

IMPORTANT NOTES:

1. Clauses relating to quantities of Gas are based on the assumption that there is a single buyer for the entire quantity of Gas on offer.
2. In case of more than one buyer, the quantities mentioned in Clause 10, Clause 11, Clause 12.a, Clause 15, Clause 16 and EXHIBIT 1: Daily Contract Quantity) shall be pro-rata apportioned based on the final sale quantities.

**GAS SALES AND PURCHASE AGREEMENT (GSPA)**

BETWEEN

(\_\_\_\_\_)

(AS BUYER)

AND

GEOENPRO PETROLEUM LIMITED

(GEOENPRO PETROLEUM LIMITED is acting as an agent for and on behalf of

1. GEOENPRO PETROLEUM LIMITED
2. JUBILANT ENERGY (KHARSANG) PVT. LIMITED (Formerly Enpro India Ltd.)
3. OIL INDIA LIMITED
4. GEOPETROL INTERNATIONAL INC.)

AS SELLERS)

Dated: \_\_\_\_\_

## TABLE OF CONTENTS

1. Recitals	6
2. Definitions	6
3. Interpretation	12
4. Duration and Start Time	13
5. Sale and Purchase of Gas	15
6. Gas Sales Price	16
7. Transfer of Property and Transfer of Risk	17
8. Condition Precedent	17
9. Nomination, Scheduling and Allocation	18
10. Buyer's Take Obligation and Make Up Gas	18
11. Sellers' Supply Obligation	20
12. Measured Quantity	21
13. Planned Maintenance	22
14. Force Majeure	23
15. Royalty Gas	27
16. Invoicing	27
17. Security	29
18. Payment	30
19. Suspension and Termination	31
20. Taxes and Duties	33
21. Liability and Remedies; Indemnities	34
22. Rights and Obligations of Sellers	38
23. Assignment	38
24. Miscellaneous	38
EXHIBIT 1: Daily Contract Quantity	44
EXHIBIT 2: Sales Price	45
EXHIBIT 3: Gas Quality Specifications	46
EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures	47
EXHIBIT 5: Measurement	49
EXHIBIT 6: Letter of Credit	51
SCHEDULE: Form of Demand	56

## **GAS SALES AND PURCHASE AGREEMENT**

This agreement for the sale and purchase of Gas (“**Agreement**”) is executed and dated \_\_\_\_\_ (“**Execution Date**”),

BETWEEN:

[\_\_\_\_\_] a company duly incorporated under the Companies Act, 1956, having its Registered Office at [\_\_\_\_\_] represented by [Name and Designation], duly authorised vide Board Resolution dated [xx/xx/xxxx] (“**Buyer**”);

AND

**GeoEnpro Petroleum Limited**, a company duly incorporated under the Companies Act, 1956, having its Registered Office at 7, LGF, Shreshtha Vihar, East Delhi, Delhi-110 092 and Corporate Office at 15-16, Express Trade Tower (2<sup>nd</sup> Floor), Film City, Sector-16A, Noida – 201301, Uttar Pradesh, India, represented by [Name and Designation], duly authorised vide Board Resolution dated [xx/xx/xxxx] (“**GeoEnpro**”).

**GeoEnpro is acting as an agent for and on behalf of**

- 1. GeoEnpro Petroleum Limited**, a company duly incorporated under the Companies Act, 1956, having its Registered Office at 7, LGF, Shreshtha Vihar, East Delhi, Delhi-110 092 and Corporate Office at 15-16, Express Trade Tower (2<sup>nd</sup> Floor), Film City, Sector-16A, Noida – 201301, Uttar Pradesh, India (“**GeoEnpro**”);
- 2. Jubilant Energy (Kharsang) Pvt. Limited (formerly Enpro India Ltd.)**, a company duly incorporated under the Companies Act, 1956, having its Registered Office at A-80, Sector 2, Noida - 201301 (“**JEKPL**”);
- 3. Oil India Limited**, a company duly incorporated under the Companies Act, 1956, having its Registered Office at Duliajan, District Dibrugarh, Assam 786602 (“**OIL**”); and

- 4. Geopetrol International Inc**, a company duly incorporated under the laws of the Republic of Panama and having its Registered Office at Gildo Pastor Centre, 7 Due Du Gabian, MC 98000, Monaco (“**Geopetrol**”).

GeoEnpro, JEKPL, OIL and Geopetrol are parties to a Production Sharing Contract dated 16<sup>th</sup> June 1995 (PSC) with their Participating Interest 10%, 25%, 40% and 25% respectively. GeoEnpro is the designated operator of the Kharsang oilfield under this PSC. GeoEnpro has been authorised by JEKPL, OIL and Geopetrol to enter into this Agreement on their respective behalf. Copy of the authorisation letter dated ..... is annexed to this Agreement.

(GeoEnpro acting on behalf of GeoEnpro, JEKPL, OIL and Geopetrol is hereinafter referred to individually as “**Seller**” unless the context requires otherwise).

(Each of the above being individually a “**Party**” and collectively the “**Parties**” which expression unless the context otherwise requires shall include their respective successors and permitted assignees).

Notwithstanding anything contained in this Agreement, it is agreed between the Parties that the liability of GeoEnpro, JEKPL, OIL and Geopetrol as constituents of Sellers shall be several and limited to the extent of their respective Participating Interest in terms of the PSC and as specified hereinbefore.

## 1. Recital:

### WHEREAS

- a) The Buyer is in the business of [\_\_\_\_\_] and desires to purchase Gas (as defined herein below) from the Sellers.
- b) The Sellers are parties to a Production Sharing Contract with the Government of India dated 16<sup>th</sup> June 1995 in respect of the Kharsang Field (“PSC”) and a Joint Operating Agreement dated 16<sup>th</sup> June 1995 (as amended from time to time) in respect of the PSC (“JOA”). The Seller desires to supply Gas to be available for sale from the Kharsang Field, subject to the PSC, to the Buyer in the quantities and subject to the terms stated herein.
- c) The PSC requires Sellers to maintain accounts in United States Dollars and accordingly all calculations under this Agreement shall be done in United States Dollars and where necessary, United States Dollars shall be converted into Indian Rupees as provided herein.
- d) The Buyer desires to purchase Gas supplied by Sellers in the quantities and subject to the terms stated herein.

**NOW, THEREFORE**, in consideration of the covenants and understandings set forth in this Agreement, the Parties, hereby, mutually acknowledge, the intent to be legally bound, and hereby, agree as follows:

## 2. Definitions

Unless the context otherwise requires, or unless otherwise defined, or provided for herein, the capitalised terms used in this Agreement shall have the following meanings:

- i. **“Additional Gas”** has the meaning given to such term in Clause 5.
- ii. **“Adjusted Monthly Contract Quantity”** has the meaning given to such term in Clause 10.a.i.
- iii. **“Adjusted Monthly Supply Quantity”** has the meaning given to such term in Clause 11.c.
- iv. **“Affected Party”** has the meaning given to such term in Clause 14.a.
- v. **“Affiliate”** from time to time means any entity / company (i) which is directly or indirectly controlled by a Party, (ii) which, directly or indirectly, controls a Party or (iii) which is, directly or indirectly, controlled by any entity/ company which also, directly or indirectly, controls a Party. For the purposes of this definition, **“control”**

means the right to cast more than fifty percent (50%) of the votes exercisable at an annual general meeting of such Party (or its equivalent) or ownership of more than fifty percent (50%) of the equity share capital of or other ownership interests in such entity/company, or the right to direct the policies or operations of such entity/company.

- vi. **“Agreement”** has the meaning given to such term in the Preamble to this Agreement.
- vii. **“Allocated Quantity”** means the quantity of Gas in MMBtu delivered under this Agreement by the Seller to the Buyer at the Delivery Point on a Day as determined in accordance with the measurement and allocation procedures of this Agreement.
- viii. **“Asserted Liabilities”** has the meaning given to such term in Clause 17.f.
- ix. **“Associated Persons”** means, with respect to any Party, any Affiliate, any director, officer or employee of such Party or of any Affiliate.
- x. **“Bar”** shall have the meaning as defined in ISO 1000:1981(E), and **“Barg”** means Bar gauge.
- xi. **“Business day”** means any day other than a Sunday or a day declared to be a public holiday under the provisions of the Negotiable Instruments Act, 1881, as applicable in New Delhi.
- xii. **“Buyer”** has the meaning given to such term in the Preamble to this Agreement
- xiii. **“Buyer Event of Default”** has the meaning given to such term in Clause 19.b.
- xiv. **“Buyer’s Facilities”** means the Gas handling and consuming facilities at Buyer’s [\_\_\_] facility located at [\_\_\_\_] at which the Gas supplied under this Agreement is to be consumed/utilised.
- xv. **“Commissioning Period”** has the meaning given to such term in Clause 4.b.
- xvi. **“Consequential Loss”** means all consequential loss or damage caused indirectly, including loss of actual savings, anticipated savings or either or both of these, loss of anticipated profit, revenue or either or both of these, loss of use, loss of agreement, loss or deferment of profit, income, production or sale, loss of opportunity, business interruption or increased cost of working or either of both of these, any indirect, special or consequential loss or damage or any or all of these howsoever caused, including by breach of duty (statutory, contractual or otherwise) of the Parties or by any other act or omission or breach of contract by the Parties, (arising out of or in connection with this Agreement and whether or not foreseeable).
- xvii. **“Contract Area”** shall mean the Kharsang field located in Changlang District of

Arunachal Pradesh.

- xviii. “**Contract Month**” or “**Month**” means the period commencing at 06:00 hours on the first day of a month and ending at 06:00 hours on the first day of the following month, except the first Contract Month shall commence at 06:00 hours on the Start Date and end at 06:00 hours on the first day of the immediately following month, and the last Contract Month shall end on the date of expiration or termination of this Agreement.
- xix. “**Contract Period**” has the meaning given to such term in Clause 4.a.i.
- xx. “**Contract Quarter**” or “**Quarter**” means the period commencing at 06:00 hours on the first day of January/April/July/October and ending at 06:00 hours on the first day of April/July/October/January respectively, except the first Contract Quarter shall commence at 06:00 hours on the Start Date and end at 06:00 hours on the first day of the immediately following April/July/October/January, whichever is earlier, and the last Contract Quarter shall end on the date of expiration or termination of this Agreement.
- xxi. “**Contract Year**” means the period commencing at 06:00 hours on the first day of April of one year and ending at 06:00 hours on the first day of April of the following year, except the first Contract Year shall commence at 06:00 hours on the Start Date and end at 06:00 hours on the first day of April in the following year, and the last Contract Year shall end on the date of expiration or termination of this Agreement.
- xxii. “**Daily Contract Quantity**” or “**DCQ**” of Gas means the quantity of Gas in MMBtu per day as specified in EXHIBIT 1: Daily Contract Quantity, subject to modification pursuant to the provisions of this Agreement.
- xxiii. “**Day**” means a period of twenty-four (24) consecutive hours beginning at 06:00 hours on a day and ending at 06:00 hours on the following day and “**Daily**” shall be construed accordingly.
- xxiv. “**Delivery Point**” means the outlet flange of Sellers’ Facilities with such flange being located at Kharsang oil field.
- xxv. “**Dispute**” has the meaning given to such term in Clause 24.a.i.
- xxvi. “**End Date**” means the date of the termination or expiry of the primary period of PSC and / or PML for Kharsang Block or such other date as may be mutually agreed by the Parties in writing. The primary period of PSC is upto June 2020.
- xxvii. “**Exchange Rate**” or “**ER**” means the average of TT Buying rate and TT Selling rate (as rounded off to two decimal places) quoted / published by the State Bank of India for converting US\$ to INR applicable to the day on which payment of any amounts due under this Agreement is made, provided that if such rate is not available as to any



day, the last day available Exchange Rate shall be used.

- xxviii. “**Execution Date**” has the meaning given to such term in the Preamble to this Agreement.
- xxix. “**Final Window**” has the meaning given to such term in Clause 4.b.ii.c.
- xxx. “**Financial Year**” means the year which commences on each 1<sup>st</sup> April and ends on the following 31<sup>st</sup> March.
- xxxi. “**Force Majeure**” has the meaning given to such term in Clause 14.a.
- xxxii. “**Gas**” means Associated Natural Gas whether wet or dry and includes all other gaseous hydrocarbons, and all substances contained therein (including sulphur, carbon dioxide and nitrogen but excluding extraction of helium, if carried out by the Seller), which are produced from oil or natural gas 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 the gas.
- xxxiii. “**Gas Field**” means the oil & Gas wells located within the Contract Area under the PSC for the Kharsang Field and from where the Sellers have the right to produce Gas under the Petroleum Mining Leases issued from time to time.
- xxxiv. “**Gas Price**” has the meaning given to such term in Clause 6.a.
- xxxv. “**Government Owned Party**” means a Party either that is controlled by a Relevant Authority within the meaning of the definition of Affiliate or in which a Relevant Authority is the largest shareholder.
- xxxvi. “**Initial Window**” has the meaning given to such term in Clause 4.b.ii.b.
- xxxvii. “**INR**” means Indian Rupees.
- xxxviii. “**JOA**” has the meaning given to such term in the Recitals to this Agreement.
- xxxix. “**Law**” means any act, statute, notification, bylaw, rule, regulation, directive, ordinance, order, judgement, decree, administrative order, instruction or the like having the force of law enacted or issued by any Relevant Authority.
- xl. “**Letter of Credit**” has the meaning given to such term in Clause 17.a.
- xli. “**Make Up Gas**” has the meaning given to such term in Clause 10.b.
- xlii. “**Measured Quantity**” in respect of a Day means the quantity of Gas in MMBtu

delivered by Sellers at the Delivery Point in total on such Day to all off takers, as determined in accordance with Clause 12 and **EXHIBT 5: Measurement**.

- xliii. **“Measurement Equipment”** has the meaning given to such term in **EXHIBT 5: Measurement**.
- xliv. **“Quarterly Contract Quantity”** has the meaning given to such a term in Clause 10.a.i.
- xlv. **“Quarterly Deficiency Payment”** has the meaning given to such a term in Clause 10.a.iii.
- xlvi. **“Quarterly Deficiency Quantity”** has the meaning given to such a term in Clause 10.a.iii.
- xlvii. **“Quarterly Supply Quantity”** has the meaning given to such a term in Clause 11.c.
- xlviii. **“Quarterly Take Obligation”** has the meaning given to such a term in Clause 10.a.
- xlix. **“Net Calorific Value”** or **“NCV”** means the quantity of heat, expressed in Btu or Kcal, produced by the complete combustion at constant pressure of one (1) Standard Cubic Meter of Gas, with the air at the same temperature and pressure as the Gas and the products of combustion are cooled to original temperature and all the water formed by combustion remaining in the vapour state.
  - 1. **“Nominated Daily Quantity”** has the meaning given to such term in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures.
  - li. **“Non-specification Gas”** means any gas supplied by the seller that does not meet one or more of the specifications mentioned in EXHIBIT 3: Gas Quality Specifications.
  - lii. **“Participating Interest”** means the interest of each of the Sellers under the PSC.
  - liii. **“Party”** and **“Parties”** has the meaning given to such terms in the Preamble to this Agreement.
  - liv. **“Planned Maintenance”** means any normally scheduled works on Buyer’s Facilities or Seller’s Facilities that may temporarily restrict capacity to consume, produce, deliver or transport Gas (as the case may be) in Buyer's Facilities or Sellers’ Facilities, including modification, repairs or maintenance.
  - lv. **“PML”** means Petroleum Mining Lease granted on 21.10.1997 (effective from 16.06.1995) to the Sellers by the Government of Arunachal Pradesh, as extended from time to time.

- lvi. “**PSC**” has the meaning given to such term in the Recitals to this Agreement.
- lvii. “**Reasonable and Prudent Operator**” means a person seeking in good faith to perform its contractual obligations hereunder and, in the process of doing so and in the overall conduct of its whole undertaking exercising that degree of diligence, prudence and foresight which can reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances, and any reference to the standard of a Reasonable and Prudent Operator means such degree of diligence, prudence and foresight as aforesaid.
- lviii. “**Relevant Authority**” means (a) any court with the relevant jurisdiction or, (b) any central, state or local government or regulatory authority or political subdivision or government agency, including central/state ministry, agency, inspectorate, department, licensing authority, commission, or any regional or municipal authority thereof, that exercises any sovereign or state function in India or otherwise in relation to the performance of this Agreement by either Party.
- lix. “**SBIBR**” means the State Bank of India Base Rate.
- lx. “**Scheduled Daily Quantity**” has the meaning given to such term in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures.
- lxi. “**Seller**” and “**Sellers**” has the meaning given to such terms in the Preamble to this Agreement.
- lxii. “**Sellers Event of Default**” has the meaning given to such term in Clause 19.c and Clause 19. d.
- lxiii. “**Sellers Facilities**” means the reservoirs in the Gas Field and any pipelines, wells, plant, machinery or any other equipment or facilities used or to be used from time to time by Sellers to produce, gather, receive, process, compress, store, treat, transport, meter, test or deliver Gas at Delivery Point for sale to Buyer.
- lxiv. “**Shortfall Gas**” has the meaning given to such term in Clause 11.e.
- lxv. “**Shortall Quantity**” has the meaning given to such term in Clause 11.d.
- lxvi. “**Standard Cubic Meter**” means quantity of gas that occupies a volume of one (1) cubic meter at a temperature of 15° C (fifteen degree Celsius) under an absolute pressure of 1.01325 Bar (one decimal zero one three two five bar).
- lxvii. “**Start Date**” has the meaning given to such term in Clause 4.b.
- lxviii. “**Specifications**” means the specification provided in Exhibit 3: Gas Quality Specification.

- lxix. **“Taxes”** means any and all present or future statutory taxes, levies, duties, cesses, charges, withholdings and imposts, or any similar charges or levies enacted or imposed by any Relevant Authority of Republic of India (or asserted by such Relevant Authority to be owing or to become owing in the future) from time to time including sales tax, value added tax, entry tax, excise duty, customs duty, octroi duty, works contract tax, construction cess, service tax, stamp duty, but shall not include any corporate or income tax. For the avoidance of doubt, if any foregoing are purportedly enacted or imposed by such Relevant Authority but the enactment or imposition of which is subjected to a challenge as to their validity, efficacy, effect, or amount such charges or levies shall nonetheless constitute taxes unless or until a court of competent jurisdiction shall have determined by a final order or judgement (against which no appeal may be brought, or, if any appeal shall have been brought, the appeal shall have been disposed of) in effect that the charges or levies are invalid for any reason including that the legislative provision or enactment pursuant to which such charge or levy has been brought or levied is invalid or such charge or levy was not made or such charge was levied invalidly by the Relevant Authority.
- lxx. **“US\$”** or **“US Dollars”** means the lawful currency of the United States of America.
- lxxi. **“Well Related Problem”** means any problem related or associated with one or more wells (but not in respect of any pipeline or other equipment on or above the surface) relating to:
- (a) a blowout of one or more wells;
  - (b) any circumstance pursuant to which the operator, in the exercise of due prudence, suspends production from well(s) due to any safety concerns;
  - (c) excessive water production; or
  - (d) a sudden or unexpected pressure drop; provided that the independent industry expert shall have certified that such pressure drop is not normal for such well.

### 3. Interpretation

In this Agreement, the following rules and interpretations apply unless the context requires otherwise:

- (a) The singular includes plural and conversely;
- (b) a reference to a gender shall include all genders;
- (c) where a word or a phrase is defined, its other grammatical forms have a corresponding meaning;

- (d) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (e) a reference to a party to any agreement or document includes that party's successors and permitted assigns;
- (f) a reference to any agreement or document is to that agreement or document as amended, novated, supplemented, varied or replaced from time to time unless specified otherwise;
- (g) a reference to any Clause or Exhibit is a reference to a clause or exhibit to this Agreement;
- (h) the Exhibits to this Agreement are an integral part of this Agreement and a reference to this Agreement includes a reference to the Exhibits;
- (i) if there is an inconsistency between the main body of the Agreement and any Exhibit, the provisions of the main body of this Agreement shall prevail to the extent of the inconsistency;
- (j) the headings of Clauses and Exhibits in this Agreement are inserted for convenience only and shall not affect the meaning or construction of this Agreement;
- (k) times during any day stated in this Agreement shall be Indian Standard Time based on a 24 hour clock;
- (l) uncapitalized "day," "week," "month," "quarter" and "year" shall refer to calendar day, week, month, quarter or year, respectively with reference to the Gregorian Calendar;
- (m) the words "include" or "including" are to be construed without limitation;
- (n) "agree" or "agreement" refer to an agreement in writing and "consent" means consent in writing;
- (o) unless specified otherwise any reference to quantities of Gas in this Agreement means that quantity of Gas in MMBtu;

#### **4. Duration and Start Time**

- a. Term: Subject to Clause 8, this Agreement shall be effective from the Execution Date until expiry of the Contract Period.

- i. “**Contract Period**” means the period from and including the Start Date through and including the End Date, or until earlier termination, expiration or reduction in accordance with this Agreement.
  - ii. Sellers shall have the right to terminate this Agreement by reasonable notice upon termination of the PSC or cancellation of the PML. Any such termination of this Agreement under this Clause 4.a.ii shall be without liability to any Party, save where such termination of PSC or PML arises from any breach or default by Buyer hereunder.
- b. Start Date:
- i. “**Commissioning Period**” means the period beginning on the Start Date and ending at 06:00 hours on the date that is ninety (90) Days following the Start Date, or such other date as the Parties may mutually agree.
  - ii. “**Start Date**” means the date established in accordance with this Clause 4.b.ii and which in any case will not be beyond a period of six (6) months from the Execution Date. However, this period of six months may be extended by the Seller by a further period of upto six (6) months, depending upon the Buyer’s project.
    - a. Seller shall within a period of not more than one (1) month from the Execution Date notify Buyer of a tentative date, on which the Seller’s Facilities are likely to be ready for sale of the Gas. Such tentative date shall, subject to the aforesaid time limit, be a date at least 30 days from the date of notification.
    - b. After Seller’s notification under sub-Clause 4.b.ii.a, Buyer shall notify the Sellers, with at least 30 days prior notice, of a one (1) month window (“**Initial Window**”) in which the Start Date under the Agreement is anticipated to occur. Such initial window shall be within the period of three (3) months from the date of this Agreement or such other extended period not exceeding a further period of upto six (6) months as may be granted by the Seller in its sole discretion.
    - c. With not less than 10 days prior notice, Buyer shall notify the Sellers of the fifteen (15) days window (“**Final Window**”) within the above Initial Window in which the Start Date is anticipated to occur.
    - d. No later than 7 days prior to the first day of the Final Window, Buyer shall notify Sellers of the Start Date within the above Final Window.

- e. Subject to sub-clause 4.b.ii.a., Sellers may, by notice, terminate this Agreement if Buyer fails to notify the Initial Window in accordance with the above sub-Clause 4.b.ii.b, within a period of one (1) month after Buyer has been notified under sub-Clause 4.b.ii.a.
- f. Notwithstanding the above sub-Clauses 4.b.ii.a to 4.b.ii.f but subject to the time limit specified in Clause 4.b.ii, Sellers and Buyer may, however, at any time prior to Buyer notifying the Sellers of the Initial Window or the Final Window or the Start Date, discuss in good faith and mutually agree in writing for the revised notice period in respect of such Initial Window or the Final Window or the Start Date.

## 5. Sale and Purchase of Gas

- a. Scope of Sellers' Obligation: From and after the Start Date, Sellers shall sell and make Gas available for delivery from the Gas Field at the Delivery Point on an as-available basis, at the Gas Price, subject to the terms and conditions set forth herein. Sellers shall make Gas available for delivery to Buyer or Buyer's designee at the Delivery Point for onward transmission to Buyer's Facilities. Sellers' obligation to make Gas available to Buyer at the Delivery Point is limited to making available a quantity of Gas equal to the lower of the DCQ or the Nominated Daily Quantity for the applicable Day.
- b. Scope of Buyer's Obligation: From and after the Start Date, Buyer shall purchase and take, or pay for if not taken, from each Seller that Seller's Participating Interest share of Gas in the quantities and at the Gas Price and subject to the terms and conditions set forth herein. Buyer shall take delivery of Gas purchased under this Agreement at the Delivery Point. Buyer shall cause the Gas to be transported to Buyer's Facilities and shall make all requisite arrangements for the movement of Gas from the Delivery Point to Buyer's Facilities. Prior to the Start Date, Buyer shall notify Sellers in writing of the identity and details of Buyer's designee, if any, for the purposes of this Agreement. Upon any change in the identity of Buyer's designee, Buyer shall promptly notify Sellers in writing of the identity and details of Buyer's new designee, provided always that Sellers shall be entitled to treat a previously notified designee as being Buyer's designee for the purposes of this Agreement unless and until Buyer so notifies Sellers of a change in its designee.
- c. Source of Gas: Nothing in this Agreement shall require or be construed as an obligation on Sellers to sell or make available Gas at the Delivery Point other than from the Gas Field, including with respect to Buyer's rights to Make Up Gas or Shortfall Gas, as applicable.

- d. Nominations: Buyer shall make nominations (indent) pursuant to the nomination procedures set out in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures.
- e. Rate of Delivery: Gas shall be offtaken by the Buyer at uniform hourly rates except as otherwise agreed. The Parties shall cooperate in implementing, to the extent reasonably practicable, even delivery rates so as to facilitate smooth performance of deliveries.
- f. Pressure and Temperature: As specified in EXHIBIT 3: Gas Quality Specifications.
- g. Apportionment of Supplies: In the event that the aggregate quantities of Gas available for supply at the Delivery Point from the Gas Field are insufficient to fulfil Sellers' total supply commitments to all buyers of Gas sourced from the Gas Field, after first meeting the own-use requirements of Sellers' Facilities and any Gas supply commitments identified in Clause 15, then Sellers shall use reasonable endeavours to apportion the remaining quantities of available Gas to Buyer and to all other purchasers or other users of Gas from the Gas Field on a pro rata basis based on the ratio that the Nominated Daily Quantity (up to DCQ (or equivalent)) for each such purchaser or other user bears to the total Gas supply available for delivery from the Gas Field (after deducting the aforementioned own-use requirements and Gas supply commitments identified in Clause 15), or on such other basis as may be required by Law. Sellers shall not be liable for any failure to supply Gas that results from such adjustments occasioned due to the direction of a Relevant Authority.

“**Additional Gas**” means any quantity of Gas in MMBtu per day produced or proposed to be produced by the Seller from the Kharsang Field over and above the aggregate of the Nominated Daily Quantity of all the buyers put together.

The Parties agree that the Seller shall have an unfettered right to sell the Additional Gas to any third party, on such terms and conditions and at such price which the Seller deem fit and appropriate at its sole discretions and such sale to third party by the Seller shall not be construed as a breach of this Agreement.

## 6. Gas Sales Price

- a. The price of Gas at the Delivery Point (“**Gas Price**”) shall be the Gas Price in US\$/MMBtu (NCV) determined in accordance with the formula set out in **EXHIBIT 2: Sales Price**.
- b. Gas Price shall be exclusive of all taxes, duties and levies including the taxes for which Buyer is responsible under Clause 20.



- c. Buyer shall bear the royalty levied under the Oil Industries Development Act, 1974 (including any statutory amendment / modification thereof) on actual, as applicable from time to time, on Gas sold to Buyer under this Agreement.
- d. In case the Gas supplied is “**Non-specification Gas**”, the gas will be priced at 90% of the “**Gas Price**”. Further, if the H<sub>2</sub>S content in the said “**Non-specification Gas**” is more than the maximum limit as specified in EXHIBIT 3: Gas Quality Specifications, such “**Non-specification Gas**” if delivered will be free of cost.
- e. The Gas Price arrived at as per the formula set out in **Exhibit 2: Sales Price** shall be subject to a minimum escalation of 5% compounded per annum. This escalation shall be applied on every anniversary of first gas sale.

## 7. Transfer of Property and Transfer of Risk

- a. Sellers shall make all Gas supplied hereunder available for delivery at the Delivery Point, in accordance with and subject to the terms and conditions of this Agreement. Buyer shall ensure receipt, off-take and transportation of the Gas from the Delivery Point to Buyer’s Facilities.
- b. Property (title) in and risk of loss of the Gas delivered hereunder shall pass from Sellers to Buyer at the Delivery Point upon delivery of the Gas to Buyer (or Buyer’s designee) at such point.

## 8. Condition Precedent

- a. Save for rights and obligations of the Parties under Clauses 2, 8, 17, 21.a, 21.b, 21.c, 21.d, 21.e, 23 and 24.a which shall come into full force and effect on the Execution Date, the rights and obligations of the Parties under this Agreement, including to purchase or sell Gas, as applicable, are subject to the satisfaction or waiver of the following conditions:
  - i. all PSC and statutory and regulatory approvals and consents being received to Sellers’ sole satisfaction in connection with development and production operations and sale of natural gas from the Gas Field; AND
  - ii. approval (if required, in the Sellers’ sole discretion) from the Government of India of the Gas Price formula in **EXHIBIT 2: Sales Price**, being received to Sellers’ sole satisfaction; AND
- b. The conditions precedent in Clause 8.a above must be fulfilled to the satisfaction of the Seller and may only be waived by the Seller. If such conditions precedent have not been fulfilled or waived, as applicable, within six months of the Execution Date, time being of the essence, this Agreement shall terminate automatically at the end of such

six months period (unless the Parties mutually agree in writing to extend such period), without the need for any further action or notice by the Parties, and a Party shall have no rights of any nature whatsoever against the other Party in relation to the matters contemplated by this Agreement. Any termination of this Agreement under this Clause 8 shall be without any liability to any Party.

- c. On the date all condition precedent in Clause 8.a has been satisfied or waived by the Seller, the rights and obligations of the Parties in respect of the purchase and sale of Gas shall become effective.

## 9. Nomination, Scheduling and Allocation

Buyer shall give estimates and nominations (indents) of the desired Gas delivery quantities, not being in excess of the DCQ, in accordance with the nomination procedure set out in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures. Sellers shall schedule Gas flow and allocate Gas deliveries in accordance with the scheduling and allocation procedures set out in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures.

## 10. Buyer's Take Obligation and Make Up Gas

### a. Quarterly Take Obligation:

- i. **“Quarterly Contract Quantity”** means, for each Contract Quarter, the quantity of Gas equal to the summation of the DCQ in effect on each Day in the Contract Quarter. The **“Adjusted Quarterly Contract Quantity”** means the Quarterly Contract Quantity minus the sum of the following quantities for each Day during such Contract Quarter (but without double counting any of the following quantities):
  1. any quantity of Gas up to the DCQ that Buyer would have purchased and taken but was prevented from purchasing and taking by reason of Force Majeure or due to any adjustments pursuant to Clause 5.g; plus
  2. any quantity of Gas up to the DCQ that was nominated by Buyer for receipt but that Sellers failed to make available for delivery unless such failure was (1) caused by Buyer's non-compliance with the terms of this Agreement or (2) due to the exercise of Sellers' right to suspend Gas deliveries pursuant to Clause 19; plus
  3. any quantity of Gas up to the DCQ that Buyer would have purchased and taken but which Buyer rejected in accordance with Clause 12.b because it failed to meet the Specifications; plus
  4. any quantity of Gas by which a Party nominated or scheduled less than DCQ for each Day of Planned Maintenance pursuant to Clause 13.

- ii. Buyer shall take a quantity of Gas in each Contract Quarter equal to ninety percent (90%) of the Adjusted Quarterly Contract Quantity (“**Quarterly Take Obligation**”), or Buyer shall be responsible for the payment of the Quarterly Deficiency Payment pursuant to Clause 10.a.iii below.
- iii. The “**Quarterly Deficiency Quantity**” means, as to any Contract Quarter, the difference, if positive, between

(a) ninety percent (90%) of the Adjusted Quarterly Contract Quantity and

(b) the quantity of Gas taken by Buyer (calculated as the summation of the Allocated Quantity on each Day of the applicable Contract Quarter) in such Contract Quarter. Provided that any gas flared by the Sellers due to short-offtake / non-offtake by the Buyer or any other reason attributable to the Buyer shall be deemed to be Gas supplied by the Seller to the Buyer and Gas taken by the Buyer from the Seller under this Agreement and Buyer shall pay for such quantity of Gas at the applicable Gas Price.

If, in any Contract Quarter, there is a Quarterly Deficiency Quantity, Buyer shall pay Sellers an amount (“**Quarterly Deficiency Payment**”) equal to the Gas Price applicable during such Contract Quarter multiplied by the applicable Quarterly Deficiency Quantity for such Contract Quarter.

b. **Make Up Gas:**

- i. The quantity of Gas equal to any Quarterly Deficiency Quantity for which Buyer has paid Quarterly Deficiency Payment shall constitute “Make Up Gas” accrued during such Contract Quarter.
- ii. In the event that Buyer has accrued the right to Make Up Gas in any Contract Quarter, then Buyer shall have the right to receive a credit for all quantities of Gas taken above the Quarterly Take Obligation. This right to receive a credit for any Make Up Gas accrued by the Buyer in any Contract Quarter shall be available to the Buyer only in the six (6) months immediately following the Contract Quarter in which the Make Up Gas is accrued by the Buyer. The order in which such Make Up Gas shall be applied shall be same order in which the Make Up Gas accrued. Except as expressly provided in Clauses 11 and 12, Sellers shall have no liability for failure to supply Make-up Gas.
- iii. In any Contract Month, Buyer shall pay for all quantities of Gas taken as Make Up Gas at the Gas Price applicable when the Make Up Gas is taken, and shall pay all other amounts payable under this Agreement in respect of Gas deliveries; provided, however, that at the end of the month following the month in which the Make Up Gas has been taken, the Buyer shall receive a credit for

an amount equal to Make Up Gas taken during the relevant month multiplied by lower of:

1. The Gas Price prevailing at the time the Make Up Gas is delivered;
2. The Gas Price previously paid in respect of the Quarterly Deficiency Quantity that gives rise to the Make Up Gas right.

The credit received by Buyer under Clause 10.b.iii shall be applied against amounts due from Buyer under the invoice of the Contract Month in which the credit is adjusted.

- iv. In any case, for all the Buyers of Gas put together the Sellers will be under no obligation to supply Gas on a daily basis in excess of the quantities specified in Exhibit A.

## 11. Sellers' Supply Obligation

- a. The provisions of this Clause 11 shall not apply to the Commissioning Period.
- b. For any Contract Year, Sellers shall be deemed to have fulfilled its Gas supply obligations under this Agreement for such Contract Year to the extent Seller made available for delivery to Buyer the applicable Adjusted Yearly Supply Quantity at the Delivery Point in accordance with the terms and conditions hereof, irrespective of whether Buyer offtakes such quantities of Gas at the Delivery Point.
- c. The "**Yearly Supply Quantity**" for a Contract Year shall be eighty percent (80%) of the sum, for each Day in the Contract Year, of the lower of DCQ or the quantity nominated by Buyer in accordance with the procedures set out in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures. The "**Adjusted Yearly Supply Quantity**" for a Contract Year shall be the Yearly Supply Quantity minus the sum of the following quantities for each Day during such Contract Year (but without double counting any of the following quantities):
  - i. the quantity of Gas up to the DCQ that Sellers failed to supply due to Force Majeure or due to any adjustments pursuant to Clause 5.g; plus
  - ii. the quantity of Gas up to the DCQ that Sellers failed to make available due to (A) Buyer's failure to comply with the terms of this Agreement, or (B) the exercise of Sellers' right to suspend Gas deliveries pursuant to Clause 19; plus
  - iii. the quantity of Gas up to the DCQ that Sellers made available in accordance with the terms of this Agreement but that Buyer failed to take for any reason; plus

- iv. any quantity of Gas by which a Party nominated or scheduled less than DCQ for each Day of Planned Maintenance pursuant to Clause 13.
- d. If the quantity of Gas made available by Sellers during a Contract Year (Calculated as the aggregate of the Allocated Quantity for that Contract Year) is less than the Adjusted Yearly Supply Quantity, the difference shall be the “**Shortfall Quantity**”. All Gas taken by Buyer that fails to meet the Specifications shall not be part of the Shortfall Quantity. Any Gas that fails to meet the Specifications that was rejected by Buyer in accordance with Clause 12.b shall for the purposes of determining Shortfall Quantity be considered as not having been made available by Sellers.
- e. Subject to the technical capacity of the Sellers’ Facilities the quantity of Gas equal to the Shortfall Quantity may be supplied by Sellers as “**Shortfall Gas**” within a period of twelve (12) months succeeding the Year to which the Shortfall pertains. All quantities of Gas taken above the aggregate of the Quarterly Take Obligation shall be deemed to be Shortfall Gas, up to the outstanding balance of Shortfall Gas. If the Seller fails to supply the Shortfall Gas within the aforesaid twelve (12) months period, the Seller shall pay to the Buyer an amount equivalent to the outstanding balance of such Shortfall Gas multiplied by the Gas Price prevailing on the date of such payment.
- f. In any Contract Year, Buyer shall pay for all Shortfall Gas at the Gas Price applicable to the Contract Month in which the Shortfall Gas is taken, and shall pay all other amounts payable under this Agreement in respect of Gas deliveries.
- g. If there is any Shortfall Gas remaining untaken at the end of the Contract Period, such quantity shall be extinguished.
- h. The provisions of this Clause 11 are subject further to the limitations of Clause 21, and Buyer’s rights under this Clause 11 to receive Shortfall Gas made available by Sellers during the Contract Period or payment in lieu thereof shall be Buyer’s sole remedies for Sellers’ failure to make Gas available for delivery under this Agreement. Sellers’ compliance with the provisions of this Clause 11 shall be in full settlement of any claim which Buyer might otherwise have against Sellers for damages for any failure by Sellers to make Gas available for delivery under this Agreement, and Buyer shall not assert any claim (at law or in equity or otherwise, including for injunctive relief or specific performance) for any additional relief in respect of any failure by Sellers to make Gas available for delivery under this Agreement.

## 12. Measured Quantity

- a. Measurement:
  - i. Gas shall be sold on the basis of the Measured Quantity and the quantity determined using Sellers’ meter at the Delivery Point. The quantity sold to

Buyer is the Allocated Quantity as set out in EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures. The calculation of the Allocated Quantity in accordance with EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures shall be final and binding.

- ii. Measurement standards and meter verification shall be as set out in **EXHIBIT 5: Measurement**.
- iii. Sellers shall install metering facilities and provide measurement information to Buyer as set out in **EXHIBIT 5: Measurement**.

b. Quality

- i. Gas made available for delivery under this Agreement shall meet the Specifications.
- ii. Sellers shall immediately notify Buyer of tendering Gas that does not meet the Specifications as soon as practicable following Seller becoming aware of the same.
- iii. Buyer may reject Gas that does not meet the Specifications by giving notice to Seller as soon as practicable following Buyer becoming aware of the same.
- iv. Buyer's sole remedy with respect to the tendering by Seller of Gas that does not meet the Specifications shall be rejection of such Gas under Clause 12.b.iii, and Sellers shall have no liabilities whatsoever on account of or attributable to any Gas accepted / received by Buyer that fails to meet the Specifications.
- v. In case Gas that does not meet the Specifications is supplied by the Seller without notice to the Buyer and the Gas so supplied causes any damage to the Buyer's Facilities, the Seller shall, subject to Clause 21.c, be liable to indemnify the Buyer for all such loss.

**13. Planned Maintenance**

- a. Sellers may designate up to fifteen (15) Days of Planned Maintenance on Sellers' Facilities during each Contract Year commencing as of the end of the Commissioning Period. Sellers shall be entitled to reduce (including down to zero) its Gas scheduling under Clause 9 and EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures for each Day of Planned Maintenance.
- b. Buyer may designate up to an aggregate of fifteen (15) Days of Planned Maintenance on Buyer's Facilities during each Contract Year commencing as of the end of the Commissioning Period. Buyer shall be entitled to reduce (including down to zero) its

Gas nominations under Clause 5.d, Clause 9 and EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures for each Day of Planned Maintenance.

- c. A Party shall not designate more than two periods of Planned Maintenance in a Contract Year. Planned Maintenance Days shall be whole Days. In the event of a Contract Year that is less than a year (and for this purpose, the Commissioning Period shall be excluded from the Contract Year), the number of Days allowance in Clauses 13.a and 13.b above shall be proportionately reduced, provided that in such reduction, any fraction of a Day shall be rounded up to a whole Day. In the event a Party desires to take partial shutdown days for Planned Maintenance, the number of Days allowance in Clauses 13.a and 13.b above may be extended by mutual agreement of the Parties in writing to accommodate such partial shutdown Days.
- d. The Parties shall (i) with respect to the first Contract Year, no later than thirty (30) days after the Start Date, and (ii) for any other Contract Year, no later than thirty (30) days in advance of the start of such Contract Year, deliver to the other Party a Planned Maintenance schedule setting forth each Party's Planned Maintenance requirements for the immediately following Contract Year. Following the delivery of the Planned Maintenance schedules pursuant to the preceding sentence, the Parties agree to meet promptly to discuss in agreement between the Parties as to the timing and duration of any Planned Maintenance periods for the applicable Contract Year.
- e. If it becomes necessary or desirable for the Parties to change the schedule of any Planned Maintenance established under Clause 13.d above, then Sellers or Buyer, as applicable, shall give the other Party not less than thirty (30) days notice of the days on which such Party shall carry out any such Planned Maintenance, and the Parties will discuss in good faith and use reasonable endeavours to reach an agreement on such changes to the schedule of Planned Maintenance.
- f. The Parties shall use reasonable endeavours to synchronise Planned Maintenance among Buyer's Facilities and Sellers' Facilities.

#### **14. Force Majeure**

- a. Definition: The term "Force Majeure" means any event or circumstance or combination of events or circumstances that affects the performance by a Party (such Party, the "Affected Party") of its obligations pursuant to the terms of this Agreement (including by preventing, hindering or delaying such performance), but only if and to the extent that such events and circumstances are not within the Affected Party's reasonable control and were not reasonably foreseeable and the effects of which the Affected Party could not have prevented or overcome by acting as a Reasonable and Prudent Operator or, by the exercise of reasonable skill and care. Force Majeure events and circumstances shall in any event include the following events and

circumstances to the extent they or their consequences satisfy the requirements set forth above in this Clause 14.a:

- i. the effect of any element or other act of God, including any storm, flood, drought, lightning, earthquake, tidal wave, tsunami, cyclone or other natural disaster;
- ii. Fire, accident, loss or breakage of facilities or equipment, structural collapse or explosion;
- iii. epidemic, plague or quarantine;
- iv. air crash, shipwreck, or train wreck;
- v. acts of war (whether declared or undeclared), sabotage; terrorism, insurgencies, civil disturbance, or act of public enemy (including the acts of any independent unit or individual engaged in activities in furtherance of a programme of irregular warfare), acts of belligerence of foreign enemies (whether declared or undeclared), blockades, embargoes, militancy, civil disturbance, revolution, rebellion or insurrection, exercise of military or usurped power, or any attempt at usurpation of power;
- vi. strike, lockout or other industrial disturbances which are not instigated;
- vii. radioactive contamination or ionizing radiation;
- viii. any Well Related Problem;
- ix. any impediment or restriction under the PSC;
- x. any unlawful or discriminatory delay, modification, denial or refusal of any Relevant Authority to grant or renew, or any revocation of any required PML, permits, clearances, or approvals;
- xi. any act/action or inaction of a Relevant Authority or compliance with such acts, directly affecting the ability of Buyer or Sellers to perform its obligations under this Agreement;
- xii. the expropriation or compulsory acquisition by any Relevant Authority of any of assets, including shares, of Buyer or either Sellers', excluding in the case of a Government Owned Party any such acquisition of that Party's assets by any Relevant Authority; or
- xiii. any decision or direction of a Relevant Authority pursuant to the terms of the PSC or otherwise, which hinders the performance of this Agreement.



- b. Limitation and Exclusions: Notwithstanding anything to the contrary in this Clause 14, if at any time during the term of this Agreement, where the Buyer is the Affected Party any action or inaction of a Relevant Authority that prevents Buyer from complying with any obligation under this Agreement unless such action or inaction applies equally to all consumers of Gas and was not undertaken by the Relevant Authority to benefit Buyer. Where an act, event or circumstance that primarily affects a third party or third parties (including a Party's construction or operating and maintenance contractors) prevents or delays a Party's performance hereunder, such act, event or circumstance shall constitute Force Majeure hereunder as to such Party if, and only if, it is of a kind or character that, if it had happened to a Party, would have come within the definition of Force Majeure under this Agreement. Force Majeure may be applicable for events or circumstances affecting Sellers' Facilities or Buyer's Facilities. Notwithstanding anything to the contrary in this Clause 14, Force Majeure shall not include:
- i. any event or circumstance affecting facilities other than Sellers' Facilities, Buyer's Facilities;
  - ii. the breakdown or failure of machinery operated by the Affected Party to the extent caused by (A) normal wear and tear which could have been avoided by the exercise of reasonable care and diligence, (B) the failure to comply with the manufacturer's recommended maintenance recommendations, failure to perform maintenance in accordance on the standard of a Reasonable and Prudent Operator, Or (C) the non availability at appropriate locations of standby equipment or spare parts in circumstances where reasonable prudence and foresight would have required that such equipment or spare parts be made available.
  - iii. the non-availability or lack of funds or failure to pay money when due; and
  - iv. market conditions which adversely affect Buyer's end products;
  - v. maintenance of Buyer's Facilities or Seller's Facilities beyond the days permitted as per Clause 13.
- c. Notice and Reporting
- i. The Affected Party shall as soon as reasonably practicable after the date of commencement of the event of Force Majeure, but in any event no later than seven (7) days after such commencement date, notify the other Party in writing of such event of Force Majeure and provide the following information:
    1. reasonably full particulars of the event or circumstance of Force Majeure and the extent to which any obligation will be prevented or delayed;

2. such date of commencement and an estimate of the period of time required to enable the Affected Party to resume full performance of its obligations; and
  3. all relevant information relating to the Force Majeure and full details of the measures the Affected Party is taking to overcome or circumvent such Force Majeure.
- ii. The Affected Party shall, throughout the period during which it is prevented from performing, or delayed in the performance of, its obligations under this Agreement, upon request, give or procure access to examine the scene of the Force Majeure including such information, facilities and sites as the other Party may reasonably request in connection with such event. Access to any facilities or sites shall be at the risk and cost of the Party requesting such information and access.
- d. Mitigation Responsibility
- i. The Affected Party shall use all reasonable endeavours, acting as a Reasonable and Prudent Operator, to circumvent or overcome any event or circumstance of Force Majeure as expeditiously as possible, provided, however, that the settlement of strikes or differences with employees shall be within the discretion of the Party having the difficulty, and relief under this Clause 14 shall cease to be available to the Affected Party claiming Force Majeure if it fails to use such reasonable endeavours during or following any such event of Force Majeure.
  - ii. The Affected Party shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under this Clause 14 and that it has exercised reasonably diligent efforts to remedy the cause of any alleged Force Majeure.
  - iii. The Affected Party shall notify the other Party when the Force Majeure has terminated or abated to an extent which permits resumption of performance to occur and shall resume performance as expeditiously as possible after such termination or abatement.
- e. Consequences of Force Majeure Provided that the Affected Party has complied and continues to comply with the obligations of this Clause 14 and subject to the further provisions of this Agreement:
- i. the obligations of the Parties under this Agreement to the extent performance thereof is prevented or impeded by the event of Force Majeure shall be

suspended and the Parties shall not be liable for the non-performance thereof for the duration of the period of Force Majeure; and

- ii. the time period(s) for the performance of the obligations of the Parties under this Agreement to the extent performance thereof is prevented or impeded by the event of Force Majeure shall be extended for the duration of the relevant period of Force Majeure except as provided herein. Neither the date for satisfaction of the conditions precedent under Clause 8 nor the Contract Period shall be extended due to an event of Force Majeure.

f. Force Majeure Events Exceeding Six months

- i. If an event or series of events (alone or in combination) of Force Majeure occur, and continue for a period in excess of six consecutive months, then the non-affected Party may serve a termination notice on the Affected Party, whereupon the Parties shall meet to mitigate the impediments caused by the Force Majeure event.
  - ii. If the Force Majeure event or series of events referred to in Clause 14.f.i is not remedied or mitigated pursuant to discussions between Sellers and Buyer within fifteen (15) days of receipt of a termination notice, then this Agreement shall terminate on the 16<sup>th</sup> day.
  - iii. Without prejudice to any liability of the Parties accrued as of the date of termination of this Agreement, termination under this Clause 14.f shall be without liability of either Party for damages arising out of such termination.
- g. Nothing in this Clause 14 shall be construed to relieve the Buyer of its obligation to indemnify or to pay sums of money due or that may become due under this Agreement prior to the occurrence of an event of Force Majeure.

**15. Royalty Gas / Gas in kind**

The Parties acknowledge that in case the Government of Arunachal Pradesh takes in kind Gas in lieu of the royalty payments due from Sellers to it under the PSC/law, then Sellers may by prior notice reduce Buyer's DCQ on a pro rata basis (or such other basis as may be required under Law), after first meeting the own-use requirements of Sellers' Facilities, or reduce the Contract Period, with all purchasers of Gas from the Gas Field other than under aforementioned supply commitments, such reduction to take effect on the day when the Government of Arunachal Pradesh starts taking Gas in kind in lieu of the royalty payments.

The Parties further acknowledge that in case the Government of India takes in kind Gas in lieu of its share of profit petroleum due from Sellers to it under the PSC, then Sellers may by prior notice reduce Buyer's DCQ on a pro rata basis (or such other basis as may be required

under Law), after first meeting the own-use requirements of Sellers' Facilities, or reduce the Contract Period, with all purchasers of Gas from the Gas Field other than under aforementioned supply commitments, such reduction to take effect on the day when the Government of India starts taking Gas in kind in lieu of its share of profit petroleum.

## 16. Invoicing

- a. Sellers (or Sellers' representative i.e. GeoEnpro) shall raise invoice and shall electronically deliver invoice for each Seller's share of the Gas sold to the Buyer and the Buyer shall make payments in full to each Seller separately at the bank accounts designated by notice to Buyer, whether in India or abroad. For the avoidance of doubt, electronic delivery of Monthly invoice includes delivery via fax, e-mail and web hosting. Electronically delivered Monthly invoices shall carry a facsimile signature.
- b. If, in respect of any Month, the data for such Month are not fully available, then Sellers shall either (i) prepare the Monthly invoice based on estimates taking into account the details of recent data for previous Months or from such information as it has at its disposal and Buyer shall pay to each Seller the sum set out in such Monthly invoice, or (ii) prepare a provisional Monthly invoice (and Buyer shall pay to each Seller the sum set out in such Monthly invoice) followed by a final Monthly invoice as soon as the required data is available. If the amount paid by Buyer in settlement of a provisional Monthly invoice is less than the amount payable as per the final Monthly invoice, Buyer shall settle such difference forthwith. If the amount paid by Buyer in settlement of a provisional Monthly invoice is more than the amount payable as per the final Monthly invoice, such difference shall be adjusted in the following Monthly invoice.
- c. Invoices shall be raised Monthly in US\$, commencing with the Month in which the Start Date occurs.
  - i. Each Monthly invoice shall be for the sale of the Allocated Quantity in such period at the applicable Gas Price,
  - ii. Sellers shall raise and electronically deliver separate debit notes in respect of any Monthly Deficiency Payment at the end of Month and any interest payable on amounts due to Sellers under this Agreement and Buyer shall make payments in full to Sellers at the bank accounts designated by it in accordance with Clause 18.
  - iii. Sellers shall raise in US\$ separate credit notes in respect of any credit issued in accordance with Clauses 10.a and 10.b. The value of any such credit note delivered by Sellers in accordance with this Clause 16 shall, unless otherwise specified, be set off against the monies due and payable by Buyer to Seller under this Agreement. If at the termination or expiration of this Agreement

there remains a credit but no monies are due and payable by Buyer to Sellers, Sellers shall refund the amount of the credit to Buyer forthwith.

- d. Invoice shall specify Gas Price and Taxes.
- e. All amounts payable by Buyer hereunder shall be paid in INR or in US\$ as requested by the Seller. All amounts invoiced shall be denominated in US\$ and amounts that are payable in INR shall be converted at the Exchange Rate; provided, however, that if the Exchange Rate differs from the exchange rate used under the PSC in respect of proceeds received by Seller on the date of payment of such proceeds, then the amounts received in INR shall be adjusted to reflect the use of such exchange rate under the PSC by the issuance by the affected Sellers of separate debit notes or credit notes (which shall be electronically delivered).
- f. Seller shall forward to Buyer in original all the invoices, debit notes and credit notes already delivered electronically.

## 17. Security

- a. No later than five (5) Business Days following the execution of this Agreement, Buyer shall provide Seller with an irrevocable, revolving stand-by letter of credit (“**Letter of Credit**”) issued in favour of Seller Representative i.e. GeoEnpro by a scheduled bank in India acceptable to the Seller.
- b. Each Letter of Credit shall be valid and subject to drawdown for a term of not less than twelve (12) months, and shall be issued for an initial face value in INR equal to the invoice value of six (06) Months’ Gas sales at the DCQ level (at the Sales Price plus Taxes including, for the avoidance of any doubt, Taxes that are or may be subject to challenge), plus any unpaid, contingent, potential and/or continuing liability for Taxes against any Gas sale that has already taken place (to the extent funds are not being held by the Seller pursuant to Clause 17.f in connection therewith). In calculating the initial face value of such Letter of Credit in accordance with this Clause 17.b, the following Gas Price and exchange rate shall be used:
  - i. the Gas Price computed for the month in which the Letter of Credit is being issued; and
  - ii. the exchange rate would be the reference rate as quoted by State Bank of India for converting US\$ to INR as applicable on the last Business Day in the month previous to the month in which the Letter of Credit is being issued.

Sellers may from time to time require that, in the event that there has been any change in liability including towards any unpaid, contingent, potential and/or continuing liability for Taxes or any change in the DCQ, Buyer must

increase the face value of the Letter of Credit by an amount reasonably determined and notified by Seller to Buyer in writing in order to reflect such change in liability including towards any unpaid, contingent, potential and/or continuing liability for Taxes or any change in DCQ, and Buyer shall so increase the face value of the Letter of Credit within fifteen (15) days of, such demand from Seller.

- c. The Letter of Credit shall be in a format as specified in the **EXHIBIT 6: Letter of Credit**. Buyer shall bear all fees, charges and commissions payable to the bank issuing such Letter of Credit. The Letter of Credit shall be maintained through the entire Contract Period and for an additional period after expiry or termination of this Agreement until all amounts, including any disputed amounts owed by Buyer to each Seller under this Agreement have been fully and irrevocably and indefeasibly paid and satisfied.
- d. In the event that Buyer fails to pay any amount due under the terms of this Agreement to the Seller within the period specified in this Agreement, the Seller may, without prejudice to any other rights and remedies available under this Agreement or under Law, draw upon its Letter of Credit for payment of such amounts due and payable under any invoices and/or debit notes and or interest charges raised under this Agreement. Recourse against the Letter of Credit shall be without limitation to any other right or remedy of Sellers in relation to the payment default.
- e. If the Letter of Credit is not renewed or replaced before thirty (30) days prior to its stated date of expiry, then Sellers shall have the right to draw down the Letter of Credit in full before it expires and retain such drawn proceeds as security against any and all amounts then or thereafter owing by Buyer under this Agreement, without any interest accruing to Buyer.
- f. Further to Buyer's obligation to provide the Letters of Credit in accordance with Clause 17.a, Buyer shall (within five (5) Business Days following receipt of a notice from the Seller requiring the same) deposit an amount of money equal to the value of any asserted but at that time not payable Taxes in connection with any Gas sale that has already taken place ("**Asserted Liabilities**") into a separate account to be maintained by Sellers. To the extent that any Asserted Liabilities subsequently become due and payable, the affected Seller shall be entitled to apply any funds held pursuant to this Clause until towards satisfaction of such liabilities. Sellers shall be entitled to retain any funds deposited with it pursuant to this Clause until as a court of competent jurisdiction shall have determined by a final order or judgment (against which no appeal may be brought, or, if any appeal shall have been brought, the appeal shall have been disposed of) that the Asserted Liabilities are invalid or ineffective for any reason.

## 18. Payment

- a. Payment shall be made in full in accordance with the invoices and debit notes no later than the tenth (10<sup>th</sup>) Business Day after the day on which electronic delivery of the invoices and debit notes occurs. Without prejudice to any other rights and remedies available under this Agreement or under law, if any Party fails to make a payment to another Party of any amount due under this Agreement, interest thereon shall accrue at a rate per annum equal to the SBIBR plus five (5.0) percentage points, for each day from and including the day on which such sum became due up to the day prior to the day on which payment thereof is received.
- b. If Buyer disputes the payment of any sum under this Agreement, Buyer shall notify Sellers of the amount(s) in dispute at the time of making payment in full of the invoice and or debit note or as soon as reasonably practicable thereafter and, in any event, no later than one month after the end of the relevant billing period to which the invoice and or debit note is related, and after the one month, such invoice and or debit note shall be deemed and conclusively presumed to be correct and agreed for all purposes. Buyer shall provide Sellers, at the time of raising the dispute, a realistic and reasonable written estimate explained in detail in writing of the amount that is, in the reasonable opinion of Buyer, payable by Buyer to Sellers for that disputed invoice and or debit note. For a period of thirty (30) days from the date of receipt by Sellers of the notification of any disputed amount(s) along with written estimate, Sellers and Buyer shall endeavour to resolve the dispute.
- c. Buyer shall provisionally pay any disputed amounts in any invoice or debit note in full by the date payment is due as set out in Clause 18.a. If a dispute is decided in favour of Buyer, Sellers shall refund the overpayment to Buyer, such refund to become due seven (7) Business Days following resolution of the dispute. If Sellers fail to make such refund within such period, interest shall accrue at a rate per annum equal to the SBIBR plus five (5.0) percentage points on the unpaid amount from such due date in accordance with Clause 18.c.
- d. All payments by the Buyer to be made without set-off or counterclaim except as expressly set out in this Agreement.
- e. Payment under this Agreement shall be made in INR or, if requested by Sellers under Clause 16.e, in US\$, and shall be made by electronic funds transfer or equivalent instantaneous transfer of funds for value on the day in question to the account designated by each Seller pursuant to Clause 16.a. Buyer shall be responsible for bearing any charges levied by the bank making the payments. Payment shall be deemed to be received on the date such payment is actually credited to the receiving Party's account.

## 19. Suspension and Termination

- a. Without prejudice to any other rights and remedies available under this Agreement, Sellers may suspend delivery of Gas, upon fifteen (15) Business Days notice, in any of the following circumstances:
- i. Buyer has failed to make payments in full when due even if Sellers are able to draw down the Letter of Credit;
  - ii. Buyer has failed to submit any forms, returns, or documents to Sellers in accordance with Clause 20.c;
  - iii. Buyer has failed to establish, maintain or renew the Letter of Credit or deposit of funds as required pursuant to Clause 17;
  - iv. at Sellers' discretion, instead of or prior to terminating this Agreement, upon the occurrence of any Buyer Event of Default under Clause 19.b below.

Upon and for the duration of such suspension, Sellers shall be relieved of obligations to make Gas available for delivery to Buyer under this Agreement, but Buyer shall not be discharged of any of its obligations under this Agreement including Buyer's obligations under Clause 10 [to take] or pay for Gas. Sellers shall resume delivering Gas as soon as reasonably practicable following the cure of the events listed above and in any case within 48 hours of such cure.

- b. Sellers may terminate this Agreement immediately upon notice to Buyer in any of the following circumstances (each a "Buyer Event of Default"):
- i. Buyer breaches a material term of this Agreement, and such breach is not cured within sixty (60) days following notice from Sellers;
  - ii. Buyer fails to pay any amount due under this Agreement in full within sixty (60) days of the due date for such payment;
  - iii. Buyer fails to remedy, within a period of thirty (30) days following suspension of this Agreement in accordance with Clause 19.a.iii, its obligation to establish, maintain or renew the Letter of Credit or deposit any funds in accordance with Clause 17; or
  - iv. in the event that Sellers have properly served on Buyer on four (4) or more occasions notices of suspension in accordance with Clause 19.a.i, 19.a.ii and 19.a.iii above, even if Buyer ultimately cured the events described in Clause 19.a.i, 19.a.ii and 19.a.iii above that were subject to such notices and whether or



not Sellers actually suspended performance pursuant to their suspension rights under Clause 19.a with respect to the occurrence of such events.

- c. Buyer may terminate this Agreement in the event Sellers breach a material term of this Agreement and such breach is not cured within sixty (60) days following receipt of notice from Buyer notifying Sellers of such breach.
- d. Buyer may terminate this Agreement upon thirty (30) days prior notice to Sellers if, over a consecutive period of one (1) year beginning after the end of the Commissioning Period the Seller fails to make available for delivery (when nominated by Buyer up to the DCQ) a quantity of Gas equivalent to at least two hundred and forty-five (245) days of DCQ but excluding quantities for which Sellers' failure was caused by Buyer or where the quantities were reduced due to application of Clause 5(g) or where Sellers' failure is excused due to Force Majeure, or quantities by which Seller reduced their Gas scheduling as permitted for Planned Maintenance Days. If Buyer wishes to exercise its termination rights under this Clause 19.d, Buyer must notify Sellers within thirty (30) days of the end of the one (1) year period in which Sellers failed to make available for delivery such quantity of Gas.

## **20. Taxes and Duties**

- a. Buyer shall assume full and exclusive liability for payment of all Taxes to Sellers imposed in connection with the purchase of Gas under this Agreement and any payments made under this Agreement. For the avoidance of any doubt, the liability for payment of Taxes shall include any taxes that are paid, levied or accrued and payable or assessed or imposed pursuant to any interim order, provisional assessment, revisional assessment, judicial or executive review, final assessment or any other order made by any Relevant Authority at any time, whether during the Contract Period or at any time thereafter. Buyer shall be liable for fines, penalties or interest on Taxes which are required to be paid by Sellers under order made at any time by the Relevant Authority.
- b. If any Taxes imposed or asserted by the Relevant Authority are subject to challenge as to their validity, efficacy, effect, or amount, Buyer shall nonetheless pay all such Taxes invoiced by Sellers. If any Taxes are later determined by a final order or judgment (against which no appeal may be brought, or, if any appeal shall have been brought, the appeal shall have been disposed of) of a Court of competent jurisdiction to be or have been invalid or ineffective, then
  - i. to the extent that Sellers have paid such Taxes to the Relevant Authority, Sellers shall assign to Buyer such right or title as they possess to claim a refund of such Taxes from the Relevant Authority to the extent permitted by Law or, if such right or title is not assignable, Sellers agree to lend their names to an

action brought by Buyer to recover such amounts from the Relevant Authority;  
and

- ii. to the extent that Sellers have not paid such Taxes to the Relevant Authority, Sellers shall promptly refund such amounts to Buyer.

For the avoidance of any doubt, notwithstanding the above provisions, Sellers would be under no obligation to go for appeal against the validity, efficacy, effect, or amount of Taxes.

- c. Buyer shall submit to Sellers all forms, returns, and documents (duly filled in and completed in all respects), within such time as may be prescribed by Sellers, that are required to enable Sellers to comply with the requirements of the Relevant Authority imposing or asserting any Taxes. In the event that Buyer fails to submit such forms, returns, and documents to Sellers within the prescribed time, then such failure shall constitute a material breach of this Agreement and, in addition to Sellers' rights under Clause 19, Sellers shall have the right to do either or both of the following:

- i. raise necessary debit notes for any potential liability for Taxes that may arise as a result of such failure of Buyer and Buyer shall make payment of such debit notes in accordance with Clause 18; and/or
  - ii. require an increase in the face value of the Letter of Credit in an amount specified by Sellers to cover such potential liability for Taxes, whereupon Buyer shall amend the Letter of Credit value in accordance with the terms of Clause 17; and/or
  - iii. require a deposit of funds in accordance with Clause 17.f in an amount to be specified by Sellers to cover such potential liability for Taxes.
- d. Buyer shall be liable for and shall indemnify (and keep indemnified), protect, defend and hold harmless Sellers and its Affiliates from and against all actions, proceedings, claims and demands brought or made and all losses, damages, costs, expenses, liabilities, settlements, and judgements from and against any Taxes for which Buyer is responsible under this Agreement, and Sellers may recover such sums from Buyer including all costs, fees, expenses and charges incurred by Sellers in connection therewith.

## **21. Liability and Remedies; Indemnities**

- a. The remedies and relief set out in this Agreement are cumulative and are the exclusive remedies and relief available to the Parties (and to their Associated Persons) for a breach or default by another Party.

- b. Without prejudice to the express remedies and relief set forth in this Agreement neither Sellers nor Buyer (nor their Associated Persons) shall be liable to the other for Consequential Loss or for any other incidental, special, punitive or exemplary damages, arising out of or in connection with this Agreement for any reason whatsoever (except in the case of Wilful Misconduct and / or Gross Negligence).

“Gross Negligence” for the purpose of this Agreement shall mean such act or omission by any Party (including for the avoidance of doubt its sub-contractors or its Affiliates, officers, directors or employees) in careless, reckless and wanton disregard for the harmful, foreseeable and avoidable consequences for the safety or property of the other Party.

“Wilful Misconduct” for the purpose of this Agreement means such act or omission, as amounts to an intentional, deliberate, conscious and reckless disregard by it (including for the avoidance of doubt its sub-contractors or its Affiliates, officers, directors or employees) of any provision of this Agreement or for the harmful, foreseeable and avoidable consequences for the safety or property of the other Party.

- c. Notwithstanding anything contained in this Agreement, the maximum aggregate liability for Sellers (and for their Associated Persons) to the other party for any and all liabilities and indemnities under this Agreement (except for any liabilities under Clause 11 of this Agreement) in respect of each Contract Year shall be a value equal to ninety (90) days multiplied by the average DCQ in effect during the relevant Contract Year multiplied by the applicable Gas Price in effect as of the time of calculation. For each Seller, such aggregate liability under Clause 21.c shall be split in accordance with each Seller’s Participating Interest. Notwithstanding the foregoing, in any Contract Year that contains fewer than 365 days, the factor of ninety (90) days used in the calculation of the foregoing liability cap shall be reduced proportionately.
- d. No Party (and no Associated Person of any Party) shall bring any claim, at law or in equity or otherwise, for any other form of relief or remedy (including claims for injunctive relief, specific performance, or otherwise) other than for the payment of money. The dispute resolution provisions of Clause 24.a shall be the exclusive means of resolving any disputes arising under or relating to this Agreement, and no Party (and no Associated Person of any Party) shall bring or assert any claim in a court or tribunal except in accordance with this Clause 21 and Clause 24.a. To the fullest extent allowed under applicable law, it is the Parties’ intention that the limitations of this Clause 21 shall apply notwithstanding any other right that may otherwise be available to a Party (and to their Associated Persons).
- e. The Parties stipulate that the rights, obligations, and remedies under this Agreement were negotiated and freely entered into between them on equal terms and are a commercially justifiable apportionment of risks, and that the remedies do not have the predominant purpose of deterring breach.

- f. Without limiting Clause 7.b and subject to the limitations of this Clause 21, Buyer shall indemnify, keep indemnified and hold harmless each Seller and their respective Associated Persons from and against any and all costs (including legal fees on a full indemnity basis), losses, damages, expenses, demands, claims, actions or suits that they may suffer or incur, that relate to the damage or destruction of any property or the injury or death of any person and that arises out of or in connection with this Agreement out of any of or a combination of the below events:
- i. The installation, operation, or maintenance of Buyer's Facilities;
  - ii. The presence of Gas in or from Buyer's Facilities;
  - iii. a breach of the representations and warranties of Buyer made in Clause 24.b.ii.
- g. Without limiting Clause 7.b and subject to the limitations of this Clause 21, Sellers shall indemnify, keep indemnified and hold harmless Buyer and its Associated Persons from and against any and all costs (including legal fees on a full indemnity basis), losses, damages, expenses, demands, Claim, actions or suits that it may suffer or incur, that relate to the damage or destruction of any property or the injury or death of any person and that arises out of or in connection with this Agreement out of any of or a combination of the below events:
- i. the installation, operation or maintenance of Sellers' Facilities;
  - ii. the presence of Gas in or from Sellers' Facilities; or
  - iii. a breach of the representations and warranties of Sellers made in Clause 24.b.ii.
- h. Any Party entitled to indemnification under this Agreement shall promptly notify the Party obligated to indemnify that Party of any claim or proceeding in respect of which it is entitled to be indemnified under this Agreement. Such notice shall be given as soon as reasonably practicable after the Party entitled to indemnification becomes aware of such claim or proceeding. Any Party liable to indemnify the other Party under this Agreement shall have the right, but not the obligation, to contest, defend and litigate (and to retain legal advisers of its choice in connection therewith) any claim, action, suit or proceeding by any third party initiated against the other Party arising out of any matter in respect of which it is liable to indemnify hereunder, at its option, to assume and control the defence of such claim, action, suit or proceeding at its expense and through legal advisers of its choice, if it:
- i. gives notice to the other Party of its intention to do so;
  - ii. acknowledges in writing its obligation to indemnify the other Party to the full extent provided by this Clause 21; and

- iii. reimburses the other Party for the reasonable costs and expenses previously incurred by the other Party prior to the assumption of such defence by the Party obligated to provide indemnification.
- i. No Party entitled to indemnification under this Agreement shall settle or compromise any claim, action, suit or proceeding in respect of which it is entitled to be indemnified by the other Party without the prior written consent of the Party obligated to provide indemnification, which consent shall not be unreasonably or arbitrarily withheld or delayed of any of or a combination of the below events:
  - i. any loss of or damage to Buyer's Facilities arising out of or in connection with this Agreement; and
  - ii. any claim, demand, action or proceedings brought or instituted against Sellers or any of Sellers' Associated Persons by Buyer or any of Buyer's Associated Persons for personal injuries, illness, death or damage to property (including in respect of Seller's delivery of Gas to Buyer under this Agreement that does not meet the Specifications) arising out of or in connection with this Agreement and even where caused by the negligence or breach of duty of Sellers.
- j. Subject to the limitations of this Clause 21, Sellers shall be responsible for and shall indemnify Buyer against any liability, which Buyer may have in respect of any of or a combination of the below events:
  - i. any loss of or damage to Sellers' Facilities arising out of or in connection with this Agreement; and
  - ii. any claim, demand, action, or proceedings brought or instituted against Buyer or any of Buyer's Associated Persons by Sellers or any of Sellers' Associated Persons for personal injuries, illness, death or damage to property arising out of or in connection with this Agreement and even where caused by the negligence or breach of duty of Buyer.
- k. Subject to the limitations of this Clause 21, Buyer shall be responsible for and shall indemnify Sellers against any liability, which Sellers may have in respect of any claim, demand, action or proceedings brought or instituted against Sellers or any of Sellers' Associated Persons by any third party arising out of or in respect of the exercise by Buyer of its rights and/or the performance by Buyer of its covenants or obligations in accordance with this Agreement. Sellers shall be severally responsible for and shall indemnify Buyer against any liability, which Buyer may have in respect of any claim, demand, action or proceedings brought or instituted against Buyer or any of Buyer's Associated Persons by any third party arising out of or in respect of the exercise by the relevant Seller of its rights and/or the performance by the relevant Seller of its covenants or obligations in accordance with this Agreement.

## **22. Rights and Obligations of Sellers**

- a. The rights of each Seller under this Agreement shall be several (and not joint or joint and several). Sellers' right to receive payment in respect of Gas delivered to Buyer and in respect of Buyer's obligations to pay for Gas not taken (including payment of the Quarterly Deficiency Payment) shall be in accordance with their respective Participating Interests.
- b. The obligations, responsibilities and liabilities of each Seller under this Agreement shall be several (and not joint or joint and several). Such obligations and liabilities in respect of Gas delivered under this Agreement (including in respect of Gas not meeting the Specifications) or in respect of Gas that Sellers failed to deliver (including Shortfall Quantities) shall be in accordance with their respective Participating Interests.

## **23. Assignment**

- a. Except as set out below, a Party may not assign or otherwise transfer its interest in this Agreement without the prior written consent of the other Parties.
- b. The following assignments do not require consent of the other Parties:
  - i. assignment by any Party as collateral security for financing;
  - ii. assignment by a Seller to the extent it assigns its interests under the PSC and JOA;
  - iii. assignment by any Party of all of its rights and obligations to an Affiliate; or
  - iv. assignment by a Seller of a part of its rights and obligations to an Affiliate or a Third Party.
- c. Except in the case of an assignment under Clause 23.b.i above, the assigning Party shall be relieved of its obligations as to the period after the assignment if the assignee has the capability to perform all the obligations of the assigning Party, and expressly assumes in writing for the benefit of the non-assigning Party all of the assigning Party's obligations, and if the assigning party is Buyer, then the assignee either is no less creditworthy than Buyer or provides a guarantee or additional letter of credit reasonably acceptable to Sellers.

## **24. Miscellaneous**

- a. Applicable Law & Dispute Resolution:

- i. This Agreement shall be governed and construed by the laws of India. If any dispute, difference, question or disagreement arises, at any time during, before or after completion or abandonment of work, between the Parties hereto or their respective representatives or assignees, at any time in connection with construction, meaning, operation, effect, interpretation or out of the Agreement or breach thereof (a "Dispute"), the Parties shall make best efforts to resolve the same through good faith negotiations.
- ii. However, if both Parties agree, a technical expert can be appointed by mutual agreement to mediate good faith negotiations between the Parties. These good faith negotiations may be mediated by a technical expert who will be appointed by both the Parties by mutual agreement.
- iii. If any of the dispute, difference, question or disagreement remains unresolved for a period of 60 days from the date of the beginning of good faith negotiations between the Parties under Clause above, such dispute, difference, question or the said disagreement shall be finally decided by the courts at New Delhi which shall have exclusive jurisdiction to decided any/all matters relating to the parties hereto. The Parties specifically attorn and submit themselves to the exclusive jurisdiction of the Indian courts in New Delhi. In addition, each Party irrevocably waives any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Contract in the courts of New Delhi, India, and irrevocably waives any claim that any such suit, action or proceeding brought in the courts of New Delhi India has been brought in an inconvenient forum and further irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in the courts of New Delhi India, that such courts does not have jurisdiction over such Party.

b. Representations and Warranties:

- i. Sellers represent and warrant that they hold the title to or are otherwise authorized to sell all Gas sold under this Agreement.
- ii. Sellers represent and warrant to Buyer, and Buyer represents and warrants to Sellers, that as at the date hereof:
  1. it is duly incorporated and validly existing under the laws of its place of incorporation and has the power, capacity and authority to own its assets and to conduct its business as currently conducted and as contemplated herein;

2. this Agreement has been duly executed by it or its duly authorised agent and is a legal, valid and binding agreement enforceable against it in accordance with its terms and conditions; and
  3. as disclosed in writing, the execution of this Agreement does not violate any law, or any document constituting the Party, or any permit granted to such Party or any agreement to which such Party is a party.
- iii. The representations and warranties of the Parties contained in this Clause 24.b shall survive the termination or expiry of this Agreement for a period of three (3) years.
- iv. GeoEnpro individually warrants that it has authority to enter into this Agreement and administer this Agreement with the Buyer on behalf of other co-venturers of the consortium i.e. JEKPL, OIL & Geo Petrol as their authorised agent for the purpose of this Agreement.
- c. Laws and Approvals:
- i. No Party shall be liable to another Party, and no Party shall be held in breach of its obligations under this Agreement, as a result of such Party's compliance with any laws, rules, regulations, judgements, decrees, or other legislative measures having the force of law, issued by any Relevant Authority, as the same may be in effect from time to time, that are mandatorily applicable to such Party in respect of the transactions contemplated by this Agreement; provided, however, this Clause 24.c shall have no effect on the limitations set forth in Clause 21.
  - ii. The Parties acknowledge and agree that Sellers are selling Gas to Buyer under this Agreement in its capacity as Contractor under the PSC and subject to the terms thereof. The obligations of Sellers under this Agreement are subject to the receipt and continued effectiveness of all requisite approvals required under laws and regulations and the PSC. Sellers shall not be obliged to sell Gas to Buyer contrary to any direction or approvals received from the Government.
- d. Confidentiality: This Agreement and all documents and information transmitted by Buyer to Sellers or from Sellers to Buyer under this Agreement (“**Confidential Information**”) shall be deemed confidential. The receiving Party agrees to protect and guard Confidential Information and not to disclose Confidential Information, directly or indirectly, to any other person, except as may be required by law or as may be agreed in this Agreement. Each Party may disclose Confidential Information to the extent that such Confidential Information is provided to Affiliates, Relevant Authorities, bona fide stock or securities exchanges in relation to any applicable listing of a Party, professional advisors, agents, auditors, insurers, bona fide potential



assignees, lenders, sub-contractors and their advisors or representatives of a Party as is reasonable under the circumstances; provided that such disclosures are subject to conditions of confidentiality at least as restrictive as this Agreement. Each Party may disclose Confidential Information to party arranging the required transportation but only to the extent reasonably required for the performance of this Agreement. The restrictions of this Clause 24.d shall survive the termination or expiry of this Agreement for a period of three (3) years.

e. Notices:

- i. All notices under this Agreement shall be in writing and are effective upon delivery to the applicable Party (whether by mail, fax, personal delivery or otherwise) at the address indicated below (unless changed by notice):

GeoEnpro: Vice President  
GeoEnpro Petroleum Limited,  
Express Trade Towers 1, 2nd Floor,  
15-16, Sector 16 A, Film city,  
Noida-201301(UP), India  
Tel: +91-120-4060450  
Fax: +91- 120-4060499

JEKPL: Jubilant Energy (Kharsang) Private Limited  
A-80, Sector 2  
Noida (UP), India  
Tel: +91-120-4060450  
Fax: +91- 120-4060499

OIL: OIL India Limited  
Duliajan, District Dibrugarh  
Assam – 786602, India  
Tel: +91-  
Fax: +91-

Geopetrol: GeoPetrol International Inc  
The Mira Corporate Suites  
D-1, 1&2, Ishwar Nagar, Mathura Road  
New Delhi -110065  
Tel: +91-  
Fax: +91-

**Buyer:** <to be inserted>

< to be inserted >

Phone:

Fax:

- f. Relationship of Parties: Parties acknowledge and agree that the rights and obligations contained in this Agreement in respect of sale, purchase, entitlement, rights and remedies are purely contractual in nature and this Agreement shall constitute the entire agreement between the Parties as to the subject matter hereof. This Agreement shall only be amended, modified or supplemented by a written instrument signed by all Parties. Nothing in this Agreement shall be construed to create a partnership, joint venture or association, or establish a principal and agent relationship or any other relationship of a similar nature among the Parties.
- g. Implied Terms Excluded: Except as otherwise specified in this Agreement, the Parties exclude any other warranty, condition or other undertaking implied at law or by custom or otherwise arising other than by express written agreement between the Parties. Without limiting the generality of the foregoing, Sellers expressly do not warrant supply of Gas at any level and Buyer acknowledges and agrees that the DCQ represents the maximum quantity of Gas to be supplied under this Agreement on any Day and not an estimate or a warranty.
- h. Survival: Except as may otherwise be expressly provided herein, the provisions set forth under Clause 20, Clause 21 and Clause 24 (except as set forth in Clause 24.b and Clause 24.d shall survive the termination or expiry of this Agreement.
- i. Third Party Beneficiaries. Except as expressly stated in this Agreement, none of the Parties intend that the provisions of this Agreement should confer any benefit on any third party and no third party shall have any right to enforce the terms of this Agreement against any Party.
- j. Area Familiarisation: It is clearly understood that the Buyer has inspected the Contract Area and acquainted itself with the site conditions, facility, approaches, availability of labour & raw materials, geological, geopolitical and weather conditions etc. The Buyer shall submit the Area Familiarisation Certificate with the Seller before commencement of work and no communication in this regard shall be entertained thereafter.

*[Remainder of Page Intentionally Left Blank]*

*[Signature Page Follows]*

IN WITNESS WHEREOF, Sellers and Buyer have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the date first above written.

GeoEnpro Petroleum Limited  
For and on behalf of  
GeoEnpro Petroleum Limited  
Jubilant Energy (Kharsang) Pvt. Limited  
Oil India Limited  
Geopetrol International Inc

For and on behalf of  
[insert name of buyer]

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Witness: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Witness: \_\_\_\_\_

**EXHIBIT 1: Daily Contract Quantity**

Period	DCQ (MMBtu/Day on NCV basis)
Start date to End Date	

## **EXHIBIT 2: Sales Price**

The Gas Price (in US\$/MMBtu (on NCV basis)) at the Delivery Point through the End Date shall be determined as per the following 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

The Gas Price arrived at as per the formula set out hereinabove shall be subject to a minimum escalation of 5% compounded per annum. This escalation shall be applied on every anniversary of first gas sale.

Gas Price shall be exclusive of:

- i. All taxes, duties and levies on the sale of gas as applicable and payable from time to time.
- ii. The royalty levied under the Oil Industries Development Act, 1974 (including any statutory amendment / modification thereof) on actual, as applicable from time to time, on Gas sold to Buyer under this Agreement.

**EXHIBIT 3: Gas Quality Specifications**

The Gas to be sold will be commingled streams of Associated Natural Gas and Non Associated Natural Gas. Gas shall be determined to meet the specifications if at the Delivery Point the Gas:-

1. shall have a minimum Net Calorific Value of 8,000 Kcal. per Standard Cubic Meter;
2. shall be in gaseous state and contain not less than 80 mole% of methane (CH<sub>4</sub>);
3. H<sub>2</sub>S not more than 0.1%;
4. CO<sub>2</sub> less than 2%;
5. GeoEnpro to maintain supply of gas to the buyer at the delivery point at a pressure in the range of 1.5 to 2 kg/ cm<sup>2</sup>;
6. GeoEnpro to maintain supply of gas to the buyer at the delivery point at ambient temperature of 9 to 30 deg. Celsius. Dew Point 4 deg Celsius.

## **EXHIBIT 4: Nomination, Scheduling, and Allocation Procedures**

### **A. Nomination Procedure**

1. At least 30 days prior to the Start Date, the Buyer shall provide to Sellers written estimates of the DCQ of Gas to be delivered at the Delivery Point during the first Contract Month and subsequent two (02) months. The nominations shall be made on an energy basis (in MMBtu) based on DCQ and shall specify the quantity in respect of each Day of that Month commencing at 06:00 hours. Each such nomination so made shall be the “**Nominated Daily Quantity**” (NDQ) for the applicable Day.
2. The DCQ nominated by the Buyer for the first Contract Month shall be treated as firm nomination.
3. From second Contract Month onwards, on or before the 10<sup>th</sup> day of the relevant Contract Month, the Buyer shall provide to Sellers written DCQ estimates of Gas to be delivered at the Delivery Point during the next three (03) Contract Months.
4. The DCQ estimates only for the immediately succeeding Contract Month as provided by the Buyer shall remain firm. Buyer will be entitled to change the DCQ estimates of the subsequent two (02) Contract Months while giving DCQ estimates in subsequent months.
5. In case no nomination is received from the Buyer for any Contract Month, the prevalent DCQ in the contract month shall be deemed to be the NDQ.

### **B. Scheduling Procedure**

1. For the first Contract Month, the Sellers shall notify to Buyer, at least seven (07) days prior to the Start Date, quantity of Gas available from Sellers to be made available for delivery to Buyer at the Delivery Point.
2. For the second and subsequent Contract Months the Sellers shall notify to Buyer, on or before the 25<sup>th</sup> day of the Contract Month immediately preceding the second or subsequent Contract Month respectively, the quantity of Gas available from Sellers to be made available for delivery to Buyer at the Delivery Point.
3. In case no nomination is received from the Buyer for any Contract Month, the current DCQ shall be deemed to be allocated by the Sellers to the Buyer.
4. Upon receipt of the Buyer’s notification, Sellers shall notify Buyer of the quantity scheduled (or delivery to Buyer at the Delivery Point on the Day of Gas flow (“**Scheduled Daily Quantity**”), which quantity shall be the lower of: (a) the quantity of Gas that the Buyer has so notified to Sellers that it is able to transport / offtake and

(b) the quantity of Gas that Sellers are able to make available for delivery at the Delivery Point on the Day of Gas flow provided that the Sellers will not be obliged to make available Gas more than 100% of the DCQ of any Day. For the avoidance of any doubt, lower scheduling for reasons attributable to Buyer shall not result in or form the basis of any Shortfall Quantity and Buyer shall be liable for any Monthly Deficiency Payment (if applicable) resulting therefrom.

5. In the event Sellers need to curtail Gas deliveries on any Day, Sellers may, subject to Clause 5.g, notify Buyer of the adjustment to the quantity available and shall confirm the adjustment with Buyer, and Scheduled Daily Quantity shall be adjusted accordingly.

### **C. Allocation Procedures**

1. Buyer's Allocated Quantity shall be calculated as the Measured Quantity multiplied by Buyer's Scheduled Daily Quantity for the Day and divided by the total of the scheduled daily quantity for all deliveries to buyers of Gas from the Gas Field at the Delivery Point for the Day.
2. Seller and Buyer or Buyer's designee shall countersign at the end of each Contract Month an acknowledgement of the Allocated Quantity of Gas delivered by Seller and received by Buyer or Buyer's designee on the previous Contract Month at the Delivery Point.

### **D. Change in Procedures**

From time to time Sellers may change the procedures of this Exhibit 4 by notice to Buyer.



## **EXHIBT 5: Measurement**

### **1. Delivery Point Measurement Equipment**

1.1 Sellers shall provide and install at their own expense, at a point upstream of and near the Delivery Point, and thereafter operate, maintain and renew, measurement equipment at the Delivery Point (“**Measurement Equipment**”). The ownership of the Measurement Equipment shall remain with Sellers. Sellers shall ensure that Gas delivered hereunder at the Delivery Point shall be measured in accordance with the methods established and from time to time amended under this Agreement.

1.2 Sellers shall ensure that equipment for the proper measurement of Gas delivered at the Delivery Point shall be properly maintained and corrected in accordance with this Agreement.

### **2. Measurement and Calibration:**

2.1 Measured Quantity shall be recorded in MMBtu at the Delivery Point. Gas measurement shall include all corrections in installation practices recommended for accurate metering of Gas in accordance with American Gas Association (AGA) Report No, 8, 9 and 10 for a suitable metering system. The error/inaccuracy permitted shall be within a range of  $\pm 1\%$ . At the end of calibration, the Measurement Equipment shall register accurately and no individual transmitter feeding into total flow computation shall have an error more than 0.5%.

2.2 Sellers shall install an appropriate form of online composition measurement device, Gas Chromatograph (GC), at or upstream of the Delivery Point consistent with recognised international standards (ISO 6975/6976 or any other equivalent standard).

2.3 If Buyer has any reasonable doubt about the proper working of the Measurement Equipment, it may request that Sellers re-calibrate, validate or prove the equipment. Buyer may not request a recalibration or validation of the Measurement Equipment in the event that such Measurement Equipment was the subject of a recalibration or validation within the previous Sixty days (60) days or such other mutually agreed period, whether or not requested by Buyer. Buyer shall not withhold the payments to Seller under the Agreement pending action on Buyer’s request for such re-calibration or validation or proving of the equipment or the final result of such calibration, validation or proving; provided however, Buyer or Sellers may lodge claim for refunds or adjustments, if any, depending upon the final results of such calibration, re-calibration, validation or proving within a period of fifteen(15) of such calibration, re-calibration, validation or proving. Such claim, if found correct by Buyer or Sellers

shall be adjusted against the subsequent invoice(s) of supply of Gas. The cost of such special test shall be borne by Sellers if the percentage of inaccuracy is found to be beyond  $\pm 1\%$ , but the cost of such special test shall be borne by Buyer if the percentage of inaccuracy is no greater than  $\pm 1\%$ .

2.4 If on joint calibration/validation/proving the Measurement Equipment registers a variation of more than  $\pm 1\%$  or if the meter is out of service or fails, stops or breaks down, the following procedure in order of priority, whichever is feasible for arriving at the computation of Gas during the period between the last calibration/validation/proving, failure, stoppage or breakdown and present one shall be followed:

- (a) by correcting the error if the percentage of error is ascertainable by a calibration/validation/proving, test or mathematical calculation: or
- (b) by estimating the quantity of Gas delivered by comparison with deliveries during a period under similar conditions when the meter was registering accurately.

2.5 The period to which the above corrections shall apply shall be as under:

- (a) If any period during which the meter is out of service or fails, stops or breaks down is known or agreed upon, that shall be the period to which the correction shall be applied; or
- (b) If the period is not known, the correction shall be made for a period equal to half of the time elapsed since the date of the preceding calibration/validation/proving test not exceeding a correction period of thirty (30) days.

2.6 In any case, if at the time of calibration/validation/proving, the meter error exceeds 0.5%, the applicable meter shall be recalibrated.

2.7 The Measurement Equipment shall be calibrated or validated by the Sellers in accordance with standard industry procedure.

## EXHIBIT 6: Letter of Credit

To: [Seller]  
[Address]

[Date]

Irrevocable Revolving Standby Letter of Credit no. [ ]

At the request of \_\_\_\_ <address> (“**Applicant**”), we, \_\_\_\_\_<address> (“**Issuing Bank**”) issue this irrevocable, revolving, standby Letter of Credit (“**Letter of Credit**”) in favour of \_\_\_\_\_, <address> (the “**Beneficiary**”) for [\_\_\_\_] (the “**Face Value**”) (and such additional value as provided herein) covering amounts owed to the Beneficiary under the Agreement or for which the Beneficiary otherwise has the rights under this Letter of Credit to draw down amounts, all on the following terms and conditions:

### 1 Definitions in this Letter of Credit:

“**Agreement**” means the agreement titled “Agreement for Sale and Purchase of Natural Gas” dated [\_\_\_\_], executed between GeoEnpro Petroleum Limited, Jubilant Energy (Kharsang) Pvt. Limited, Oil India Limited, and Geopetrol International Inc (including their successors and permitted assigns), as Sellers, and the Applicant (including its successors and permitted assigns), as Buyer, for the sale of natural gas by the Beneficiary to the Applicant for use by the Applicant as agreed.

“**Banking Day**” means a day on which commercial banks are open for general commercial business in the city of New Delhi, India.

“**Demand**” means a demand for a payment under this Letter of Credit in the form of the Schedule to this Letter of Credit duly supported by the documents prescribed under Clause 5.2 of this Letter of Credit.

“**Expiry Date**” means the date calculated in accordance with Clause 3.1.c of this Letter of Credit.

“**Exchange Rate**” or “**ER**” means the average of TT Buying rate and TT Selling rate (as rounded off to two decimal places) quoted / published by the State Bank of India for converting US\$ to INR applicable to the day on which payment of any amounts due under this Agreement is made, provided that if such rate is not available as to any day, the last day available Exchange Rate shall be used.

“**INR**” means Indian Rupees.

“US\$” or “US Dollars” means the lawful currency of the United States of America.

## **2 Issuing Bank’s Agreement**

- (a) The Beneficiary may request a drawing or drawings under this Letter of Credit by submitting to the Issuing Bank a duly completed Demand. All Demands must be received by the Issuing Bank at its counters at New Delhi, before close of normal banking hours on or before the Expiry Date.
- (b) Subject to the terms of this Letter of Credit, the Beneficiary may request partial and/or multiple drawings under this Letter of Credit by submitting a Demand at its counters in New Delhi in relation to each such drawing.
- (c) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, on the day of receipt by it of a Demand, it will honour the claim and pay to the Beneficiary the amount requested in that Demand.
- (d) The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, following any payment pursuant to a Demand, it shall automatically and immediately thereafter reinstate the value of this Letter of Credit by the amount paid in order to restore this Letter of Credit to the Face Value. The Issuing Bank shall notify the Beneficiary immediately after any reinstatement of this Letter of Credit to the Face Value.
- (e) The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, following any Demand for payment by the Beneficiary, it will calculate and shall pay interest on the total Demand amount as demanded by the Beneficiary at a rate per annum equal to the SBIBR plus five (5) percentage points for each day from and including the day on which such sum became due and payable under the Agreement as notified by the Beneficiary, up to the day on which payment is made by the Issuing Bank under this Letter of Credit.
- (f) This Letter of Credit shall not be discharged by any change in the Issuing Bank’s constitution, constitution of Beneficiary or that of the Applicant or change in applicable Indian laws.
- (g) Opening, renewal, amendment, negotiation and any other charges, if any, related to this Letter of Credit levied by the Issuing Bank shall be paid by the Applicant. Failure of the Applicant to make such payments shall not affect our obligation under this Letter of Credit and the Beneficiary shall be paid the money due to it under this Letter of Credit without any deduction.

- (h) The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, if at least thirty (30) days prior to expiry of this Letter of Credit, Applicant fails to replace or renew such Letter of Credit with another letter of credit then, Beneficiary shall be entitled to draw down the full value of this Letter of Credit as security for payment of amounts payable by the Applicant.
- (i) The Issuing Bank shall allow Beneficiary to assign this Letter of Credit for the benefit of Beneficiary's lenders or Beneficiary's successors and permitted assigns, as provided in the Agreement.
- (j) The Issuing Bank undertakes not to amend any of the terms and conditions of this Letter of Credit without prior consent of the Beneficiary during the validity of this Letter of Credit.

### **3 Term, Extension, Amendments to Face Value and Expiry**

#### **3.1 Term and Extension**

- a) This Letter of Credit is issued on the date above with an initial term of twelve (12) months from the date of issue.
- b) The Issuing Bank shall renew this Letter of Credit no later than thirty (30) days before the expiry of this Letter of Credit for a further period of earlier of the following:
  - i. twelve (12) months; or
  - ii. for a period until ninety (90) days beyond the expiry of the Contract Period (as set out in the Agreement), as applicable.
- c) This Letter of Credit shall terminate on the date notified by the Beneficiary in writing to the Issuing Bank, giving not less than five (5) Banking Days' notice of such termination.

#### **3.2 Expiry**

- a) Without prejudice to Clause 3.2(b) of this Letter of Credit, the Issuing Bank will be released from its obligations under this Letter of Credit at the close of business on the Expiry Date as per Clause 3.1(c) of this Letter of Credit.
- b) On expiry of this Letter of Credit the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under this Letter of Credit that remains unpaid. If a Demand has been received by the Issuing

Bank not later than the Expiry Date, the issuing Bank's obligation to pay hereunder shall be deemed accrued notwithstanding that the due date for payment may fall after the Expiry Date.

- c) When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary shall return the original of this Letter of Credit to the Issuing Bank.

#### **4 Payments**

4.1 All payments denominated in US\$ under this Letter of Credit shall be paid in INR by converting the amount due at the Exchange Rate or in USS on request of the Beneficiary.

4.2 All payments under this Letter of Credit shall be made for full value in immediately available funds (without any set-off, withholding or deduction) and shall be made on the day of receipt of a Demand to the account of the Beneficiary as set out in the Demand through RTGS or Telegraphic Transfer.

#### **5 Delivery of Demand and Supporting Documents**

- a) Each Demand must be in writing, and may be given in person, by post, fax or by electronic communication and must be received by the Issuing Bank at its address as follows:

*[Insert Details]*

- b) For the purposes of this letter of Credit, electronic communication with electronic signature shall be treated as a communication that has been validly given in writing.

##### 5.2 Supporting Documents

Each Demand shall be duly supported by a copy of invoice and/or debit notes under the Agreement against which the payment is being claimed by the Beneficiary, except in case of Clause 2(h) of this Letter of Credit where only the Form of Demand as set out in the Schedule to this Letter of Credit shall be submitted.

#### **6 UCP**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No, 600.

**7 Governing Law**

This Letter of Credit shall be governed by and construed in accordance with the laws of India.

**8 Jurisdiction**

The courts and tribunals at New Delhi shall have exclusive jurisdiction over the subject matter of this Letter of Credit.

Yours faithfully

[Issuing Bank]

By:

**SCHEDULE: Form of Demand**

[Date]

To: [Bank]

**Regarding: Irrevocable, Revolving, Standby Letter of Credit No. [ ] issued in favour of \_\_\_\_\_ (“Letter of Credit”).**

Dear Sirs,

We refer to the above-mentioned Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of Rs, or US\$ [ ] is due under the Agreement as of [DATE] against invoice no... dated..... and/or debit note no..... dated.....We therefore demand payment of the sum of Rs./US\$ [ ] plus interest as provided in the Letter of Credit.

*Alternative:*

We certify that the sum of Rs. or US\$ [ ] may be drawn down under the Agreement. We therefore demand payment of the sum of Rs. or US\$ [ ].

2. All documents prescribed under Clause 5.2 of the Letter of Credit are enclosed herewith.
3. The applicable exchange rate for this Demand is the Exchange Rate as defined in the Letter of Credit.
4. Payment should be made to the following account:  
  
Name:  
Account Number  
Bank:
5. The date of this Demand is not later than the Expiry Date.

Yours faithfully  
(Authorised Signatory)  
For

[BENEFICIARY]