



**MODEL REVENUE SHARING CONTRACT
(MRSC)**

Between

**GOVERNMENT OF INDIA
AND
XYZ**

FOR

DISCOVERED CBM BLOCK

UNDER

SPECIAL DISCOVERED SMALL FIELD ROUND-2024

FOR THE CONTRACT AREA IDENTIFIED AS

.....

Ministry of Petroleum and Natural Gas
Government of India

TABLE OF CONTENTS

Articles	Contents	Page No
Article 1	Definitions	7
Article 2	Participating Interests	15
Article 3	Duration of Contract	16
Article 4	Relinquishment	17
Article 5	Work Programme	18
Article 6	Management Committee	20
Article 7	Operatorship, Operating Agreement and Operating Committee	22
Article 8	General Rights and Obligations of the Parties	23
Article 9	Government Assistance	25
Article 10	Discovery, Development and Production	26
Article 11	Petroleum Exploration License and Petroleum Mining Lease	228
Article 12	Unit Development	29
Article 13	Measurement of Petroleum	31
Article 14	Protection of the Environment	32
Article 15	Revenue Share	35
Article 16	Taxes, Royalties, Rentals, Duties Etc.	36
Article 17	Domestic Supply, Sale, Disposal and Export of Natural Gas, Crude Oil and Condensate	37
Article 18	Joint Development of Common Infrastructure	38
Article 19	Valuation of Petroleum	39
Article 20	Employment, Training and Transfer of Technology	40
Article 21	Local Goods and Services	41
Article 22	Insurance and Indemnification	42
Article 23	Records, Reports, Accounts and Revenue Audit	43
Article 24	Information, Data, Confidentiality, Inspection and Security	44
Article 25	Title to Petroleum, Data and Assets	47
Article 26	Assignment of Participating Interest	48
Article 27	Guarantees	50
Article 28	Term and Termination of the Contract	51
Article 29	Force Majeure	53
Article 30	Applicable Law and Language of the Contract	54
Article 31	Sole Expert, Conciliation and Arbitration	55

Article 32	Change of Status of Companies	57
Article 33	Entire Agreement, Amendments, Waiver and Miscellaneous	58
Article 34	Certificates	59
Article 35	Notices	60
Appendix A	Description of the Contract Area	62
Appendix B	Map of the Contract Area	63
Appendix C	Broad Framework of Field/ Contract Area Development Plan	64
Appendix D-1	Form of Parent Company Financial and Performance Guarantee	66
Appendix D-2	Form of Company Financial and Performance Guarantee	67
Appendix E	Performa of Bank Guarantee to be Provided Pursuant to Article 27	68

REVENUE SHARING CONTRACT

This Contract made on this _____ day of _____ (month) _____ (Year) between:

The President of India, represented by, Ministry of Petroleum and Natural Gas acting through Mr _____, _____, Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi-110001 (hereinafter referred to as "the Government") of the FIRST PART;

AND

_____ (hereinafter referred to as _____ "Contractor") 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;

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 thereunder (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. Since the Coal/ Lignite Bed Methane (CBM) is a Natural Gas, therefore it also is governed by the said Acts and Rules.
- (2) Furthermore, 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 be discovered and exploited in accordance with Modern Oil Field and Petroleum Industry Practices with utmost expedition in the overall interests of India;
- (5) The Government 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.
- (6) Members constituting the Contactor or Contractor has/have committed that it has, 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 Modern Oil Field and Petroleum

Industry Practices and will provide guarantees as required in Article 27 for the due performance of its obligations hereunder; and

- (7) As a result the bid submitted by XYZ pursuant to an International Competitive Bidding (ICB) process and subsequent evaluation process between representatives of the Government and XYZ, the Government has agreed to enter into this Contract with XYZ in respect of the Contract Area identified as _____ and detailed in Appendix A and Appendix B, on the terms and conditions herein set forth.

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:
- 1.2 "Act" means Oilfields (Regulation and Development) Act, 1948 as amended from time to time.
- 1.3 "Affiliate" means a company or a body:
- (a) which directly or indirectly controls or is controlled by a Company 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 Company which is a Party to this Contract.
- For the purpose of this definition it is understood that "control" means: (i) ownership by one company of more than fifty percent (50%) of the voting securities of the other company; or (ii) the power to direct, administer and dictate policies of the other company even where the voting securities held by such company exercising such effective control in that other company is less than fifty percent (50%) and the term "controlled" shall have a corresponding meaning.
- 1.4 "Appendix" means an Appendix attached to this Contract and made a part thereof.
- 1.5 "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.
- 1.6 "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. The sale to the Contractor or its constituents will not be considered as Arms' Length Sale.
- 1.7 "Article" means an article of this Contract and the term "Articles" means more than one Article.
- 1.8 "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.
- 1.9 "Average Daily Revenue" means Revenue as defined in Article 15.1 during a Month divided by the number of days in that Month.
- 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).
- 1.11 "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.

- 1.12 "Bid" means the complete bid submitted in relation to the Field/Contract Area by the Contractor pursuant to the NIO, that *inter alia* comprised of the Bid Work Programme, financial proposal on Revenue Share that has been accepted by the Government and pursuant to which this Contract is being entered into.
- 1.13 "Bid Work Programme" means the Work Programme specified by the Contractor in its Bid that is provided under in Article 5.
- 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.
- 1.15 "Business Day" means any of the Calendar Days, which is not a holiday.
- 1.16 "Calendar Day" means any of the seven (7) days of a week.
- 1.17 "Calendar Month" means any of the twelve (12) months of the Calendar Year.
- 1.18 "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.
- 1.19 "Coal Bed Methane (CBM)" means Natural Gas (mainly Methane) contained in coal or bituminous lignite beds under Reservoir condition and extracted therefrom during Petroleum Operations.
- 1.20 "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.
- 1.21 "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).
- 1.22 "Commercial Production" means production of Crude Oil or Condensate or Natural Gas or any combination of these 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.
- 1.23 "Company" for the purpose of this Contract means a company which is a Party to this Contract and, where more than one Company is Party to the Contract, the term "Companies" shall mean all such Companies collectively, including their respective successors and permitted assigns under Article 26.
- 1.24 "Condensate" means those low vapour pressure hydrocarbons with API gravity between 50^o API and 120^o 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.
- 1.25 "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.

- 1.26 "Contract Area" means, on the Effective Date, the area described in Appendix A and delineated on the map attached as Appendix B or any portion of the said area remaining after relinquishment or surrender from time to time pursuant to the terms of this Contract. A Contract Area may consist of a single or multiple Existing Discoveries.
- 1.27 "Contract Year" means a period of twelve (12) consecutive months counted from the Effective Date or from the anniversary of the Effective Date.
- 1.28 "Contractor" means the Company (ies).
- 1.29 "Corehole" 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.
- 1.30 "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.
- 1.31 "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, and different Delivery Point(s) may be established for purposes of sales.
- 1.32 "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.
- 1.33 "Development Period" means the period specified as such in Article 3.2 in respect of the Existing Discoveries.
- 1.34 "Development Phase" means the period specified as such in Article 10.3 for new Discoveries.
- 1.35 "Development Operations" means operations conducted in accordance with the Field Development Plan and Good International Petroleum Industry Practices (GIPIP).
- 1.36 "Development Well" means a Well drilled, deepened or completed for the purposes of producing Petroleum, increasing production, sustaining production or accelerating extraction of Petroleum including production Wells, injection Wells and dry Wells.
- 1.37 "DGH" or "Directorate General of Hydrocarbons" shall mean the organisation 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.
- 1.38 "Discovery" means the finding, during Petroleum Operations, of a deposit of Petroleum not previously known to have existed, which can be demonstrated as recoverable at the surface, by methods which are in adherence to Modern Oil Field and Petroleum Industry Practices.
- 1.39 "Discovery Area" means that part of the Contract Area about which, based upon Discovery and the results obtained from a well or wells drilled in such part, the Contractor is of the opinion that

Petroleum exists and is likely to be produced in commercial quantities.

- 1.40 "Effective Date" means the later of: (a) the date on which this Contract is executed by the Parties, or (b) if a Lease has already been issued in respect of any part of the Contract Area, then the date on which the said Lease is either transferred to Contractor or a new lease is issued in the event the Lease cannot be transferred. Provided that in the event the Contract Area covers many fields/discoveries then the Effective Date shall be determined as above with reference to the date on which any of the events described under sub-clause (b) hereof first occur in respect of any of the Fields comprising the Contract Area.
- 1.41 "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, avi-fauna or any plant or animal life whether in the sea or in any other water or on, in or under land.
- 1.42 "Excess ANG" shall have the meaning set forth in Article 10.6.
- 1.43 "Existing Discovery (ies)" means the Discovery of Petroleum deposits already made in the Contract Area and disclosed in the NIO.
- 1.44 "Existing Well" means the wells identified in the NIO as already existing within the Contract Area.
- 1.45 "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 seismic surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology including drilling of Exploration Wells and Appraisal Wells and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with Petroleum exploration.
- 1.46 "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).
- 1.47 "Field" means an Oil Field or a Gas Field or combination of both as the case may be.
- 1.48 "Field Development Plan" or "FDP" means the comprehensive plan formulated by the Contractor in relation to the development of a Discovery or a group of Discoveries or Fields as the case may be, in accordance with Article 10.
- 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.
- 1.50 "Foreign Company" means a Company within the meaning of Section 2(42) of the Companies Act, 2013.
- 1.51 "Government share of Revenue at LRP" means ____% of Revenue offered by the Contractor at the Lower Revenue Point or LRP in response to the Notice Inviting Offer (NIO).
- 1.52 "Government share of Revenue at HRP" means ____% of Revenue offered by the Contractor at the Higher Revenue Point or HRP in response to the Notice Inviting Offer (NIO).

- 1.53 "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.
- 1.54 "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.
- 1.55 "Gas Hydrate" means an occurrence of hydrocarbon in which molecules of natural gas, typically methane, are trapped in ice molecules.
- 1.56 "Government" or "Central Government" means Government of India unless otherwise stated.
- 1.57 "Government's share of Revenue" means the amounts determined to be payable to the Government for each month under Article 15 of this Contract.
- 1.58 "HRP" or "Higher Revenue Point" means value notified as being the HRP/Higher Revenue Point in the NIO, for the Contract Area.
- 1.59 "Lease" means a petroleum mining lease issued pursuant to the Rules.
- 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 or Contract Area.
- 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 a ICE LIBOR contributor panel bank as the Parties may agree.
- 1.62 "License" means a petroleum exploration license referred to in the Rules.
- 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.
- 1.64 "Liquidated Damages" or "LDs" shall have the meaning ascribed to the term in Article 5.2.
- 1.65 "LRP" or "Lower Revenue Point" means the value notified as being the LRP/Lower Revenue Point in the NIO, for the Contract Area.
- 1.66 "Management Committee" means the committee constituted pursuant to Article 6 hereof.
- 1.67 "Member" mean such Parties that comprise the Contractor in the event the Contractor is a consortium comprising of more than one Party.
- 1.68 "Modern Oil Field and Petroleum Industry Practices" shall include the "Good International Petroleum Industry Practices" and other guidelines and notifications as and when issued by the Government.
- 1.69 "Month" means Calendar Month.
- 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.

- 1.71 “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.
- 1.72 “Non-Defaulting Party (ies)” shall have the meaning specified in Article 28.3.
- 1.73 “NIO” or “Notice Inviting Offers” means the notice inviting offers issued by the Government of India dated _____ and its amendment/errata thereto, pursuant to which Contractor had submitted their Bid for this Contract.
- 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.
- 1.75 “Operator” means one of the Parties comprising the Contractor, appointed as the Operator pursuant to Article 7.
- 1.76 “Operating Agreement” means the Operating Agreement entered by the constituents of the Contractor in accordance with Article 7, with respect to conduct of Petroleum Operations.
- 1.77 “Operating Committee” means the Committee established by that name in the Operating Agreement pursuant to Article 7.
- 1.78 “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.
- 1.79 “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.
- 1.80 “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.
- 1.81 “Petroleum” means naturally occurring hydrocarbons in a free state, whether in the form of natural gas or in a liquid, viscous or solid or Condensate form or extracted through any unconventional means or sources such as CBM, shale gas, shale oil, tight gas, and gas hydrates, but does not include helium occurring in association with petroleum, or coal, or shale, or any substance which may be extracted from coal, shale or other rock by application of heat or by a chemical Process. For the purpose of this definition, “shale oil” means crude oil / condensate generated in-situ and retained in shale and associated fine grained rock matrix including carbonate stringers and within fractures in shales of source rock origin and obtained there from through boreholes.
- 1.82 “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.
- 1.83 “Petroleum Produced and Saved” means gross Petroleum produced minus impurities such as water or solids produced along with Petroleum, Petroleum recycled to the reservoir, Petroleum used in Petroleum Operations or flared or otherwise unavoidably lost under the provisions of the

Contract.

- 1.84 "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.
- 1.85 "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.
- 1.86 "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.
- 1.87 "Program Quantity" shall have the meaning specified in Article 10.
- 1.88 "Quarter" or "Calendar Quarter" means a period of three (3) consecutive Calendar Months commencing on the first day of January, April, July and October of each Calendar Year.
- 1.89 "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.
- 1.90 "Revenue" means revenue as defined in Article 15.1.
- 1.91 "Revenue Share" shall mean Government's share of Revenue
- 1.92 "Royalty" means the royalty payable by the Contractor to the Government under the applicable laws in force from time to time.
- 1.93 "Rules" means the Petroleum and Natural Gas Rules, 1959 and any amendments made thereto from time to time.
- 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.
- 1.95 "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 stabilisation, in-filling of excavations or any other appropriate actions in the circumstances and will include Government notifications/guidelines, if any.
- 1.96 "SOFR" shall mean the Six -Monthly Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate)

- 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.
- 1.98 "Subcontractor" means any company or person contracted by the Contractor or Operator to provide goods or services with respect to Petroleum Operations.
- 1.99 "Technical Assessment Report" or "TAR" shall mean the part A of FDP specified in Article 10.
- 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.
- 1.101 "US \$" or "USD" or "US Dollar" or "United States Dollar" means the currency of the United States of America.
- 1.102 "Well" means a borehole or a Core hole, made by drilling in the course of Petroleum Operations in accordance with Modern Oil Field and Petroleum Industry Practices, but does not include a seismic shot hole.
- 1.103 "Work Programme" means a work programme formulated, in accordance with Article 5, for the purpose of carrying out Petroleum Operations.
- 1.104 "Year" means a Financial Year.

ARTICLE 2

PARTICIPATING INTERESTS

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

2.2 The initial Participating Interest of the Parties comprising the Contractor shall be as follows:

XXXXX- Y%

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

- (a) The Contractor shall appoint any one of the Parties comprising 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 this sub-clause 2.3, the appointment of the Operator shall in no way limit, restrict or discharge the other Parties comprising the Contractor from their obligations, responsibilities and liabilities as Parties 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 on a joint and several basis against the Parties comprising the Contractor to the extent of their individual and/or aggregate Participating Interest.
- (c) The liability of the Parties comprising the Contractor under this Contract shall be both joint and several.
- (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 Parties comprising the Contractor shall be jointly and severally liable insofar as the damage may be believed to have been caused by any Petroleum Operations.

ARTICLE 3

DURATION OF CONTRACT

- 3.1 Subject to Article 3.2 and 3.3, the duration of Contract shall commence from the Effective Date and shall continue for the period that is the lesser of: (a) twenty (20) years from the Effective Date or (b) till economic life of the Contract Area as submitted in the Bid i.e. ____ **years**, unless the Contract is terminated earlier in accordance with its terms. The Contract shall be deemed to have been terminated, if for any reason, the Contractor ceases to hold the License or Lease.

Provided that, in the event the Contractor determines that the production of Petroleum from the Block is expected to continue beyond the end of the Term as referred above, the Contractor may submit an application for extension of Contract together with specific conditions for such extension if any, whereupon Parties may agree to extend this Contract for a further period upon such terms as may be mutually agreed.

Provided that the duration of the Contract may be extended upon mutual agreement between the Parties for a further period not exceeding ten (10) years.

This Contract would be extended based on the provisions hereof and any Government guidelines, issued from time to time, governing extension of term of this Contract.

- 3.2 The Contractor shall complete the Bid Work Programme within three (3) years from the Effective date, in case of Contract, ("Development Period").

Provided that, for the purpose of completion of Bid Work Programme, the contractor may extend the Development Period, as specified in this Article, for a maximum period upto One (1) year by making a payment to the Government at least thirty (30) days prior to the expiry of Development Period as follows:

- i. USD 15,000 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 specified by Government. The extension shall be automatic on making the payment in the account. The extensions can be sought multiple times by making requisite payments subject to maximum period indicated above.

- 3.3 The Contractor shall commence commercial production from Contract Area within the timelines stipulated in Article 3.2. In the event the Contractor fails, the entire Contract Area shall stand relinquished subject to compliance of Article 5.2 and Article 14.

Notwithstanding the above, provided the Bid Work Programme has been completed as per Article 3.2, upon prior recommendation of the Management Committee, the Government may grant upto two extensions of six (6) months each for the Contractor to commence production for reasons acceptable to Government provided Contractor extends the validity of Bank Guarantee, submitted pursuant to Article 27 for the period of extension sought and deliver to Government.

- 3.4 In case of cessation of production for a period of over one (1) year at any instance after the commencement of production as stipulated under Article 3.3 from the Contract Area, the Government may terminate the Contract.

- 3.5 The Contractor shall have the right to carry out Petroleum Operations including Exploration, Development and Production within the Contract Area during the duration of Contract, subject to it having a valid license / lease, at the sole risk and cost of the Contractor.

ARTICLE 4

RELINQUISHMENT

- 4.1 Subject to Article 5.1, 5.2 and 28.2, the Contractor may relinquish the entire Contract area or a part thereof anytime during the Contract duration. However, any part 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) to the extent possible.
- 4.2 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.
- 4.3 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.
- 4.4 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 14 and 25.4, remove all equipment and installations from the relinquishment area or former Contract Area in a manner agreed with the Government pursuant to an abandonment plan; and (b) perform all necessary Site Restoration activities in accordance with Modern Oil Field and Petroleum Industry Practice, the applicable notifications of the Government and take all other actions necessary to prevent hazards to human life or to the property of others or the environment.
- 4.5 Subject to Article 22.2, 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 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 The Contractor shall complete the following Work Programme, which shall constitute the Bid Work Programme committed by the Contractor within the timelines stated in Article 3.2 and 3.3:

Sl. No.	Name of Contract Area	Type of Work	Physical Quantity
1	XXXXX	Appraisal/ Development Wells	YYYY

5.2 Subject to Article 29, in the event that the Contractor fails to fulfill the said Bid Work Programme committed under article 5.1 within the timelines stipulated therein then each Company constituting the Contractor shall be liable to pay to the Government jointly and severally an amount which shall be equivalent to Liquidated Damages as under, in respect of Bid Work Programme not done:

Work Program	On-land
Per well (in US\$)	250,000

In case of a well drilled only partially, the Contractor shall pay Liquidated Damages stipulated for a complete Well.

5.3 The Contractor shall have the right to formulate an additional Work Programme, within the stipulated period as specified in Article 3, to cover Petroleum Operations for any type of hydrocarbon other than the type for which the Field/Contract Area was designated, and shall submit the same to the Management Committee for its information.

5.4 Notwithstanding any other provision of this Contract, in the event the Contract Area is reduced due to denial of clearances by Government agencies, etc., then the Government (acting through DGH) is empowered to exercise such powers of proportionate reduction of the Bid Work Programme, on the recommendations of the Management Committee, as under:

- a) If the Contractor does not accept any reduction in the Contract Area at any stage before the Lease is granted, the Contractor would be permitted to relinquish the Contract area without payment of Liquidated Damages as specified in Article 5.2. In such cases, the proposal for relinquishment shall be submitted by the Contractor within three months of the communication received by the Contractor for such reduction of the Contract Area.
- b) If the Contractor agrees for the reduced Contract Area, then the Contractor may be allowed a proportional reduction in Bid Work Programme. In case of wells, the number of wells shall be rounded off to the nearest integer with a minimum number of one. The choice of the wells to be drilled may be decided by the Contractor.
- c) In case, the Contractor does not exercise his option within three months but proposes to relinquish the Contract Area later, Liquidated Damages shall be payable as per the rates in Article 5.2.
- d) If delay due to lack of statutory and other clearances is beyond two (2) years and verified by DGH, then the Contractor would be permitted to relinquish the Contract area without payment of Liquidated Damages as specified in Article 5.2. In such cases the application for such reduction/ exiting should be made within 30 days 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 (2) year period.

- 5.5 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 at applicable SOFR plus 0.42826 percentage points plus 2(Two) percentage points/200 basis points.

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; and
 - (b) two (2) representatives of the Contractor if the Contractor is a single Party, or one (1) representative for each Party comprising the Contractor.
- The Parties shall nominate their representatives who would comprise the Management Committee, within thirty (30) days of the Effective Date.
- 6.3 Each Party may 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 representative of the Government shall be designated as the Chairman of the Management Committee and the second representative of the Government shall be designated as the Deputy Chairman. The member of the Operator, or the member designated by the Operator where Contractor has two (2) or more members in the Management Committee shall be designated as the Secretary of the Committee.
- 6.5 The following matters shall be submitted by the Contractor to the Management Committee for approval:
- (a) Annual Program Quantity;
 - (b) Development Area demarcated by the Contractor in accordance with this Contract;
 - (c) Methodology for measurement of Petroleum;
 - (d) Abandonment / Site Restoration plan in accordance with applicable rules/regulations/guidelines of the Government;
 - (e) Any other matter required by the terms of this Contract.
- 6.6 In addition to the functions under Clause 6.5 above, the Management Committee shall monitor the following technical aspects:
- (a) Adherence to the timelines given for Bid Work Programme and additional Work Programme wherever applicable;
 - (b) Actual production levels in accordance with the year on year projections of production as provided by the Contractor pursuant to Article 10;
 - (c) The health of the Reservoir (Reservoir performance) for proper and optimal exploitation of reserves;
 - (d) FDP and its timelines for implementation including drilling of appraisal / development wells.
 - (e) Annual Audited statement of Petroleum production, Revenue and computation of Share of Revenue.
- 6.7 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 depending on operational requirements. The Secretary to the Management Committee shall circulate the agenda for the meeting fifteen (15) days prior to such a meeting. The agenda of the meeting should contain the action taken report/ point on decisions taken between two meetings, and shall be finalized and circulated in consultation with the members of the Management Committee.

- 6.8 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 6.2 and 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 also present, shall constitute the quorum, and decisions taken by such quorum shall be final and binding on all the Parties including the absenting Parties notwithstanding the provisions of Article 6.9.
- 6.9 The Management Committee shall complete the process of providing any decision or undertaking any monitoring required (including approvals required under Article 6.5 above) within a maximum period of one hundred and twenty (120) days, including seeking any clarifications that it may require from the Contractor(s). The decisions of the Management Committee (other than those relating to monitoring functions under Clause 6.6 above) shall be sought to be taken, in the first instance, unanimously. In case, unanimity is not achieved in the Management Committee within the stipulated one hundred and twenty (120) days or in relation to monitoring functions under Clause 6.6 above, the decision of the Management Committee shall be the decision taken by the positive vote of: (i) the representative of the Contractor or the representatives of the Members having an aggregate Participating Interest of seventy percent (70%) or more (as applicable); and (ii) the representative of the Government. Where the decision could not be arrived in the Management Committee, the matter shall be referred by the Management Committee to the Government for decision, which decision shall be binding on all Parties to the Contract.
- 6.10 The Chairman or the Deputy Chairman, as may be the case, shall preside over the meetings of the Management Committee and, in their 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 provision to every member of the Management Committee with two (2) copies of the minutes approved by the Chairman within three (3) Business Days of the meeting.
- 6.11 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 Party.
- 6.12 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.

ARTICLE 7

OPERATORSHIP, OPERATING AGREEMENT AND OPERATING COMMITTEE

- 7.1 If the Contractor is a single Company 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 7.4.1 below shall not be applicable. Provided that, in the event an assignment of Participating Interest in accordance with Article 26 results in increase in the number of constituents of the Contractor, then the provisions of Article 7.4 and 7.4.1 shall apply from the date of such increase.
- 7.1.1 ~~XXXXXX~~ being one of the Companies constituting the Contractor, shall be the Operator for the purpose of carrying out Petroleum Operation pursuant to this Contract during the term of the Contract.
- 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, it shall submit an application to the Government along with all the relevant information/document/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
- 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 Modern Oil Field and Petroleum Industry Practices, provided, however, that this provision shall not be construed as relieving the Contractor (or constituents of Contractor thereof, if applicable) from any of its obligations or liability under the Contract.
- 7.4 If more than one Companies constitute the Contractor, the Companies constituting the Contractor shall execute an Operating Agreement 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 Operator;
 - b) the establishment of an Operating Committee comprising of an agreed number of representatives of the Companies 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 Operating Agreement.
- 7.4.1 Operator shall provide to the Government a copy of the duly executed Operating Agreement within thirty (30) days of its execution date or such longer period as may be agreed to by the Government.

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 11, 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 generally accepted Modern Oil Field and Petroleum Industry Practices;
 - (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 and the applicable laws in force from time to time for the regulation and control thereof;
 - (d) the right to use all available technical data, seismic and well information, maps, samples etc. available at National Data Repository (NDR) of the Contract Area as on the date of the signing of contract, free of charge, subject to nominal copying/reproduction costs for further Petroleum Operations. The Contractor shall submit the list of all data required by them to Directorate General of Hydrocarbons (DGH) based on the list of data provided in the information docket for the Field/ Contract Area pertaining to the Contract Area as soon as possible but not later than one hundred and eighty (180) days from the date of the signing of contract and the same, if available and reproducible, shall be made available to the Contractor in the office of DGH within ninety (90) days from the submission of such request for data by the Contractor.
 - (e) 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 Modern Oil Field and Petroleum Industry Practices:
- (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 Modern Oil Field and Petroleum Industry Practices with such degree of diligence and prudence reasonably and ordinarily exercised by

- experienced parties engaged in a similar activity under similar circumstances and conditions;
- (f) after the designation of a Contract Area, pursuant to this Contract, forthwith proceed to take all necessary action for prompt and orderly development of the Contract Area and for the production of Petroleum in accordance with the terms of this Contract;
 - (g) appoint and engage technically competent and experienced team, as prescribed by DGH, consisting of Subsurface, Surface, Drilling and HSE professionals, within one hundred eighty (180) days from signing of Contract and made known to the Government. Failing the above the contract shall be terminated in terms of article 28 of RSC.
 - (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.

8.5 Subject to the terms and conditions of this Contract, the rights and obligations of the Parties comprising the Contractor 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 to complete, at the Contractor's cost, the Bid Work Programme as provided in Article 5.1 within the time lines mentioned therein;
- d) the obligation of the Contractor to take possession of all wells and facilities, on "as is where is" basis within a period not later than twelve (12) months from the date of Signing of this Contract.
- 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.

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 Programmes 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 In relation to Existing Discovery or group of Existing Discoveries, the Contractor shall submit to the Management Committee within Nine (09) months from the date of the signing of the Contract, a detailed Field Development Plan (FDP) either individually or jointly for all the Existing Discoveries within the Contract Area. Provided the Contractor shall not be entitled for any reduction in Bid Work Program specified in Article 5.1 and any modification in the economic life specified in Article 3.1
- 10.2 In the event the Contractor does not commence Commercial Production from Contract Area within three (3) years from the Effective Date, the Contractor shall relinquish its right to develop Contract Area and the Contract shall terminate.

Notwithstanding the above, provided the Bid Work Programme has been completed as per Article 3.2, upon prior recommendation of the Management Committee, the Government may grant up to two extensions of six (6) months each for the Contractor to commence production for reasons acceptable to Government provided Contractor extends the validity of Bank Guarantee, submitted pursuant to Article 27 for the period of extension sought and deliver to Government.

- 10.3 If and when a new Discovery is made within the Contract Area, the Contractor shall forthwith notify the Management Committee and the Government in the prescribed format within seven (7) days from the establishment of the Discovery. The Contractor shall endeavor to submit the Field Development Plan (FDP) for such new discovery (ies) at the earliest to the Management Committee and enter into the Development Phase which shall begin after submission of the FDP and continue till commencement of Commercial Production, unless terminated earlier in accordance with Article 10.2.
- 10.4 If a Discovery or the area being identified for further development of an Existing Well is located in an area over which the Government has vested a third party with the right to conduct Petroleum Operations and if it could be efficiently developed with another Existing Well/ Discovery made in the Contract Area, the Government may, for securing the more effective recovery of Petroleum, by notice in writing to the Contractor and the other third party require that the Contractor and such third parties collaborate and agree on joint development of such Existing Well/ Discoveries, in accordance with Article 18 and generally accepted Modern Oil Field and Petroleum Industry Practices.
- 10.5 A FDP shall comprise of three distinct parts, namely:
- a) Part A shall be the detailed Technical Assessment Report (“TAR”) for the commercial development of the Field/ Contract Area (“Part A FDP”).
 - b) Part B shall provide the detailed work plan with timelines for commercial development of the Field/ Contract Area (“Part B FDP”).
 - c) Part C will comprise of the estimated costs and budgets for the commercial production from the Field/ Contract Area (“Part C FDP”).

The broad framework for a Field/Contract Area Development Plan is provided in Appendix C.

The FDP shall:

- (i) relate to the development of Discovery or Discoveries in contract area;
- (ii) be designed to ensure the most efficient, beneficial and timely exploitation of the Petroleum resources discovered;
- (iii) be prepared in accordance with sound engineering, economic, safety and environmental principles recognized in the generally accepted Modern Oil Field and

- Petroleum Industry Practices; and
- (iv) be prepared in accordance with any Rules / Guidelines notified by the Government.

The Contractor shall carry out Development Operations in accordance with the FDP.

- 10.7 No later than the fifteenth (15th) of January each Year from the start of commercial production, on an annual basis the Management Committee shall require the Contractor to prepare an estimate of potential production to be achieved for each of the following three (3) Years (“Program Quantity”) along with appropriate supporting information as may be requested by Management Committee for approval and monitoring of such Program Quantity by the Management Committee.

The Programme Quantity for any Year shall be the maximum quantity of Petroleum based on Contractor's estimates, as approved by the Management Committee, which can be produced from a Development Area consistent with Modern Oil Field and Petroleum Industry Practices taking into account the capacity of the producing Wells, storage capacity and production facilities available for use during the relevant Year. Any major changes in yearly estimates of Program Quantity shall be submitted by the Contractor to the Management Committee for its approval.

- 10.8 The Contractor can submit a revision to the FDP in respect of Development and Production Operations, for good cause and if the circumstances so justify, for the information of the Management Committee. However, the timelines as provided in Article 10.2 for existing discoveries will continue to prevail for the FDP of existing discoveries.

- 10.9 In the event 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, then the Contractor shall notify DGH of the same.

In case the area is not held by any other party, no application of license or lease is pending with the Government or on offer by the Government, the Government may grant the extension of the Development Area for the purpose of development on terms and conditions in accordance with method of Unit Development applicable in such cases, to be notified by Government.

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).

- 10.10 A failure of the Contractor to notify the DGH about any extension in the Reservoir of the Discovery area outside its Contract Area as required under Article 10.9, shall be considered a non-compliance or contravention of the provisions of this Contract in a material particular and the provision of Article 28.3 (g) shall apply accordingly.

- 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.

ARTICLE 11

PETROLEUM EXPLORATION LICENSE AND PETROLEUM MINING LEASE

11.1 Petroleum Exploration License and Lease

11.1.1 In the event the Field/Contract Area did not have an earlier Lease already issued or such Lease could not be transferred, then the Contractor shall forthwith apply to the State Government for grant of lease to the Contractor, so as to enable the Contractor to carry out Petroleum Operations in the Contract Area.

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

- a. cancellation in accordance with its terms, or on termination of this Contract in accordance with its terms;
- b. the Lease period may be extended by mutual agreement between the relevant State government and the Contractors for such period as may be agreed between the Contractor and the Government after taking into account the balance recoverable reserve and balance economic life of the Field/ Contract Area in the Contract Area from the expiry of the initial period. *Provided that* such extension would be for a period upto five (5) years or beyond as may be mutually agreed or as per extant Government policies/guidelines.
- c. the terms of this Contract and other terms and conditions as set forth in such Lease be consistent with this Contract and the relevant legislation.

11.2 Right to undertake Exploration for the duration of the Lease

The Contractor shall have the right to explore for Petroleum (of any type) within the area covered by the mining Lease for the entire duration of the said Lease.

11.3 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).

ARTICLE 12

UNIT DEVELOPMENT

- 12.1 If a Reservoir of a discovery is situated partly within the Contract Area and partly in an area in India over which another parties have a Contract to conduct Petroleum Operations and both parts of the Reservoir can be more efficiently developed together on a commercial basis, then on receiving information in writing from any party to these Contracts or 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, require that the Contractor collaborates and agrees with such other parties on the joint development of the Reservoir and 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 Article 12.2 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 which are being developed by another Contractor authorized by the Government, it shall promptly notify the DGH 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 in its Contract Area is extending into the contract area already being developed by another entity authorized by the Government (such contract area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other field hereinafter referred to as "Other Field", and such other entity hereinafter referred to as "Other Contractor"), then the Contractor shall submit an application for joint development of the Reservoir ("Joint Development Application") to the Government (acting through DGH) providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Field, (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.

The Government (acting through DGH) 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 (acting through DGH) believes that the Reservoir is common, then the Government will direct the Managing Committees of the Field and Other Field to carry out a hydrocarbon balancing study and submit a proposal for joint development of the Reservoir by the Contractor and Other Contractor.

In the event the Contractor and Other Contractor are not able to come to a consensus, the Government (acting through DGH), 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, energy value and quality by methods and appliances generally accepted and customarily used in Modern Oil Field and Petroleum Industry Practices and approved by the Management Committee.
- 13.2 The Government may, at all reasonable times, inspect and test the appliances used for measuring the volume, weight, energy value 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 Before commencement of production from the Contract Area, the Parties shall mutually agree on:
- a) the point or points at which Petroleum shall be measured
 - (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, energy value and quality, provided however that the Government shall not be responsible for any leakage or shortage, which shall be to the account of the Contractor.
- 13.4 The Contractor shall undertake to measure the volume, weight, energy value and quality of the Petroleum Produced and Saved from the Contract Area at the agreed measurement point consistent with generally accepted Modern Oil Field and Petroleum Industry Practices and guidelines for real-time measurement of petroleum issued by DGH with the frequency and according to procedures agreed pursuant to Article 13.3. The Contractor shall not make any alteration in the agreed method or procedures for measurement or to any of the approved appliances used for that purpose without the written consent of the Management Committee.
- 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 the Government shall have the right to be present at and 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.
- 13.7 Notwithstanding here in above, the Government may issue directions to the Contractor on the methodology of measurement, the equipment used for the measurement and the points 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 rules, regulations, notifications or orders, including (as applicable) 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 Modern Oil Field and Petroleum Industry Practices 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;
 - c) comply with the requirements of applicable laws and the reasonable requirements of the Government from time to time, and
 - d) shall ensure that:
 - (i) Petroleum Operations are conducted in an environmentally acceptable and safe manner consistent with Modern Oil Field and Petroleum Industry Practices 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 contractors and 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) 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.
- 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 any environmental impact study (if any) shall be carried out in accordance with applicable Environment Impact Assessment Notification as applicable from time to time. The Contractor shall notify the 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 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 State Government concerned under the Forest (Conservation) Act, 1980 and Rules made thereunder.
- 14.6 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 discussed with the Government and concerns expressed shall be taken into account.
- 14.6.1 In the event of an emergency, accident, Oil spill or fire arising from Petroleum Operations affecting the environment, the Contractor shall forthwith notify the Government and shall promptly implement the relevant contingency plan and perform such Site Restoration as may be necessary in accordance with Modern Oil Field and Petroleum Industry Practices.
- 14.6.2 In the event of any other emergency or accident arising from the Petroleum Operations affecting the environment, the Contractor shall take such action as may be prudent and necessary in accordance with Modern Oil Field and Petroleum Industry Practices in such circumstances.
- 14.7 In the event that the Contractor fails to comply with any of the terms contained in Article 14.6 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 such interest compounded on daily basis at SOFR plus 0.42826 percentage points plus 2(Two) percentage points/200 basis points from the date of commencement of obligation of the Contractor.
- 14.8 The Contractor shall prepare a proposal for the restoration of site including abandonment plan and requirement of funds for this and the annual contribution and such proposal shall be submitted for the consideration and approval of the Management Committee. The annual contribution shall be made by the Contractor in the Site Restoration fund account, which will be created in accordance with the Site Restoration Fund Scheme-1999 and Site Restoration and Abandonment guidelines for Petroleum Operations 2018, as amended, modified or replaced by the Government from time to time or any other scheme notified by the Government in this regard. 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 and the term PSC mentioned in Site Restoration and abandonment guidelines for Petroleum Operations 2018 may be read as RSC.

- 14.9 In this Article, a reference to Government includes the State Government.
- 14.10 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.
- 14.11 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 Article shall be:
- (i) all amounts that are accruing to the Contractor, net of taxes on sales, on account of or in relation to the Petroleum Produced and Saved from the Contract Area, including the stock in hand, during a Month after the Effective Date; LESS
 - (ii) Royalty and opening stock for that month.

15.2 The Government's share of Revenue for a Month, *when the Average Daily Revenue for that Month is less than or equal to LRP*, shall be% (X) of Revenue as determined in Article 15.1.

15.3 The Government's share of Revenue for a Month, *when the average daily Revenue for that Month is equal to or more than the HRP* shall be% (Y) of Revenue as determined in Article 15.1.

15.4 The Government's share of Revenue for a Month, *when the average daily Revenue for that Month is more than the LRP and less than the HRP*, shall be Z % of Revenue as determined in Article 15.1. The Government share of Revenue Z% shall be calculated by interpolation as under:

$$Z = X + [(Y-X) \times (R-0.01) / 0.49] \text{ (to be rounded off to four decimal points)}$$

Where:

X = % of Government share of Revenue payable at LRP under Article 15.2

Y = % of Government share of Revenue payable at HRP under Article 15.3

R = Average daily Revenue in Million US Dollar (to be rounded off to four decimal points) for that Month

LRP = US Dollar 0.0100 Million of Revenue per day

HRP = US Dollar 0.5000 Million of Revenue per day

The percentage of Government's share of Revenue at HRP shall be more than at LRP and both the percentages shall be non-zero positive whole numbers.

15.5 Notwithstanding Article 15.2, Article 15.3 and Article 15.4, in the event the contractor commences commercial production during the "Development Period", the Government Share of Revenue from the date of commencement of Commercial Production till the end of the Development Period (such period does not include any extensions including as under Article 3.2 of RSC) shall be at following rates irrespective of the revenue levels;

'@ 5 USD/ bbl for Oil and @ 20 US Cents/ MMBTU for Gas' or '@ Quoted LRP Rate (%) as mentioned in Article 15.2', whichever is lower.

15.6 The Government's share of Revenue for a month shall be paid by the Contractor to the Government latest by the end 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 SOFR as defined in article 1.96 plus 0.42826 percentage points plus 2(Two) percentage points/200 basis points.

ARTICLE 16

TAXES, ROYALTIES, RENTALS, DUTIES ETC

- 16.1 Companies and 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 :
- 16.2.1 Pursuant to the provisions of section 42 of the Income-tax Act, 1961, the following allowances shall apply in computing income tax payable by a Member comprising the Contractor on its profits and gains from the business of Petroleum Operations in lieu of (and not in addition to) the allowances admissible under the Income-tax Act, 1961.
- (i) If there is no commercial Discovery in the Contract Area and the Contract Area or any part thereof is relinquished or surrendered, all infructuous or abortive expenditure, both capital and revenue, incurred towards unsuccessful Exploration Operations relevant to that area shall be allowed in the Year of such relinquishment or surrender;
 - (ii) The expenditure incurred, both capital and revenue, towards Exploration or drilling activities in the Contract Area before the start of the Commercial Production shall be aggregated and 100% of such expenditure shall be allowed in the Year of first Commercial Production. Alternatively, such expenditure can be amortized over a period of ten (10) years from the Year of first Commercial Production;
 - (iii) The expenditure incurred, both capital and revenue, towards Exploration and drilling activities in the Contract Area after the beginning of Commercial Production, shall be allowed in the Year in which it is incurred;
 - (iv) The expenditure incurred towards Development Operations other than drilling operations, Production Operations and any other expenditure in respect of Petroleum Operations not covered in above (i), (ii) and (iii) shall be treated as per the relevant provisions of Income Tax Act 1961.
- 16.2.2 For the purposes of Article 16.2 and section 42 of the Income-tax Act, 1961:
- (a) The following terms used in section 42 of the Income-tax Act, 1961, shall have the meanings corresponding to the terms used in this Contract and defined in Article 1 as follows:
 - (i) "agreement" means this Contract as defined in Article 1;
 - (ii) "commercial production" shall have the meaning assigned in Article 1.
 - (b) "Year" means a Previous Year as defined in the Income Tax Act, 1961.
 - (c) The other terms used herein and defined in Article 1 shall have the meaning therein ascribed.
- 16.3 The Contractor (Lessee) shall be required to pay royalty to the pay to the State Government(s) (Lessor) at the rate of twelve point five percent (12.5%) of the Value of Crude Oil, Condensates and ten percent (10%) of Value of Natural Gas produced and saved in the Contract Area.
- 16.4 All the prevailing fiscal laws, rules and notifications issued by Government or State Government, governing Petroleum Operations under this Contract, are applicable.

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 Petroleum produced 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 Company's entitlement to Petroleum from the Contract Area.
- 17.2 If India attains Self-sufficiency in Petroleum, during any year, the Government shall advise the Contractor accordingly by a written notice. In such an event, domestic sale obligation shall be suspended for such period as may be specified by the Government, and the Company shall have the right to lift and export its Participating Interest share of Petroleum during the said period, subject to any other extant policy guidelines of the Government applicable from time to time.
- 17.3 If Self-sufficiency ceases to exist, the position shall revert to domestic sale obligation as outlined in Article 17.1.
- 17.4 Each Company comprising the Contractor shall, throughout the term of this Contract, have the right to separately take in kind and dispose of all its share from 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 Company (ies).
- 17.5 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. 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.
- 17.6 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 17.5 shall be deemed to be carried out on an Arm's Length Sale basis.
- 17.7 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). Such lifting procedure/sale agreement 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 field, whether such field 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 Field or Contract Area; or
 - (ii) develop common infrastructure(s) in accordance with the terms and conditions mutually agreed to between the Contractor or 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 seven (7) days of execution of such agreement.

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 year the records relating to the quantity of Petroleum used for the purposes of Petroleum Operations to the Management Committee for its information.

19.2 For the purpose of this Contract, the value of Crude Oil, Condensate and Natural Gas shall be determined in terms of United States Dollars based on the pricing methodology provide herein.

a) Valuation of Petroleum (other than Natural Gas)

The Contractor will be free to sell the Crude Oil and Condensate produced from Contract Area exclusively in domestic market, subject to Article 17, through a transparent bidding process on Arm's Length Sales principles.

However, for calculation of Revenue under this Contract, the minimum price will be 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 Petroleum Planning and Analysis Cell (PPAC) on a monthly basis. If the price arrived through bidding is more than the price of Indian Basket of Crude Oil then the Revenue under this Contract will be calculated based on the actual higher price realized.

b) Valuation of Natural Gas.

The Contractor will have freedom for pricing and sale of gas produced from Contract Area exclusively in domestic market, subject to Article 17, through a transparent bidding process on Arm's Length Sales principles.

However, for calculation of Revenue under this Contract, the minimum price will be calculated as per the Domestic Natural Gas Pricing Guidelines in vogue at relevant point of time. If the price arrived through bidding is more than the calculation based on the Domestic Natural Gas Price Guidelines issued by the Government from time to time, then the Revenue under this Contract will be calculated based on actual higher price realized.

19.3 Petroleum unsold during a Month will be valued at higher Price realized during preceding sale or price declared by the Government of India. The Price declared by the 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.

19.4 Opening stock of the month shall have same value as that of the closing stock of the previous month.

ARTICLE 20

EMPLOYMENT, TRAINING AND TRANSFER OF TECHNOLOGY

- 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 Indian nationals, the opportunity for on-the-job training and practical experience in Petroleum Operations. The Operator shall, establish and implement training programmes for staff positions in each level of Petroleum Operations including skilled, technical, executive and management positions, with a view to ensuring employment of nationals of India and gradual and progressive reduction of foreign personnel.
- 20.3 At the request of the Government, the Foreign Companies shall separately endeavour to negotiate, in good faith, technical assistance agreements with the Government or a company nominated by Government for this purpose setting forth the terms by which each Foreign Company constituting the Contractor may render technical assistance and make available commercially proven technical information of a proprietary nature for use in India by the Government or the company nominated by Government. The issues to be addressed in negotiating such technical assistance agreements shall include, but not be limited to, licensing issues, royalty conditions, confidentiality restrictions and method of payment.

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 at competitive prices and on competitive terms; provided that where no such Subcontractors are available, preference shall 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 Within sixty (60) days after the end of each Year, the Contractor shall provide the Government with a report outlining its achievements in utilizing Indian resources during that Year
- 21.3 In this Article “goods” means equipment, materials and supplies.
- 21.4 The Contractor will make all endeavours to utilize Indian goods and services in line with the Government initiative of “Make in India”.

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 Modern Oil Field and Petroleum Industry Practices, 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; and
- f) the Contractor's and/or the Operator's liability to its employees engaged in Petroleum Operations.

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

Not with standing Article 4.5, the Contractor shall indemnify, defend and hold the Government, and the State Government 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. The financial statements shall be prepared both in USD and Indian Rupees (INR) using reference rates published by the agency specified by Reserve Bank of India from time to time. The quantitative statements shall be prepared in Barrels (BBL) & Million Metric Tonnes (MMT) for Crude Oil and Condensates and in Million British Thermal Unit (MMBTU) and Million Standard Cubic Meter (MMSCM) for Natural Gas. The DGH will notify the Standard Operating Procedure for maintaining and submitting the records and financial accounts.
- 23.2 The Contractor shall open a separate bank account for doing the Petroleum Operations under this Contract and shall intimate the Government.
- 23.3 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 prescribed format (s) by 7th day of the following month.
- 23.4 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. The Audited statements along with the Auditor's Report shall be submitted to the Government within 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.
- The Contractor shall submit a copy of the auditor's report to the Government within thirty (30) days after submission for monitoring of the Management Committee.
- 23.5 The Government shall have the right to audit the Revenue and the quantity of Petroleum Produced and Saved.
- 23.6 Any demand from the Government for Revenue Share shall be paid forth with but not later than thirty (30) days along with interest due for late payment, compounded on daily basis at applicable SOFR plus 0.42826 percentage points plus 2(Two) percentage points/200 basis points, pending resolution of any dispute arisen as specified in Article 31.
- 23.6.1 Any audit exceptions shall be made by the Government in writing and notified to the Contractor within one hundred and twenty (120) days following completion of the audit in question. The Contractor shall answer any notice of exception under Article 23.6.1 within one hundred and twenty (120) days of the receipt of such notice. Where the Contractor has, after the said one hundred and twenty (120) days, failed to answer a notice of exception, the exception shall prevail and deemed to have been agreed to by the Contractor.
- 23.7 The accounting and auditing provisions specified in this Contract are without prejudice to other requirements imposed by any statute in India.
- 23.8 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 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 in India, 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, petro physical, 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 (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. The Contractor shall meet with the Government at a mutually convenient location in India to present the results of all geological and geophysical work carried out as well as the results of all engineering and drilling operations as soon as such Data becomes available to the Contractor.
- 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 Parties.
- 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 centres 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 Companies pursuant to Article 24.5 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. 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, 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 Statement to the DGH showing the following information separately of each producing Field/ Contract Area 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/ Contract Area.
- l) The Gas-Oil ratio for each Reservoir and Field/ Contract Area for the relevant Month.
- m) Water production, water injection and Reservoir pressure data for each Reservoir and Field/ Contract Area.
- n) The quantities of Crude Oil, Condensate and Natural Gas sold to every buyer
- o) The status of all the wells in the field / Contract Area by categorizing in flowing, non-flowing, on artificial lift, under work over etc. with future action plan, if any.

24.13 The Contractor shall also comply with the "Policy for E&P Data Assimilation, Disclosure, Sharing, Accessibility & Dissemination through National Data Repository (NDR)" as approved by Government and as amended from time to time.

ARTICLE 25

TITLE TO PETROLEUM, DATA AND ASSETS

- 25.1 The Government is the sole owner of Petroleum underlying the Contract Area and shall remain the sole 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 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 Party 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 is of good standing, 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 assignee or transferee respectively 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 In case of any change in the status of a Company or its shareholding resulting in a change in:
- (a) the control of the Company; or
 - (b) its relationship with the company(ies) providing the guarantee under Article 27;
- the Company shall seek prior written consent of the Government and the provisions of this Article 26 shall apply, mutatis mutandis, to be obtaining of such consent. For the purpose of this Article 26.2, control has the same meaning as in Article 1.3.
- 26.3 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 Companies constituting the Contractor, the terms of the proposed assignment or transfer and the unconditional undertaking referred to in this Article 26.
- 26.4 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.
- 26.5 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 Parties 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.
- 26.6 In the event that the Government does not give its consent or does not respond to a request for assignment or transfer by a Party comprising the Contractor within one hundred and twenty (120) days of such request and receipt of all information referred to in Article 26, the consent shall be deemed to have been given by the Government.
- 26.7 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.

- 26.8 Nothing contained in this Article 26, shall prevent a Party 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 Party 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.
- 26.9 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 35 at the same time as such notice is served on the Borrower. For the purposes of Article 35 the address for service of notices of the permitted chargee shall be that specified in the instrument or instruments referred to in Article 26.8(iii).
- 26.10 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 Companies constituting the Contractor shall procure and deliver to the Government within thirty (30) days from the Effective Date of this Contract:
- (a) an irrevocable, unconditional bank guarantee from a reputed bank of good standing in India, acceptable to the Government, in favour of the Government, for the amount specified in Article 27.2 and valid for the period of 3 years as specified in Article 3.2 with claim period of 90 days, in a form provided at Appendix E;
 - (b) financial and performance guarantee in favour of the Government from a Parent Company acceptable to the Government, in the form and substance set out in Appendix D-1, 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 D-2.
 - (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;
- 27.2 (a) The bank guarantee referred to in Article 27.1 (a) above shall be for an amount calculated at rates specified in Article 5.2. in respect of the Bid Work Program Specified in Article 5.1, provided that in the absence of any Bid Work Program stipulated in Article 5.1, the bank guarantee shall be submitted for a minimum guarantee of equivalent amount of USD 0.15 million,
- (b) After the completion and due performance of the Bid Work Program, the guarantee will be returned to the Company, provided that a bank guarantee submitted in respect of the minimum amount shall be returned on commencement of commercial production or on completion of period stipulated in Article 3.2 of RSC, whichever is earlier.
- 27.3 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.
- 27.4 Subject to Article 27.5, 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).
- 27.5 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 reputed bank of good standing in India, acceptable to the Government, in favour of the Government, for an amount as per Article 27.2 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 addendum 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).

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 that is the lesser of: (a) twenty (20) years from the Effective Date or (b) till the economic life of the Contract Area as submitted in the Bid i.e. ____**years**, 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. Provided that the duration of the Contract may be extended upon mutual agreement between the Parties for a further period not exceeding ten (10) years.

Notwithstanding the above, in the event the Contractor determines that the production of Crude Oil or Natural Gas from the Field/Contract Area expected to continue beyond the end of the Term as referred above, the Contractor will submit an application for extension together with any specific conditions for such extension if any, whereupon Parties may agree to extend this Contract for a further period upon such terms as may be mutually agreed. This Contract would be extended based on the provisions hereof and any GOI guidelines governing extension of term of this Contract, if any.

28.2 Subject to the provision of Articles 5, 14 and 28.6 and without prejudice to the provisions of Article 28.8 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 29, 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 Party 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 authority of the Government except such extractions as may be unavoidable as a result of operations conducted hereunder in accordance with generally accepted Modern Oil Field and Petroleum Industry Practices which, when so extracted, were immediately notified to 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 Company 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 Company'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 without the prior written consent of the Government as provided in Article 26; or
- f) 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; or
- g) has failed to comply with or has contravened the provisions of this Contract in a material

- particular; or
- h) has failed to comply with any final determination or award made by a sole expert or arbitrators subject to Article 31; or
- i) has failed to carry out or observe any of the terms and conditions of the License or Lease or the provisions of the Acts or Rules in force thereunder, subject however, to Article 29; or
- j) on notice of termination for not submitting the documents as provided in Article 27.3. ; or
- k) if the production from the Contract Area ceases for a period of over one (1) year.

PROVIDED THAT

where the Contractor comprises two or more Parties, the Government shall not exercise its rights of termination pursuant to this Article 28.3 (a) to (j), on the occurrence, in relation to one or more, but not all, of the Parties comprising the Contractor, of an event entitling the Government to terminate the Contract,

- (A) if any other Party or Parties constituting the Contractor (the “Non-Defaulting Party or Parties”) 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 Party or Parties with the consent of the Government, has/have acquired the Participating Interest of the defaulting Party 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 Party acquired by the Non Defaulting Party or Parties.

- 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 that give rise to the right of termination under Article 28.3 (f), or (g) or (i) or Article 28.4 are remedied (whether by the defaulting Company or another Party or Parties 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 or any Party comprising the Contractor and not discharged prior to the date of termination.
- 28.7 The Contract shall stand terminated when the entire Contract Area is relinquished.
- 28.8 In the event of termination pursuant to Articles 28.2, 28.3 or 28.4:
- (a) 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;
 - (b) a Foreign Company, which is a constituent of the Contractor, shall have to remove and export all its property subject to Article 25 and the provisions hereof provided that in the event that ownership of any property is in doubt, or disputed, such property shall not be exported unless and until the doubt or dispute has been settled in favour of the Foreign Company.
- 28.9 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 4.4, 14 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.

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 thirty (30) days after the occurrence of the event of Force Majeure, notify the Management Committee in writing giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons for its suspension. The Management Committee may, at its discretion, accept notice of occurrence of a continuing Force Majeure after thirty (30) days of the occurrence of the said Force Majeure, if the rights of the Government are not adversely affected due to delayed submission of notice of occurrence of Force Majeure.
- 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 as soon as 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 and has suspended obligation pursuant to Article 29.3 by serving notice within 30 days of occurrence of the event, 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 this Contract, may be extended to the extent of Force Majeure period or by such period as may be approved by the Management Committee.
- 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.

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 will also include amendments, revisions, modifications, etc.

ARTICLE 31

SOLE EXPERT, CONCILIATION AND ARBITRATION

- 31.1 The Parties shall use their best efforts to settle amicably all disputes, differences or claims arising out of 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 of 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 Subject to the provisions of this Contract, the Parties hereby agree that any controversy, difference, disagreement or claim for damages, compensation or otherwise (hereinafter in this Article referred to as a "dispute") arising between the Parties, which cannot be resolved by the Committee may (except for those referred to in Article 31.2, which may be referred to a sole expert) be submitted to conciliation or an arbitral tribunal for final decision as hereinafter provided.
- 31.6 The arbitral tribunal shall consist of three arbitrators. Each Party to the dispute shall appoint one arbitrator and the Party or Parties shall so advise the other Parties. The two arbitrators appointed by the Parties shall appoint the third 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 and Conciliation Act, 1996.
- 31.8 If the two arbitrators appointed by or on behalf of the Parties fail to agree on the appointment of the third 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 third arbitrator shall be appointed in accordance with Arbitration and Conciliation Act, 1996.

- 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 after conclusion of hearings unless otherwise extended by the Parties, 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 shall be governed by the Arbitration and Conciliation Act, 1996 ("Arbitration Act"). Arbitration proceedings shall be conducted in accordance with the rules for arbitration provided in Arbitration Act.
- 31.12 The right to arbitrate disputes under this Contract shall survive expiry or the termination of this Contract.
- 31.13 The juridical seat of arbitration shall be New Delhi, India. The venue of 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 third arbitrator and other incidental expenditure in relation to arbitration and liability thereof shall be at the discretion of the arbitrators. The fees and expenditure of the Arbitration should be according to Arbitration Act and Rules made from time to time.
- 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 COMPANIES

- 32.1 Subject to the terms of this Article and other terms of the Contract, any Party comprising the Contractor may enter into transaction which may result in change in the management or control of a Company (ies) or the relationship with any guarantor of the Company(ies) with the prior written consent of the Government and compliance of Article 26.2 provided that the Government is satisfied on:
- a) Technical and Financial strength of the new Company;
 - b) Details of shareholders agreement;
 - c) Composition of Board of Directors consequent upon such transaction;

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”.

ARTICLE 34

CERTIFICATES

34.1 A Company 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 Company 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 Company under its seal in this regard and to the effect that the Company 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 Bhavan,
Dr. Rajendra Prasad Marg, New Delhi- 110001, INDIA

Facsimile No.: +91 11 23383585

Email:

(b) If to the contractor:

Facsimile No.: _____

Telephone No.: _____

Email: _____

(Note: If there are more than one member, all the members are notified)

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.

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 ____ (month) ____ (year).

Signed for and on behalf of the President of India

Signature: _____
Name: _____
Designation: _____
Address: _____

In presence of

1. Signature: _____
Name: _____
Address: _____

2. Signature: _____
Name: _____
Address: _____

Signed for and on behalf of XYZ

Signature: _____

In presence of

1. Signature: _____
Name: _____
Address: _____

2. Signature: _____
Name: _____
Address: _____

APPENDIX A

DESCRIPTION OF THE CONTRACT AREA

The area comprising approximately ____ **Sq.Km.** India identified as _____ described here in and shown on the map attached as Appendix B (“Map of the Contract Area”). Longitude and latitude measurements are given below:

CO-ORDINATES OF XXXXXXXX (WGS84)						
Point	LONGITUDE			LATITUDE		
	Deg	Min	Sec	Deg	Min	Sec

APPENDIX B

MAP OF THE CONTRACT AREA

APPENDIX C

BROAD FRAMEWORK OF FIELD/ CONTRACT AREA DEVELOPMENT PLAN

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 D1

FORM OF PARENT COMPANY FINANCIAL AND PERFORMANCE GUARANTEE

(to be furnished pursuant to Article 27 of the Contract)

WHEREAS _____ a company duly organised 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 Parent Company of XYZ company ; and WHEREAS XYZ Company (hereinafter referred to as XYZ which expression shall include its successors and permitted assigns) is signatory to a Revenue Sharing Contract in respect of area identified as Block _____ (hereinafter referred to as 'the Contract') made between the Government of India (hereinafter referred to as 'the Government'), and

XYZ Company; and WHEREAS the Guarantor wishes to guarantee the performance of XYZ Company 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 Company, financial, technical and other resources required to ensure that XYZ Company 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 Company, of any obligations of XYZ Company under the Contract.
3. The Guarantor hereby undertakes to the Government that if XYZ Company-, 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 Company 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 Company.
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 Company 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 byelaws of XYZ Company or the Guarantor or in any instrument establishing the Company 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 Company; (b) any amendment to the Contract or to any security or other guarantee or indemnity to which XYZ Company 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 reorganisation of XYZ Company.
7. This guarantee shall be governed by and construed in accordance with the laws of India.

IN WITNESS WHEREOF the Guarantor, through its duly authorised representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____ day of _____ 20__

APPENDIX - D2

FORM OF COMPANY FINANCIAL AND PERFORMANCE GUARANTEE

(to be furnished pursuant to Article 27 of the Contract)

WHEREAS XYZ Company _____ duly organised 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 area identified as Block _____ (hereinafter referred to as the 'Contract') made between the Government of India (hereinafter referred to as the 'Government'), and XYZ Company (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 Company 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 fulfil 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 Company, under the Contract or as a result of any decision or award made by any expert or arbitral tribunal there under.
5. This guarantee shall not be affected by any change in the Articles of Association and bye-laws of XYZ Company or in any instrument establishing the Company.
6. The liabilities of the Guarantor shall not be discharged or affected by (a) any time indulgence, waiver or consent given to XYZ Company; (b) any amendment to the Contract or to any security or other guarantee or indemnity to which XYZ Company has agreed; (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 authorised representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____ day of _____ 202__.

APPENDIX E

FORM 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 the "Contract", which expression shall include all the amendments agreed to between the Government and the Contractor, thereto), with M/s XYZ Company having its registered office at _____ (hereinafter referred to as XYZ, 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 XYZ Company shall furnish to Government a bank guarantee (hereinafter referred to as "Guarantee") towards its obligations as provided in the Contract in US\$ (for Foreign Companies) / US\$ equivalent in Indian Rupees (for Indian Companies) for the performance of its obligations under the Contract.
- 2 We.....(name of the Bank) registered under the Law ofand having its registered office at (herein after 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) Indian Rupees / US\$ _____ (in words) without any demur, reservation, contest or protest and / or without any reference to the Company. 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 debt or, in the first instance, without proceeding against the Company and not withstanding any security or other guarantee that Government may have in relation to the Company'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 Contractor to extend time of performance by the saidCompany 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 _____ Company 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 Company or for any forbearance, act or omission the part of Government or any indulgence by Government to the said Company or any such matter or thing what so ever 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 Company or that of the Contractor.
- 7 The Bank confirms 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 Not with standing 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 upto _____ and including ninety (90) days after the expiry date/extended date. Any claim under this Guarantee must be received before the expiry of ninety (90) days or before the expiry of ninety (90) days from the extended date if any. If no, such claim has been received by us with in ninety (90) 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 upto ninety (90) 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 where of, the Bank through its authorized officers has set its hand and stamp on this _____ day of 202_ at _____

The seal of _____ was hereto duly affixed by this day of ___202_ 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:

