natural Gas**" or "**ANG**" means Natural Gas produced in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.1.10. "**Barrel**" means a quantity or unit equal to 158.9074 litres (forty two (42) United States

gallons) liquid measure, at a temperature of sixty (60) degrees Fahrenheit (15.56 degrees Celsius) and under one atmosphere pressure (14.70 psia).

1.1.11. "**Basement**" means any igneous or metamorphic rock, or rocks or any stratum of such nature, in and below which the geological structure or physical characteristics of the rock sequence do not have the properties necessary for the accumulation of Petroleum in commercial quantities and which reflects the maximum depth at which any such accumulation can be reasonably expected in accordance with the knowledge generally accepted in the international petroleum industry.

1.1.12. "**Bid**"

a) **In relation to "Bid for Category-I Basins**" shall mean the complete bid submitted in relation to the Block by the Contractor pursuant to the NIO that inter alia comprised of the Work Programme and financial bid on Revenue Share that has been accepted by the Government and pursuant to which this Contract is being entered into.

b) **In relation to "Bid for Category-II & III Basins**" shall mean the complete bid submitted in relation to the Block by the Contractor pursuant to the NIO that comprised of the Work Programme that has been accepted by the Government and pursuant to which this Contract is being entered into.

1.1.13. "**Block**" shall have the meaning given to the term in Recital 8 (of onshore) & Recital 10 (of offshore) of this Contract.

1.1.14. "**Borehole**" means a well drilled in the sub-surface with or without obtaining the cores of rock samples for the purpose of ascertaining any information.

1.1.15. "**Business Day**" means any of the Calendar Days, which is not a holiday.

1.1.16. "**CAG**" means the Comptroller and Auditor General of India.

1.1.17. "**Calendar Day**" or "**Day**" means any of the seven (7) days of a week.

1.1.18. "**Calendar Month**" or "**Month**" means any of the twelve (12) months of the Calendar Year.

1.1.19. "**Calendar Year**" means a period of twelve (12) consecutive Months according to the Gregorian calendar, commencing with the first (1st) Day of January and ending with the thirty-first (31st) day of December.

1.1.20 "**Category – I Basins**" , "**Category-II Basins**" and "**Category-III Basins**" mean the basins so defined and listed in Appendix L

1.1.21. "**Coal Bed Methane (CBM)**" means Natural Gas (mainly Methane) contained in coal or bituminous lignite beds under Reservoir condition and extracted there from during Petroleum Operations.

1.1.22 "**Coal Bed Methane Blocks**" or "**CBM Blocks**" means Blocks where primary target of Petroleum Operations is Coal Bed Methane (CBM) and provisions specific to CBM as provided in this document shall be applicable.

1.1.23. "**Commercial Assessment**" means an assessment made by the Contractor for the purpose of determining whether or not CBM accumulations in the Contract Area are commercially exploitable and whether or not Commercial Production is viable after consideration of all pertinent technical, financial and economic data and other relevant factors according to generally accepted Good International Petroleum Industry Practices (GIPIP).

1.1.24. "**Commercial Production**" means production of Petroleum from the Contract Area (excluding production for testing purposes) and delivery of the same at the relevant Delivery Point under a programme of regular production and sale.

1.1.25. "**Committed Work Programme**" shall mean the minimum work programme specified by the Contractor in its Bid that is provided under Appendix B subject to terms and conditions specified in Article 5 and subject to such modifications that are allowed under Article 5.5 and 5.6.

1.1.26. "**Condensate**" means those low vapour pressure hydrocarbons with API gravity between 50° API and 120° API, that are obtained from Natural Gas through condensation or extraction and refers solely to those hydrocarbons that are liquid at normal surface temperature and pressure conditions; provided that in the event Condensate is produced from a Development Area and is segregated at the Delivery Point or transported to the Delivery Point after segregation, then the provisions of this Contract shall apply to such Condensate as if it were Crude Oil.

1.1.27. "**Contract**" means this agreement and the Appendices mentioned herein and attached hereto and made an integral part hereof and any amendments made thereto pursuant to the terms hereof.

1.1.28. "**Contract Area**" means that part of the Original Contract Area or any portion of the said area remaining after relinquishment or surrender from time to time pursuant to the terms of this Contract and shall include any additional area granted as per the provisions of Article-11.2, for which Contractor has valid License(s)/Lease(s) at any point during the currency of the Contract.

1.1.29. "**Contract Year**" means a period of twelve (12) consecutive months counted from the Effective Date and thereafter from the anniversary of the Effective Date.

1.1.30. "**Contractor**" means pursuant to the NIO the company(ies) submitting the Bid accepted by the Government, and have been awarded, through this Contract with the Government, to carry out Petroleum Operations. If there is more than one Party Constituting Contractor, they shall be individually referred as "Member" and collectively referred as "Contractor", including their respective successors and permitted assigns under Article 26.

1.1.31. "**Core Hole**" means a Borehole in which coring is carried out up to the final depth of the Borehole for the purpose of detailed study of various parameters of rock and also coal or lignite sample.

1.1.32. "**Crude Oil**" or "**Oil**" or "**Crude**" means all kinds of hydrocarbons and bitumen, both in solid and in liquid form, in their natural state or obtained from Natural Gas by condensation or extraction, including distillate and Condensate when commingled with the heavier hydrocarbons and delivered as a blend at the Delivery Point but excluding Natural Gas.

1.1.33. "**Deep Water Area**" (for Deep Water blocks/areas) means area falling beyond four hundred (400) metre isobath till fifteen hundred (1500) metre isobath, provided, however, that for the purposes of this Contract, the Contract Area as on Effective Date, as described in the Appendix A shall be deemed to be Deep Water Area falling beyond four hundred (400) metre isobath till fifteen hundred (1500) metre isobath.

1.1.34. "**Delivery Point**" means, except as otherwise herein provided or as may be otherwise agreed between the Parties having regard to international practice, the point at which

Petroleum reaches the outlet flange of the delivery facility, either offshore or onshore and different Delivery Point(s) may be established for purposes of sales.

1.1.35. "**Development Area**" means part of the Contract Area which encompasses one or more existing and/or new Discovery(ies), as per the Field Development Plan that has been finalized pursuant to TAR associated therewith being approved by the Government and any additional area that may be required for proper development of such Discovery(ies) and accordingly made available by the Government for inclusion in such Development Area. Such an area shall be contiguous and established as such in accordance with the provisions of the Contract.

1.1.36. "**Development Phase**" means the period identified in Article 10.5 during which Development Operations shall be carried out by the Contractor.

1.1.37. "**Development Operations**" means operations conducted in accordance with the Field Development Plan and Good International Petroleum Industry Practices (GIPIP).

1.1.38. "**Development Well**" means a Well drilled, deepened or completed after the date the Field Development Plan has been submitted to the Government, for the purposes of producing Petroleum, increasing production, sustaining production or accelerating extraction of Petroleum including production Wells, injection Wells and dry Wells.

1.1.39. "**DGH**" or "**Directorate General of Hydrocarbons**" shall mean the organization known as Directorate General of Hydrocarbons, presently under the administrative control of Ministry of Petroleum and Natural Gas, Government of India, and shall include any successor authority thereof.

1.1.40. "**Discovery**" means the finding, during Petroleum Operations, of a deposit or several deposits of Petroleum in the same well not previously known to have existed, which can be demonstrated as recoverable at the surface, by testing methods which are in adherence to Good International Petroleum Industry Practices (GIPIP). Discoveries within the same pool shall not be treated as separate discoveries.

1.1.41. "**Discovery Area**" means that part of the Contract Area which the Contractor determines and identifies to be the "Discovery Area" about which, based upon Discovery and the results obtained from a Well or Wells drilled or any other geological and geophysical studies, the Contractor is of the opinion that Petroleum exists and is likely to be produced in commercial quantities and which is identified as the "Discovery Area" in the Appraisal Programme pursuant to Article 10 of this Contract.

1.1.42. "**Effective Date**" means the later of the date on which this Contract is executed by the Parties or the date of issue of the first License covering any part of the Original Contract Area or date from which such issued first License(s) covering any part of the Original Contract Area have been made effective by the Government and/or relevant State Government(s).

1.1.43. "**Environmental Damage**" means soil erosion, removal of vegetation, destruction of wildlife, pollution of groundwater or surface water, land contamination, air pollution, noise pollution, bush fire, disruption to water supplies to natural drainage or natural flow of rivers or streams, damage to archaeological, paleontological and cultural sites and shall include any damage or injury to, or destruction of, soil or water in their physical aspects together with vegetation associated therewith, aquatic or terrestrial mammals, fish, avifauna or any plant or animal life whether in the sea or in any other water or on, in or under land.

1.1.44. "**Exploration Operations**" means operations conducted in the Contract Area pursuant to this Contract in searching for Petroleum and in the course of an Appraisal Programme and shall include but not be limited to aerial, geological, geophysical, geochemical, paleontological, palynological, topographical and Geo-scientific surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology including drilling of Exploration Wells and Appraisal Wells, testing and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with Petroleum exploration.

1.1.45. "**Exploration Period**" means the period during which Exploration Operations may be carried out by the Contractor subject to the provisions of Article 3.

1.1.46. "**Exploration Well**" means a Well drilled for the purpose of searching for undiscovered Petroleum accumulations on any geological entity (be it of structural, stratigraphic, facies or pressure nature) to at least a depth as specified in the Article 5.1 .

1.1.47. "**Field**" means an Oil Field or a Gas Field or combination of both as the case may be.

1.1.48. "**Field Development Plan**" or "**FDP**" means the comprehensive plan formulated by the Contractor in relation to the development of a Discovery(ies), in accordance with Article 10.3.

1.1.49. "**Financial Year**" means the period from the first (1st) Day of April to the thirty-first (31st) Day of March of the following Calendar Year.

1.1.50. "**Foreign Company**" means a company within the meaning of Section 2(42) of the Companies Act, 2013.

1.1.51. "**Gas**" means Natural Gas, including that generated in-situ and retained in shale and associated fine grained rock matrix including carbonate stringers, adsorbed onto organic particles, or within fractures in shales of source rock origin and obtained there from through boreholes.

1.1.52. "**Gas Field**" means, within the Contract Area, a Reservoir of Natural Gas or a group of Reservoirs of Natural Gas within a common geological structure or feature.

1.1.53. "**Gas Hydrate"** means an occurrence of hydrocarbon in which molecules of natural gas, typically methane, are trapped in ice molecules.

1.1.54. "**Government**" or "Central Government" means Government of India or any other instrumentality of the Government unless otherwise stated.

1.1.55. "**Government's share of Revenue**" means the amounts determined to be payable to the Government for each month under Article 15 of this Contract.

1.1.56. "**HPHT**" or "**High Pressure High Temperature**" means a well having an undisturbed bottom hole temperature of greater than 300°F and a pore pressure of at least 0.8 psi/ft. or requiring a BOP with a rating in excess of 10000 psi.

1.1.57. "**HRP**" or "Higher Revenue Point", means value published as being the HRP/Higher Revenue Point in the NIO, for the Block i.e._____.

1.1.58. "**Lease**" means a Petroleum Mining Lease ("PML") granted pursuant to the Rules.

1.1.59. "**Lenders**" means the financing institutions, banks, multilateral funding agencies and similar bodies undertaking lending business or their trustees/ agents including their

successors and assignees, who have agreed to provide finance to a Member(s) and are permitted chargee under Article 26.10.1.

1.1.60. "**Lessee**" means the Contractor to whom a Lease is issued under the Rules for the purpose of carrying out Petroleum Operations in the Development Area.

1.1.61. "**LIBOR**" means the London Inter-Bank Offer Rate for six-month maturates of United States Dollars as quoted by the International Swaps and Derivative Association or such other bank being an ICE LIBOR contributor panel bank as the Parties may agree.

1.1.62. "**License**" means a Petroleum Exploration License ("PEL") granted pursuant to the Rules.

1.1.63. "**Licensee**" means the Contractor to whom a License is issued under the Rules for the purpose of carrying out Petroleum Operations in the Contract Area.

1.1.64. "**Liquidated Damages**" or "**LD**" with respect to Committed Work Programme shall have the meaning ascribed to the term in Article 5.4.

1.1.65. "**LRP**" or "Lower Revenue Point means the value published as being the LRP/Lower Revenue Point in the NIO, for the Block i.e._____.

1.1.66. "**Management Committee**" or "**MC**" means the committee constituted pursuant to Article 6 hereof.

1.1.67. "**Member**" means such Parties that are comprising the Contractor in the event the Contractor is a consortium comprising of more than one Party. In case the Contractor comprises only one company, Member shall denote, wherever necessary, that sole company.

1.1.68. "**Modern Oil Field and Petroleum Industry Practices**" or "**Good International Petroleum Industry Practices (GIPIP)**" shall mean guidelines recommended by DGH for carrying out petroleum operations efficiently, safely, prudently and in an environmentally sustainable manner. This shall also include any other guidelines and notifications as and when issued by the Government in pursuant of the same.

1.1.69. "**Month**" means Calendar Month.

1.1.70. "**Natural Gas**" means wet gas, dry gas, all other gaseous hydrocarbons, and all substances contained therein, including sulphur, carbon dioxide and nitrogen but excluding extraction of helium, which are produced from Oil or Gas or CBM Wells, excluding those condensed or extracted liquid hydrocarbons that are liquid at normal temperature and pressure conditions, and including the residue gas remaining after the condensation or extraction of liquid hydrocarbons from gas.

1.1.71. "**Non Associated Natural Gas**" or "**NANG**" means Natural Gas which is produced either without association of Crude Oil or in association with such quantities of Crude Oil which by itself cannot be commercially produced.

1.1.72. "**Non-Defaulting Member**" shall have the meaning specified in Article 28.3.

1.1.73. "**NIO**" or "**Notice Inviting Offers**" means the notice inviting offers issued by the Government of India dated _____, pursuant to which Contractor had submitted their Bid for the Block.

1.1.74. "**Oil Field**" means, within the Contract Area, an Oil Reservoir or a group of Oil Reservoirs within a common geological structure or feature.

1.1.75. "**Operator**" means one of the Parties comprising the Contractor, designated as the Operator pursuant to Article 7.

1.1.76. "**Operating Agreement**" means the Joint Operating Agreement entered by the constituents of the Contractor in accordance with Article 7, with respect to conduct of Petroleum Operations.

1.1.77. "**Operating Committee**" means the Committee established by that name in the Operating Agreement pursuant to Article 7.

1.1.78 "**Original Contract Area**" means the area described in Appendix A of this Contract.

1.1.79. "**Parent Company**" – A company is a parent company of another company if it can exercise voting rights directly or indirectly or through its Affiliate(s) to control management and operations by influencing or electing the Board of Directors of that other company.

1.1.80. "**Participating Interest**" means, in respect of each Party constituting the Contractor, the undivided share expressed as a percentage of such Party's participation in the rights and obligations under this Contract.

1.1.81. "**Parties**" means the parties signatory to this Contract including their successors and permitted assigns under this Contract and the term "Party" means any of the Parties.

1.1.82. "**Petroleum**" means naturally occurring hydrocarbons, whether in the form of natural gas or in a liquid, viscous or solid form or a mixture thereof, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale.

1.1.83. "**Petroleum Operations**" means, as the context may require, Exploration Operations, Development Operations or Production Operations or any combination of two or more of such operations, including construction, operation and maintenance of all necessary facilities, plugging and abandonment of wells, safety, environmental protection, transportation, storage, sale or disposition of Petroleum to the Delivery Point, Site Restoration and any or all other incidental operations or activities as may be necessary.

1.1.84. "**Petroleum Produced and Saved**" means gross Petroleum produced excluding:

(i) impurities such as water or solids produced along with Petroleum,

(ii) Petroleum recycled to the reservoir,

(iii) Petroleum used in Petroleum Operations or flared, and

(iv) Petroleum otherwise unavoidably lost under the provisions of the Contract.

1.1.85. "**Pilot Assessment Well**" means a Well drilled for the purpose of determining the potential CBM accumulations in the Contract Area on geological entities in terms of thickness, lateral extent and Gas content of coal seams up to a depth or stratigraphic level specified in the Work Programme.

1.1.86. "**Potential Commercial Assessment**" means the finding, during exploration, of a deposit of CBM in commercial quantities which can be recovered at the surface in a flow measurable by conventional petroleum industry testing methods.

1.1.87. "**Production Operations**" means all operations conducted for the purpose of producing Petroleum from the Development Area after the commencement of production from the Development Area including the operation and maintenance of all necessary facilities therefore.

1.1.88. "**Reservoir**" means a naturally occurring accumulation of Petroleum including a geological unit limited by rock characteristics by structural or stratigraphic boundaries or coal or lignite of any rank which contains Petroleum (whether in association or independent of water or any other minerals) or a combination of these.

1.1.89. "**Revenue**" shall have meaning as defined in Article 15.1. Revenue will be computed as per Appendix C.

1.1.90. "**Revenue Share**" shall mean Government's Share of Revenue.

1.1.91. "**Royalty**" means the royalty payable by the Contractor to the Government under Article 16.3 and payable at the rates specified under Appendix J.

1.1.92. "**Rules**" means the Petroleum and Natural Gas Rules, 1959 and any amendments made thereto from time to time.

1.1.93. "**Secretary**" means any Person appointed by the Operator to act as a secretary to the Management Committee. Provided in case of any change of the Operator in the manner prescribed under Article 7, the Operator shall within a period of (5) Working Days appoint a Person to act as a secretary to the Management Committee.

1.1.94. "**Self-sufficiency**" means, in relation to any Year, the total availability of Crude Oil and Condensate and/or Natural Gas from all Petroleum production activities in India meets the total national demand, as determined by Government.

1.1.95. "**Site Restoration**" shall mean all activities required to return a site to its state as of the Effective Date pursuant to the Contractor's environmental impact study and approved by the Government or to render a site compatible with its intended after-use (to the extent reasonable) after cessation or decommissioning of Petroleum Operations in relation thereto and shall include, where appropriate, proper abandonment or decommissioning of Wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, re-vegetation, slope stabilization, in-filling of excavations or any other appropriate actions in the circumstances and will include Government notifications/guidelines, if any.

1.1.96. "**Statement**" or "**Statements**" refers to the statements required to be furnished in accordance with Article 23 of this Contract.

1.1.97. "**State Government**" means any government of a state of the Union of India, which has control over the Contract Area for the purpose of grant of Licenses / Leases. In case the Contract Area covers more than one state, the State Government shall include all such governments of those states.

1.1.98. "**Subcontractor**" means any company or person contracted by the Contractor or Operator to provide goods or services with respect to Petroleum Operations.

1.1.99. "**Technical Assessment Report**" or "**TAR**" shall mean the part A of FDP specified in Article 10.3 which shall be submitted generally in the form provided in Appendix D to this Contract.

1.1.100. "**Test Well**" means an Exploration Well drilled for the purpose of carrying out different well tests to assess the CBM production potential of the coal or lignite seams. The well tests in such a well shall include but not be limited to injection or fall off tests, stress test, dewatering test for production testing or any other test as required for estimation of CBM and water production rates.

1.1.101. "**Term**" has the meaning as ascribed under Clause 28.1 of this Contract.

1.1.102. "**Ultra Deep Water Area**", means the area falling beyond fifteen hundred (1500) metre isobath.

1.1.103. "**Ultra Deep Water Blocks**" means block in which more than thirty percent (30%) of the area is Ultra Deep Water Area

1.1.104. "**US $**" or "**USD**" or "**US Dollar**" or "**United States Dollar**" means the currency of the United States of America.

1.1.105. "**Well**" means a borehole, made by drilling in the course of Petroleum Operations, but does not include a seismic shot hole.

1.1.106. "**Windfall Gain**" accrues to the Contractor when Revenue from the Contract Area lying in Category II or Category III basins, exceeds USD 2.5 billion in a Financial Year.

1.1.107. "**Work Programme**" means Committed Work Programme or additional work programme in accordance with Article 5, for the purpose of carrying out Petroleum Operations.

1.1.108 ."**Year**" means a Financial Year.

1.2 Interpretation

In this Contract, unless the context requires otherwise:

(i) reference to the singular includes a reference to the plural and vice versa;

(ii) reference to a "Person" includes an individual, proprietorship, partnership firm, company, body corporate, co-operative society, entity, authority or anybody, association or organization of individuals or persons whether incorporated or not;

(iii) reference to any agreement, deed, document, instrument, rule, regulation, notification, statute or the like shall mean a reference to the same as may have been duly amended, modified or replaced, in accordance with its terms;

(iv) the terms "hereof", "hereto" and derivative or similar words refer to this entire Contract or specified Articles of this Contract, as the case may be; and

(v) the term "Article" refers to the specified Articles of this Contract and reference to any schedule or annexure shall be to a schedule or annexure of this Contract.

Article headings in this Contract are inserted for convenience only and shall not be used in its interpretation. Reference to the word "include" shall be construed without limitation.

ARTICLE 2

PARTICIPATING INTERESTS

2.1 The Contractor shall be exclusively responsible for Petroleum Operations in the Contract Area and the Contractor shall bear the complete risk in carrying out the Petroleum Operations, and shall be solely responsible to the Government for the execution and management of the Petroleum Operations all in accordance with this Contract.

2.2 The initial Participating Interest of the Members comprising the Contractor shall be as per **Appendix B**

2.3 In case the Contractor comprises of more than one Member as identified in sub-clause 2.2 above, then the following additional provisions shall apply:

(a) The Contractor shall appoint any one of the Members constituting the Contractor as the Operator under Article 7 of this Contract, to represent them in communicating and liaising with the Government in relation to the Contract and performance thereof.

(b) Notwithstanding the provisions in Para (a) of the Article 2.3, the appointment of the Operator shall in no way limit, restrict or discharge the other Members comprising the Contractor from their obligations, responsibilities and liabilities as Members comprising the Contractor holding Participating Interest under this Contract, and such appointment shall not prevent the Government from directly communicating, liaising with and/or enforcing such obligations, responsibilities and liabilities against the Members comprising the Contractor to the extent of their individual Participating Interest.

(c) The liability of the Members comprising the Contractor under this Contract shall be to the extent of their individual Participating Interest.

(d) The Contractor is liable, regardless of fault, in respect of financial losses incurred as a result of pollution and waste from the Petroleum Operations, and the cost of reasonable measures to avert or limit such damage or such loss, including damage or loss as a result of such measures.

(e) If damage has been caused as described in Para (d) of sub-clause 2.3 and it is not possible to identify who caused the damage, the Members comprising the Contractor shall be liable to the extent of their individual Participating Interest insofar as the damage may be believed to have been caused by any Petroleum Operations.

ARTICLE 3

LICENSE AND EXPLORATION PERIOD

3.1 The Contractor shall have the right to explore for Petroleum within the Contract Area. The Contractor shall be granted the License to explore the Contract Area in accordance with the provisions of this Contract.

3.2 Except as otherwise provided in Articles3.4 the Exploration Period shall begin on the Effective Date and will be of three (3) years for Onland/CBM/Shallow Water Blocks and (four) 4 years for Deep Water/Ultra Deep Water Blocks.The Contractor shall complete Committed Work Programme and any additional work programme within the time period specified herein above.

3.3 Provided that the Contractor has completed Committed Work Programme or has paid LD as per Article 5.4, the Contractor shall exercise the option by giving a written notice to Government within Thirty (30) days of expiry of Exploration Period to either:

a) retain any Discovery Area and/or any Development Area to conduct Development Operations and Production Operations in relation to any Discovery in accordance with the terms of this Contract. The rest of the Contract Area shall be relinquished and the Contractor shall have no further obligation in respect of the Committed Work Programme under Article 5.or

b) relinquish the entire Contract Area

If neither of the options provided in (a) and (b) hereof is exercised by the Contractor, this Contract shall stand terminated and the License shall stand automatically cancelled. Such termination shall be without prejudice to the right of the Government to claim LD.

3.4 For the purpose of completion of Committed Work Programme, the Contractor may extend the Exploration Period specified in Article 3.2 for a maximum period of nine (9) months in case of Onland/Shallow Water/CBM Blocks and eighteen (18) months in case of Deep Water/ Ultra-Deep Water Blocks by making a payment to the Government at least thirty (30) days prior to the expiry of Exploration Period as follows:

i) For Onland/Shallow Water/CBM Blocks: USD 25,000 or its INR equivalent per month or any part of the month for the duration of extension sought.

ii) For Deep Water/Ultra-Deep Water Blocks: USD 50,000 or its INR equivalent per month or any part of the month for the duration of extension sought.

The payment for seeking extension shall be made to the Bank Account prescribed by Government. The extension shall be automatic on making the payment in the account. The extensions can be sought multiple times by making requisite payment subject to maximum period prescribed above.

3.5 The exploration period or as extended shall be used for the purpose of completing the Committed Work Programme or any additional work programme, however, the Contractor shall have the right to explore for Petroleum within the retained Contract Area for the

entire duration of this Contract including lease period, subject to compliance with Applicable Laws.

3.6 If this Contract is terminated in accordance with its terms, the License shall stand automatically cancelled.

3.7 If on the Effective Date of the Contract, application(s) for grant of License(s) for any part of the Original Contract Area is pending, then Exploration Period for such remaining part in the Original Contract Area may be extended by the Government of India.

Provided that the extension granted shall not exceed the number of days that have lapsed between the date of grant of the first License and grant of such License(s) for the remaining part.

Provided further, that no extension shall be granted in case the Contractor has not made a valid application for grant of License(s) to the appropriate government within the time limit specified under Article-11.1.1.

ARTICLE 4

RELINQUISHMENT

4.1 For the purpose of this contract, any relinquishment in the Contract Area shall be in integer multiples of an area of 1'x 1' as specified in the National Data Repository (NDR).

4.2 On expiry or termination of this Contract or relinquishment of part of the Contract Area or decommissioning of Petroleum Operations, the Contractor shall: (a) subject to Article 25, remove all equipment and installations from the relinquishment area or former Contract Area pursuant to an abandonment plan; and (b) perform all necessary Site Restoration activities in accordance with any specific guidelines, rules or regulations formulated by the Government in relation to Site Restoration and in the absence of any such specific guidelines, rules or regulations, by Good International Petroleum Industry Practices (GIPIP) and take all other actions necessary to prevent hazards to human life or to the property of others or the environment.

4.3 As and when the Contract is terminated under the provisions of Article 28 or in accordance with any other provisions of this Contract, the entire Contract Area remaining with the Contractor shall be deemed to have been relinquished by the Contractor as on the date on which the Contract is terminated.

4.4 Relinquishment of all or part of the Contract Area or termination of the Contract shall not be construed as absolving the Contractor of any liability undertaken or incurred by the Contractor in respect of the Contract Area during the period between the Effective Date and the date of such relinquishment or termination.

4.5 Subject to Article 4.2, the liability of the Contractor shall be limited to any liability undertaken or incurred by or on behalf of the Contractor in respect of, relating to or connected with the Contract, and/or any claim arising out of or in relation to the act of negligence, misconduct, commission or omission in carrying out Petroleum Operations and Relinquishments under this Article, during the period between the Effective Date and the date of relinquishment of the Contract Area or termination or expiry of the Contract, as the case maybe.

ARTICLE 5

WORK PROGRAMME

5.1 During the currency of the Exploration Period, the Contractor shall complete the Committed Work Programme as specified in Appendix B

Exploration Well(s) shall be drilled to at least one of the following depths:

(i) Target Depth as specified in Appendix B;

(ii) to Basement;

(iii) to such depth as prescribed by the Government in this regard.

5.2 If the Contractor has obtained, before or after the award of a particular Block, seismic data generated under a Multi-client Speculative Survey model for that particular Block, then the same can be set off against the similar Committed Work Programme for that Block.

5.3 The Contractor may formulate additional work programme, within the stipulated period as specified in Article 3.2 or the extended Exploration Period as under Article 3.4, and shall submit the same to the Government for information.

5.4 Subject to Article 29, in the event that the Contractor fails to fulfill the said Committed Work Programme, then each Member constituting the Contractor shall pay to the Government its Participating Interest share for an amount which shall be equivalent to Liquidated Damages as specified in Appendix I:

LD shall be payable for the quantum that falls short against Committed Work Programme. However, in case of Well(s) which have not been drilled upto the depth specified in the Committed Work Programme stated under article 5.1, the Contractor shall pay LD for the entire Well, irrespective of the meterage left to be drilled.

DGH shall approve the swapping of 2D Acquisition, Processing and Interpretation data and 3D Acquisition, Processing and Interpretation data with each other, in a manner such that the weighted seismic programme quoted and the marks obtained at the time of bidding remains the same or are higher.

In case of swapping of 2D and 3D Acquisition, Processing and Interpretation data, the LD will be levied as per Committed Work Programme.

5.5 In case of reduction in the Contract Area due to reasons including but not limited to denial of License(s) by Government/State Government(s), lack of necessary clearances such as Blocks overlapping with Special Economic Zone (SEZ), Reserve Forest, Naval Exercise Areas, Defence Research and Development Organization (DRDO), Danger Zones, National parks, urban areas, firing ranges of police/armed forces etc., Government, shall approve proportionate reduction in Committed Work Programme, as the case may be as follows:

a) If the Contractor decides not to accept any reduction in Contract Area at any stage before the Petroleum Mining Lease (PML) is granted, the Contractor would be permitted to exit from the contract without payment of Liquidated Damages as specified in Article 5.4. In such cases, the proposal for relinquishment shall be submitted within three months of the communication received by the Contractor for such reduction.

b) In case the Contractor does not exercise this option within three months of receipt of the communication of reduction of area but proposes to exit from the Contract later, an LD will be levied to the extent of unfinished Committed Work Programme, proportional to the reduced area.

c) If the Contractor continues exploration in the reduced area, then proportional reduction in Committed Work Programme shall be allowed, rounded off to the nearest integer with a minimum number of one. PEL for area not made available will be cancelled and future PEL fee would be reduced proportionately.

d) If delay due to lack of statutory and other clearances is beyond two (2) years in any of the Blocks, then the Contractor will be given a choice to choose between (a) and (c) above. In such cases the application for such reduction /exiting should be made within three (3) months of the expiry of the two (2) year period from the date of application for clearance. Any delay attributable to the Contractor shall not be considered in the above mentioned two-year period.

5.6 Petroleum Operations in relation to CBM Blocks shall be conducted in accordance with the provisions of Appendix H to this Contract provided that, all the provisions of this contract shall be applicable for CBM unless stated otherwise.

ARTICLE 6

MANAGEMENT COMMITTEE

6.1 There shall be constituted a committee to be called the Management Committee with functions as stated herein below.

6.2 The Management Committee shall comprise of:

(a) two (2) representatives of the Government,

(b) two (2) representatives of the Contractor where Contractor is the sole Member; or, if the Contractor comprises of two or more Members then each Member shall have one (1) representative in the Management Committee.

The Parties shall nominate their representatives who would comprise the Management Committee, within thirty (30) days of the Effective Date.

6.3 Each Party shall also nominate alternate members with full authority to act in the absence and on behalf of the members nominated under Article 6.2 and may, at any time, nominate another member or alternate member to replace any member nominated earlier by notice to other members of the Management Committee.

6.4 One (1) of the representatives of the Government shall be designated as the Chairman of the Management Committee. DGH shall be designated as the Secretariat of the Committee. The designated representative of the Operator shall be the Secretary of the Committee.

6.5 The Contractor shall submit the following to the Management Committee for its information:

(a) Information/Details of Discovery

(b) The Technical Assessment Report (TAR) comprising Part A of FDP particularly: (i) estimation of inplace volumes and recoverable reserves; and (ii) initial production profile for the life of the Field;

(c) Details of Development Area demarcated by the Contractor in the TAR (Part A of FDP) in accordance with this Contract;

(d) Annual Program Quantity i.e. the annual projected production profile for the immediately following three (3) years;

(e) Details of Contract Area relinquished;

(f) Methodology for measurement of Petroleum;

(g) Audited statement of petroleum production, revenue and computation of Share of Revenue to Government;

(h) Timelines for completion of Work Programme, additional work programme and Appraisal Programme;

(i) Timelines for implementation of FDP.

(j) Actual production levels in accordance with the year on year projections of production as provided by the Contractor ;

(k) Report on health of the Reservoir (Reservoir performance) for proper and optimal exploitation of reserves;

6.6 Unless agreed otherwise by all the members of the Management Committee, the Secretary to the Management Committee shall initiate a meeting at least once every six (6) Months or more frequently if required. The Secretary to the Management Committee shall circulate the agenda for the meeting fifteen (15) days prior to such a meeting.

6.7 The quorum for a valid Management Committee meeting shall be the presence of at least one nominated member from each Party being present in person or being represented as per Article 6.3. If the quorum is not present the meeting shall be adjourned by one week and in the next meeting the members present in person or being represented as per Article 6.3 subject to the nominee of the Government being present, shall constitute the quorum.

6.8 The Management Committee may provide the observations, if any, on the submissions of Contractor under Article 6.5 within a maximum period of seven (7) days after the Management Committee Meeting.

6.9 The Chairman shall preside over the meetings of the Management Committee and, in his absence; any other member representing Government and present shall preside over the meetings. Secretary to the Management Committee shall be responsible, inter alia, for preparation of the minutes of every meeting in the English language and providing to every member of the Management Committee with two (2) copies of the minutes approved by the Chairman within seven (7) days of the meeting.

6.10 The meetings of the Management Committee shall be held in India. All expenses of the members of the Management Committee attending meetings shall be borne by the respective Parties.

6.11 The Management Committee, if it considers necessary, may appoint legal, financial or technical subcommittees comprised of such representatives as may be agreed by the Management Committee to consider any matter requiring approval or decision of the Government. Such sub-committee expenses shall be borne by the Contractor.

6.12 Any hindrance in exploration, production and development in the block may be brought to the notice of the Management Committee. The committee shall endeavor to help to resolve the issue.

ARTICLE 7

OPERATORSHIP, JOINT OPERATING AGREEMENT AND OPERATING COMMITTEE

7.1 In case of a consortium, the Member designated in Appendix B shall be the Operator for the purpose of carrying out Petroleum Operations pursuant to the Contract during the term of this Contract.

In the event, there is only one Party Constituting Contractor, then the Contractor shall be the Operator for the purpose of carrying out Petroleum Operations pursuant to this Contract during the term of the Contract and the provisions of Article 7.4 and Article 7.5 below shall not be applicable.

7.2 No change in the Operator shall be effected without the prior written consent of the Government and such consent shall not be unreasonably withheld. In the event the Contractor desires to change the Operator, subject to Article 7.1 above, it shall submit an application to the Government seeking Government's prior consent for the same. The Government shall accept or reject such application within a maximum period of one hundred and twenty (120) days from the date of receipt of the application ("Approval Period"). The Government shall ensure that the new operator meets the criteria that the earlier Contractor/Operator had qualified for at the time of bidding.

7.3 The functions required of the Contractor under this Contract shall be performed by the Operator on behalf of the Contractor subject to, and in accordance with, the terms and provisions of this Contract and generally accepted Good International Petroleum Industry Practices (GIPIP), provided, however, that this provision shall not be construed as relieving the Contractor (or Members thereof, if applicable) from any of its obligations or liability under the Contract.

7.4 In the event there are more than one Member(s) constituting the Contractor, then a Joint Operating Agreement shall be executed between the Members, within forty five (45) days of the Effective Date or such longer period as may be agreed to by Government. The said agreement shall be consistent with the provisions of this Contract and shall provide for, among other things:

(a) The appointment, resignation, removal and responsibilities of the Member being designated as the Operator;

(b) The establishment of an Operating Committee comprising of an agreed number of representatives of the Members chaired by a representative of the Operator;

(c) Functions of the said Operating Committee taking into account the provisions of the Contract, procedures for decision making, frequency and place of meetings;

(d) Contribution to costs, default, sole risk, responsibilities relating to the preparation and implementation of the Work Programme, disposal of Petroleum and assignment as between the Parties to the Joint Operating Agreement; and

(e) In case, unanimity is not achieved on a decision in the Operating Committee within the stipulated time, then the decision of the representative of the Contractor or the representatives of theMembers having an aggregate Participating Interest of seventy percent (70%) or more (as applicable) shall be binding on all members of the Contractor.

7.5 Operator shall provide to the Government a copy of the duly executed Joint Operating Agreement within thirty (30) days of its execution date or such longer period as may be agreed to by the Government.

7.6 In the event an assignment of Participating Interest occurs in accordance with Article 26 resulting in the change in Member(s) of the Contractor, then the provisions of Article 7.4 and Article 7.5 shall be complied with from the date of any such increase.

ARTICLE 8

GENERAL RIGHTS AND OBLIGATIONS OF THE PARTIES

8.1 Subject to the provisions of this Contract, the Contractor shall have the following rights:

(a) subject to the provisions of Article 12, the exclusive right to carry out Petroleum Operations (of any type) within the Contract Area;

(b) the right to use, free of charge, such quantities of Petroleum produced as are reasonably required for conducting Petroleum Operations in the Contract Area in accordance with Good International Petroleum Industry Practices (GIPIP);

(c) the right to lay pipelines, build roads, construct bridges, ferries, aerodromes, landing fields, radio telephones and related communication and infrastructure facilities and exercise other ancillary rights as may be reasonably necessary for the conduct of Petroleum Operations subject to such approvals from relevant authorities as may be required under the Applicable Laws in force from time to time for the regulation and control thereof;

(d) such other rights as are specified in this Contract.

8.2 The Government reserves the right to itself, or to grant to others the right, to prospect for and mine minerals or substances other than Petroleum within the Contract Area; provided, however, that if after the Effective Date, others are issued rights, or the Government proceeds directly to prospect for and mine in the Contract Area any minerals or substances other than Petroleum, the Contractor shall use its best efforts to avoid obstruction to or interference with such operations within the Contract Area and the third parties and/or the Government, as the case may be, shall use best efforts to ensure that operations carried out do not obstruct or unduly interfere with Petroleum Operations in the Contract Area.

8.3 The Contractor shall, having due regard to Good International Petroleum Industry Practices (GIPIP):

(a) except as otherwise expressly provided in this Contract, conduct all Petroleum Operations at its sole risk, cost and expense and provide all funds necessary for the conduct of Petroleum Operations including funds for the purchase or lease of equipment, materials or supplies required for Petroleum Operations as well as for making payments to employees, agents and Subcontractors;

(b) Conduct all Petroleum Operations in relation to the Contract Area diligently, expeditiously, efficiently and in a safe and workman like manner pursuant to the Work Programme formulated in accordance with Contract;

(c) Ensure provision of all information, data, samples etc. which may be required to be furnished under the Applicable Laws or under this Contract;

(d) ensure that all equipment, materials, supplies, plant and installations used by the Contractor, the Operator, and Subcontractors comply with generally accepted standards and are of proper construction and kept in safe and good working order;

(e) In the preparation and implementation of Work Programmes and in the conduct of Petroleum Operations, follow Good International Petroleum Industry Practices (GIPIP)

with such degree of diligence and prudence reasonably and ordinarily exercised by experienced parties engaged in a similar activity under similar circumstances and conditions. Any directions of DGH for maintaining reservoir health shall be followed by the contractor;

(f) after the designation of a Development Area, pursuant to this Contract, forthwith proceed to take all necessary action for prompt and orderly development of the Development Area and for the production of Petroleum in accordance with the terms of this Contract;

(g) appoint a technically competent and sufficiently experienced representative, and, in his absence, a suitably qualified replacement therefore, who shall be resident in India and who shall have full authority to take such steps as may be necessary to implement this Contract and whose name(s) shall, on appointment within ninety (90) days after commencement of the first Contract Year, be made known to the Government;

(h) Provide acceptable working conditions, living accommodation and access to medical attention and nursing care for all personnel employed in Petroleum Operations;

(i) Carry out such other obligations as are specified in this Contract, in particular those specified in Article 14; and

(j) Be always mindful of the rights and interests of India in the conduct of Petroleum Operations.

8.4 The Contractor shall abide by the information, data, and confidentiality, inspection and security guidelines as specified in Article 24 of this contract.

8.5 Subject to the terms and conditions of this Contract, the rights and obligations of the Parties shall include but not be limited to:

(a) The obligation of the Contractor to pay the Government's share of Revenue to the Government;

(b) The right of the Contractor to receive the Contractor's share of Revenue; and

(c) The obligation of the Contractor to complete, at the Contractor's cost, the Committed Work Programme within the time lines specified in Article 3.

(d) The obligation of the Contractor to complete the Field Development Plan at its cost, in accordance with Part B of the Field Development Plan subject to Article 10.6.

(e) The obligation of the Contractor to furnish any information or documents as required by DGH during the validity of the Contract and after expiry or termination of this Contract.

(f) The obligation of the Contractor to comply with the Applicable Law and obtain all necessary approvals as required under the Applicable Law.

ARTICLE 9

GOVERNMENT ASSISTANCE

9.1 Upon application in the prescribed manner, and subject to compliance with Applicable Laws and relevant procedures, the Government or its nominee will:

(a) use their good offices to provide the right of ingress and egress from the Contract Area and any facilities used in Petroleum Operations, wherever located, and which may be within their control;

(b) use their good offices, when necessary, to assist the Contractor in procurement or commissioning of facilities required for execution of Work Programme including necessary approvals, permits, consents, authorizations, visas, work permits, Licenses including Licenses and Leases, rights of way, easement, surface rights and security protection at the Contractor's cost, required pursuant to this Contract and which may be available from resources within its control; and

(c) in the event that onshore facilities are required outside the Contract Area for Petroleum Operations including, but not limited to, storage, loading and processing facilities, pipelines and offices, use their good offices in assisting the Contractor to obtain from the authorities of the State in which such facilities are required, such licenses, permits, authorizations, consents, security protection at the Contractor's cost, surface rights and easements as are required for the construction and operation of the said facilities by the Contractor.

ARTICLE 10

DISCOVERY, DEVELOPMENT AND PRODUCTION

10.1 If and when a Discovery is made within the Contract Area, the Contractor shall notify the Government as per the format prescribed within seven (7) days from the establishment of the Discovery ("Notification of Discovery" or "NOD") and the Contractor shall promptly run tests, as it may be required under Good International Petroleum Industry Practices (GIPIP) in respect of such Discovery, to determine whether the Discovery is of Potential Commercial Interest (PCI) and merits appraisal. After running the appropriate tests, the Contractor shall submit the information in relation to such Discovery as per format prescribed within one hundred and twenty (120) days from the initial NOD to the Government. Such information relating to Potential Commercial Interest is hereinafter referred to as "PCI Notice".

10.2 If, pursuant to Article 10.1 above, the Contractor informs the Government that the Discovery merits appraisal, the Contractor may submit an Appraisal Programme no later than six (6) months from the date of submission of PCI Notice for Onland/Shallow Water Blocks and twelve (12) Months for Deep Water / Ultra Deep Water Blocks. On the basis of Appraisal Programme, Discovery Area shall be determined by Contractor and such Discovery Area shall be retained by the Contractor and informed to the Government.

10.3 After the completion of the Appraisal Programme, the Contractor shall prepare and submit a Field Development Plan earmarking the Development Area for grant of Petroleum Mining Lease (PML) by Government. The Government will convey the approval of Development Area for grant of PML, and the Contractor shall submit the application to authority concerned, for grant of PML within thirty (30) days from the approval of Development Area by the Government. Development Area shall be retained by Contractor and rest of the area shall stand relinquished subject to Article 3.3.

The FDP shall comprise of three distinct parts, namely:

(i) Part A shall describe technical assessment report ("TAR") for the commercial development of the Field

(ii) Part B shall provide the Development plan for commercial development of the Field.

(iii) Part C will comprise of estimated investment for commercial production.

The indicative contents of the Field Development Plan (FDP) are specified in Appendix D.

10.4 The FDP shall be submitted to the Government within thirty six (36) months of PCI Notice as per Article 10.1 for Onland blocks and forty eight (48) months for offshore blocks for Petroleum other than CBM or at least sixty (60) days prior to expiry of Assessment Period in case of CBM Blocks as specified in Appendix H. The Contractor may submit multiple/integrated FDPs for the discoveries depending on the development strategy adopted by Contractor.

The Contractor has the option to express its intent to submit Field Development Plan (FDP) along with the submission of "PCI Notice" as per Article 10.1. In such cases, the Contractor shall submit the Field Development Plan (FDP) within eighteen (18) Months of its Intent to submit FDP.

The contractor may seek extension(s) for submission of the Field Development Plan (FDP) by paying an extension fee of USD 15000 per month or part of the month subject to a maximum period of six (6) months for Onland Blocks and twelve (12) months for Offshore Blocks. The extensions can be sought multiple times by making requisite payment subject to maximum period as stated above. This extension of time period shall be automatic on payment of extension fee in the Bank Account prescribed by Government.

10.5 The Development Phase shall begin with the submission of FDP and continue till commencement of Commercial Production, unless terminated earlier in accordance with Article 10.7 or Article 10.8. The Contractor shall carry out Development Operations in accordance with the FDP and Good International Petroleum Industry Practices (GIPIP).

10.6 The Contractor may revise the FDP subject to the timelines for commencement of commercial production as specified in Article 10.8.

10.7 In the event the Contractor does not commence Development Operations for Discovery(ies) for which FDP has been submitted, within one (1) year from the date of grant of Petroleum Mining Lease (PML), then the Contractor shall be liable to pay liquidated damages equal to one time fixed payment of USD 1,000,000 (USD one million) for Onland blocks and USD 5,000,000 (USD five million) for Offshore blocks and USD 250 per day over and above the fixed payment, till the date it commences Development Operations.

However, if the Contractor does not commence Development Operations for two (2) years from the date of grant of PML, it shall relinquish its right to develop such Discovery(ies). The Development Area relating to such Discovery(ies) shall be excluded from the Contract Area.

10.8 In the event the Contractor does not commence Commercial Production within: (i) two (2) years in case of Onland Blocks or (ii) three (3) years in case of Shallow Water Blocks or (iii) five (5) years in case of Blocks falling in Deep Water/Ultra Deep Water areas from the date of grant of Petroleum Mining lease (PML), then the Contractor shall be liable to pay liquidated damages equal to one time fixed payment of USD 2,000,000 (USD two million) for Onland blocks and USD 10,000,000 (USD ten million) for Offshore blocks and USD 2000 per day over and above the fixed payment, till the date it commences Commercial Production subject to a maximum delay of two years . Delay of more than two years in commencement of commercial production will be considered as material breach and Contract is liable to be terminated in terms of Article 28.

10.9 The Contractor may, at any time during Exploration Period, subject to paying Royalty, Government's Revenue Share and taxes, to produce and market such quantities of Petroleum with the prior approval of the Government. The Contractor is also entitled to enter into sales contracts with any person on such terms and conditions at its sole discretion reasonably exercised subject to Article 19 of this Contract. The rate of Revenue share to the Government during the exploration period shall be calculated as per the Article 15 of MRSC without considering the provisions of 15.3

10.10 In case the Reservoir of the Discovery extends beyond the Development Area designated in the Field Development Plan, either within the original Contract Area but subsequently relinquished or, outside the original Contract Area, the Contractor shall notify about the same to the Government giving complete details of such extension.

In case the area is not held by any other party, no application of license or lease is pending with the Government and not on offer by the Government, the Government may extend the Development Area on terms and conditions in accordance with method of Unit Development applicable in such cases. In case the area is held by any other party, Government may direct joint development of the reservoir as provided in Article 12 (Unit Development).

10.11 The Contractor is limited by the Petroleum that is available in its clearly defined and demarcated Development Area. Notwithstanding anything contained in this Contract, the Contractor shall have no right to carry out Petroleum Operations with respect to a reservoir extending outside the Contract Area, without seeking prior explicit written permission of the Government of India.

10.12 A failure of the Contractor to notify the Government about extension of any part of Reservoir of the Discovery Area outside its Contract Area as required under Article 10.10, shall be considered a material breach of the Contract and the provision of Article 28.3 (j) shall apply accordingly.

ARTICLE 11

PETROLEUM EXPLORATION LICENSE AND LEASE

11.1 **Petroleum Exploration License**

11.1.1 The Contractor shall submit an application for grant of License in respect of the Original Contract Area as described in Appendix-A, not later than thirty (30) Calendar Days from the date of execution of this Contract. In the event the Contractor fails to submit the application for License within the time period stipulated in this Article, it shall be considered as material breach of the contract and provisions of Article 28.3 will apply.

11.1.2 The License shall stand extended till the grant of Lease, the application for which shall be made by the Contractor under Article 11.1.1 of the Contract:

(a) in relation to such part of the Contract Area for which such application for Lease has been submitted and is pending approval.

(b) in relation to such part of the Contract Area for which a Field Development Plan has been submitted by the Contractor but the application for Lease is yet to be submitted.

The Contractor shall have the right to conduct Petroleum Operations within such areas till the grant of Lease.

11.2 Petroleum Lease

11.2.1 (a) The application for the Lease along with application fee, in respect of the approved Development Area in respect of Offshore Blocks shall be submitted to the Government within thirty (30) days from the approval of Development Area pursuant to Article 10.

(b) The application for the Lease along with application fee, in respect of the approved Development Area located in onshore area shall be submitted to the relevant State Government within thirty (30) days from the approval of Development Area pursuant to Article 10.

11.2.2 Where a Discovery extends beyond the Development Area designated in the Field Development Plan, subject to Article 10, such area may be included in the proposed Development Area, in relation to which application for a Lease is made, on such terms and conditions as decided by the Government, provided that such area is:

(a) not subject to a License or Lease granted to any other person;

(b) not the subject of negotiations/bidding for a License or Lease; and

(c) available for licensing (i.e. is not an area over which Petroleum Operations are excluded; and in relation to all areas which are not subject to any litigation or arbitration).

11.2.3 Where a Field Development Plan has been submitted pursuant to Article 10 and the Contractor has complied with the terms and conditions of the License and this Contract and is not in breach of any of the terms thereof, or the provisions of any law and subject to Government clearances/approvals being obtained by the Contractor as applicable before grant/issue of the Lease to enable the Contractor to carry out Petroleum Operations in the Development Area in accordance with the Development Plan subject to Article 11.2.4 :

a) the Government shall grant to the Contractor a Lease in case of offshore area, or

b) the Government will assist the Contractor in obtaining the Lease from the relevant State Government(s) over the Development Area as agreed in case of onshore area

11.2.4 The Lease shall be granted for an initial period of twenty (20) years from the date of grant there of subject to:

a. cancellation in accordance with its terms, or termination of this Contract in accordance with its terms;

b. the Lease period may also be extended by 10 (ten) years or such other shorter period as determined by the Government, after taking into account the balance recoverable reserve and balance economic life of the Field/Development Area from the expiry of the initial PML

the Contractor shall submit a request for such an extension maximum 5 (five) years but not after 2 (two) years before the expiry of the lease period.The extension of lease period will be determined on the basis of third party audit of hydrocarbon reserves as acceptable to the Government and continuous production from the ML area.

c. the terms of this Contract and other terms and conditions as set forth in such Lease shall be consistent with this Contract and the any other applicable legislation in force.

ARTICLE 12

UNIT DEVELOPMENT

12.1 If a Reservoir in a Discovery Area is situated partly within the Contract Area and partly in an adjoining area in India over which another entity (hereinafter referred as "Other Contractor")has a contract to conduct Petroleum Operations, and both parts of the Reservoir can be more efficiently developed together on a commercial basis, upon receiving a notification from the Contractor as provided in Article 10 or on receiving information in writing from any party to these contracts or any information on this from any bonafide source, the Government may, for securing the more effective recovery of Petroleum from such Reservoir, by notice in writing to the Contractor, direct that the Contractor:

a) collaborates and agrees with such other contractors on the joint development of the Reservoir;

b) prepare and submit a plan for such joint development of the said Reservoir, within the period notified by the Government.

12.2 If the parties are unable to agree to collaborate and/or notify the Government on the proposed plan for joint development of the Reservoir as provided in Article 12.1 above, the Government may call for a joint development plan from an independent agency (at the cost of the parties), which agency may make such a proposal after taking into account the position of the parties in this regard. Such a joint development plan, if approved by Government, shall be binding on the parties, notwithstanding their disagreement with the plan. However, the Contractor may in case of any disagreement on the issue of joint development or the proposed joint development plan, prepared in accordance with this Article or within forty five (45) Business Days of the plan approval as aforesaid in this Article, notify the Government that it elects to surrender its rights in the Reservoir/Discovery in lieu of participation in a joint development.

12.3 If a proposed joint development plan is agreed and adopted by the parties, or adopted following determination by the Government, the plan as finally adopted shall be the approved joint development plan and the Contractor shall comply with the terms of the said development plan.

12.4 In the event the FDP has already been submitted by the Contractor, and the Contractor subsequently comes to know that Reservoir of the Discovery extends into the areas outside its Contract Area being developed by Other Contractor authorized by the Government, it shall promptly notify the Government of the same within fifteen (15) Days of knowledge of such extension.

12.5 In the event the Contractor comes to know that the Reservoir of the Discovery is extending into the areas already being developed by Other Contractor authorized by the Government (such Contract Area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other Block hereinafter referred to as "Other Block", then the Contractor shall submit an application for joint development of the Reservoir

("Joint Development Application") to the Government providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Block, (iii) all such other data and information that the Contractor may determine to be relevant. The Contractor shall provide

a copy of the Joint Development Application to the Other Contractor prior to or at the time of its submission to the Government.

12.6 The Government shall carry out preliminary evaluation on the basis of available data for the Contract Area and the Other Contract Area. In the event the Government believes that the Reservoir is common, then the Government will direct the Managing Committees of the Block and Other Block to carry out a hydrocarbon balancing study and submit a proposal for joint development of the Reservoir by the Contractor and Other Contractor.

12.7 In the event the Contractor and Other Contractor are not able to come to a consensus, the Government, at the cost of the Contractor and Other Contractor, shall call for a joint development plan from an independent agency, which agency, may make such a proposal after taking into account the position of the Contractor and Other Contractor in this regard. Such a joint development plan, if approved by Government, shall be binding on the Contractor and Other Contractor, notwithstanding their disagreement with the plan. However, the Contractor and the Other Contractor may in case of any disagreement on the issue of joint development or the proposed joint development plan, prepared in accordance with Article 12.5 or within forty five (45) Business Days of the plan approval as aforesaid in this Article, notify the Government that they elect to surrender their rights in the Reservoir in lieu of participation in a joint development.

ARTICLE 13

MEASUREMENT OF PETROLEUM

13.1 Petroleum used for internal consumption, Petroleum Operations, flared, saved and sold from the Contract Area shall be measured for volume, weight and quality by methods and appliances as prescribed by the Government and in absence thereof as per the methods and appliances generally accepted and customarily used in the Good International Petroleum Industry Practices (GIPIP).

13.2 The Government may, at all reasonable times, inspect and test the appliances used for measuring the volume and determining the quality of Petroleum, provided that any such inspection or testing shall be carried out in such a manner so as not to unduly interfere with Petroleum Operations and may at any time be at variance with Article 13.3(b).

13.3 The Contractor shall comply with the procedure prescribed by the Government for measurement of petroleum, on various aspects including but not limited to:

a. the point or points at which Petroleum shall be measured which shall include:
   (i) measurement at the Well Head; and
   (ii) measurement at the identified Delivery Points, provided that the measurement at the Well Head shall only be for the purposes of information and record and shall be submitted to the Government on a Monthly basis;
b. the frequency of inspections and testing of measurement appliances and relevant procedures relating thereto;
c. the consequences of a determination of an error in measurement;
d. reconciliation mechanism between Petroleum Produced and Saved and Petroleum sold; and
e. methods to be employed for measurement of volume, weight and quality.

13.4 The Contractor shall undertake to measure the volume and quality of the Petroleum Produced and Saved from the Contract Area with the frequency and according to procedures prescribed by the Government pursuant to Article 13.3 and in absence thereof shall apply methods, appliances, procedures consistent with Good International Petroleum Industry Practices (GIPIP). The Contractor shall not make any alteration in the method or procedures prescribed for measurement or to any of the prescribed appliances used for that purpose without the written consent of the Government.

13.5 The Contractor shall give the Government timely notice of its intention to conduct measuring operations or any agreed alteration for such operations and shall have the right to supervise, either directly or through authorized representatives, such operations.

13.6 The Contractor shall keep all the records of analysis and measurement of hydrocarbons calibrations and proving of measurement system and make available to Government or its authorized agency such records on request or at the end of every quarter. Records shall be kept for the currency of the contract period.

13.7 Notwithstanding anything contained hereinabove, the Government may modify, supplement or supplant the directions issued to the Contractor on the methodology of measurement, the equipment used for the measurement and the point of measurement of petroleum and the Contractor shall be bound by such directions.

ARTICLE 14

PROTECTION OF THE ENVIRONMENT

14.1 The Government and the Contractor recognize that Petroleum Operations will cause some impact on the environment in the Contract Area. Accordingly, in performance of the Contract, the Contractor shall conduct its Petroleum Operations in compliance with all Applicable Laws and notifications on protection of environment and wherever applicable, on conservation of forests and protection of wildlife and obtain the clearances required in accordance with applicable Acts and Rules Regulations, Notifications and orders issued thereunder including under the Environment Impact Assessment Notification issued by the Ministry of Environment, Forest and Climate Change Government of India with due regard to concerns with respect to protection of the environment and conservation of natural resources and shall in particular:

(a) employ Good International Petroleum Industry Practices (GIPIP) and standards including advanced techniques, practices and methods of operation for the prevention of Environmental Damage in conducting its Petroleum Operations;

(b) take necessary and adequate steps to:

(i) prevent Environmental Damage and, where some adverse impact on the environment is unavoidable, to minimize such damage and the consequential effects thereof on property and people;

(ii) ensure adequate compensation for injury to persons or damage to property caused by the effect of Petroleum Operations;

(iii) minimize flaring of gas;

(c) shall ensure that:

(i) Petroleum Operations are conducted in an environmentally acceptable and safe manner consistent with Good International Petroleum Industry Practices (GIPIP) and that such Petroleum Operations are properly monitored;

(ii) the pertinent completed environmental impact studies are made available to its employees and to its Contractors and Subcontractors to develop adequate and proper awareness of the measures and methods of environmental protection to be used in carrying out the Petroleum Operations; and

(iii) the Contracts entered into between the Contractor and its Subcontractors relating to its Petroleum Operations shall include the provisions stipulated herein and any established measures and methods for the implementation of the Contractor's obligations in relation to the environment under this Contract.

14.2 If the Contractor fails to comply with the provisions of Article 14.1.(b)(i) and/or contravenes any relevant law and such failure or contravention results in any Environmental Damage, the Contractor shall forthwith take all necessary and reasonable measures to remedy the failure and the effects thereof under the Applicable Laws and any amendments thereunder.

14.3 If the Government in accordance with the laws has good reason to believe that any works or installations erected by the Contractor or any operations conducted by the Contractor are endangering or may endanger persons or any property of any person, or are causing or may cause pollution, or are harming or may harm fauna or flora or the environment to a degree which the Government deems unacceptable, the Government may require the Contractor to take remedial measures within such reasonable period as may be determined by the Government and to repair any such damage. If the Government deems it necessary, it may also require the Contractor to discontinue Petroleum Operations in whole or in part until the Contractor has taken such remedial measures or has repaired any damage caused.

14.4 The measures and methods to be used by the Contractor for the purpose of complying with the terms of Article 14.1.(b)(i) shall be determined in timely consultation with the Government upon the commencement of Petroleum Operations or whenever there is a significant change in the scope or method of conducting Petroleum Operations and shall take into account the international standards applicable in similar circumstances and environmental impact study (if any) shall be carried out in accordance with applicable Environment Impact Assessment Notification and under the laws as applicable from time to time. The Contractor shall notify the Government and relevant State Government, in writing, of the measures and methods finally determined by the Contractor and shall cause such measures and methods to be reviewed from time to time in the light of prevailing circumstances.

14.5. Subject to the provisions of all Applicable Laws and Notifications on protection of environment, any new project or expansion or modernization projects for Petroleum Operations for which a proposal is submitted by the Contractor, the Government and relevant State Government shall accord environmental clearance in accordance with the relevant notifications, rules, regulations and orders concerning Environmental Impact Assessment issued by the Ministry of Environment, Forests and Climate Change from time to time. However, wherever forest land is involved, the Contractor shall have to obtain approval of the Central Government through the relevant State Government concerned under the Forest (Conservation) Act, 1980 and Rules made thereunder. In the event the Government or the State Government takes more than the time period stipulated under the Applicable Laws for providing such clearances, or where no specific time period is provided for grant of such clearance, more than 120 (one hundred and twenty) days ("Approval Period"), then the days taken by the Government or State Government in addition to the Approval Period to grant such approval ("Extra Days") shall be taken into account in determining all time periods provided for discharge of obligations of the Contractor under the Contract and such time periods, if already determined, shall stand extended by the number of Extra Days.

14.6 Where the Contract Area is partly located in areas forming part of certain national parks, sanctuaries, mangroves, wetlands of national importance, biosphere reserves and other biologically sensitive areas passage through these areas shall generally not be permitted. However, if there is no passage, other than through these areas to reach a particular point beyond these areas, permission of the appropriate authorities shall be obtained.

14.7 The Contractor shall, prior to conducting any drilling activities, prepare and submit for review by the Government contingency plans for dealing with oil spills, fires, accidents, blow outs and emergencies, designed to achieve rapid and effective emergency response.

The plans referred to above shall be considered by the Government and concerns expressed by the Government shall be taken into account forthwith.

14.8 In the event of an emergency, accident, oil spill or fire or accident arising from Petroleum Operations affecting the environment, the Contractor shall forthwith notify the Government and relevant State Government and shall promptly implement the relevant contingency plan and perform such Site Restoration as may be necessary in accordance with Good International Petroleum Industry Practices (GIPIP).

14.9 In the event that the Contractor fails to comply with any of the terms contained in Articles 14.7 and 14.8 within a period specified by the Government, the Government, after giving the Contractor reasonable notice in the circumstances, may take any action which may be necessary to ensure compliance with such terms and to recover from the Contractor, immediately after having taken such action, all costs and expenditures incurred in connection with such action together with interest compounded on daily basis at LIBOR plus 2 percentage from the date of commencement of obligation of the Contractor.

14.10 The Contractor shall prepare a proposal for the restoration of site including abandonment plan in accordance with the Site Restoration Fund Scheme-1999, as amended by the Government from time to time or any other scheme notified by the Government. The Plan and requirement of funds with annual contribution against such plan shall be submitted for the consideration and approval of the Government. For this purpose, the annual contribution to Scheme shall be calculated based on unit of production method i.e. Reserve to Production Ratio, or any other guideline/direction issued by the Government in this regard. The activity of site restoration will be done as per applicable rules / standards / notifications / guidelines. Unless stated otherwise in the applicable rules / standards / notifications / guidelines the Contractor shall create the Site Restoration Fund and commence its annual contribution from the year in which Petroleum is Produced and Saved from Production Operations. For the purpose of this contract, the word profit petroleum mentioned in the Site Restoration Fund Scheme -1999 may be read as Revenue.

14.11 The Contractor shall complete site restoration within time prescribed. Failure to complete site restoration shall hold the contactor liable for damages equivalent to the cost of restoration as estimated by DGH.

14.12 In this Article, a reference to Government includes the State Government.

14.13 The obligations and liability of the Contractor for the environment hereunder shall be limited to damage to the environment which:

(a) occurs after the Effective Date; and

(b) results from an act or omission of the Contractor.

ARTICLE 15

REVENUE SHARE

15.1 "Revenue" for the purposes of determining the Government's share of Revenue under this Contract shall be:

(i) all amounts that are accruing to the Contractor, net of taxes on sales, on account of the Petroleum Produced and Saved from the Contract Area for the month;

LESS

(ii) Royalty for that Month Calculated by applying the weighted average selling price for the relevant month at the Delivery Point.

Revenue will be computed as per Appendix C of this contract.

15.2 The Contractor shall pay the Government on a monthly basis, the Government's Share of Revenue from the Revenue for such Month (as determined in accordance with Article 15.1) from the Contract Area.

15.3 **Methodology to calculate Revenue Share for Blocks falling in Category-I Basins and CBM Blocks**

15.3.1 The Government's share of Revenue for a Month, when the average daily Revenue for the relevant Month is less than or equal to LRP, shall be X % (percent) of Revenue as determined in Article 15.1. Value of X as per the Bid of the Contractor is specified in Appendix-B

15.3.2 The Government's share of Revenue for a Month, when the average daily Revenue for the relevant Month is equal to or more than the HRP shall be Y % (percent) of Revenue as determined in Article 15.1. Value of Y as per the Bid of the Contractor is specified in Appendix-B

15.3.3 Notwithstanding Article 15.3.1, Article 15.3.2 and Article 15.3.4, the Government Share of Revenue for an initial period two years (2) in case of Onland, three years (3) in case of Shallow Water and five years (5) in case of Deep & Ultra Deep Water from the commencement of first Commercial Production from the Contract Area shall be calculated as ____%(X) of Revenue as determined in Article 15.1.

15.3.4 The Government's share of Revenue for a Month, when the average daily Revenue for the relevant Month is more than the LRP and less than the HRP, shall be determined as under:

Government's share of Revenue (Z) = X + [(Y-X) x (R-LRP) / (HRP – LRP)]

Where:

"Z" = Government share of Revenue ,in percentage terms, at any level, which is more than the LRP and less than the HRP

"X" = Government share of Revenue, in percentage terms, at LRP level.

"Y" =Government share of Revenue ,in percentage terms, at HRP level;

"R" = Average daily Revenue, computed on the basis of Revenue determined as per Article 15.1;

"HRP" = the meaning ascribed to it in Article 1.1.57 of this Contract

"LRP" = the meaning ascribed to it in Article 1.1.65 of this Contract

15.4 **Government Revenue Share for Blocks falling in Category-II & Category-III Basins**

15.4.1 Revenue shall be shared with the Government only if Windfall Gain accrues to the Contractor.

15.4.2 Revenue Share to the Government in a Financial Year shall be payable from the Month in which "Windfall Gain" accrues to the Contractor i.e. from the month in which the threshold limit of USD 2.5 billion is crossed during the relevant Financial Year.

15.4.3 In case Windfall Gain accrues to the Contractor, the Revenue Share to Government shall be payable as under:

a) If the cumulative Revenue in a Financial Year is less than or equal to USD 2.5 billion, then no Revenue Share.

b) If the cumulative Revenue in a Financial Year is more than USD 2.5 billion but less than or equal to USD 5 billion, 10% of Revenue exceeding USD 2.5 billion.

c) If the cumulative Revenue in a Financial Year is more than USD 5 billion but less than or equal to USD 10 billion, Revenue Share calculated in (b) above plus 30% of Revenue exceeding USD 5 billion.

d) If the cumulative Revenue in a Financial Year is more than USD 10 billion, Revenue Share calculated in (b) & (c) above plus 50% of Revenue exceeding USD 10 billion.

15.4.4 Revenue share payable to the Government for a Month in a Financial Year shall be equal to the amount as calculated at the end of that month applying the rates given in 15.4.3 on cumulative revenue at the end of that month as reduced by the Revenue Share calculated on cumulative revenue at the end of previous month.

In other words, Revenue Share payable for the month is equal to Revenue Share calculated on cumulative Revenue as at the end of Current month applying the rate(s) given in 15.4.3 (less) Revenue Share calculated on cumulative Revenue as at the end of previous month.

15.5 The Government's share of Revenue for a month shall be paid by the Contractor to the Government on or before the last Day of succeeding Month. In the event of any failure to pay Government's share of revenue within the due date, the Contractor shall pay interest compounded on daily basis for the entire period of delay at applicable LIBOR plus two percent (2%) points. If the Contractor fails to pay Government share of revenue within thirty (30) days after the due date, it shall be considered as a material breach of Contract.

15.6 The Contractor shall remit Royalty and Government share of Revenue in Indian Rupees (INR). For conversion purposes between United States Dollars and Indian Rupees or any other currency, the Reserve Bank of India Reference Rate of Exchange for the transaction day on which the revenues receipts or income are recorded shall be used.

ARTICLE 16

TAXES, ROYALTIES, DUTIES ETC.

16.1 Companies that are parties to the Contract and Petroleum Operations under this Contract shall be subject to all fiscal legislation in India except where, pursuant to any authority granted under any Applicable Law, they are exempted wholly or partly from the application of the provisions of a particular law or as otherwise provided herein.

16.2 All eligible expenditures incurred by the Contractor in respect of Petroleum Operations on Exploration, Development and Production Operations done under this Contract which are allowable as deduction u/s 42 of Income Tax Act, 1961 or under equivalent provisions in subsequent acts/ laws for the purpose of computation of Taxable income shall be allowed as deduction.

16.3 The Contractor (Lessee) shall be required to pay Royalty to the State Government(s) (Lessor) (in case of onshore areas) and to the Central Government (in case of offshore areas), at the rates specified in Appendix-J of this contract, of the value of the Petroleum Produced and Saved by the Contractor from the Contract Area subject to the provisions of Article 19 of this contract. Concessional Royalty Rates specified in Appendix-J shall be applicable if Commercial Production is commenced within four (4) years for Onland and Shallow Water blocks, and five (5) years for Deep Water and Ultra Deep Water blocks from the Effective Date of this Contract.

16.4. Cess under Oil Industry (Development) Act, 1974 OID Act shall not be applicable on crude oil production from these Blocks.

16.5 Machinery, plant, equipment, materials and supplies imported by the Contractor and its Subcontractors solely and exclusively for use in Petroleum Operations under this Contract or similar contracts with the Government where customs duty has been exempted by the Government shall be exempt from customs duties and export duties or other charges on re-exportation of the said items in accordance with applicable legislation.

ARTICLE 17

DOMESTIC SUPPLY, SALE, DISPOSAL AND EXPORT OF NATURAL GAS, CRUDE OIL AND CONDENSATE

17.1 Until such time as the total availability of Crude Oil and Condensate and/or Natural Gas from all Petroleum production activities in India meets the total national demand as determined by the Government, each Member of the Contractor, shall sell in the domestic market in India all of the Member's entitlement to Crude Oil and Condensate and/or Natural Gas from the Contract Area. If India attains Self- sufficiency in natural gas and/or Crude Oil and Condensate, during any year, the Government shall issue guidelines for sale of excess production of Crude Oil and Natural Gas.

17.2 Each Member comprising the Contractor shall, throughout the term of this Contract, have the right to separately take in kind and dispose of all its share of Petroleum produced and saved equivalent to its Participating Interest and shall have the obligation to lift the said Petroleum on a current basis and in such quantities so as not to cause a restriction of production or inconvenience to the other Member.

17.3 The Contractor has to ensure a fully transparent and competitive process for sale of crude oil, condensate and natural gas with the objective that the best possible price is realized, to the benefit of all parties to this Contract, without any restrictive commercial practices following the principles of arm's length sales in accordance with the procedures to be notified by Government, through an electronic portal operated by an authorized agency of Government. An advertisement / Notice Inviting Tender (NIT) / e-Tender should be notified widely by the Contractor, in at least one local language daily newspaper and one English language national daily newspaper and other suitable electronic media, mentioning inter-alia the quality and quantity of petroleum available for sale. Detailed information on the evaluation criteria to be used along with broad salient features of Sale Agreement to be executed by the buyer shall also be made known and sufficient time is to be allowed to ensure maximum participation of all likely buyers in this process. The information regarding the final agreement reached by the buyer shall be hosted on the Contractor's / Operator's website and also communicated to DGH / Government. Following the process as above will be sufficient to establish sales on Arm's Length Sale basis irrespective of the nature of relationship between buyer and seller.

17.4 Sale of Petroleum to any Affiliate of the Contractor is permitted, provided that, an Affiliate of the Contractor can participate in the transparent bidding process, and would be allowed to be the purchaser only in the event its bid price at which it would be purchasing the Petroleum is higher than all other bidders or entities to which the Contractor may be selling the Petroleum. Any sale following such transparent bidding process under the clause 17.3 shall be deemed to be carried out on an Arm's Length Sale basis.

17.5 For the purpose of implementing the provisions of this Article, a Crude Oil lifting procedure, Crude Oil sales agreement, sale of Natural Gas, and Gas sale and purchase agreement; based on generally acceptable international terms shall be agreed upon by the Contractor with buyer(s) no later than six (6) Months or such shorter period as may be mutually agreed between the Contractor and buyer(s) under intimation to the Government prior to the commencement of production in a Field. Such lifting procedure/sale of Natural Gas shall be made available to all the Parties to this Contract.

ARTICLE 18

JOINT DEVELOPMENT OF COMMON INFRASTRUCTURE

18.1 The Contractor and other party(ies) having rights over any other block, whether such block lies adjacent to the Contract Area or not, can mutually agree to:

(i) terms and conditions of using for their respective Petroleum Operations any infrastructure(s) already existing in relation to any Block or Contract Area; or

(ii) develop common infrastructure(s) in accordance with the terms and conditions mutually agreed to between the Contractor and the other party (ies).

18.2 Any agreement on joint development of infrastructure pursuant to Article 18.1 shall be submitted to the Government, for its information and records, within thirty (30) days of execution of such agreement.

18.3 If the Contractor desires to acquire seismic data that requires activity across block boundaries, for full fold coverage along the block boundary, into areas already being developed by another entity authorized by the Government (such other block hereinafter referred to as "Other Block", and such other entity hereinafter referred to as "Other Contractor"), then the Contractor shall submit an application for such data acquisition to the Government providing:

(i) details of activities pertaining to seismic data acquisition required in the other Block,

(ii) details relating to the area falling in the Other Block required for seismic data acquisition activities,

(iii) all such other data and information that the Contractor may determine to be relevant.

The Contractor shall provide a copy of the above submissions to the Other Contractor thirty (30) days prior to its submission to the Government. The Contractor shall share the data pertaining to the other Block under Article 18.3 with the Other Contractor within thirty (30) days from the completion of the acquisition activity.

ARTICLE 19
VALUATION OF PETROLEUM

19.1 The Contractor shall have the right to use Petroleum produced from the Contract Area for the purpose of Petroleum Operations including reinjection for pressure maintenance in Oil Fields, gas lifting and captive power generation required for Petroleum Operations. Provided that the Contractor shall submit at the end of each month the records relating to the quantity of Petroleum used for the purposes of Petroleum Operations to the Government for its information and records.

19.2 For the purpose of this Contract, the value of Petroleum shall be determined in terms of United States Dollars based on the pricing methodology provided herein.

a) Valuation of Petroleum (other than Natural Gas)

The Contractor will be free to sell the Petroleum exclusively in domestic market, subject to Article 17, through a transparent bidding process on Arm's Length Sales basis.

However, Government's share of Revenue shall be calculated based on the higher of the price arrived at, by the following:

i. through competitive bidding process; or

ii the price of Indian Basket of Crude Oil (currently comprising of Sour Grade (Oman & Dubai Average) and Sweet Grade (Brent Dated) of Crude Oil processed in Indian refineries) as calculated by Government nominated Agency.

b) Valuation of Natural Gas

The Contractor will have freedom for pricing and sale of gas produced from Contract Area on Arm's Length Sales basis.

However, Government's share of Revenue shall be calculated based on the higher of the price arrived at, by the following methods:

i. through competitive bidding process; or

ii. the price calculated as per the guidelines prescribed by the Government.

19.3 Petroleum unsold during a month will be valued at higher of a price realized during preceding sale or the price declared by the Government of India. The price declared by Government of India shall be applicable in case of no preceding sale. However, any difference in the actual price realized and the valuation price will be made good by necessary adjustments in Revenue payable during the month of such sale.

ARTICLE 20

EMPLOYMENT AND TRAINING

20.1 Without prejudice to the right of the Contractor to select and employ such number of personnel as, in the opinion of the Contractor, are required for carrying out Petroleum Operations in a safe and efficient manner, the Contractor shall, to the maximum extent possible, employ, and require the Operator and Subcontractors to employ, citizens of India having appropriate qualifications and experience, taking into account experience required in the level and nature of the Petroleum Operations.

20.2 The Operator shall offer a mutually agreed number of Indian nationals the opportunity for on-the-job training and practical experience in Petroleum Operations during the Exploration Period. Not later than six (6) Months after submission of FDP, the Operator shall, in consultation with the Government, establish and implement training programmes for staff positions at every level of Petroleum Operations including skilled, technical, executive and management positions, with a view to ensuring employment of nationals of India.

ARTICLE 21

LOCAL GOODS AND SERVICES

21.1 In the conduct of Petroleum Operations, the Contractor shall:

(a) give preference to the purchase and use of goods manufactured, produced or supplied in India provided that such goods are available on terms equal to or better than imported goods with respect to timing of delivery, quality and quantity required, price and other terms;

(b) employ Indian subcontractors having the required skills or expertise, to the maximum extent possible, insofar as their services are available on comparable standards with those obtained elsewhere and on competitive terms; provided that where no such subcontractors are available, preference may be given to non-Indian Subcontractors who utilize Indian goods to the maximum extent possible, subject, however, to the proviso in Para (a) above; and

(c) ensure that provisions in terms of Para (a) and (b) above are contained in contracts between the Operator and its subcontractors.

21.2 In this Article "goods" means equipment, materials and supplies.

ARTICLE 22

INSURANCE AND INDEMNIFICATION

22.1 **Insurance**

22.1.1 The Contractor shall, during the term of this Contract, maintain and obtain insurance coverage for and in relation to Petroleum Operations for such amounts and against such risks as are customarily or prudently insured in the international petroleum industry in accordance with Good International Petroleum Industry Practices (GIPIP), and shall within two (2) Months of the date of policy or renewal furnish to the Government, certificates evidencing that such coverage is in effect. Such insurance policies shall include the Government as additional insured and shall waive subrogation against the Government. The said insurance shall, without prejudice to the generality of the foregoing, cover:

(a) loss or damage to all installations, equipment and other assets for so long as they are used in or in connection with Petroleum Operations; provided however, that if for any reason the Contractor fails to insure any such installation, equipment or assets, it shall replace any loss thereof or repair any damage caused thereto;

(b) loss, damage or injury caused by pollution in the course of or as a result of Petroleum Operations;

(c) loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Petroleum Operations for which the Contractor may be liable;

(d) any claim for which the Government may be liable relating to the loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Petroleum Operations for which the Contractor is liable to indemnify the Government, or the State Government;

(e) with respect to Petroleum Operations offshore, the cost of removing wrecks and cleaning up operations following any accident in the course of or as a result of Petroleum Operations;

(f) the Contractor's and/or the Operator's liability to its employees engaged in Petroleum Operations; and

(g) any business interruption losses.

22.1.2 The Contractor shall require its Subcontractors to obtain and maintain insurance against the risks referred to in Article 22.1.1 relating mutatis mutandis to such Subcontractors.

22.2 **Indemnity**

Subject to Article 4.5, the Contractor shall indemnify, defend and hold the Government and the StateGovernment harmless against all claims, losses and damages of any nature whatsoever, including, without limitation, claims for loss or damage to property or injury or death to persons caused by or resulting from any Petroleum Operations conducted by or on behalf of the Contractor.

ARTICLE 23

RECORDS, REPORTS, ACCOUNTS AND REVENUE AUDIT

23.1 The Contractor shall maintain in original at an office in India adequate verifiable records of production and sales transactions which shall be used for valuation of petroleum for computing Government share of Revenue for currency of the contract. The Financial statements shall be prepared both in USD and INR using RBI/FBIL reference rate. The Quantitative statements shall be prepared in Barrels (BBL) Million Metric Tonne(MMT) for Crude Oil and Condensates and in Million British Thermal Units (MMBTU) and Million Standard Cubic Metres (MMSCM) for Natural Gas.

For the purpose of this Contract, the Contractor shall maintain a separate bank account in a Scheduled Commercial Bank.

23.2 The Contractor shall prepare, maintain and submit to the Government monthly statements of Revenue, Production, and computation of Royalty and Government's Share of Revenue, in the format(s) prescribed by the Government, on or before the seventh (7th) Day of the following Month for the Term of this Contract.

23.3 Annual audit of statement pertaining to Revenue, Production, and computation of Royalty and Government's Share of Revenue shall be done by auditor appointed by the Contractor. Scope of such an audit shall include items required as per CAG. The Audited statements shall be submitted to the Government within two (2) months from the close of relevant financial year. The audit shall be carried out on the behalf of the Contractor by an independent firm of Chartered Accountants, registered in India in accordance with the generally accepted auditing and accounting practices in India.

23.4 The Government or its appointed agency shall have the right to audit the Revenue and the quantity of Petroleum Produced and Saved under this contract.

23.5 The accounting and auditing provisions and procedures specified in this Contract are without prejudice to any other requirements imposed by any statute in India, including, without limitation, any specific requirements of the statutes relating to taxation of Members.

23.6 For the purpose of any audit pursuant to this Contract, the Contractor shall make available in original to the auditor all such books, records, accounts and other documents and information and facilities of the Petroleum Operations as may be reasonably required by the auditor during normal business hours.

ARTICLE 24

INFORMATION, DATA, CONFIDENTIALITY, INSPECTION AND SECURITY

24.1 The Contractor shall, promptly after they become available, provide the Government, free of cost, with all data obtained as a result of Petroleum Operations under the Contract including, but not limited to, geological, geophysical, geochemical, petrophysical, engineering, Well logs, maps, magnetic tapes, cores, cuttings and production data as well as all interpretative and derivative data, including reports, analyses, interpretations and evaluation prepared in respect of Petroleum Operations by or on behalf of the Operator or any of the Consortium Partner (hereinafter referred to as "Data"). Data shall be the property of the Government, provided, however, that the Contractor shall have the right to make use of such Data, free of cost, for the purpose of Petroleum Operations under this Contract as provided herein.

24.2 The Contractor may, for use in Petroleum Operations, retain copies or samples of material or information constituting the Data and retain original material constituting Data with the approval of the Government. In case the Data is capable of reproduction and copies or samples have been supplied to the Government in equivalent quality, size and quantity, the Contractor may, export samples or original Data for processing or laboratory examination or analysis subject to the right of inspection by the Government and applicable regulations.

24.3 The Contractor shall keep the Government currently advised of all developments taking place during the course of Petroleum Operations and shall furnish the Government with full and accurate information and progress reports relating to Petroleum Operations (on a daily, monthly, yearly or other periodic basis) as Government may reasonably require, provided that this obligation shall not extend to proprietary technology.

24.4 All Data, information and reports obtained or prepared by, for or on behalf of, the Contractor pursuant to this Contract shall be treated as confidential and, subject to the provisions herein below, the Parties shall not disclose the contents thereof to any third party without the prior consent in writing of the other Party.

24.5 The obligation specified in Article 24.4 shall not operate so as to prevent disclosure:

(a) to Affiliates, Contractors, or Subcontractors for the purpose of Petroleum Operations;

(b) to employees, professional consultants, advisers, data processing centers and laboratories, where required, for the performance of functions in connection with Petroleum Operations for any Party comprising the Contractor;

(c) to banks or other financial institutions, in connection with Petroleum Operations;

(d) to bonafide intending assignees or transferees of a Participating Interest of a Party comprising the Contractor or in connection with a sale of the stock or shares of a Party comprising the Contractor;

(e) to the extent required by any Applicable Law or in connection with any legal proceedings or by the regulations of any stock exchange upon which the shares of a Party or an Affiliate of a party comprising the Contractor are quoted;

(f) to Government departments for, or in connection with, the preparation by or on behalf of the Government of statistical reports with respect to Petroleum Operations, or in connection with the administration of this Contract or any relevant law or for any purpose connected with Petroleum Operations; and

(g) by a Party with respect to any Data or information which, without disclosure by such Party, is generally known to the public.

24.6 Any Data, information or reports disclosed by the Parties comprising the Contractor to any other person pursuant to Article 24.5 (a) to (d) shall be disclosed on the terms that such Data, information or reports shall be treated as confidential by the recipient. Intimation of disclosures made by Members pursuant to Article 24.5, except those made to the employees of contractor or its affiliates shall be given to the Government.

24.7 Any Data, information and reports relating to the Contract Area which, in the opinion of the Government, might have significance in connection with offers by the Government of acreages, may be disclosed by the Government for such purpose. Government may also disclose such Data or information for any exploration programme to be conducted by a third party in adjoining areas with the consent of the Contractor, for better understanding of regional geological set-up and such consent by the Contractor shall not be unreasonably withheld.

24.8 Where an area ceases to be part of the Contract Area, the Contractor shall hand over all the originals and copies of the Data and information with respect to that part to the Government within a period of one (1) year from the date of relinquishment or surrender. The Contractor shall, however, be allowed to retain one copy of the Data in its possession for its own use, where required, and shall not use the Data for sale or any other purposes, except for Research and Development (R&D) activities and Regional integration purposes with the prior approval of the Government. Subject to the provisions of this Article, the Contractor shall keep all Data/information confidential.

(Explanatory Note: Pursuant to this Article 24, and notwithstanding any provision in the Contract to the contrary, the Government shall have the right to disclose and freely use all data and information at its sole discretion except for data of proprietary nature such as interpretation report to any party on or after three (3) years from acquisition of such data in order to promote exploration and production activities in the country. For any relinquished areas the Government shall have right to disclose and freely use all the data immediately after such relinquishment.)

24.9 The Government shall, at all reasonable times, through duly authorized representatives, be entitled to observe Petroleum Operations and to inspect all assets, books, records, reports, accounts, contracts, samples and Data kept by the Contractor or the Operator in respect of Petroleum Operations in the Contract Area, provided, however, that the Contractor shall not be required to disclose any proprietary technology. The duly authorized representatives shall be given reasonable assistance by the Contractor for such functions and the Contractor shall afford such representatives reasonable use of all facilities and privileges afforded to its own personnel in the field including the use of office space and housing for a period not exceeding thirty (30) man days in a Year and thereafter at the cost of Government. The said representatives shall be entitled to make a reasonable number of surveys, measurements, drawings, tests and copies of documents, take samples, and make reasonable use of the equipment and instruments of the Contractor provided that such functions shall not unduly interfere with the Contractor's Petroleum Operations.

24.10 The Contractor shall give reasonable advance notice to the Government, or to any other authority designated by the Government for such purpose, of its programme of conducting surveys by aircraft or by ships, indicating, inter alia, the name of the survey to be conducted, approximate extent of the area to be covered, the duration of the survey, the commencement date, and the name of the airport or port from which the survey aircraft or ship will commence its voyage.

24.11 The Government, or the authority designated by the Government for such purpose, shall have the right to inspect any aircraft or ship used by the Contractor or a Subcontractor carrying out any survey or other operations in the Contract Area and shall have the right to put on board such aircraft or ship, Government officers in such number as may reasonably be necessary to ensure compliance by the Contractor or the Subcontractor with the security requirements of India.

24.12 From the date of first production of Petroleum from the Contract Area the Contractor shall submit a monthly Production and Revenue Statement to the Government showing the following information separately of each producing Field and in aggregate for the Contract Area:

(a) The quantity of Crude Oil and Condensate produced and saved.

(b) The quality and characteristics of such Crude Oil and Condensate produced and saved.

(c) The quantity of Associated Natural Gas and Non Associated Natural Gas produced and saved.

(d) The quality, characteristics and composition of such Natural Gas produced and saved separately.

(e) The quantities of Crude Oil, Condensate and Natural Gas used for the purposes of carrying on drilling and production operations and pumping to field storage, as well as quantities re-injected.

(f) The quantities of Crude Oil, Condensate and Natural Gas unavoidably lost.

(g) The quantities of Natural Gas flared and vented.

(h) The size of Petroleum stocks held on the first Day of the Month in question.

(i) The size of Petroleum stocks held on the last Day of the Month in question.

(j) The quantities of Natural Gas re-injected into the Petroleum Reservoir.

(k) The number of days in the Month during which Petroleum was produced from each Field.

(l) The Gas-Oil ratio for each Reservoir and Field/ Cluster for the relevant Month.

(m) Water production, water injection and Reservoir pressure data for each Reservoir and Field.

(n) The quantities of Crude Oil, Condensate and Natural Gas sold to every buyer

(o) The status of all the wells in the field / cluster by categorizing in flowing, non-flowing, on artificial lift, under workover etc. with future action plan, if any.

(p) Revenue Statement as per Appendix C

24.13 If the Contractor does not provide to the Government relevant information; or suppresses key data; or omits any data regarding exploration and/or development and/or production, it shall be considered as material breach of the contract.

24.14 For the purpose of this Contract, Policy for E&P Data Assimilation, Disclosure, Sharing, Accessibility & Dissemination through National Data Repository published by Government of India as amended from time to time shall prevail at all times.

ARTICLE 25

TITLE TO PETROLEUM, DATA AND ASSETS

25.1 The Government is the sole and exclusive owner of Petroleum underlying the Contract Area and shall remain the sole and exclusive owner of Petroleum produced pursuant to the provisions of this Contract except as regards that part of Crude Oil, Condensate or Gas, the title whereof has passed to the Contractor or any other person in accordance with the provisions of this Contract.

25.2 Title to Petroleum to which the Contractor is entitled under this Contract, and title to Petroleum sold by the Contractor/ Members thereof (as applicable) shall pass to the relevant buyer party at the Delivery Point.

25.3 Title to all Data specified in Article 24 shall be vested in the Government and the Contractor shall have the right to use thereof as therein provided.

25.4 Assets purchased by the Contractor for use in Petroleum Operations shall be owned by the Parties comprising the Contractor in proportion to their Participating Interest provided that the Government shall have the right to require vesting of full title and ownership in it, free of charge and encumbrances, of any or all assets, whether fixed or movable, acquired and owned by the Contractor for use in Petroleum Operations inside or outside the Contract Area, such right to be exercisable at the Government's option upon expiry or earlier termination of the Contract.

25.5 The Contractor shall be responsible for proper maintenance, insurance and safety of all assets acquired for Petroleum Operations and for keeping them in good repair, order and working condition at all times.

ARTICLE 26

ASSIGNMENT OF PARTICIPATING INTEREST

26.1 Subject to the terms of this Article and other terms of this Contract, any Member comprising the Contractor may assign, or transfer, a part or all of its Participating Interest, with the prior written consent of the Government, which consent shall not be unreasonably withheld, provided that the Government is satisfied that:

(a) the prospective assignee or transferee, has the capacity and ability to meet its obligations hereunder, and is willing to provide an unconditional undertaking to the Government to assume its Participating Interest share of obligations and to provide guarantees in respect thereof as provided in the Contract;

(b) the prospective assignee or transferee is not a company incorporated in a country with which the Government, for policy reasons, has restricted trade or business;

(c) the prospective assignor or transferor and the assignee or transferee are willing to comply with any reasonable conditions of the Government as may be necessary in the circumstances with a view to ensuring performance under the Contract; and

(d) the assignment or transfer will not adversely affect the performance or obligations under this Contract or be contrary to the interests of India.

26.2 Subject to Article 26.7, nothing in this Article 26 shall prevent a Party comprising the Contractor from assigning or transferring a part or all of its Participating Interest to an Affiliate, with the approval of the Government, provided that:

(a) the assignee provides an irrevocable, unconditional bank guarantee from a Scheduled Commercial Bank in India, acceptable to the Government, in favor of the Government, for the amount specified in Article 27.2, in a form provided at Appendix G.

(b) the assignee provides a parent financial and performance guarantee issued by the guarantor which furnished the guarantee pursuant to Article 27 in respect of the assignor Party's obligations under this Contract in favor of the Government, of the performance of such Affiliate assignee of its obligations under this Contract;

(c) the prospective Affiliate is not a company incorporated in a country with which the Government, for policy reason, has restricted trade or business;

(d) the assignment will not adversely affect the performance or obligations under this Contract or be contrary to the interest of India.

26.3 In case of any change in the:

(a) status of a Member or its shareholding resulting in a change in the "control" of any Member comprising the Contractor; or

(b) the "control" of the Parent Company of any Member; or

(c) status of a Member or its shareholding resulting in a change in its relationship with any company providing the guarantee specified under Article 27.1 (a) and 27.1 (b);

Such change or changes, as the case may be, shall be deemed as an assignment of Participating Interest of the Member and the concerned Member shall seek prior written

consent of the Government for any such change or changes and the provisions of this Article 26 shall apply, mutatis mutandis, to the obtaining of such consent and approval thereof by the Government. For the purpose of this Article, "control "shall have the same meaning as in Article 1.1.2.

26.4 An application for consent to assign or transfer shall be accompanied by all relevant information concerning the proposed assignment or transfer including detailed information on the proposed assignee or transferee and its shareholding and corporate structure, as was earlier required from the Members constituting the Contractor, the terms of the proposed assignment or transfer and the unconditional undertaking referred to in Article 26.1.

26.5 The applicant shall also submit such information relating to the prospective assignee or transferee of the assignment or transfer as the Government may reasonably require to enable proper consideration and disposal of the application.

26.6 No assignment or transfer shall be effective until the approval of the Government is received or deemed to have been received. Approval may be given by the Government on such terms and conditions as it may deem fit.

Provided that such terms and conditions may not increase the obligations of the members comprising the Contractor. Upon assignment or transfer of its interest in this Contract, the assignor or transferor shall be released and discharged from its obligations hereunder only to the extent that such obligations are assumed by the assignee or transferee with the approval of the Government.

26.7 In the event that the Government does not give its prior written consent or does not respond to a request for assignment or transfer by a Member comprising the Contractor within one hundred and twenty (120) days of such request and receipt of all information referred to in Article 26.2 above, consent shall be deemed to have been given by the Government.

26.8 An assignment or transfer shall not be made where the Participating Interest to be retained by the proposed assignor or the percentage interest of assignee shall be less than ten per cent (10%) of the total Participating Interest of all the constituents of the Contractor, except where the Government, on the recommendations of the Management Committee may, in special circumstances, so permit.

26.9 Nothing contained in this Article 26, shall prevent a Member comprising the Contractor from mortgaging, pledging, charging or otherwise encumbering at its own risk and cost all or part of its Participating Interest for the purposes of security relating to finance to the extent required for performing its obligation under the Contract, provided that:

i. such Member shall remain solely liable for all its obligations relating to its Participating Interest to the exclusion of the other participants thereto;

ii. the encumbrance shall be expressly subordinated to the rights of the other Parties under this Contract. The obligations occurring from the said encumbrance shall be the sole responsibility of the original Party that created the said encumbrance and shall in no manner compromise the rights of other Parties to the Contract;

iii. such Party has given reasonable notice of such encumbrance and furnishes to all other Parties (including, for the avoidance of doubt, the Government) a certified copy of the executed instrument(s) evidencing the encumbrances;

iv. keeping in view the national interest of India, prior consent of the Government shall be required (which consent shall not be unreasonably withheld) of the list of potential lenders with whom such Party can consider hypothecation;

v. the Party creating the charge shall ensure that such charge shall not in any way affect the interest of other Parties or result in interference with joint operations. In the event of any claims or liabilities imposed on other Parties because of the creation of such charges, the Party having created charge on its Participating Interest shall indemnify the other Parties; and

vi. in case of foreclosure or default by a borrowing Party, the mortgagee shall not be deemed to have acquired a right to carry on either by itself or through an agent, the Petroleum Operation, without the prior written consent of the Government of India.

26.10.1 The Parties acknowledge that to obtain financing a Party ("Borrower") will be required to secure for a permitted chargee the right to receive a copy of any notice served on the Borrower and the Parties agree that they shall serve a copy of any such notice on any such permitted chargee in accordance with the provisions of Article 36 at the same time as such notice is served on the Borrower. For the purposes of Article 36 the address for service of notices of the permitted chargee shall be that specified in the instrument or instruments referred to in Article 26.9.(iii).

26.10.2 In case Lender elects to participate directly or through a company other than the Borrower under the financing arrangement referred to above, the same shall be subject to the rights of Government as contained in Article 26.1 of Contract and the pre-emptive rights of the Parties as may be contained in Operating Agreement. Any Party which wishes to exercise the said pre-emptive rights will explicitly assume the obligation on the same terms and conditions as the Borrower.

ARTICLE 27

GUARANTEES

27.1 Each of the Members constituting the Contractor or their Parent Companies or the Operator on behalf of the other Members, shall procure and deliver to the Government within thirty (30) days from the date on which this Contract is executed by the Parties:

(a) an irrevocable, unconditional Bank Guarantee from a Scheduled Commercial Bank of good standing in India, acceptable to the Government, in favor of the Government, for the amount specified in Article 27.2 and valid for the Exploration Period for which b i d commitments are made as specified in Article 5.1 with claim period of sixty (60) days, in a form provided at Appendix G;

(b) financial and performance guarantee in favor of the Government from a Parent Company of the Member acceptable to the Government, in the form and substance set out in Appendix E, or, where there is no such Parent Company, the financial and performance guarantee from the Company itself in the form and substance set out in Appendix F.

(c) a legal opinion from its legal advisors, in a form satisfactory to the Government, to the effect that the aforesaid guarantees have been duly signed and delivered on behalf of the guarantors with due authority and is legally valid and enforceable and binding upon them;

In the event the Contractor fails to submit the Bank Guarantee within the time period stipulated in this Article, it shall be considered as material breach of the contract and subject to provisions in Article 28.3, in such event, the Participation / Bid Bond and BG in lieu of Net Worth submitted pursuant to NIO shall be encashed and forfeited.

27.2 (a) The amount of the guarantee referred to in Articles 27.1 (a) above shall be equal to the Liquidated Damages computed by applying the rates specified in the table in Appendix I. The amount of guarantee of the Members comprising the Contractor under this Contract shall be to the extent of their individual Participating Interest.

(b) after the completion and due performance of the Committed Work Programme, the guarantee will be released in favor of the Member on presentation to the bank of a certificate from the Government that the obligation of the Contractor has been fulfilled or license has been denied by the Central or State Government(s) as the case may be and the guarantee may be released. A certificate shall be provided within thirty (30) days from the completion of the said Work Programme and fulfillment of obligations under the Contract to the satisfaction of the Government or on submission of proof of rejection of license by the government as the case may be.

27.3 The Contractor shall submit a Bank Guarantee, valid for the duration of the Contract, for an amount equal to USD 300,000 within 30 days from the submission of FDP. Such guarantee shall be delivered by the Contractor in a form provided in Appendix G.

27.4 If any of the documents referred to in Article 27.1 are not delivered within the period specified herein, this Contract may be terminated by the Government upon ninety (90) days written notice of its intention to do so.

27.5 Subject to Article 27.6, notwithstanding any change in the composition or shareholding of the parent company furnishing a performance guarantee as provided herein, it shall, not under any circumstances, be absolved of its obligations contained in the guarantees provided pursuant to Article 27.1(b).

27.6 If:

(a) a Party ("Assignor") assigns all or a part of its Participating Interest to a third party ("Assignee") in accordance with Article 26;

(b) the Assignee provides an irrevocable, unconditional Bank Guarantee from a Scheduled Commercial Bank of good standing in India, acceptable to the Government, in favor of the Government, for an amount equal to the assignee's Participating Interest share of the estimated expenditure of the Committed Work Programme and current at the Effective Date of the assignment;

(c) the Assignee provides performance guarantee and legal opinion in terms of this Article;

(d) the amendment to the Contract giving effect to the assignment of Participating Interest is executed by all Parties; then the Government shall release the guarantee given by the assignor under Article 27.1 (a) to the extent of the amount of the guarantee provided by the assignee and where relevant the guarantee under Article 27.1 (b).

27.7 The guarantees including but not limited to the Bid Bonds submitted by the Contractor at the time of bidding shall be returned only after appropriate Bank Guarantee has been submitted under Article 27.1 by the Contractor.

27.8 The Bank Guarantees submitted pursuant to Article 27 shall be extended from time to time-

(a) for the period up to which the Exploration Period is extended; or

(b) for the term of this Contract, as the case may be.

The extended Bank Guarantees shall be submitted ten (10) days prior to expiry of the existing Bank Guarantees submitted by the Contractor.

ARTICLE 28

TERM AND TERMINATION OF THE CONTRACT

28.1 The duration of this Contract shall commence from the Effective Date and shall continue for the period of the License and any Lease granted thereunder, unless the Contract is terminated earlier in accordance with its terms, and shall be deemed to have been terminated, if for any reason, the Contractor ceases to hold such License or Lease (the "Term").

28.2 Subject to the provision of Articles 5, 14 and 28.6 and without prejudice to the provisions of Article 28.7 or any other provisions of this Contract, the Contractor shall have the right to terminate this Contract:

(a) with respect to any part of the Contract Area other than a Development Area then producing, or that prior thereto had produced Petroleum, upon giving ninety (90) days written notice of its intention to do so; and

(b) with respect to any Development Area in which Petroleum is being produced, or that prior thereto had produced Petroleum, or from where the production becomes uneconomical to produce, upon giving at least one hundred and eighty (180) days written notice of its intention to do so.

28.3 This Contract may, subject to the provisions herein below and Article 30, be terminated by the Government upon giving 90 (ninety) days written notice with reasons to the other Parties of its intention to do so in the following circumstance, namely the Contractor or a Member comprising the Contractor ("Defaulting Party"):

(a) has knowingly submitted any false statement to the Government in any manner which was a material consideration in the execution of this Contract; or

(b) has intentionally and knowingly extracted or authorized the extraction of hydrocarbon not authorized to be extracted by the Contract or without the permission of the Government; or

(c) is adjudged bankrupt by a competent court or enters into or scheme of composition with its creditors or takes advantage of any law for the benefit of debtors; or

(d) has passed a resolution to apply to a competent court for liquidation of the Member unless the liquidation is for the purpose of amalgamation or reconstruction of which the Government has been given notice and the Government is satisfied that the Member's performance under this Contract would not be adversely affected thereby and has given its approval thereto; or

(e) has assigned any interest in the Contract or part thereof without the prior written consent of the Government as provided in Article 26; or

(f) has failed to comply with any final determination or award made by a sole expert or arbitrators subject to Article 31; or

(g) has failed to carry out or observe any of the terms and conditions of the License or Lease or the provisions of any Applicable Law in force thereunder, subject however, to Article 29; or

(h) on notice of termination as provided in Article 27.4; or

(i) has failed to submit the FDP in accordance with the terms of this Contract; or

(j) committed a material breach of the Contract; or

(k) has failed to make any monetary payment required by law or under this Contract by the due date or within such further period after the due date as may thereafter be specified by the Government.

PROVIDED THAT

where the Contractor comprises two or more Members, the Government shall not exercise its rights of termination pursuant to Article 28.4, on the occurrence, in relation to one or more, but not all, of the Members comprising the Contractor, of an event entitling the Government to terminate the Contract,

A) if any other Member(s) constituting the Contractor (the "Non-Defaulting Members") satisfies the Government that it, or they, is/are willing and would be able to carry out the obligations of the Contractor.

B) where the Non Defaulting Member with the consent of the Government, has/have acquired the Participating Interest of the defaulting Member and has/have procured and delivered to the Government a guarantee or guarantees as referred to in Article 27.1 in respect of the Participating Interest of the defaulting Member acquired by the Non Defaulting Member.

Provided further that, in the event there is no Non-Defaulting Member to carry on the obligations of the Contractor, the Lenders to the Contractor shall have the right to identify an entity to step-in and discharge and duly carry out the obligations of the Contractor ("Replacement Contractor"), within a period of ninety (90) days, or such extended period as may be granted by the Government following the notice of the Government's intention to terminate the Contract pursuant to this Article 28.3. Upon identification of the Replacement Contractor by the Lenders, the Lenders shall submit the technical and financial details of the Replacement Contractor to the Government, which should be equivalent to the Contractor at the time of its selection and assure the Government of the ability of the Replacement Contractor to discharge the obligations under this Contract and to duly undertake and carry out the obligations of the Contractor. The Government shall, upon satisfaction of the ability of the Replacement Contractor to carry out the obligations of the Contractor hereunder, shall approve and agree to the assignment of the Contract to the Replacement Contractor.

28.4 This Contract may also be terminated by the Government on giving the requisite notice specified above if the events specified in Article 28.3 (c) and (d) occur with respect to a company which has given a performance guarantee pursuant to Article 27 subject however to Article 28.5.

28.5 If the circumstances of Article 28.3(f), or (g), or (h), or (i) or (j), or (k) or Article 28.4 are remedied (whether by the defaulting Member or by Non-Defaulting Member or any third Party on its behalf) within the ninety (90) Day period, or such extended period as may be granted by the Government, following the notice of the Government's intention to terminate the Contract as aforesaid, such termination shall not become effective.

28.6 On termination of this Contract, for any reason whatsoever, the rights and obligations of the Contractor shall cease but such termination shall not affect any rights of any Party which may have accrued or any obligations undertaken or incurred by the Contractor/ Members thereof (as the case may be) and not discharged prior to the date of termination.

28.7 In the event of termination pursuant to Articles 28.2, 28.3 or 28.4: the Government may require the Contractor, for a period not exceeding one eighty (180) days from the date of

termination, to continue, for the account and at the cost of the Government, Petroleum production activities until the right to continue such production has been transferred to another entity.

28.8 Within ninety (90) days after the termination of this Contract, pursuant to Article 28.2, 28.3, or 28.4 or such longer period as the Government may agree, the Contractor shall comply with Article 4.3 and Article 24.8 and any reasonably necessary action as directed by the Government to avoid Environmental Damage or hazards to human life or to the property of others.

28.9 Upon termination of this Contract under Article 28.3, the Defaulting Party shall be liable for all damages and penalties under the applicable laws and rules and also as per the provisions of this Contract.

ARTICLE 29

FORCE MAJEURE

29.1 Any non-performance or delay in performance by any Party hereto of any of its obligations under this Contract, or in fulfilling any condition of any License or Lease granted to such Party, or in meeting any requirement of the Act, the Rules or any License or Lease, shall, except for the payment of monies due under this Contract or under the Act and the Rules or any law, be excused if, and to the extent that, such non-performance or delay in performance under this Contract is caused by Force Majeure as defined in this Article.

29.2 For the purpose of this Contract, the term Force Majeure means any cause or event, other than the unavailability of funds, whether similar to or different from those enumerated herein, lying beyond the reasonable control of, and unanticipated or unforeseeable by, and not brought about at the instance of, the Party claiming to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for, and which has caused the non-performance or delay in performance. Without limitation to the generality of the foregoing, the term Force Majeure shall include natural phenomena or calamities, earthquakes, typhoons, fires, wars declared or undeclared, hostilities, invasions, blockades, riots, strikes, insurrection and civil disturbances but shall not include the unavailability of funds.

29.3 Where a Party is claiming suspension of its obligations on account of Force Majeure, it shall promptly , but in no case later than ten (10) days of occurrence of Force Majeure notify the Management Committee and the Government of the occurrence of the Force Majeure and thereafter provide the Government with a copy to Management Committee with the detailed notice giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected, the reasons for suspension (if any), with description and the manner in which it is causing the non-performance or delay in performance under this Contract, the measures being taken by the party to mitigate the management of the Force Majeure event (if any means are possible) but such detailed notice of Force Majeure should in no case be later than thirty (30) days after the occurrence of the event of Force Majeure notified to the Management Committee and the Government.

29.4 A Party claiming Force Majeure shall exercise reasonable diligence to seek to overcome the Force Majeure event and to mitigate the effects thereof on the performance of its obligations under this Contract. The Party affected shall promptly notify the Management Committee and the Government within 10 (ten) days from the Day the Force Majeure event has been removed and no longer prevents it from complying with the obligations which have been suspended and shall thereafter resume compliance with such obligations as soon as possible.

29.5 The Party asserting the claim of Force Majeure shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under this Article and that such Party has exercised reasonable diligence and efforts to remedy the cause of any alleged Force Majeure.

29.6 Where a Party is prevented from exercising any rights or performing any obligations under this Contract due to Force Majeure, the time for the performance of the obligations

affected thereby and for performance of any obligation or the exercise of any right dependent thereon, and the term of Exploration Period, Appraisal Period, Development Phase of this Contract, may be extended to the extent of Force Majeure period or by such period as may be approved by the Government

29.7 Notwithstanding anything contained herein above, if an event of Force Majeure occurs and is likely to continue for a period in excess of thirty (30) days, the Parties shall meet to discuss the consequences of the Force Majeure and the course of action to be taken to mitigate the effects thereof or to be adopted in the circumstances.

29.8 In the event, the Force Majeure persists for more than one year, the Contractor shall have an option to exit from the Contract without any obligations provided, the Contractor has completed proportionate amount of Work programme (rounded off to the nearest integer with a minimum number of one) for the period for which the Contractor has worked without a Force Majeure condition. However, if the work programme completed by the Contractor at the time of exiting is less than the proportionately reduced (w.r.t. time) work programme, then the Liquidated Damages to the extent of unfinished Work Programme shall be levied on the Contractor. The Contractor is allowed to exercise such an option during the currency of the Force Majeure or no later than 3 (three) months from the date of removal of Force Majeure.

ARTICLE 30

APPLICABLE LAW AND LANGUAGE OF THE CONTRACT

30.1 This Contract shall be governed and interpreted in accordance with the laws of India.

30.2 Nothing in this Contract shall entitle the Contractor to exercise the rights, privileges and powers conferred upon it by this Contract in a manner, which will contravene the laws of India.

30.3 The English language shall be the language of this Contract and shall be used in arbitral proceedings. All communications, hearing or visual materials or documents relating to this Contract shall be written or prepared in English.

30.4 The laws of India will also include amendments, revisions, modifications, etc. as notified from time to time by the Government or the relevant State Government.

ARTICLE 31

MEDIATION, CONCILIATION, SOLE EXPERT AND ARBITRATION

31.1 The Parties shall use their best efforts to amicably settle all disputes, differences, disagreements or claims arising out of, in relation to or in connection with any of the terms and conditions of this Contract or performance thereof.

31.2 The Parties hereby agree that any disputes, differences, disagreements or claims arising out of, in relation to or in connection with any of the terms and conditions of this Contract or performance thereof shall be submitted to the Committee of Experts/Eminent Persons notified by the Government of India ("Committee" hereinafter), for resolution by way of mediation or conciliation or both as the case may require. The Settlement agreement arrived at as a result of the proceedings and duly signed by the Parties shall be final and binding on the Parties and the persons claiming under or through them. The proceedings carried out by the Committee shall be governed by the Arbitration & Conciliation Act, 1996 as amended from time to time ("Arbitration Act").

31.3 Subject to the provisions Article 31.5, the Parties further agree that no arbitration proceedings shall be invoked in respect of the disputes, differences, disagreements or claims settled by the Committee.

31.4 Matters which, by the terms of this Contract, the Parties have agreed to refer to a sole expert and any other matter which the Parties may agree to so refer, may be referred to a sole expert who shall be an independent and impartial person of international standing with relevant qualifications and experience, appointed by a written agreement between the Parties and who shall not, by virtue of nationality, personal connection or commercial interest, have a conflict between his/her own interest and his/her duty as a sole expert. In the event that the Parties fail or are unable to agree on a sole expert within thirty (30) days or such longer period as may be mutually agreed by Parties, the sole expert shall be appointed by a body or an institution or an agency or a person, mutually agreed by Parties. In case, there is no agreement on the body or an institution or an agency or a person for appointing sole expert or such institution or agency or body fails to appoint a sole expert within thirty (30) days or such longer period as may be mutually agreed by Parties, the matter shall be referred to arbitration. Any sole expert appointed shall be acting as an expert and not as an arbitrator and the decision of the sole expert on matters referred to him/her shall be final and binding on the Parties and shall not be subject to arbitration.

31.5 In case the disputes, differences, disagreements or claims referred to the Committee is not resolved by the Committee, the parties may initiate arbitration proceedings in respect of the matter.

31.6 The arbitral tribunal shall consist of three (3) arbitrators. Each Party to the dispute shall appoint one (1) arbitrator and the Party or Parties shall so advise the other Parties. The two (2) arbitrators appointed by the Parties shall appoint the presiding arbitrator.

31.7 Any Party may, after appointing an arbitrator, request the other Party(ies) in writing to appoint the second arbitrator. If such other Party fails to appoint an arbitrator within thirty (30) days of receipt of the written request to do so, such arbitrator may, at the request of the first Party, be appointed in accordance with Arbitration Act.

31.8 If the two arbitrators appointed by or on behalf of the Parties fail to agree on the appointment of the presiding arbitrator within thirty (30) days of the appointment of the second arbitrator and if the Parties do not otherwise agree, at the request of either Party, the presiding arbitrator shall be appointed in accordance with Arbitration Act.

31.9 If any of the arbitrators fails or is unable to act, his successor shall be appointed by the Party or person who originally appointed such in the manner set out in this Article as if he was the first appointment.

31.10 The decision of the arbitral tribunal shall be pronounced within four (4) Months unless otherwise extended by the Parties subject to the relevant provisions of Arbitration Act, and, in case of difference among the arbitrators the decision of the majority shall be final and binding on the Parties.

31.11 The arbitration agreement contained in this Article 31 and the arbitration proceedings conducted pursuant to the arbitration agreement shall be governed by the Arbitration Act.

31.12 The right to arbitrate disputes under this Contract shall survive expiry or the termination of this Contract.

31.13 The venue and seat of the sole expert, conciliation or arbitration proceedings pursuant to this Article, unless the Parties agree otherwise, shall be New Delhi, India and shall be conducted in the English language. Insofar as practicable, the Parties shall continue to implement the terms of this Contract notwithstanding the initiation of proceedings before a sole expert, conciliator or arbitral tribunal and any pending claim or dispute.

31.14 The fees and expenses of a sole expert or conciliator appointed by the Parties shall be borne equally by the Parties. The cost and expenses of arbitrator appointed by a Party in accordance with the provision of this Article shall be borne by the respective Party and the cost and expenses of presiding arbitrator and other incidental expenditure in relation to arbitration and liability thereof shall be at the discretion of the arbitrators.

31.15 Notwithstanding anything contrary contained herein above, in the event of dispute among Government Company(ies) [as defined in the Companies Act, 2013] and with the Government, such disputes shall be settled in accordance with guidelines issued on the subject by Government from time to time.

ARTICLE 32

CHANGE OF STATUS OF MEMBERS

32.1 Subject to the provisions of this Contract, any Member which is a Party to this Contract may enter into transaction which may result in change in the management or control of the Member or the relationship with any guarantor of the Member with the prior written consent of the Government and compliance of Article 26.3 provided that the Government is satisfied regarding:

(a) Technical and Financial strength of the new Member;

(b) Details of shareholders agreement;

(c) Composition of Board of Directors consequent upon such transaction.

32.2 In case of change of status of Member(s), it shall submit fresh certificates as per Article 34 of this Contract.

ARTICLE 33

ENTIRE AGREEMENT, AMENDMENTS, WAIVER AND MISCELLANEOUS

33.1 This Contract supersedes and replaces any previous agreement or understanding between the Parties, whether oral or written, on the subject matter hereof, prior to the execution date of this Contract.

33.2 This Contract shall not be amended, modified, varied or supplemented in any respect except by an instrument in writing signed by all the Parties, which shall state the date upon which the amendment or modification shall become effective.

33.3 No waiver by any Party of any one or more obligations or defaults by any other Party in the performance of this Contract shall operate or be construed as a waiver of any other obligations or defaults whether of a like or of a different character.

33.4 The provisions of this Contract shall inure to the benefit of and be binding upon the Parties and their permitted assigns and successors in interest.

33.5 In the event of any conflict between any provisions in the main body of this Contract and any provision in the Appendices, the provision in the main body shall prevail.

33.6 The headings of this Contract are for convenience of reference only and shall not be taken into account in interpreting the terms of this Contract.

33.7 Reference to any law or regulation having the force of law includes a reference to that law or regulation as from time to time may be amended, extended or re-enacted.

33.8 A reference in this Contract to the word "including" shall also mean "including but not limited to".

33.9 Notwithstanding any condonation of delay granted to the Contractor pursuant to the Contract, the Parties hereby agree that the time is of essence and the Contractor shall initiate all actions well in time in order to insure that each activity falling within the scope of the Contractor is completed within the agreed time limits.

ARTICLE 34

CERTIFICATES

34.1 A Member shall furnish, prior to execution of this Contract, a duly authorized copy of a resolution properly and legally passed by the Board of Directors of the Member authorizing its President or any Vice-President or any other representative to execute this Contract along with a certificate duly signed by the Secretary or an Assistant Secretary of the Member under its seal in this regard and to the effect that the Member has the power and authority to enter into this Contract and to perform its obligations thereunder and has taken all necessary action to authorize the execution, delivery and performance of the Contract.

ARTICLE 35

NOTICES

35.1 All notices, statements, and other communications to be given, submitted or made hereunder by any Party to another shall be sufficiently given if given in writing in English language and sent by registered post, postage paid, or by facsimile, or email to the address or addresses of the other Party or Parties as follows:

(a) If to the Government:

Secretary to the Government of India
Ministry of Petroleum and Natural Gas
Shastri Bhawan,
Dr. Rajendra Prasad Marg,
New Delhi- 110001, India
Facsimile No.:91 11 23383585
Telephone No.:
Email:

(b) XYZ Limited:

35.2 Notices when given in terms of Article 35.1 shall be effective when delivered if offered at the address of the other Parties as under Article 35.1 during business hours on working days and, if received outside business hours, on the next following working day.

35.3 Any Party may, by reasonable notice as provided hereunder to the other Parties, change its address and other particulars for notice purpose.

ARTICLE 36

SURVIVAL

36.1 Any termination or expiration of this Contract shall be without prejudice to any rights, remedies, obligations and liabilities which may have accrued to a Party pursuant to this Agreement or otherwise under Applicable Law. All rights or remedies which may have accrued to the benefit of either Party (and any of this Contract's provisions necessary for the exercise of such accrued rights or remedies) prior to the termination or expiration of this Contract shall survive such termination or expiration. Furthermore, the provisions of Articles 1, 4, 30, 35, and 36 shall survive the termination or expiration of this Agreement.

ARTICLE 37

SEVERANCE OF INVALID PROVISIONS

37.1 In the event that any provision in this Contract shall for any reason be determined by any court or tribunal to be illegal, invalid or unenforceable, then the remaining provisions shall not be affected, impaired or invalidated and shall remain in full force and effect and shall continue to be binding upon the Parties.

IN WITNESS WHEREOF, the representatives of the Parties to this Contract being duly authorized have hereunto set their hands and have executed these presents this ____day of _____, Two thousand and _____.

Signed for and on behalf of the President of India

By:_____

In presence of _____

Signed for and on behalf of XYZ Limited

By: _____

In presence of _____

Signed for and on behalf of ABC Limited

By: _____

In presence of _____

Signed for and on behalf of PQR Limited

By: _____

In presence of _____

APPENDIX A

A.1 DESCRIPTION OF THE ORIGINAL CONTRACT AREA

The area comprising approximately _____sq. km. Onshore/Offshore India identified as block _____ described herein, falling in _____Basin (Category-….) and shown on the map attached as Appendix A.2 ("Map of the Original Contract Area"). Longitude and Latitude measurements commence at points 1,2,3…,are given below:

A.2 MAP OF THE ORIGINAL CONTRACT AREA

APPENDIX B

SPECIFIC DETAILS OF THE CONTRACT

A. Details of the Contractor Company Name	Participating Interest (%)	Operator/Member

B. Committed Work Programme

Other than CBM Blocks

S. No.	Type of Work	Quantum	Total Estimated Expenditure (USD)	Timeline
1	2D Seismic Surveys (API) (in LKM)			
2	3D Seismic Surveys (API) (in Sq. Km)			
3	Exploratory Wells			
	3.1 Number of Wells			
	3.2 Target Depth (in meters) (from MSL in case of Offshore Blocks)			

CBM Blocks

S. No.	Type of Work	Physical Quantity	Total Estimated Expenditure (USD)	Timeline
1	Core Wells			
2	Test Wells			

C. Committed Revenue Share

Other than CBM Blocks

Revenue Points	Percentage share of Revenue offered to the Government
Less than or equal to LRP (USD 0.05 million per day)	_____(X)*
Equal to or more than HRP (USD 7 million per day)	_____(Y)*

*"X" and "Y" values shall be used for the purpose of Revenue Share calculation under Article 15

CBM Blocks

Revenue Points	Percentage share of Revenue offered to the Government
Less than or equal to LRP (USD 0.01 million per day)	_____(X)*
Equal to or more than HRP (USD 0.5 million per day)	_____(Y)*

*"X" and "Y" values shall be used for the purpose of Revenue Share calculation under Article 15

APPENDIX C

REVENUE COMPUTATION FOR THE PURPOSE OF COMPUTING REVENUE SHARE

Particulars	Method	Remarks
Sales Revenue for the month as per accounting statements prepared on accrual basis (A)	Quantity of Crude, Gas, Condensate and other derivatives sold X Weighted Average Selling Price accounted on accrual basis of accounting, without any negative provisions or adjustments related to previous months sales	Computed using the weighted average selling price at the Delivery Point
ADD, Closing Stock at the end of the relevant month (B)	Quantity of closing stock of each category of Petroleum in Closing Stock as per Stock Statement for the end of the month	Closing Stock at the end of the month would be valued on the basis of the price realized during preceding sale for that month
LESS, Opening Stock (C) carried over from previous month	Value of Opening Stock	Value same as that of closing stock for the previous month calculated as per (B) above for the previous month for rates applicable for that month (net of Royalty and Taxes)
Less, Taxes and Royalty (D)	Applicable Royalty and any other taxes on the Quantity of Petroleum Produced and Saved for the month accrued for the month as per financial statements	Royalty and Taxes if included in the Revenue Amounts above (A) and (B) and payable for the month shall be adjusted as a deduction from the Revenue
Total (A+B-C-D)	Revenue for the Month for the purpose of Article 15 of the Contract	

If there are no sales in any particular month, but production, the average sales price for the previous month shall be applicable for the computation of (B). If there is production for previous months but no sales, the relevant Government declared price shall apply for valuation of (B), subject to any adjustment that may be carried out based on actual sales in the immediately succeeding month.

Above Revenue Calculation is subject to the provisions of Article 19 of this Contract.

Revenue shall be computed at the agreed Delivery Point as per the provisions of this Contract.

APPENDIX D

CONTENTS OF FIELD DEVELOPMENT PLAN

(to be updated in accordance with the latest SoP of DGH)

PART A (TECHNICAL ASSESSMENT REPORT)

1. Executive summary

2. Description of Block

a) Block details
b) Licensee Information – Participating Interest (P.I.) structure; Operator; Consortium partner
c) Extension history, if any
d) Critical RSC and other issue(s), if any
e) Relinquishment of area (if any)

3. Geological, Geophysical and Petrophysical Analysis

a) Exploration history in the block
b) Geology of the area
c) Geological information about the field and its complexities
d) G&G (Geological and Geophysical) work carried out in the block
e) Petroleum System and Generalized Stratigraphy
f) Discovery and its details
g) Petrophysical Analysis
h) Analysis and Interpretations
i) Oil & Gas in Place as per PRMS
j) Development Area with co-ordinates and technical justification

4. Reservoir Analysis

a) Testing details of Discovery, surface flow rates and well test interpretations
b) PVT, Fluid data and Reservoir data
c) Basis and validation of establishing "Sustainable Production Levels" as per RSC
d) Development Strategy
e) Reservoir Simulation Studies
f) IOR/EOR Plan, if any
g) Proposed Development locations with co-ordinates (tentative and for information only) map showing locations along with 1P & 2P in place polygons
h) Production profile under different variants along with recommended variants
i) Reservoir Management Plan
j) Action required in maximizing the ultimate recovery factor from the field

5. Development Concept and Production Facilities

a) Development Options
b) Flow Assurance, Chemistry & Water Injection/disposal
c) Field Management Plan
d) Pipelines network & details
e) Delivery point with map
f) Methodology for Measurement of Petroleum.

6. Drilling and Well Completion

(a) Well Drilling Strategy
(b) Well Design and Well Completion (Production, injection, etc.)

7. Health, Safety & Environment

8. Oil & Gas Evacuation and Market Strategy.

PART B

Implementation schedule (timelines) for commercial development of the Field including date of commencement of production

PART C

Costs and budget estimates and Techno-economic analysis to demonstrate economic viability of the project

(a) Estimated development and production expenditures
- CAPEX estimate
- OPEX estimate

(b) Techno – economic analysis

APPENDIX E

FORM OF PARENT COMPANY FINANCIAL AND PERFORMANCE GUARANTEE
(to be furnished pursuant to Article 27.1 (b) of the Contract)

WHEREAS _____a company duly organized and existing under the laws of_____ having its registered office at _____(hereinafter referred to as 'the Guarantor' which expression shall include its successors and assigns) is (the indirect owner of one hundred per cent (100%) of the capital stock of XYZ company and direct owner of its parent company); and

WHEREAS XYZ Member is signatory to a Revenue Sharing Contract in respect of an (offshore) (onshore) area identified as Block (hereinafter referred to as 'the Contract') made between the Government of India (hereinafter referred to as 'the Government'), and XYZ Member (hereinafter referred to as XYZ which expression shall include its successors and permitted assigns); and

WHEREAS the Guarantor wishes to guarantee the performance of XYZ Member or its Affiliate Assignee under the Contract as required by the terms of the Contract;

NOW, THEREFORE this Deed hereby provides as follows:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Government that it will make available, or cause to be made available, to XYZ Member or any other directly or indirectly owned Affiliate of XYZ Member to which any part or all of XYZ Member's rights or interest under the Contract may subsequently be assigned ('Affiliate Assignee'), financial, technical and other resources required to ensure that XYZ Member or any Affiliate Assignee can carry out its obligations as set forth in the Contract.

2. The Guarantor further unconditionally and irrevocably guarantees to the Government the due and punctual compliance by XYZ Member or any Affiliate Assignee, of any obligations of XYZ Member or any Affiliate Assignee under the Contract.

3. The Guarantor hereby undertakes to the Government that if XYZ Member, or any Affiliate Assignee, shall, in any respect, fail to perform its obligations under the Contract or commit any breach of such obligations, then the Guarantor shall fulfil or cause to be fulfilled the said obligations in place of XYZ Member or any Affiliate Assignee, and will indemnify the Government against all losses, damages, costs, expenses or otherwise which may result directly from such failure to perform or breach on the part of XYZ Member.

4. This guarantee shall take effect from the Effective Date and shall remain in full force and effect for the duration of the said Contract and thereafter until no sum remains payable by XYZ Member, or its Affiliate Assignee, under the Contract or as a result of any decision or award made by any expert or arbitral tribunal thereunder.

5. This guarantee shall not be affected by any change in the articles of association and bye-laws of XYZ Member or the Guarantor or in any instrument establishing the Member or Guarantor.

6. The liabilities of the Guarantor shall not be discharged or affected by (a) any time indulgence, waiver or consent given to XYZ Member; (b) any amendment to the Contract or

to any security or other guarantee or indemnity to which XYZ Member has agreed; (c) the enforcement or waiver of any terms of the Contract or of any security, other guarantee or indemnity; or (d) the dissolution, amalgamation, reconstruction or reorganization of XYZ Member.

7. This guarantee shall be governed by and construed in accordance with the laws of India.

IN WITNESS WHEREOF the Guarantor, through its duly authorized representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____ day of_____201_.

APPENDIX F

FORM OF COMPANY FINANCIAL AND PERFORMANCE GUARANTEE

(to be furnished pursuant to Article 27.1 (b) of the Contract)

WHEREAS____XYZ Member _____duly organized and existing under the laws of_____ having its registered office at_____(hereinafter referred to as 'the Guarantor' which expression shall include its successors and assigns) is signatory to a Revenue Sharing Contract in respect of an (offshore) (onshore) area identified as Block _____ (hereinafter referred to as 'the Contract') made between the Government of India (hereinafter referred to as 'the Government'), and XYZ Member (hereinafter referred to as XYZ which expression shall include its successors and permitted assigns); and

WHEREAS the Guarantor wishes to guarantee its performance under the Contract as required by the terms of the Contract;

NOW, THEREFORE this Deed hereby provides as follows:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Government that it will make available, or cause to be made available, financial, technical and other resources required to ensure that XYZ Member can carry out its obligations as set forth in the Contract.
2. The Guarantor further unconditionally and irrevocably guarantees to the Government the due and punctual compliance by it of any obligations under the Contract.
3. The Guarantor hereby undertakes to the Government that it shall fulfill or cause to be fulfilled all its obligations under the Contract, and if it fails to perform its obligations under the Contract or commits any breach of such obligations, then it shall indemnify the Government against all losses, damages, costs, expenses or otherwise which may result directly from such failure to perform or breach on its part.
4. This guarantee shall take effect from the Effective Date and shall remain in full force and effect for the duration of the said Contract and thereafter until no sum remains payable by XYZ Member, under the Contract or as a result of any decision or award made by any expert or arbitral tribunal thereunder.
5. This guarantee shall not be affected by any change in the articles of association and bye-laws of XYZ Member or in any instrument establishing the Member.
6. The liabilities of the Guarantor shall not be discharged or affected by (a) any time indulgence, waiver or consent given to XYZ Member; (b) any amendment to the Contract or to any security or other guarantee or indemnity to which XYZ Member has agreed; or (c) the enforcement or waiver of any terms of the Contract or of any security, other guarantee or indemnity.
7. This guarantee shall be governed by and construed in accordance with the laws of India.IN WITNESS WHEREOF the Guarantor, through its duly authorized representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____day of _____201__.

APPENDIX G

PROFORMA OF BANK GUARANTEE TO BE PROVIDED PURSUANT TO ARTICLE 27

1. In consideration of Government of India (hereinafter referred to as "Government") having entered into a Revenue Sharing Contract for the block_____ dated_____(hereinafter referred to as "Contract", which expression shall include all the amendments agreed to between the Government and the Contractor, thereto), with M/s_____ having its registered office at (hereinafter referred to as _____ , which expression unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assigns), which is a constituent of the Contractor, and the Government have agreed that the _____ (Member) shall furnish to Government a bank guarantee (hereinafter referred to as "Guarantee") towards its obligations as provided in the Contract for US$(for Foreign Company(ies))/US$ equivalent in Indian Rupees (for Indian Members) for the performance of its obligations under the Contract.

2. We _____(name of the Bank) registered under the Law of_____ and having its registered office at _____(hereinafter referred to as "the Bank", which expression shall unless repugnant to the context or meaning thereof includes all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of Indian Rupees/US$_____(in figures) and (Indian Rupees/US$_____ in words) without any demur, reservation, contest or protest and/or without any reference to the Member. Any such demand made by Government on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the Bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, arbitrator, sole expert, conciliator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by Government in writing. This Guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the Bank.

3. The Bank also agrees that the Government at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the_____(Member) and notwithstanding any security or other guarantee that Government may have in relation to the_____(Member's) liabilities.

4. The Bank further agrees that Government shall have fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said_____(Member) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in Government against the said _____ Member and to forebear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Member or for any forbearance, act or omission on the part of Government or any indulgence by Government to the said_____ (Member)

or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the Contract and all dues of the Government under or by virtue of this Contract have been fully paid and its claim satisfied or discharged or till Government discharges this Guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of_____(Member) or that of the Contractor.

7. The Bank confirm that this Guarantee has been issued with observance of appropriate laws of the country of issue.

8. The Bank also agree that this Guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian courts at_____**India.

9. Notwithstanding anything contained herein above, our liabilities under this Guarantee is limited to Indian Rupees/US$ _____ (in figures) Indian Rupees/US$ _____ (in words) and our Guarantee shall remain in force up to ———————— and including sixty (60) days after the expiry date/extended date. Any claim under this Guarantee must be received before the expiry of sixty (60) days or before the expiry of sixty (60) days from the extended date if any. If no such claim has been received by us within sixty (60) days after the said date/extended date the Government's right under this will cease. However, if such a claim has been received by us within and up to sixty (60) days after the said date/ extended date, all the Government's rights under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorized officers has set its hand and stamp on this_____ day of_____201__ at _____.

The seal of_____ was hereto duly affixed by _____ this day of_____201_ in accordance with its bye-laws and this Guarantee was duly signed by _____and _____as required by the said bye-laws.

Secretary

President & Director

Witness:

* Bank Guarantee can be submitted in INR. For exchange rate from USD to INR, exchange rate published by FBIL for the same day or immediate previous working day can be used.

**Jurisdiction of the BG shall be New Delhi or Place of issuance of BG,

APPENDIX H

SPECIFIC PROVISIONS FOR PETROLEUM OPERATIONS RELATING TO CBM BLOCKS

(See Article 5.7)

1. In relation to CBM Petroleum Operations, during the currency of Exploration Period the Contractor shall complete the following Committed Work Programme:

   a) Drilling of Committed number _____ of Core holes (at least one Core hole to penetrate the technical basement), and carry out related studies as under:

      i. Geophysical logging, interpretation of coal thickness and associated strata;

      ii. Analysis of coal grade, rank, cleat spacing of coal core samples obtained during drilling;

      iii. Adsorption isotherm of core samples;

      iv. Gas content of coal core samples by desorption studies in canisters; and

      v. Injection/ fall off test in the Core holes for carrying out permeability study and Reservoir simulation leading to forecasting of CBM and water productions.

   b) Drilling of (_____)Test Wells*

      Drilling, completion, stimulation (hydro fracturing or cavitations etc.), well testing, dewatering (production testing) of the Test Wells. Forecasting of CBM gas production and water based on the results of reservoir simulation, hydro-geological studies and preliminary economic assessment.

   c) Any other work considered necessary by the Contractor;

   d) Submission of reports:

      At the end of Core hole drilling, testing and studies, and on the results of drilling and production testing of committed production Test Wells.

2. The actual depth objective for each of the Core holes/Test Well(s) shall be determined by the Contractor on geological consideration. However, at least one Core hole should penetrate the Technical Basement. The Contractor shall ensure that all relevant subsurface, geological, geochemical and geophysical information necessary for the attainment of the exploration objectives in accordance with Good International Petroleum Industry Practices (GIPIP) is carried out during exploratory drilling.

3. If the depth/ geological objective of the Well is not achieved for any reason, in that case, a substitute well shall be drilled of the same specifications as stipulated in Clause 2 above.

   On completion of the Committed Work Programme or on payment of Liquidated Damages for the unfinished Committed Work Programme as provided in clause 1 of this annexure, the Contractor shall have the option exercisable by giving a written notice to the Government at least thirty (30) days prior to the expiry of Exploration Period, to either i) relinquish the entire Contract Area and the Contract shall stand terminated; or

   ii) retain the Contract Area or part thereof for a further period of three (3) years (herein after referred to as the Assessment Period) to conduct appraisal activities and market surveys or for the purpose of conducting development and production Operations in accordance

with the terms of this Contract. The Contractor shall have no further obligation in respect of the Committed Work Programme

During the currency of Assessment Period of three (3) years, the Contractor shall complete the following appraisal activities:

I. Pilot Assessment

a) Drilling of pilot Wells , in one or more Clusters for stimulation, de-watering, Gas flow rate measurement and ascertaining other production parameters;

b) Perform stimulation, injection and related tests, run computer modelling of production profiles;

c) Carry out environmental impact and related studies; and

d) Prepare a technical assessment of the Contract Area.

II. Market Surveys and Commitment

a) Carry out market surveys, investigate potential markets and obtain market Commitments;

b) Submit a Field Development Plan to the Government as per Article 10.4.

4. During the Assessment Period or earlier, if and when a Potential Commercial Assessment is made within the Contract Area, the Contractor shall:

a) Forthwith inform the Management Committee and the Government of the Potential Commercial Assessment and furnish the details of such assessment to the Management Committee and Government within thirty (30) days;

b) Proceed to prepare a techno-economic pre-feasibility report, as may be required to determine whether the Potential Commercial Assessment is of commercial interest within one (1) year of the Potential Commercial Assessment and submit the report to the Government;

5. If the Contractor decides to proceed with the development plan, then, the Contractor shall prepare such plan and submit the same to the Government at least sixty (60) days prior to the expiry of Assessment Period.

6. The Contractor shall undertake to complete the Committed Work Programme agreed upon in accordance with Clause 1. In the event that the Contractor fails to fulfill the said Committed Work Programme by the end of the Exploration Period, if any, or Contract is terminated in accordance with the Article 28, the Contractor shall pay to the Government an amount equivalent to Liquidated Damages as specified in Appendix I for the unfinished Committed Work Programme.

7. A FDP prepared and submitted by the Contractor in relation to CBM shall contain detailed proposals for the construction, establishment and operations of all facilities and services for and incidental to the recovery of CBM, storage and transportation of CBM to the Delivery Point together with all data and supporting information including, but not limited to:

a. Description of the nature and characteristic of the Reservoir data, statistics, interpretations and conclusions on all aspects of the geology, Reservoir evaluation, CBM engineering factors, reservoir models, estimates of reserve in place, recoverable reserves, possible production magnitude, nature and analysis of producible CBM;

b. Details of the Development Plan and/or alternative Development Plans, if any, including but not limited to the number of Wells to be drilled, the production profile and the rate of CBM to be produced on Yearly basis during the Development and Production Phases, the transportation facilities to be installed and the infrastructure to be established and/or used under such Development Plan and/or alternative Development Plans, if any;

c. Estimated rate of production to be established and projection of the possible sustained rate of production in accordance with Good International Petroleum Industry Practices (GIPIP) under such Development Plan and /or alternative Development Plans, if any, which will ensure that the area does not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure;

d. Details of proposed marketing arrangements including any sales commitment;

e. Estimates of Development Costs, Production Costs, estimated sales revenues and any other income under such development plan and/or alternative development plan, if any;

f. Details of proposed financing arrangements;

g. Work Programme(s) and Budget(s) for development proposal;

h. Implementation schedule of major activities of the Development Plan;

i. Detailed proposal for further evaluation of Producible Areas of commercial interests in the Contract Area;

j. Measures to be taken for health and safety of employees engaged in CBM operations; and

k. Anticipated adverse impact on the environment and measures to be taken for prevention or minimization thereof and for general protection of the environment in conduct of CBM Operations.

APPENDIX I

LIQUIDATED DAMAGES PAYABLE UNDER ARTICLE 5.4 AND CLAUSE 1 OF APPENDIX H

					In US $
	Onland (Excluding CBM)	**Shallow Water**	**Deep Water**	**Ultra Deep Water**	**CBM**
Per well/Core hole (as applicable)	1,000,000	3,000,000	10,000,000	12,000,000	Core hole – 250,000 Test Wells – 650,000
Per sq.km. of 3D Seismic	5,000	1,500	1,500	1,500	N.A.
Per line km. of 2D Seismic	2,500	1,000	1,000	1,000	N.A.

Note-

The LD shall be paid by the Contractor to the Government within thirty (30) days of the receipt of its demand from the Government. In the event of any failure to pay LD value within the due date, the Contractor shall pay interest compounded on daily basis for the entire period of delay at applicable LIBOR plus two percent (2%) points.

APPENDIX J

ROYALTY RATES AND BASIN CATEGORY-WISE CONCESSIONAL ROYALTY RATES

Royalty Rates:

For the purpose of this contract, following royalty rates will be applicable (vide Notification S.O. 367 (E) dated 14-01-2019):

Type of Block	Duration	Royalty rates (Oil)	Royalty rates (Gas & CBM)
Onland	-	12.5%	10.0%
Shallow Water	-	7.5%	7.5%
Deep Water	First 7 years	No Royalty	No Royalty
	After 7 years	5%	5%
Ultra Deep Water	First 7 years	No Royalty	No Royalty
	After 7 years	2%	2%

Concessional Royalty Rates:

Basin Category Wise following concessional royalty rates will be applicable vide notification S.O.1597(E) dated 11th April, 2019:

Crude Oil-

Basin Category	Onland	Shallow Water	Deep Water		Ultra Deep Water	
	Throughout	Throughout	First 7 Years	After 7 Years	First 7 Years	After 7 Years
Category-I Basins	11.25%	6.75%	Nil	4.50%	Nil	1.80%
Category II Basins	10%	6%	Nil	4%	Nil	1.60%
Category III Basins	8.75%	5.25%	Nil	3.50%	Nil	1.40%

Natural Gas/CBM-

Basin Category	Onland	Shallow Water	Deep Water		Ultra Deep Water	
	Throughout	Throughout	First 7 Years	After 7 Years	First 7 Years	After 7 Years
Category-I Basins	9%	6.75%	Nil	4.50%	Nil	1.80%
Category II Basins	8%	6%	Nil	4%	Nil	1.60%
Category III Basins	7%	5.25%	Nil	3.50%	Nil	1.40%

APPENDIX K

FORMAT FOR NOTIFICATION OF DISCOVERY

(to be finalized)

APPENDIX L

CATEGORY-WISE LIST OF 26 SEDIMENTARY BASINS OF INDIA

Category I

1. Krishna -Godavari Basin
2. Mumbai Offshore Basin
3. Assam Shelf Basin
4. Rajasthan Basin
5. Cauvery Basin
6. Assam-Arakan Fold Belt Basin
7. Cambay Basin

Category II

1. Saurashtra Basin
2. Kutch Basin
3. Vindhyan Basin
4. Mahanadi Basin
5. Andaman-Nicobar Basin

Category III

1. Kerala -Konkan Basin
2. Bengal-Purnea Basin
3. Ganga-Punjab Basin
4. Pranhita-Godavari Basin
5. Satpura-South Rewa-Damodar Basin
6. Himalayan Foreland Basin
7. Chhattisgarh Basin
8. Narmada Basin
9. Spiti -Zanskar Basin
10. Deccan Syneclise Basin
11. Cuddapah Basin
12. Karewa Basin
13. Bhima -Kaladgi Basin
14. Bastar Basin