

Date: 17.01.2019

Amendments in Model Revenue Sharing Contract (MRSC) of DSF Bid Round-II

Article	Existing Article of MRSC	Amended Article of MRSC
Article 10.9	<p>In the event the area encompassing the Discovery extends beyond the Development Area designated in the Field Development Plan, either within the original Contract Area but subsequently relinquished or, outside the original Contract Area, then the Contractor shall notify the Management Committee of the same and the Management Committee may make recommendations to the Government concerning enlargement of the Development Area, provided the same was not awarded to any other company by the Government or is not held by any other party and is clearly available, not on offer by the Government and no application for a License or Lease is pending with the Government. However, in case the area is held by any other party or on offer by the Government or application for License or Lease is pending with the Government, the Management Committee shall notify the same to the Government for further action on the matter. Government may consider such request for extension at its sole discretion and on terms and conditions, which it may consider fit.</p>	<p>In the event the Reservoir of the Discovery extends beyond the Development Area designated in the Field Development Plan, either within the original Contract Area but subsequently relinquished or, outside the original Contract Area, then the Contractor shall notify DGH of the same.</p> <p>In case the area is not held by any other party, no application of license or lease is pending with the Government or on offer by the Government, the Government may grant the extension of the Development Area for the purpose of development on terms and conditions in accordance with method of Unit Development applicable in such cases, to be notified by Government.</p> <p>In case the area is held by any other party, Government may direct joint development of the reservoir as provided in Article 12 (Unit Development).</p>
New Article 10.10	<p>There is no such Article in the MRSC at present.</p>	<p>A failure of the Contractor to notify the DGH about any extension in the Reservoir of the Discovery area outside its Contract Area as required under Article 10.9, shall be considered a non-compliance or contravention of the provisions of this Contract in a material particular and the provision of Article 28.3 (g) shall apply accordingly.</p>
New Article 10.11	<p>There is no such Article in the MRSC at present.</p>	<p>The Contractor is limited by the Petroleum that is available in its clearly defined and demarcated Development Area. Notwithstanding anything contained in this Contract, the Contractor shall have no right to carry out Petroleum Operations with respect to a reservoir extending outside the Contract Area, without seeking prior explicit written permission of the Government of India.</p>
Article 12.1	<p>If a Reservoir of a discovery is situated partly within the Contract Area and partly in an area in India over which other parties have a Contract to conduct Petroleum Operations and both parts of the Reservoir can be more efficiently developed together on a commercial basis, on receiving</p>	<p>If a Reservoir of a discovery is situated partly within the Contract Area and partly in an area in India over which another parties have a Contract to conduct Petroleum Operations and both parts of the Reservoir can be more efficiently developed together on a commercial basis, then on receiving information in writing from any party</p>

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	<p>information in writing from any party to these Contracts or from any bonafide source, the Government may, for securing the more effective recovery of Petroleum from such Reservoir, by notice in writing to the Contractor, require that the Contractor collaborates and agrees with such other parties on the joint development of the Reservoir and notify the Government in writing of its intent of such joint development within one hundred (100) days of the receipt of the information by the Government as provided above. Provided that the Government can issue such notice to a Contractor only till such time as the Contractor has not submitted an FDP under Article 10.</p>	<p>to these Contracts or from any bonafide source, the Government may, for securing the more effective recovery of Petroleum from such Reservoir, by notice in writing to the Contractor, require that the Contractor collaborates and agrees with such other parties on the joint development of the Reservoir and prepare and submit a plan for such joint development of the said Reservoir, within the period notified by the Government.</p>
Article 12.4	<p>There is no such Article in the MRSC at present.</p>	<p><i>(Present Article 12.4 is renumbered as Article 12.5. Article 12.4 is substituted as below)</i></p> <p>In the event the FDP has already been submitted by the Contractor, and the Contractor subsequently comes to know that Reservoir of the Discovery extends into the areas outside its Contract Area which are being developed by another Contractor authorized by the Government, it shall promptly notify the DGH of the same within fifteen (15) Days of knowledge of such extension.</p>
Article 12.5	<p><i>(Presently Article 12.4)</i></p> <p>In the event the Contractor determines that the Reservoir in its Contract Area is extending into the contract area already being developed by another entity authorized by the Government (such contract area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other field hereinafter referred to as "Other Field", and such other entity hereinafter referred to as "Other Contractor"), then the Contractor shall submit an application for joint development of the Reservoir ("Joint Development Application") to the Government (acting through DGH) providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Field, (iii) all such other data and information that the Contractor may determine to be relevant. The Contractor shall provide a copy of the Joint Development Application to the Other Contractor prior to or at the time of its</p>	<p><i>(Renumbered Article 12.5)</i></p> <p>In the event the Contractor <u>comes to know</u> that the Reservoir in its Contract Area is extending into the contract area already being developed by another entity authorized by the Government (such contract area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other field hereinafter referred to as "Other Field", and such other entity hereinafter referred to as "Other Contractor"), then the Contractor shall submit an application for joint development of the Reservoir ("Joint Development Application") to the Government (acting through DGH) providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Field, (iii) all such other data and information that the Contractor may determine to be relevant. The Contractor shall provide a copy of the Joint Development Application to the Other Contractor prior to or at the time of its submission to the Government.</p> <p>The Government (acting through DGH) shall carry out preliminary evaluation on the basis of</p>

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	<p>submission to the Government. The Government (acting through DGH) shall carry out preliminary evaluation on the basis of available data for the Contract Area and the Other Contract Area. In the event the Government (acting through DGH) believes that the Reservoir is common, then the Government will direct the Managing Committees of the Field and Other Field to carry out a hydrocarbon balancing study and submit a proposal for joint development of the Reservoir by the Contractor and Other Contractor.</p> <p>In the event the Contractor and Other Contractor are not able to come to a consensus, the Government (acting through DGH), at the cost of the Contractor and Other Contractor, shall call for a joint development plan from an independent agency, which agency, may make such a proposal after taking into account the position of the Contractor and Other Contractor in this regard. Such a joint development plan, if approved by Government, shall be binding on the Contractor and Other Contractor, notwithstanding their disagreement with the plan. However, the Contractor and the Other Contractor may in case of any disagreement on the issue of joint development or the proposed joint development plan, prepared in accordance with Article 12.4 or within forty five (45) Business Days of the plan approval as aforesaid in this Article, notify the Government that they elect to surrender their rights in the Reservoir in lieu of participation in a joint development.</p>	<p>available data for the Contract Area and the Other Contract Area. In the event the Government (acting through DGH) believes that the Reservoir is common, then the Government will direct the Managing Committees of the Field and Other Field to carry out a hydrocarbon balancing study and submit a proposal for joint development of the Reservoir by the Contractor and Other Contractor.</p> <p>In the event the Contractor and Other Contractor are not able to come to a consensus, the Government (acting through DGH), at the cost of the Contractor and Other Contractor, shall call for a joint development plan from an independent agency, which agency, may make such a proposal after taking into account the position of the Contractor and Other Contractor in this regard. Such a joint development plan, if approved by Government, shall be binding on the Contractor and Other Contractor, notwithstanding their disagreement with the plan. However, the Contractor and the Other Contractor may in case of any disagreement on the issue of joint development or the proposed joint development plan, prepared in accordance with <u>Article 12.5</u> or within forty five (45) Business Days of the plan approval as aforesaid in this Article, notify the Government that they elect to surrender their rights in the Reservoir in lieu of participation in a joint development.</p>
Article 15.1 (ii)	Royalty for that month.	Royalty and opening stock for that month.
Article 15.5	The Government's share of Revenue for a month shall be paid by the Contractor to the Government latest by the end of succeeding Month. In the event of any failure to pay Government's share of Revenue within the due date, the Contractor shall pay interest compounded on daily basis for the entire period of delay at LIBOR as defined in Article 1.60 plus two (2) percentage points.	The Government's share of Revenue for a month shall be paid by the Contractor to the Government latest by the end of succeeding Month. In the event of any failure to pay Government's share of Revenue within the due date, the Contractor shall pay interest compounded on daily basis for the entire period of delay at LIBOR as defined in <u>Article 1.59</u> plus two (2) percentage points.
Article 16.2	Companies and operation under this Contract shall be subject to Income Tax Act, 1961 as amended from time to time or under equivalent provisions in other legislations applicable from time to time for	All expenditure incurred by the Contractor on exploration, development and production shall be allowed as deduction u/s 42 of the Income Tax Act, 1961 or under equivalent provisions in subsequent acts/laws for the purpose of

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	the purpose of computation of taxable income.	computation of taxable income.
Article 19.4	There is no such Article in the MRSC at present.	Opening stock of the month shall have same value as that of the closing stock of the previous month.
Article 23.1	The Contractor shall maintain in original at an office in India adequate verifiable records of production and sales transactions which shall be used for valuation of petroleum for computing Government share of Revenue. The Financial statements shall be prepared both in USD and Indian Rupees (INR) using RBI reference rate. The quantitative statements shall be prepared in Barrels (BBL)& Million Metric Tonnes (MMT) for Crude Oil and Condensates and in Million British Thermal Unit (MMBTU) and Million Standard Cubic Meter (MMSCM) for Natural Gas. The DGH will notify the Standard Operating Procedure for maintaining and submitting the records and financial accounts.	The Contractor shall maintain in original at an office in India adequate verifiable records of production and sales transactions which shall be used for valuation of petroleum for computing Government share of Revenue. <u>The financial statements shall be prepared both in USD and Indian Rupees (INR) using reference rates published by the agency specified by Reserve Bank of India from time to time.</u> The quantitative statements shall be prepared in Barrels (BBL) & Million Metric Tonnes (MMT) for Crude Oil and Condensates and in Million British Thermal Unit (MMBTU) and Million Standard Cubic Meter (MMSCM) for Natural Gas. The DGH will notify the Standard Operating Procedure for maintaining and submitting the records and financial accounts.
Article 27.3	If any of the documents referred to in Article 27.1 are not delivered within the period specified herein, this Contract may be terminated by the Government upon thirty (30) days written notice of its intention to do so.	If any of the documents referred to in Article 27.1 are not delivered within the period specified herein, this Contract may be terminated by the Government upon ninety <u>(90) days</u> written notice of its intention to do so.