

Business Unit or Link

***Draft Reconnaissance
Contract***
[Subject]

02 May 2017

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Recital

This Contract made on this _____ day of _____ between:

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

AND

XYZ, a company incorporated under the laws of _____ (hereinafter referred to as "XYZ" or "Contractor") having its registered office at _____ which expression shall include its successors and such assigns as are permitted under this contract.

(Government and Contractor shall hereinafter referred to as such or collectively as "Parties" or singularly as "Party")

WITNESSETH:

WHEREAS

- (1) By virtue of article 297 of the Constitution of India, Petroleum in its natural state in the territorial waters and the continental shelf of India is vested in the Union of India;
- (2) The Oilfields (Regulation and Development) Act, 1948 (53 of 1948) (hereinafter referred to as "the Act") and the Petroleum and Natural Gas Rules, 1959, made thereunder (hereinafter referred to as "the Rules") make provisions, inter alia, for the regulation of Petroleum Operations and grant of Licenses and Leases for exploration, development and production of Petroleum in India;
- (3) The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976) provides for the grant of a license by the Government to explore and exploit the resources of the continental shelf and exclusive economic zone and any Petroleum Operation under this Contract shall be carried out under a license granted by the Central Government;
- (4) The above Acts and Rules, inter alia, provide for the grant of License for undertaking any prospecting for petroleum in respect of any land or mineral underlying the ocean, within the territorial waters, the continental shelf and Exclusive Economic Zone of India by the Central Government; In case of Onland areas, the Rules provide for the grant of Licenses and Leases in respect of land vested in a State Government by that State Government with the previous approval of the Central Government.
- (5) Rule 5 of the Rules provides for an agreement between the Government and the Licensee containing additional terms and conditions with respect to the License;
- (6) The Government desires that the Petroleum resources which may exist in the territorial waters, the continental shelf, and the exclusive economic zone of India be discovered and exploited with the utmost expedition in the overall interest of India and in accordance with modern oilfield and petroleum industry practices;
- (7) The Government has formulated and approved a new exploration and licensing policy named 'Hydrocarbon Exploration and Licensing Policy' ("HELP") vide Resolution dated 30.03.2016, whereby it has been determined to provide a uniform license to enable E&P operators to explore and extract all hydrocarbon resources including conventional and unconventional oil and gas resources including CBM, Shale Gas/Oil, Tight Gas, Gas Hydrates and any other resource to be identified in future which fall within the definition of "Petroleum" and "Natural Gas" under PNG Rules, 1959.
- (8) The Government, pursuant to HELP, invited companies to submit competitive bids to obtain the right to undertake Reconnaissance within India, which would also be governed by Applicable Laws and the policies governing Petroleum Operations within India formulated by the Government.
- (9) XYZ Company(ies) has / have committed that it has / they have, or will acquire and make available, the necessary financial and technical resources and the technical and industrial competence and experience necessary for proper discharge and / or performance of all obligations required to be performed under this

Contract in accordance with modern oilfield and petroleum industry practices and will provide guarantees as required in Article 5 for the due performance of its obligations hereunder; and

(10) As a result of discussions between representatives of the Government and XYZ Company (ies) on the proposal of XYZ Company (ies), the Government has agreed to enter into this Contract with XYZ Company (ies) with respect to the Contract Area identified as block and detailed in Appendix 1, on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein contained,

IT IS HERE BY AGREED between the Parties as follows

1. Definitions

- 1.1. In this Contract, unless the context requires otherwise, the following terms shall have the meaning ascribed to them hereunder
 - 1.1.1. "**Applicable Laws**" means with respect to any domestic or foreign national entity, federal, regional, state, provision, law, statute, rule, regulation, ordinance, treaty, order, notification, decree, judgement, decision, certificate, injunction, or conditions of any registration, license, permit, authorization, guideline, governmental approval, consent or requirement of any Governmental Authority of such jurisdiction, as construed from time to time by any Governmental Authority of such jurisdiction.
 - 1.1.2. "**Annexure**" means an Annexure attached to this Contract and made a part thereof
 - 1.1.3. "**Article**" means an article of this Contract and the term "Articles" means more than one Article.
 - 1.1.4. "**Basement**" means any igneous or metamorphic rock, or rocks or any stratum of such nature, in and below which the geological structure or physical characteristics of the rock sequence do not have the properties necessary for the accumulation of Petroleum in commercial quantities and which reflects the maximum depth at which any such accumulation can be reasonably expected in accordance with the knowledge generally accepted in the international petroleum industry.
 - 1.1.5. "**Bathymetric Data**" means the data obtained by measuring of ocean depth through depth sounding so as to map the sea floor relief or terrain is termed as Bathymetric Data.
 - 1.1.6. "**Bid**" means the complete bid submitted in relation to the Block by the Contractor pursuant to the NIO that has been accepted by the Government and pursuant to which this Contract is being entered into.
 - 1.1.7. "**Block**" shall have the meaning given to the term in Recital 10 of this Contract.
 - 1.1.8. "**Borehole**" means a well drilled in the sub-surface with or without obtaining the cores of rock samples for the purpose of ascertaining any information.
 - 1.1.9. "**Contract**" means this agreement and the Appendices mentioned herein and attached hereto and made an integral part hereof and any amendments made thereto pursuant to the terms hereof.
 - 1.1.10. "**Contract Area**" shall mean area described in Annexure-1 attached hereto.
 - 1.1.11. "**Contract Duration**" means the period mentioned in Article 2 during which Reconnaissance may be carried out by the Contractor, or termination of this contract, whichever is earlier.
 - 1.1.12. "**Contract Year**" means a period of twelve (12) consecutive months counted from the Effective Date or from the anniversary of the Effective Date
 - 1.1.13. "**Contractor**" means the Company (ies).
 - 1.1.14. "**Coal Bed Methane (CBM)**" means Natural Gas (mainly Methane) contained in coal or bituminous lignite beds under Reservoir condition and extracted therefrom during Petroleum Operations.

- 1.1.15. **"Company"** for the purpose of this Contract means a company which is a Party to this Contract and, where more than one Company is Party to the Contract, the term "Companies" shall mean all such Companies collectively, including their respective successors and permitted assigns under Article.
- 1.1.16. **"Contract"** means this agreement and the Appendices mentioned herein and attached hereto and made an integral part hereof and any amendments made thereto pursuant to the terms hereof.
- 1.1.17. **"Declaration of Reconnaissance completion"** shall mean such declaration evidencing completion of Reconnaissance Work Programme.
- 1.1.18. **"Deepwater Area"** means area falling beyond four hundred (400) meter isobath till fifteen hundred (1500) meter isobath.
- 1.1.19. **"Deepwater Block"** means an area in which more than 50% of the area is Deepwater Area, provided, however, that for the purposes of this contract, the contract area as on Effective Date, as described in the Annexure 1 shall be deemed to be Deepwater Block falling beyond four hundred (400) meter isobath till fifteen hundred (1500) meter isobath.
- 1.1.20. **"DGH"** or **"Directorate General of Hydrocarbons"** shall mean the organization known as Directorate General of Hydrocarbons, presently under the administrative control of Ministry of Petroleum and Natural Gas, Government of India, and shall include any successor authority thereof. **"DGH Data"** shall mean the Geo-scientific Data including the geological and geochemical samples and core samples, provided by DGH to the Contractor to support the objectives of Reconnaissance.
- 1.1.21. **"Effective Date"** is the date of signing of this Contract.
- 1.1.22. **"Exploratory Well"** shall mean a well that is drilled to investigate whether hydrocarbons are present in a formation or other unit within a geological structure or stratigraphic trap in which the presence of hydrocarbons has not previously been demonstrated. The re-opening and re-drilling of well shall not be considered as a new Exploratory Well unless where approved by DGH.
- 1.1.23. **"Foreign Company"** means a Company within the meaning of Section 2(42) of the Companies Act, 2013.
- 1.1.24. **"Geo-scientific Data"** shall mean data and information relating to surface and sub-surface characteristics of the sedimentary basins and geological structures which lead to assessment of hydrocarbon prospectively in the area to which the data and information pertain.
- 1.1.25. **"Geo-scientific Survey"** shall mean such operations which lead to generation of geo-scientific data, where such operations shall include acquisition and /or processing (including re-processing) and /or interpretation (including re-interpretation) of such data by way of, but not limited to, on-land/offshore/airborne/satellite investigations using seismic, gravity, magnetic, electric, magneto-telluric and

/or geochemical and /or geological surveys. However, such operations shall not include drilling of deep exploratory wells.

- 1.1.26. **“Good International Petroleum Industry Practices (GIPIP)”** shall mean guidelines recommended by DGH for carrying out Reconnaissance efficiently, safely, prudently and in an environmentally sustainable manner. This shall also include any other guidelines and notifications as and when issued by the Government in pursuant of the same
- 1.1.27. **“Government”** or **“Central Government”** means Government of India unless otherwise stated.
- 1.1.28. **“Governmental Authority”** means any national, federal, regional, state, province, town, city, municipal or other government within India, or other administrative, regulatory or judicial body of any of the foregoing
- 1.1.29. **“Indian Rupees”** means the currency of India.
- 1.1.30. **“Liquidated Damages”** or **“LDs”** means the liquidated damages as specified in Article 5 of this Contract
- 1.1.31. **“LKM/GLK/SKM”** shall mean Line Kilometer/Ground Line Kilometer/ Square Kilometer, a terminology commonly used in offshore/onshore seismic activities relating to hydrocarbon sector.
- 1.1.32. **“Month”** means Calendar Month.
- 1.1.33. **“Natural Gas”** means wet gas, dry gas, all other gaseous hydrocarbons, and all substances contained therein, including Sulphur, carbon dioxide and nitrogen but excluding extraction of helium, which are produced from Oil or Gas or CBM Wells, excluding those condensed or extracted liquid hydrocarbons that are liquid at normal temperature and pressure conditions, and including the residue gas remaining after the condensation or extraction of liquid hydrocarbons from gas.
- 1.1.34. **NIO**” or **“Notice Inviting Offers”** means the notice inviting offers issued by the Government of India dated _____, pursuant to which Contractor had submitted their Bid for the Block.
- 1.1.35. **“Operator”** means the party appointed by the Government to conduct and execute Reconnaissance under this contract.
- 1.1.36. **“Parent Company”** – A Company is a Parent Company of another company if it can exercise voting rights directly or indirectly or through its Affiliate(s) to control management and operations by influencing or electing the Board of Directors of that other company.
- 1.1.37. **“Participating Interest”** means, in respect of each Party constituting the Contractor, the undivided share expressed as a percentage of such Party’s participation in the rights and obligations under this Contract.

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

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

1.1.40. **"Physical Oceanographic Data"** shall refer to vertical thermal, salinity, underwater sound velocity, current, density and conductivity profile data collected, if any, during offshore geo-scientific surveys.

1.1.41. **"Proprietary Information"** or **"Proprietary Data"** means any technical and/ or commercial information (whether in visual or machine readable form) disclosed by one party to the other and identified by a suitable legend or marking as being "Proprietary" as well as Proprietary Information disclosed orally by one party to the other which was described as being Proprietary at the time of disclosure and thereafter is reduced to writing, appropriately identified and a copy thereof sent to the receiving party within 15 working days of the original oral disclosure PROVIDED HOWEVER that Proprietary Information shall not include any information which the receiving party can show that :

- a) is in or comes into the public domain otherwise than through a breach of this contract or the fault of the receiving party; or
- b) has been lawfully received from a third party without restriction as to its use or disclosure; or
- c) was already in its possession free of any such restriction prior to receipt from the disclosing party; or
- d) 'was independently developed by the receiving party without making use of the Proprietary Information; or
- e) has been approved for release or use (in either case without restriction) by written authorization of the disclosing party.

Provided further that the Reconnaissance Data shall remain the Proprietary Information of the Government/DGH at all times.

1.1.42. **"Raw Data"** shall mean the original acquired unprocessed field data as recorded during acquisition by the Contractor within the Contract Area, in the industry standard format, and copies thereof, including reformatted data and navigation merged field data.

1.1.43. **"Reconnaissance"** shall mean means operations conducted in the Contract Area pursuant to the Contract and the license for prospecting obtained consequent to this Contract, in searching/prospecting for Petroleum and shall include but not be limited to aerial, geological, geophysical, geochemical, paleontological, palynological, topographical and seismic surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology, including drilling of Exploration Wells and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with Petroleum exploration.

1.1.44. **"Reconnaissance Data"** shall mean and include all Geo-scientific Data, drilling data, information, reports and maps obtained through Reconnaissance under this Contract and also includes all information generated and processed/ reprocessed, and/ or interpreted/ re-interpreted pursuant to this Contract.

1.1.45. **"Reconnaissance Period"** shall have the meaning assigned to the term in Article 2.1.

1.1.46. **"Reconnaissance Work Programme"** means the Work Programme specified by the Contractor in its Bid that is reproduced in Annexure – [].

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

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

1.1.49. **"Right of First Refusal"** or "RoFR" shall mean the right which entitles its holder to match the highest bidder in technical and the financial criteria respectively, as applicable.

1.1.50. **"Ultra-Deepwater Area"** means area which has a water depth of more than fifteen hundred (1500) meter.

1.1.51. **"Ultra-Deepwater Block"** means an area in which more than 50% of the area is Ultra Deepwater Area, provided, however, that for the purposes of this contract, the contract areas on Effective Date, as described in the Annexure 1 shall be deemed to be Ultra Deepwater Block falling beyond fifteen hundred (1500) meter isobath.

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

1.2 Interpretation

In this Contract, unless the context requires otherwise:

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

-
- (ii) reference to a “Person(s)” includes an individual, proprietorship, partnership firm, company, body corporate, co-operative society, entity, authority or anybody, association or organization of individuals or persons whether incorporated or not;
 - (iii) reference to any contract, agreement, deed, document, instrument, rule, regulation, notification, statute or the like shall mean a reference to the same as may have been duly amended, modified or replaced, in accordance with its terms;
 - (iv) the terms “hereof”, “hereto” and derivative or similar words refer to this entire Contract or specified Articles of this Contract, as the case may be; and
 - (v) the term “Article” refers to the specified Articles of this Contract and reference to any schedule or annexure shall be to a schedule or annexure of this Contract.

Article headings in this Contract are inserted for convenience only and shall not be used in its interpretation.

Reference to the word “include” shall be construed without limitation.

2. Participating Interests

- 2.1 The Contractor shall be exclusively responsible for Reconnaissance in the Contract Area. The Contractor shall bear the complete risk in carrying out the Reconnaissance, and shall be solely responsible to the Government for the execution and management of the Reconnaissance in accordance with this Contract.
- 2.2 The initial Participating Interest of the Members comprising the Contractor shall be as follows:
X Member _____: (%)
Y Member _____: (%)
Z Member _____: (%)
and _____ will be the Operator for the purpose of this Contract.
- 2.3 In case the Contractor comprises of more than one Member as identified in Article 2.2 above, then the following additional provisions shall apply:
- (a) The Operator mentioned in Article 2.2 above shall represent the members of the contractor in communicating and liaising with the Government in relation to the Contract and performance thereof.
 - (b) Notwithstanding the provisions in Para (a) of this Article 2.3, the appointment of the Operator shall in no way limit, restrict or discharge the other Members comprising the Contractor from their obligations, responsibilities and liabilities as Members comprising the Contractor holding Participating Interest under this Contract, and such appointment shall not prevent the Government from directly communicating, liaising with and/or enforcing such obligations, responsibilities and liabilities against the Members comprising the Contractor to the extent of their individual Participating Interest.
 - (c) The liability of the Members comprising the Contractor under this Contract shall be to the extent of their individual Participating Interest.
 - (d) The Contractor is liable, regardless of fault, in respect of financial losses incurred as a result of pollution and waste from the Petroleum Operations, and the cost of reasonable measures to avert or limit such damage or such loss, including damage or loss as a result of such measures.
 - (e) (If damage has been caused as described in Para (d) of Article 2.3 and it is not possible to identify who caused the damage, the Members comprising the Contractor shall liable to the extent of their individual Participating Interest insofar as the damage may be believed to have been caused by Reconnaissance.

3. Contract Duration and Reconnaissance Period

- 3.1 The Contractor shall complete the Reconnaissance Work Programme within a period of two (2) Years from the Effective date, hereinafter referred to as “**Reconnaissance Period**”.
- 3.2 At the end of the Reconnaissance Period, if the Reconnaissance Work Programme is not completed or the Contractor intends to execute work programme in addition to the Reconnaissance Work Programme, then the time for completion of the said Work Programme shall be extended for a period necessary to enable completion thereof but not exceeding twelve (12) Months, provided that the Contractor notifies DGH of such an extension at least sixty (60) days before the expiry of the Reconnaissance Period.
- 3.3 The Contract shall be valid for a period of twelve (12) Contract Years from the effective date or termination of the contract, whichever is earlier.
- 3.4 The Contractor shall submit an application for grant of License in respect of the Contract Area, as early as possible, but not later than thirty (30) Calendar Days from the date of execution of this Contract

4. Work programme and Deliverables

- 4.1 During the currency of the Reconnaissance Period, the Contractor shall complete the Reconnaissance Work Programme submitted in its bid.

[Reconnaissance Work Programme in the Bid to be inserted]

- 4.2 The Contractor shall carry out Reconnaissance in the manner and in the area described in Annexure-1 at its own risk and cost with its own resources, personnel and equipment.
- 4.3 Subject to provisions contained herein, the place of processing, interpretation and report generation will normally be at contractor's offices at [Name of the Location]. Any other formalities essential for the safety of Reconnaissance Data, as may be specified by the Government of India and its agencies from time to time, shall be complied with.
- 4.4 The Contractor shall, within thirty (30) days of the end of Reconnaissance Period or within thirty(30) days of furnishing the Declaration of Reconnaissance Completion, whichever is earlier, deliver to DGH all the Reconnaissance Data free of cost.
- 4.5 In the event that the Contractor fails to fulfill the Reconnaissance Work Programme submitted in its bid, then each Member constituting the Contractor shall pay to the Government its Participating Interest share for an amount which shall be equivalent to Liquidated Damages as specified in Annexure- 1

5. Guarantees

- 5.1 No later than thirty (30) days from the effective date of this contract, the Contractor shall deliver to the government
- a. an irrevocable, unconditional Bank Guarantee, valid for a period of 2 years with a claim period of Ninety (90) days, in the format provided in Annexure 2, from a scheduled commercial bank in India, acceptable to the government, in favor of the government, shall be an amount equal to Liquidated Damages as per Article 4.5 in respect of Reconnaissance work programme
 - b. a data delivery bank guarantee equal to 100,000 USD and the same shall remain valid for 180 days after the expiry of Reconnaissance Period and will be released within thirty (30) days of the compliance with Article 4.4 of the Contract.
- 5.2 Reconnaissance in the Contract Area shall commence only after the effective date.
- 5.3 DGH shall have the right to forfeit the Bank Guarantee in case of failure to comply with Article 4.4.

6. Rights and Obligations

- 6.1 The Contractor shall have the exclusive right to license the Reconnaissance Data during the currency of the Contract (excluding Raw Data and Physical Oceanographic Data), at a price submitted by the Contractor in its bid pursuant to Notice Inviting Offer (NIO) for the contract Area, provided that the license of such Reconnaissance Data to companies incorporated in the neighboring countries of India or countries notified by DGH from time to time, will require prior permission of DGH. However, DGH shall not be precluded from using the Reconnaissance Data internally, or making part of the Reconnaissance Data available in the manner indicated in Article 6.2 below for the limited purpose of data viewing by any company or investor. No Reconnaissance Data will be incorporated in National Data Repository (NDR), for the duration of the Contract without prior consent of the Contractor.
- 6.2 The DGH will have the right to make digital PDF images, from the Reconnaissance Data for the purpose of promoting/ licensing acreages under bidding rounds/ Open Acreage Licensing Policy (OALP). In addition, a 'demonstration package', which is a subset of the full Reconnaissance Data, should be provided by the Contractor to DGH along with the Deliverables. The demonstration package shall include the highlights of the geological features to enable DGH to promote licensing acreages and data viewing by interested E&P companies. Both the PDF images as well as the demonstration package will only be used for viewing by E&P companies during promotion of acreages, and these will not be licensed to them by DGH subject to Article 6.14 and 6.16. The proceeds from such Data viewing, if any, shall accrue to DGH.
- 6.3 DGH shall have the right to depute geoscientists to Contractor's work place and the Contractor shall provide such access to its existing Geo-scientific Data, geological understanding for line placements and geological inputs as may be deemed necessary by DGH. The contractor shall also provide DGH full access to their nominated geoscientists as well as unrestricted access to all the Reconnaissance Data.
- 6.4 The Contractor shall carry out Reconnaissance in compliance with Good International Petroleum Industry Practices (GIPIP) and conduct Reconnaissance activity in relation to the Contract Area diligently, expeditiously, efficiently and in a safe workmanlike manner pursuant to the Reconnaissance Work Programme in accordance with this Contract.
- 6.5 The Contractor shall be liable for any pollution or any damage to the marine environment as a result of the activities taken pursuant to Reconnaissance Work Programme. The Contractor shall also comply with such directions as the Central Government may issue from time to time for the conservation and systematic development of offshore minerals, prevention of pollution, protection of marine environment, prevention of coastal erosion or prevention of danger to life or property including the marine life.
- 6.6 The Parties agree that any subsequent improvements made to the Reconnaissance Data during the contract duration shall constitute an integral part of the Reconnaissance Data and shall not confer any rights on the contractor which have not been granted herein unless mutually agreed upon in writing. The Contractor shall provide DGH with a copy of any improved Reconnaissance Data within thirty (30) days of completion of the aforementioned improvements. Any failure to deliver such improved Reconnaissance Data within specified period shall render this contract null and void, and DGH shall then be free to license the available Reconnaissance Data thereafter without any limitation arising on account of confidentiality or proprietary nature of such Reconnaissance Data.
- 6.7 The Contractor will be allowed to take Raw Data tapes out of India subject to prior approvals from the **Government of India** and its agencies after fulfilling the terms and conditions for such approvals and DGH shall render necessary assistance in this regard. However, the contractor shall be solely liable to bear the cost for transporting the Raw Data out of India as well as bringing the same back to India and for complying with all such terms and conditions which may be imposed by the Government of India and its agencies while granting such approvals.
- 6.8 DGH shall not license the Reconnaissance Data during the currency of this Contract without prior consent of the Contractor subject to Article 6.14 and 6.16. However, DGH shall have the right to use all the Reconnaissance Data free of charge for the purpose of carving out blocks and

promoting/licensing acreages under the bidding rounds/ Open Acreage Licensing Policy (OALP) as provided in Article 6.1 and 6.2

- 6.9 DGH shall also have the right to provide the Reconnaissance Data to Ministry of Defense and Ministry of Home Affairs in the interest of the national security, subject to confidentiality of the Data being maintained.
- 6.10 The Contractor shall allow at his own cost unrestricted access to representatives of Government of India to its project site(s) and offices at any point of time during the Contract duration to fulfill the requirements under laws, guidelines, notifications or permissions of any agency granting approval under applicable law as the case may be, in the manner indicated below :-
- a. In the course of the acquisition of Reconnaissance Data, transportation from the nearest railway station/port/ airport to worksite/vessel as well as board and lodging facility at the worksite/ vessel are to be provided by the contractor at its own cost.
 - b. In case of Reconnaissance Data processing/ interpretation at processing/ interpretation centers outside India, the travelling and daily allowance and lodging expense are to be paid by the Contractor in advance to DGH as per the applicable rates of DGH.
- 6.11 The Contractor shall also submit to DGH the Daily Progress Report (DPR) and Monthly progress report summarizing the Reconnaissance activities and navigational details etc. during the Reconnaissance period.
- 6.12 After the termination or expiry of the contract, the DGH shall be free to use the Reconnaissance Data in any manner whatsoever, including its license without requiring any permission from the Contractor.
- 6.13 On request, the contractor may be given an opportunity to promote Reconnaissance data during roadshows and promotional events organized by DGH.
- 6.14 If the Contractor migrates to Petroleum Operations Contract (as per Article 10) for the area for which it has undertaken Reconnaissance, DGH shall have the right to license the Reconnaissance Data collected by the Contractor for the Contract Area to all other bidders. The data will be licensed at a price Bidded by the Contractor in its Bid pursuant to Notice Inviting Offer (NIO). The proceeds of such license of data will be deposited in an Escrow account.
- 6.15 If the Operator submits an intent to migrate (as per Article 10), but fails subsequent to the bidding process, then the proceeds realized through license of Reconnaissance Data to the bidders would be transferred to the Contractor. In such case, the Contractor shall continue to have the right to license the Reconnaissance Data till the validity of the contract.
- 6.16 However, if the Operator/ consortium containing the Operator wins the bid, then it shall have no claim over the proceeds realized from such license of data. Also, the Contractor shall cease to have the right to license the Reconnaissance Data.

6.16

7. Ownership of Data and Confidentiality

7.1. Ownership

- 7.1.1 The Contractor shall, as soon as possible, provide to DGH, free of cost, all Reconnaissance Data obtained in pursuance of this Contract, but not later than the timelines stipulated in Article 3.4. All Reconnaissance Data shall be the property and Proprietary Information of the Government of India, provided that the Contractor shall have the right to make use of such data under this Contract, subject to provisions of this Contract.
- 7.1.2 This Contract shall not be construed as granting expressly or impliedly any rights under patents, copyrights belonging to the Government of India to the receiving party in respect of Proprietary Information, the ownership of which shall remain vested in the Government of India at all times.

7.2. Confidentiality

- 7.2.1 The receiving party (i.e. GOI/ DGH or the Contractor) of an item of Proprietary Information undertakes:
- i. to keep such Proprietary Information confidential;
 - ii. not to use such Proprietary Information otherwise than for the purposes of Reconnaissance unless such use is specifically authorized in writing by the disclosing party;
 - iii. not to disclose such Proprietary Information to any persons employed in its business other than those having a need-to-know for the purposes of the project, and then only on the understanding that such persons are made aware of and undertake to observe the provisions of the contract;
 - iv. not to disclose Proprietary Information to any third party except for the purposes of Reconnaissance and with the prior consent of the disclosing party (which consent shall not be unreasonably withheld) and then only on the understanding that such third party is made aware of and undertakes to observe the provisions of this Contract;
 - v. not to copy or reduce Proprietary Information to writing except as may be strictly necessary for the purposes of Reconnaissance; and

Without prejudice to the above, Reconnaissance Data shall be deemed to be the Proprietary Information of the Government, and the Contractor shall be deemed to have received the Reconnaissance Data as Proprietary Data from the Government and, the Contractor shall have the obligation to return to the Government, all copies of Proprietary Information and to destroy all notes or any other written reports or documents which may have been made by the receiving party to the extent they contain any part of or reference to the Proprietary Information in whole or part except as authorized in writing by the Government.

- 7.2.2 Notwithstanding the return or destruction of Proprietary Information as herein provided, the contractor and the licensee of the Reconnaissance data will be bound by the obligations of confidentiality and all other obligations which will survive the termination of the contract. A confidentiality agreement will be executed between the contractor and the licensee and a copy of the same will be furnished to DGH for record.
- 7.2.3 Should any party named in this Contract hereto be the subject of merger or any other form of reorganization, it is agreed that the successor in law to such party shall also be bound by the terms of this contract as if such party were an original part hereto. Subject as aforesaid, no party shall assign its interest under this contract without prior written consent of the other party.
- 7.2.4 The Contractor and the licensee shall solely use the data for the purpose of E&P activities. Licensee will also be subject to Indian laws and the jurisdiction of Indian Courts. The contractor will make provisions in this regard in their contract with licensees.

8. Taxes, levies and duties

- 8.1 Companies and operations under this contract shall be subject to all fiscal legislation in India except where, pursuant to any authority granted under any Applicable Laws, they are exempted wholly or partly from the application of the provisions of a particular law or as otherwise provided herein.

9. Termination of the Contract

- 9.1 In case of breach of any of the obligations and conditions stipulated in this contract, the Government, acting through the DGH shall have the right to terminate the contract, for which DGH will first issue a show cause notice giving 30 days' time to the contractor to reply.
- 9.2 DGH may at any time terminate the contract by giving 30 days' notice to the contractor, if the contractor becomes bankrupt or otherwise insolvent or for reasons of national security.
- 9.3 This Contract will be liable to be terminated in the event of non-validity of the bank guarantee. Such non validity, prior to compliance with Articles 4.4 of the contract, if not rectified expeditiously by the contractor on his own, may result in seizure and/ or confiscation of the Reconnaissance data along with vessels, equipment's etc., besides appropriate legal action being taken.
- ~~9.4 The Contract shall be liable for termination without any compensation if it is found at any stage that the Contractor does not provide to the DGH relevant information; or suppresses key data; or omits data to present the incomplete picture regarding Reconnaissance.~~
- ~~9.4 Contractor has furnished false information.~~
- 9.5 Upon termination under any Article of this Contract, all data and reports or any other material shall be returned to DGH at no cost within a period of 30 days from the date of termination and the rights of the contractor under this contract shall cease from the date of termination.
- 9.6 Notwithstanding the termination or conclusion of the Contract, the parties shall continue to be bound by the provisions of this contract that require some action after the termination or conclusion of this Contract.

10. Migration to Petroleum Operations Contract

- 10.1 At least 930 days prior to the expiry of the Reconnaissance Period (including Extension Period as per Article 3.2 if any), the contractor shall notify the government of its decision concerning one of the following options:
 - a) To abandon all its rights to undertake Reconnaissance activity in the Contract Area or
 - b) To express an Intent to Migrate to a Petroleum Operations Contract for the Area of Interest, in which case the Operator will be eligible for a Right of First Refusal (RoFR).
- 10.2 A Contractor is eligible to exercise option (b), only if it has completed 80% of the Reconnaissance Work Programme. Accordingly, the Operator of the Reconnaissance Contract will be, in the event of failing to win that particular bid, allowed to match the financial and technical bid of the highest bidder. The Operator with RoFR has to meet the total marks obtained by the highest bidder in technical and the financial criteria respectively.

11. Safety

- 11.1 The Contractor undertaking Reconnaissance shall be responsible to ensure that the concerned operations are conducted with due regard to safety and health of persons including divers and safety and security of property engaged in the operation.

12. Indemnification

- 12.1 The Contractor hereby agrees to indemnify and hold the Government harmless from any loss or liability, (including all/ any of attorney's fees and related legal expenses), arising out of any claim for damages to contractor's property and injuries to or death of contractor's employees and agents caused by or incidental to Contractor's performance under this contract, regardless of reasons or causes of any such loss, liability, injury or death.
- 12.2 The Contractor hereby agrees to indemnify and hold the Government harmless for any direct, indirect punitive, incidental or consequential damages to anybody including without any limitation, loss of production or business interruptions which result in any manner, directly or indirectly, from the performance of this Contract.
- 12.3 The contractor hereby agrees to indemnify and hold harmless the Government against all losses (including third party losses) arising out of, related to or not anyway connected with the
- a) breach of the Contractor;
 - b) any gross negligence or willful misconduct of the Contractor;
 - c) violation of any Applicable Laws by the Contractor;
 - d) any damage, harm or injury to the environment which is attributable to any act or omission of the Contractor.

13. Force Majeure

- 12.1 In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under the contract, the relative obligation of such party affected by such Force Majeure shall be suspended for the period during which cause lasts. The term "Force Majeure" as employed herein shall mean "natural phenomenon or calamities, earthquakes, typhoons, fires, wars declared or undeclared, hostilities, invasions, blockades, riots, strikes, insurrection and civil disturbances but shall not include the unavailability of funds".
- 12.2 Where the Contractor is claiming suspension of its obligations on account of Force Majeure, it shall promptly, but in no case later than seven (07) days after the occurrence of the event of Force Majeure, notify the DGH in writing with full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons for its suspension.
- 12.3 The Contractor shall promptly notify DGH as soon as the Force Majeure event has been removed and no longer prevents it from complying with the obligations which have been suspended and shall thereafter resume compliance with such obligations as soon as possible.
- 12.4 The Contractor asserting the claim of Force Majeure shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under Article 12.1 and that the contractor has exercised reasonable due diligence and efforts to remedy the Article of any alleged Force Majeure.

14. Dispute Resolution

- 14.1 In any event if any dispute or difference or between parties hereto, such disputes or differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then the unresolved difference or dispute shall be referred to arbitration of the sole arbitrator to be appointed by the secretary, Ministry of Petroleum & Natural Gas on the recommendation of the secretary Department of Legal Affairs (Law secretary), Government of India. The provisions of Arbitration and Conciliation Act, 1996(No. 26 of 1996) shall be applicable to arbitration under this Article. The venue and seat of the arbitration proceedings, shall be New Delhi. The language of Arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the "Award"), which shall be final and binding on the parties subject to provisions of Arbitration and Conciliation Act, 1996. The expenses of Arbitration proceedings shall be shared equally by the parties to the contract. However, expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself.
- 14.2 Pending the submission and or decision on a dispute, difference or claim or until the arbitral award is published; the parties shall continue to perform all of their obligations under this contract without prejudice to final adjustment in accordance with such award.

15. Assignment of Participating Interest

- 15.1 Subject to the terms of this Article and other terms of this Contract, any Member comprising the Contractor may assign, or transfer, a part or all of its Participating Interest, with the prior written consent of the Government, which consent shall not be unreasonably withheld, provided that the Government is satisfied that:
- a) the prospective assignee or transferee, has the capacity and ability to meet its obligations hereunder, and is willing to provide an unconditional undertaking to the Government to assume its Participating Interest share of obligations and to provide guarantees in respect thereof as provided in the Contract;
 - b) the prospective assignee or transferee is not a company incorporated in a country with which the Government, for policy reasons, has restricted trade or business;
 - c) the assignee or transferee is willing to comply with any reasonable conditions of the Government as may be necessary in the circumstances with a view to ensuring performance under the Contract;
 - d) the assignment or transfer will not adversely affect the performance or obligations under this Contract or be contrary to the interests of India.
- 15.2 An application for consent to assign or transfer shall be accompanied by all relevant information concerning the proposed assignment or transfer including detailed information on the proposed assignee or transferee and its shareholding and corporate structure, as was earlier required from the Members Companies constituting the Contractor, the terms of the proposed assignment or transfer and the unconditional undertaking referred to in Article.
- 15.3 No assignment or transfer shall be effective until the approval of the Government is received or deemed to have been received. Approval may be given by the Government on such terms and conditions as it may deem fit. Provided that, such terms and conditions may not increase the obligations of the Members comprising the Contractor. Upon assignment or transfer of its interest in this Contract, the assignor or transferor shall be released and discharged from its obligations hereunder only to the extent that such obligations are assumed by the assignee or transferee with the approval of the Government.
- 15.4 In the event that the Government does not give its prior written consent or does not respond to a request for assignment or transfer by a Member comprising the Contractor within Ninety(90) days of such request and receipt of all information referred to in Article 15.2 above, consent shall be deemed to have been given by the Government.
- 15.5 An assignment or transfer shall not be made where the Participating Interest to be retained by the proposed assignor or the percentage interest of assignee shall be less than ten per cent (10%) of the total Participating Interest of all the constituents of the Contractor, except where the Government so permits.

16. Protection of the Environment

- 16.1 The Government and the Contractor recognize that Reconnaissance will cause some impact on the environment in the Contract Area. Accordingly, in performance of the Contract, the Contractor shall conduct Reconnaissance in compliance with all applicable laws and notifications on protection of environment and obtain the clearances required in accordance with applicable rules, regulations, notifications or orders (as applicable), including the Environment Act 2006, the Environment Impact Assessment Notification issued by the Ministry of Environment and Forest, Government of India with due regard to concerns with respect to protection of the environment and conservation of natural resources and shall in particular:
- a) employ Good International Petroleum Industry Practices (GIPIP) and standards including advanced techniques, practices and methods of operation for the prevention of Environmental Damage in conducting Reconnaissance;
 - b) take necessary and adequate steps to:
 - i. Prevent Environmental Damage and, where some adverse impact on the environment is unavoidable, to minimize such damage and the consequential effects thereof on property and people;
 - ii. ensure adequate compensation for injury to persons or damage to property caused by the effect of Reconnaissance activities;
 - c) comply with the requirements of applicable laws and the reasonable requirements of the Government from time to time;
 - d) shall ensure that
 - i. the pertinent completed environmental impact studies are made available to its employees and to its contractors and Subcontractors to develop adequate and proper awareness of the measures and methods of environmental protection to be used in carrying out the Petroleum Operations;
 - ii. the contracts entered into between the Contractor and its contractors and Subcontractors relating to Reconnaissance activities shall include the provisions stipulated herein and any established measures and methods for the implementation of the Contractor's obligations in relation to the environment under this Contract.
- 16.2 If the Contractor fails to comply with the provisions of Article 16.1.b. (i) & (ii) and/or contravenes any relevant law, and such failure or contravention results in any Environmental Damage, the Contractor shall forthwith take all necessary and reasonable measures to remedy the failure and the effects thereof.
- 16.3 The Contractor shall prepare a proposal for the restoration of site including abandonment plan and requirement of funds for this and the annual contribution and such proposal shall be submitted for the consideration and approval of the Government.
- 16.4 The annual contribution at% of actual audited expenditure for year shall be made by the Contractor from in the Site Restoration fund account, which will be created and maintained, in accordance with the Site Restoration Fund Scheme-1999, as amended by the Government from time to time or any other scheme notified by the Government. The Contractor shall create the Site Restoration Fund and commence its annual contribution from the first Contract year.
- 16.5 The activity of site restoration will be done as per applicable rules / standards / notifications / guidelines. Unless stated otherwise in the applicable rules / standards / notifications / guidelines.
- 16.6 In this Article, a reference to Government includes the State Government
- 16.7 Where the Contract Area is partly located in areas forming part of certain national parks, sanctuaries, mangroves, wetlands of national importance, biosphere reserves and other biologically sensitive areas passage through these areas shall generally not be permitted. However, if there is no passage, other

than through these areas to reach a particular point beyond these areas, permission of the appropriate authorities shall be obtained

- 16.8 The contractor shall complete site restoration within one year from date of termination of Reconnaissance period or relinquishment of Contract Area whichever is earlier. Failure to complete site restoration shall hold the contractor liable for damages equivalent to the cost of restoration as estimated by DGH.

17. Governing Law and Jurisdiction

- 17.1 This contract, including all matters connected with this contract, shall be governed by the Laws of India as amended from time to time., both substantive and procedural. Nothing in this contract shall entitle the Contractor to exercise the rights, privileges and power conferred upon it by this Contract in a manner which will contravene the laws of India. This Contract shall be subject to exclusive jurisdiction of competent courts at New Delhi.

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

Signed for and on
behalf of the President
of India

By: _____

In presence of _____

Signed for and on behalf of
XYZ Company

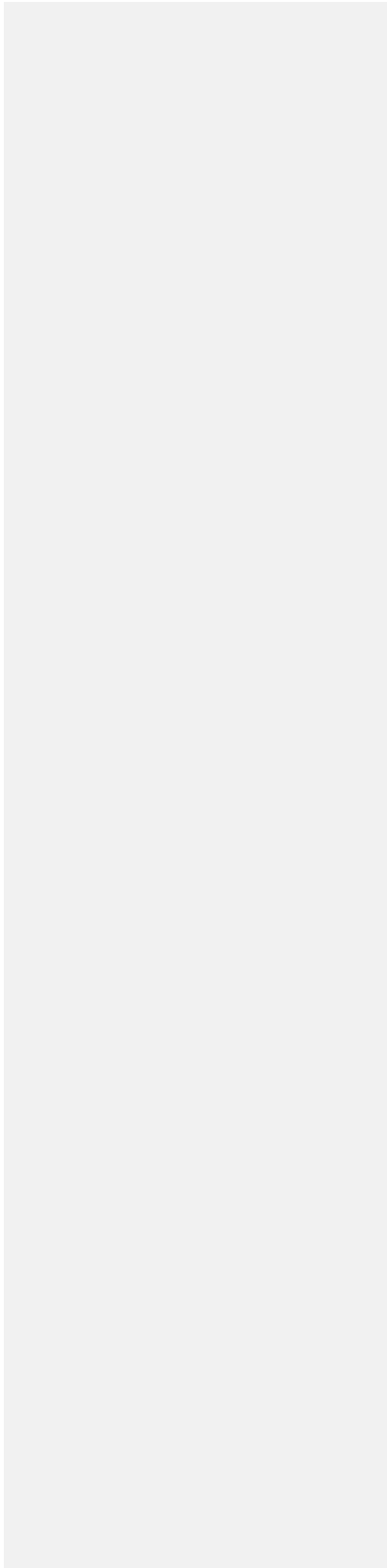
By: _____

In presence of _____

Signed for and on behalf of
XYZ Company

By: _____

In presence of _____



Annexure 1

1. Area and Layout

Location Map (with indicative seismic lines) and the proposed Contract Area with boundary co-ordinates (Latitude, Longitude and XY) and extent of area in Sq.Km.

2. Activities and Modality

The contractor shall submit full details of Reconnaissance including onland/offshore/Airborne acquisition of Geo-scientific Data through seismic, gravity, magnetic, magneto telluric, geo chemical surveys etc. and activities which may cover processing, reprocessing, interpretation, and reinterpretation etc. of Geo-scientific Data. These details shall include the volume of Reconnaissance activities in appropriate units such as line kilometers, Sq. Km etc.

3. Deliverables on the conclusion of Reconnaissance

3.1 Original raw data tapes: one set

3.2 Copied tapes of Raw data : one set

3.3 Processed data tapes : one set

*The media for submission of Reconnaissance Data will be as per the latest industry standards (e.g. cartridges 3592 in case of seismic surveys) or as prescribed by DGH.

3.4 Two sets of each report (format??) of acquisition and/ or processing and/ or Interpretation incorporating the following:

- a) Acquisition report should include daily production reports in compiled form, calibration and experiment details, actual parameters etc.
- b) Processing report should include the applied processing sequence with its parameters
- c) Interpretation report shall include fault & horizon interpretation (ASCII) and input from the available geophysical and geological data
- d) Lead identification report with prioritization of identified leads.

3.5 Indicative deliverables specific to seismic surveys, if applicable:

3.5.1. One set of intermediate gathers (in digital form)

- a) Navigation merged shot gathers – SEG Y
- b) PSTM Gathers (unmuted) – SEG Y
- c) PSDM Gathers (unmuted) – SEG Y

3.5.2.

- a) Navigation Data (Final Navigation Data, Source and Receiver Navigation) - ASCII: soft copy (one set).
- b) Base Map: Two sets
- c) Processed (stack) and interpreted data: one copy each
- d) PSTM velocity - SEG Y: one set
- e) PSDM velocity - SEG Y: one set

3.5.3. Final sections with side label and velocity boxes (for 2D survey):

Comment [VP1]:

a) One set of Black and White reduced scale paper sections; Horizontal scale 1: 200,000; vertical scale: 2.5"/second with side label containing survey parameters, processing sequence, and Base Map with Line highlighted.

b) Soft copy of CGM plots – one set

Note: Additional deliverables to be detailed by the contractor for proposed specific geo-scientific activity in the contract.

3.6 Demonstration package comprising data/ images etc. from the Reconnaissance Data as detailed in Article 6.2 of the contract.

4. Reference Information

4.1 Technical & geological objective for the placement of proposed lines with co-ordinates in Latitude, Longitude – One copy

4.2 Parameters & specifications of proposed geo-scientific activities relating to Acquisition and/ or Processing and/ or Interpretation – One copy

5. Liquidated damages

In the event the contractor fails to complete the Reconnaissance Work Programme then it shall pay to the government an amount equal to Liquidated Damages as specified below:

	Onland (Excluding CBM)* block	Shallow water block	Deep water block	Ultra-Deepwater block
Per well/Corehole (as applicable)	1,000,000	3,000,000	10,000,000	12,000,000
Per sq.km. of 3D Seismic	5,000	1,500	1,500	1,500
Per line km. of 2D Seismic	2,500	1,000	1,000	1,000
Other Surveys	[as per NIO]	[as per NIO]	[as per NIO]	[as per NIO]

The surveys shall be conducted to investigate the Target horizon specified in the NIO.

The wells shall be drilled till the basement.

The Contractor shall pay LD for the entire Well, irrespective of the meterage left to be drilled.

Annexure – 2

Bank Guarantee

(To be submitted on a non-judicial stamp paper)

Ref. No. Bank Guarantee No.

Date / /

Valid up to

To

Directorate General of Hydrocarbons

OIDB Bhawan, Tower A, Plot No. 2,

Sector- 73,

Noida-201301

INDIA

Dear Sirs,

In consideration of Directorate General of Hydrocarbons, a statutory body, under the Ministry of Petroleum & Natural Gas, established in 1993 and having its office, at OIDB Bhawan, Tower A, Plot No. 2, Sector-73, Noida-201301 (hereinafter referred to as "DGH", which expression shall unless repugnant to the context or meaning thereof includes all its successors, administrators, executors and permitted assigns) having entered into a Contract....., dated(hereinafter called "Contract" which expression shall include all the amendments thereto) with M/s.having its registered / head office at (hereinafter referred to as "Contractor") which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors;

The Contractor having agreed to furnish to DGH a Bank guarantee for an amount of Indian Rupees / US\$ for faithful performance of the Contract;

We.....(name of the bank along with address, Telex No., Fax No.) registered under the laws of having head / registered office at(hereinafter referred to as "The Bank" which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors and permitted assigns) do hereby guarantee and undertake to pay immediately on first demand in writing any/all moneys to the extent of Indian Rs./US\$ (in figures).....(in words) without any demur, reservation, contest or protest and/or without any reference to the Contractor. Any such demand made by DGH on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the bank notwithstanding any dispute(s) pending before any Court, Tribunal, Arbitrator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by DGH in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the Bank.

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

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

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

This Guarantee shall not be discharged by any change in our constitution, in the constitution of DGH or that of the Contractor.

The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of competent Indian courts of the place from where Contract has been signed.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is limited to Indian Rs. /US\$ (in figures) (Indian Rs. /US\$ (in words) and it shall remain in force until (Indicate the date of expiry of bank guarantee) unless extended further. Any claim under this Guarantee must be received by us before the said expiry of this Bank Guarantee. If no such claim has been received by us by within the said expiry/extended date, the rights of DGH under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of DGH, under the Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the bank through its authorized officer has set its hand and stamp on this Day of20.....at.....

.....

(Signature)

WITNESS No. 1

(Signature)

Full name and official address Full Name, designation & (in legible letters) Official Address (in legible letters) with Bank Stamp Attorney as per power of

Attorney No.: _____

Date: _____

WITNESS No. 2

(Signature)

Full name and official address (in legible letters)

**PERFORMA OF BANK GUARANTEE TO BE PROVIDED PURSUANT TO
ARTICLE 5**

1. In consideration of Government of India (hereinafter referred to as "Government") having entered into a Reconnaissance Contract for the block dated (hereinafter referred to as "Contract", which expressions shall include all the amendments agreed to between the Government and the Contractor, thereto), with M/s having its registered office at (hereinafter referred to as "Member"), which expression unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assigns), which is a constituent of the Contractor, and the Government have agreed that the Member shall furnish to Government a bank guarantee (hereinafter referred to as "Guarantee") towards its obligations as provided in the Contract for US\$ (for Foreign Members)/US\$ equivalent in Indian Rupees (for Indian Members) for the performance of its obligations under the Contract.
2. We (name of the Bank) registered under the Law of and having its registered office at (hereinafter referred to as "the Bank", which expressions shall unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of Indian Rupees/US\$ (in figures) and (Indian Rupees/US\$ in words) without any demur, reservation, contest or protest and/or without any reference to the Member. Any such demand made by Government on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the Bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, arbitrator, sole expert, conciliator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by Government in writing. This Guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the Bank.
3. The Bank also agrees that the Government at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Member and notwithstanding any security or other guarantee that Government may have in relation to the Member's liabilities.
4. The Bank further agrees that Government shall have fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Member from time to time or to postpone for any time or from time to time exercise of any of the powers vested in Government against the said Member and to forebear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Member or for any forbearance, act or omission on the part of Government or any indulgence by Government to the said Member or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the Contract and all dues of the Government under or by virtue of this

Contract have been fully paid and its claim satisfied or discharged or till Government discharges this Guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of _____ Member or that of the Contractor.
7. The Bank confirms that this Guarantee has been issued with observance of appropriate laws of the country of issue.
8. The Bank also agrees that this Guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian courts at India.
9. Notwithstanding anything contained herein above, our liabilities under this Guarantee is limited to Indian Rupees/US\$ _____ (in figures) Indian Rupees/US\$ _____ (in words) and our Guarantee shall remain in force up to _____ and including ninety (90) days after the expiry date/extended date. Any claim under this Guarantee must be received before the expiry of ninety (90) days or before the expiry of ninety (90) days from the extended date if any. If no such claim has been received by us within ninety (90) days after the said date/extended date the Government's right under this will cease. However, if such a claim has been received by us within and up to ninety (90) days after the said date/extended date, all the Government's rights under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorized officers has set its hand and stamp on this _____ Day of 201__ at .

This seal of washer to duly affixed by this day of _____ 201__ in accordance with its bye-laws and this Guarantee was duly signed by and as required by the said bye-laws.

Secretary
President & Director

Witness: