



# GEOENPRO PETROLEUM LIMITED

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## NOTICE INVITING OFFER FOR SALE OF ASSOCIATED NATURAL GAS

GeoEnpro Petroleum Ltd. is the operator of the Kharsang Oilfield located in the state of Arunachal Pradesh, India. The Kharsang Oilfield was awarded by the Government of India in 1995 under a Production Sharing Contract (PSC) to a consortium comprising Oil India Limited, Geopetrol International Inc., Jubilant Energy (Kharsang) Pvt. Limited (formerly Enpro India Limited) and GeoEnpro Petroleum Limited (GeoEnpro) (together, the "Sellers").

Associated Natural Gas from the Kharsang Oilfield is available for off take immediately, subject to the terms of Sellers' PSC with the Government of India / necessary approvals being obtained by GeoEnpro.

GeoEnpro [on behalf of/ along with Oil India Limited, Geopetrol International Inc., Jubilant Energy (Kharsang) Pvt. Limited] invites offers / bids in sealed envelopes from interested bidders to off-take either part or full of the approximate quantity of 35,000 – 40,000 SCMD (~ 1.2 -1.4 MMSCFD) of Associated Natural Gas (NCV of ~ 8000 kCal/m<sup>3</sup>) as per the gas price formula given below. The supply of Associated Natural Gas shall be at a designated delivery point within the battery limits of the Kharsang Oilfield at a delivery pressure estimated to be in the range of 1.5-2.0 kg/cm<sup>2</sup>.

The sale of Associated Natural Gas will be as per terms and conditions of the Model Gas Sales and Purchase Agreement (GSPA) and is expected to commence by the second half of 2013. The sale is subject to Government policies and directions as applicable from time to time.

In order to determine a competitive arm's length price for the sale of Associated Natural Gas, we request all bidders to submit their quotes on the basis of the GSPA (without any deviation or conditionality), which is available on our website at [www.geoenpro.com](http://www.geoenpro.com), along with instructions to bidder, format for submitting bid and format for bid bond, using the price formula as set forth below.

### The Price Formula

The offers of the bidders are to be submitted by the bidders based on the following gas price formula:

$$\text{Gas Price (P)} = \text{APM} + \text{C}$$

Where

- P is gas price in US\$/MMBtu (on NCV basis) at the Delivery Point.
- APM is the Administered Price Mechanism (APM) for sale of natural gas by national oil companies from nomination fields in the North-East region as revised from time to time. APM is currently USD 4.2/MMBtu. However, for North East region with a subsidy of 40%, the prevailing APM is USD 2.52/MMBtu. APM shall include any statutory or other modification to the current APM including change in nomenclature, modification or the like.
- C is any non-zero positive number bid by the bidder in US\$/MMBtu (to be quoted by the bidder).

In addition to the gas price as determined by the above formula, the prospective Buyer shall inter-alia be responsible for:

1. Paying all taxes, duties and levies on the sale of gas.
2. Royalty on actual as applicable from time to time.
3. Evacuating the contracted quantity of Natural Gas from the Delivery Point.
4. Any other charges as applicable from time to time.

The following may be noted by the bidders while submitting their offers:

1. The offer shall be submitted on the basis of the GSPA mentioned above and without any deviations or conditionality.
2. Any modification to the gas price formula by the bidders shall not be valid and the bid shall be liable for rejection at the sole discretion of Sellers / GeoEnpro.
3. Sale or obligation to sell shall arise only following the execution of a GSPA.
4. The offer of the bidder would be valid for a period of six months from the date notified by the Seller as the last date for submission of offers by the bidders.
5. Inviting these offers does not constitute commitment to supply of natural gas and the same shall be subject to the terms of Sellers' PSC with the Government of India and necessary approvals being obtained by Sellers/GeoEnpro.
6. Offers by bidders resulting in a gas price which is not aligned to the current prevailing market prices of natural gas in India shall be liable to be rejected at the sole discretion of the Sellers.
7. Sale of Associated Natural Gas shall be on "Take or Pay" @90% supply basis (calculated Quarterly) and "Supply or Pay" @80% supply basis (calculated annually).
8. Supply of Associated Natural Gas is expected to commence within 6 months of GSPA finalization, extendable up to 12 months depending upon the Buyer's Project and the supply is likely to continue up to June 2020 (Primary PSC term). Priority shall be given to early off-taker.
9. An interest free Earnest money deposit (EMD) in the form of demand draft /Banker's Cheque of the schedule bank drawn in favour of "GEOENPRO PETROLEUM LTD", payable at New Delhi, of an amount of INR 50,000/- (Rupees Fifty Thousand only) should be submitted along with the offer letter. Bids either not accompanied by a valid EMD or if accompanied but of an amount lesser than the applicable amount shall be liable for rejection.
10. Refer our website [www.geoenpro.com](http://www.geoenpro.com) for accessing the below mentioned documents:
  - a. Instructions to Bidder
  - b. Format for submitting Offer/ Bids
  - c. Model Gas Sales and Purchase Agreement (GSPA)
  - d. Format for Bid Bond
11. A pre-bid meeting with selected bidders is scheduled at 11:30 a.m. at GeoEnpro's office in Kharsang on 22.05.2013 and in Noida on 17.05.2013.
12. Offers those are not properly filled in, are mutilated, have page missing or with incorrect, inaccurate calculations or generally not complying with the conditions will be rejected. Late submission of tenders shall not be accepted. If the offers are sent by post/courier, it should be ensured by the Bidder that the cover should be intact at the time of reaching the destination without any damage or loss. The GeoEnpro shall not be responsible for the delay on account of postal/courier services and no claim whatsoever in this regard shall be entertained.

Please send your offer along with all the details as per the format on or before 1700 hours on 07.06.2013 on the following address:

Vice President,  
GeoEnpro Petroleum Limited,  
2nd Floor, Express Trade Towers 1,  
Plot15-16, Sector 16A, Film City,  
Noida-201301, Uttar Pradesh  
Email: [anil.bhatnagar@geoenpro.com](mailto:anil.bhatnagar@geoenpro.com)