



MODEL REVENUE SHARING CONTRACT (MRSC)

BETWEEN

THE GOVERNMENT OF INDIA

AND

XYZ LIMITED

UNDER

HYDROCARBON EXPLORATION AND LICENSING POLICY

WITH RESPECT TO CONTRACT AREA IDENTIFIED

AS BLOCK

.....



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REVENUE SHARING CONTRACT

FOR OFFSHORE AREAS

This Contract made on this _____ Day of _____, Two thousand and Twenty _____, between:

The President of India, acting through the _____, Ministry of Petroleum and Natural Gas (hereinafter referred to as “**Government**”) of the FIRST PART;

AND

XYZ Limited, a company incorporated under the laws of _____, (hereinafter referred to as “**XYZ**”) having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 23 hereof, of the SECOND PART;

AND

ABC Limited, a company incorporated under the laws of _____, (hereinafter referred to as “**ABC**”) having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 23 hereof, of the THIRD PART;

WITNESSETH:

WHEREAS

- (1) By virtue of Article 297 of the Constitution of India, Mineral Oil in its natural state, located within the territorial waters, exclusive economic zone, and the continental shelf of India, is vested in the Union of India;
- (2) The Oilfields (Regulation and Development) Act, 1948 (53 of 1948), as amended from time to time (hereinafter referred to as the “**Act**”), and the Petroleum and Natural Gas Rules, 2025, made thereunder and as amended from time to time (hereinafter referred to as the “**Rules**”), provide, *inter alia*, for the regulation of Mineral Oil Operations and the grant of leases for exploration, development, and production of Mineral Oils in India;
- (3) The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976) (hereinafter referred to as the “**Maritime Act**”) *inter alia* provides for the grant of a license by the Government to explore and exploit the resources located in the continental shelf and exclusive economic zone and any Mineral Oil Operation under this Contract shall be carried out under a lease, which shall constitute such a license granted by the Central Government;
- (4) The Act and the Maritime Act, read with the Rules, shall form part of the Applicable Laws (as defined hereunder), which provides for the grant of lease(s) by the Central Government, in respect of any land or minerals underlying the ocean, within the territorial waters, the continental shelf, and exclusive economic zone of India;
- (5) Rule 5(2) of the Rules provides for a contract between the Government and the Lessee containing additional terms and conditions with respect to the lease;

- (6) The Government desires that all types of Mineral Oil resources that may exist within the territorial waters (Ultra Deep, Deep or Shallow Water), exclusive economic zone, and continental shelf of India, be discovered and exploited with utmost expedition, in accordance with Good International Petroleum Industry Practices and in the overall interests of India;
- (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 Coal Bed Methane, Shale Gas/Oil, Tight Gas, Gas Hydrates, and any other resource that may be identified in the future, which falls within the definition of "Petroleum" and "Natural Gas" under the Rules. The Government has notified further Policy Reforms, vide resolution dated 28.02.2019 to increase exploration activities, and attract domestic and foreign investment in unexplored / unallocated areas of sedimentary basins;
- (8) The Government, pursuant to HELP (as revised), invited companies to submit competitive bids to obtain the right to undertake exploration, discovery, and commercial production of Mineral Oil resources within India. Such activities shall be governed by Applicable Laws governing Mineral Oil Operations within India formulated by the Government;
- (9) Each of the Members has committed that they have, or will acquire and make available, the necessary financial and technical resources, as well as the technical and industrial competence and experience, to properly discharge and/or perform all obligations required under this Contract in accordance with Good International Petroleum Industry Practices. Further, each Member shall provide guarantees as required under Article 24 to ensure due performance of its obligations hereunder;
- (10) As a result of discussions between representatives of the Government and the Contractor on the bid submitted by the Contractor, the Government has agreed to enter into this Contract with the Contractor with respect to the Contract Area as specified and named in Appendix A (hereinafter referred to as the "**Block**") on the terms and conditions set forth herein.
- (11) The Participating Interest of Members, the name of the designated Operator, the Committed Work Programme along with execution timelines, the estimated expenditure, and the Government's Revenue Share (wherever applicable), are specified in Appendix B.

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein contained, IT IS HERE BY AGREED between the Parties as follows:

REVENUE SHARING CONTRACT

FOR ONLAND AREAS

This Contract made on this _____ Day of _____, Two thousand and Twenty _____, 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 Limited, a company incorporated under the laws of _____, (hereinafter referred to as “**XYZ**”) having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 23 hereof, of the SECOND PART;

AND

ABC Limited, a company incorporated under the laws of _____, (hereinafter referred to as “**ABC**”) having its registered office at _____ which expression shall include its successors and such assigns as are permitted under Article 23 hereof, of the THIRD PART;

(Parties in Second and Third part collectively hereinafter referred to as “**Contractor**”)

WITNESSETH:

WHEREAS

- (1) The Oilfields (Regulation and Development) Act, 1948 (53 of 1948), as amended from time to time (hereinafter referred to as the “**Act**”), and the Petroleum and Natural Gas Rules, 2025, made thereunder and as amended from time to time (hereinafter referred to as the “**Rules**”), provide, *inter alia*, for the regulation of Mineral Oil Operations and grant of leases for exploration, development, and production of Mineral Oils in India;
- (2) The Rules provide for the grant of leases in respect of land vested in a State Government by that State Government, with the previous approval of the Central Government;
- (3) Rule 5(2) of the Rules provides for a contract between the Government and the Lessee containing additional terms and conditions with respect to the lease;
- (4) The Government desires that all types of Mineral Oil resources which may exist in India, whether within the territorial waters (Ultra Deep, Deep or Shallow Water), the exclusive economic zone, the continental shelf of India, or Onland, be discovered and exploited with utmost expedition in accordance with Good International Petroleum Industry Practices in the overall interests of India;
- (5) 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 Coal Bed Methane, Shale Gas/Oil, Tight Gas, Gas Hydrates and any other resource to be identified in the

future, which falls within the definition of “Petroleum” and “Natural Gas” under the Rules. The Government has notified further Policy Reforms, vide resolution dated 28.02.2019 to increase exploration activities, and attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins;

- (6) The Government, pursuant to HELP (as revised), invited companies to submit competitive bids to obtain the right to undertake exploration, discovery and commercial production of Mineral Oil resources within India. Such activities shall be governed by Applicable Laws governing Mineral Oil Operations within India formulated by the Government;
- (7) Each of the Members has committed that they have, or will acquire and make available, the necessary financial and technical resources, as well as the technical and industrial competence and experience, to properly discharge and / or perform of all obligations required under this Contract in accordance with Good International Petroleum Industry Practices. Further, each member shall provide guarantees as required under Article 24 to ensure due performance of its obligations hereunder;
- (8) As a result of discussions between representatives of the Government and the Contractor on the bid submitted by the Contractor, the Government has agreed to enter into this Contract with the Contractor with respect to the Contract Area as specified and named in Appendix A (hereinafter referred to as the “**Block**”) on the terms and conditions set forth herein.
- (9) The Participating Interest (hereinafter referred to as “**PI**”) of the Members, the name of the designated Operator, the Committed Work Programme along with execution timelines, the estimated expenditure, and the Government’s Revenue Share (wherever applicable), are specified in Appendix B.

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein contained, IT IS HERE BY AGREED between the Parties as follows:

ARTICLE 1

DEFINITIONS

- 1.1.** In this Contract, unless the context requires otherwise, the following terms shall have the meaning ascribed to them hereunder:
- 1.1.1** “**Additional Work Programme**” shall have the meaning assigned to such term in Article 5.3.
- 1.1.2** “**Affiliate**” means a company or a body: (a) which directly or indirectly controls or is controlled by a Member which is a Party to this Contract; or (b) which directly or indirectly controls or is controlled by a company which directly or indirectly controls or is controlled by a Member which is a Party to this Contract. For the purpose of this definition, it is understood that “control” means the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder’s agreements or voting agreements or in any other manner.
- 1.1.3** “**Annual Program Quantity**” means the maximum quantity of Mineral Oils which a Contractor undertakes to produce from a Field in a particular year.
- 1.1.4** “**Appendix**” means an Appendix attached to this Contract and made a part thereof.
- 1.1.5** “**Applicable Law**” or “**Law**” means, with respect to each jurisdiction relevant to the Parties, any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, government resolution, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication, having the force of law or any of the foregoing, by Government or the State Government having jurisdiction over the matter in question whether in effect on the Execution Date or thereafter;
- 1.1.6** “**Appraisal**” means an activity to establish commerciality of a Discovery which may include acquisition, processing, and interpretation of geological and geophysical data, drilling of Appraisal Wells, extended Well testing, or any stimulation activity.
- 1.1.7** “**Appraisal Programme**” means a programme, formulated in accordance with Article 10, and carried out following a Discovery in the Contract Area for the purpose of Appraisal of the Discovery and delineating the Reservoirs to which the Discovery relates - in terms of thickness, lateral extent, and determining the characteristics thereof and the quantity of recoverable Mineral Oil therein.
- 1.1.8** “**Appraisal Well**” means a Well drilled pursuant to an Appraisal Programme.
- 1.1.9** “**Arm’s Length Sales**” shall mean the sale of Mineral Oil carried out between buyer and seller, not being the same legal entity, following a transparent and competitive bidding process, according to procedures as prescribed by the Government. It is clarified that any sale to the Contractor or its Members, will not be considered as an Arm’s Length Sales unless otherwise provided in this Contract.

- 1.1.10 **“Article”** means an article of this Contract and the term “Articles” means more than one Article.
- 1.1.11 **“Associated Natural Gas”** means Natural Gas produced in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.
- 1.1.12 **“Barrel”** means a quantity or unit equal to 158.9074 liters (42 (forty-two) United States gallons) liquid measure, at a temperature of 60 (sixty) degrees Fahrenheit (15.56 degrees Celsius), and under one atmosphere pressure (14.70 psia).
- 1.1.13 **“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 possess the properties necessary for the accumulation of Mineral Oil 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.
- 1.1.14 **“Bid”**
- (a) **In relation to “Bid for Category-I Basins”** shall mean the complete bid submitted in relation to the Block by the Contractor pursuant to the NIO that *inter alia* comprised of the Work Programme, and financial bid on Revenue Share that has been accepted by the Government, and pursuant to which this Contract is being entered into.
 - (b) **In relation to “Bid for Category-II & III Basins”** shall mean the complete bid submitted in relation to the Block by the Contractor pursuant to the NIO that comprised of the Work Programme that has been accepted by the Government, and pursuant to which this Contract is being entered into.
- 1.1.15 **“Block”** shall have the meaning given to the term in Recital 8 (of onshore) & Recital 10 (of offshore) of this Contract.
- 1.1.16 **“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.
- 1.1.17 **“Business Day”** means any of the Calendar Days, which is not a holiday.
- 1.1.18 **“Calendar Day”** or **“Day”** means any of the 7 (seven) days of a week.
- 1.1.19 **“Calendar Month”** or **“Month”** means any of the 12 (twelve) months of the Calendar Year.
- 1.1.20 **“Calendar Year”** means a period of 12 (twelve) consecutive Months according to the Gregorian calendar, commencing with the 1st (first) Day of January, and ending with the 31st (thirty-first) day of December.
- 1.1.21 **“Category-I Basins”, “Category-II Basins” and “Category-III Basins”** mean the basins so defined and listed in Appendix J.

- 1.1.22 **“Coal Bed Methane”** or **“CBM”** means Natural Gas consisting primarily of methane contained in coal beds under Reservoir condition and extracted from there during Mineral Oil Operations.
- 1.1.23 **“Commencement Date”** means the later of the Execution Date or the date of issue of the first Lease covering any part of the Original Contract Area or date from which such issued first Lease(s) covering any part of the Original Contract Area have been made effective by the Government and/or relevant State Government(s).
- 1.1.24 **“Commercial Production”** means production of Mineral Oil from the Contract Area (excluding production for testing purposes), and delivery of the same at the relevant Delivery Point under a programme of regular production and sale.
- 1.1.25 **“Committed Work Programme”** shall mean the minimum work programme specified by the Contractor in its Bid that is provided under Appendix B, subject to terms and conditions specified in Article 5.
- 1.1.26 **“Condensate”** means those low vapour pressure hydrocarbons obtained from natural gas through condensation or extraction, which are in the form of liquid at normal surface temperature and pressure conditions.
- 1.1.27 **“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.
- 1.1.28 **“Contract Area”** means that part of the Original Contract Area or any portion of the said area remaining after relinquishment or surrender from time to time pursuant to the terms of this Contract for which the Contractor has valid Lease(s) at any point during the currency of the Contract.
- 1.1.29 **“Contract Year”** means a period of 12 (twelve) consecutive months counted from the Execution Date, and thereafter from the anniversary of the Execution Date.
- 1.1.30 **“Contractor”** means pursuant to the NIO the company(ies) submitting the Bid which has been accepted by the Government, and have been awarded, through this Contract with the Government, to carry out Mineral Oil Operations. If there is more than one party constituting the Contractor, they shall be individually referred as “Member” and collectively referred as “Contractor”, including their respective successors and permitted assigns under Article 23.
- 1.1.31 **“Core Hole”** means a Borehole in which coring is carried out up to the final depth of the Borehole, for the purpose of a detailed study of the various parameters of rock and also coal or lignite samples.
- 1.1.32 **“Crude Oil”** or **“Oil”** or **“Crude”** means all kinds of hydrocarbons and bitumen, both in solid and in liquid form, in their natural state or obtained from Natural Gas by condensation or extraction, including distillate and Condensate when commingled with the heavier hydrocarbons, and delivered as a blend at the Delivery Point, but excluding Natural Gas.

- 1.1.33 **“Data”** means any information related to or arising out of or connected with Mineral Oil Operations and includes, but is not limited to, geological, geophysical, geochemical, petrophysical, engineering data, well logs, maps, reservoir, drilling, production, and operational information, whether raw, modified, altered, adapted, aggregated, organized, structured, aligned, indexed, or otherwise interpreted, and also includes all interpretative and derivative data, including analyses, evaluations, and reports prepared by or on behalf of the Contractor.
- 1.1.34 **“Deep Water Area”** (for Deep Water blocks/areas) means an area falling beyond 400 (four hundred) metre isobath till 1500 (fifteen hundred) metre isobath, provided, however, that for the purposes of this Contract, the Contract Area as on Execution Date, as described in Appendix A shall be deemed to be a Deep Water Area falling beyond 400 (four hundred) metre isobath till 1500 (fifteen hundred) metre isobath.
- 1.1.35 **“Deep Water Block”** means Blocks with more than 50% (fifty percent) area falling in Deep Water Area.
- 1.1.36 **“Delivery Point”** means, except as otherwise herein provided or as may be otherwise agreed to between the Parties having regard to international practice, the point at which Mineral Oil reaches the outlet flange of the delivery facility, either offshore or onshore, and different Delivery Point(s) may be established for purpose of sales.
- 1.1.37 **“Development Area”** means part of the Contract Area which encompasses one or more existing and / or new Discovery(ies), as per the Field Development Plan, that has been finalized pursuant to TAR associated therewith being approved by the Government, and any additional area that may be required for proper development of such Discovery(ies), and accordingly made available by the Government for inclusion in such Development Area. Such an area shall be contiguous and established as such in accordance with the provisions of the Contract.
- 1.1.38 **“Development Phase”** means the period identified in Article 10.5 during which Development Operations shall be carried out by the Contractor.
- 1.1.39 **“Development Operations”** means operations conducted in accordance with the Field Development Plan and shall include, but not be limited to the purchase, shipment or storage of equipment and materials used in developing mineral oil accumulations, the drilling of wells, the laying of gathering lines, the installation of facilities, and equipment required to produce, process, and transport Mineral Oil into Mineral Oil storage or processing facilities.
- 1.1.40 **“Development Well”** means a Well drilled, deepened or completed after the date the Field Development Plan has been submitted to the Government, for the purposes of producing Mineral Oil, increasing production, sustaining production or accelerating extraction of Mineral Oil including production Wells, injection Wells, and dry Wells.
- 1.1.41 **“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.

- 1.1.42 “**Discovery**” means the finding, during Mineral Oil Operations, of a deposit or several deposits of Mineral Oil not previously known to have existed, which can be recovered at the surface in a flow measurable by standard testing methods used in the Mineral Oil industry.
- 1.1.43 “**Discovery Area**” means that part of the Contract Area which the Contractor determines and identifies to be the “Discovery Area” about which, based upon Discovery and the results obtained from a Well or Wells drilled or any other geological and geophysical studies, the Contractor is of the opinion that Mineral Oils exists and is likely to be produced in commercial quantities, and where the Contractor chooses to do an Appraisal, that area which is identified as the ‘Discovery Area’ in the Appraisal Programme pursuant to Article 10 of this Contract.
- 1.1.44 “**Environmental Damage**” means soil erosion, removal of vegetation, destruction of wildlife, pollution of groundwater or surface water, land contamination, air pollution, noise pollution, bush fire, disruption to water supplies to natural drainage or natural flow of rivers or streams, damage to archaeological, paleontological and cultural sites and shall include any damage or injury to, or destruction of, soil or water in their physical aspects together with vegetation associated therewith, aquatic or terrestrial mammals, fish, avifauna or any plant or animal life whether in the sea or in any other water or on, in or under land.
- 1.1.45 “**Execution Date**” means the date on which the Contract is executed by all the parties to the Contract.
- 1.1.46 “**Exploration Operations**” means operations conducted in the Contract Area in search for Mineral Oil accumulation not previously known to have existed, or Appraisal of such mineral oil accumulation and shall include but not be limited to aerial, geological, geophysical, geochemical, paleontological, palynological, topographical and geo-scientific surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology including drilling of Exploration Wells and Appraisal Wells, testing and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with Mineral Oil exploration.
- 1.1.47 “**Exploration Period**” means the period provided in Article 3.1.
- 1.1.48 “**Exploration Well**” means a Well drilled for the purpose of searching for undiscovered Mineral Oil accumulations on any geological entity (be it of structural, stratigraphic, facies or pressure nature).
- 1.1.49 “**FBIL**” means Financial Benchmarks India Private Limited.
- 1.1.50 “**Field**” means the general area, which is underlaid, or appears to be underlaid, by at least one Reservoir and shall include the underground Reservoir or Reservoirs containing mineral oil.
- 1.1.51 “**Field Development Plan**” or “**FDP**” means the comprehensive plan formulated by the Contractor in relation to the development of a Discovery(ies), in accordance with Article 10.3, and in the format provided in Appendix C.

- 1.1.52 **“Financial Year”** means the period from the 1st (first) Day of April to the 31st (thirty-first) Day of March of the following Calendar Year.
- 1.1.53 **“Foreign Company”** shall have the meaning assigned to such term under the Companies Act, 2013 (as may be amended from time to time).
- 1.1.54 **“Gas”** means Natural Gas, including that generated in-situ and retained in shale and associated fine grained rock matrix including carbonate stringers, adsorbed onto organic particles, or within fractures in shales of source rock origin and obtained there from through boreholes.
- 1.1.55 **“Gas Field”** means, within the Contract Area, a Reservoir of Natural Gas or a group of Reservoirs of Natural Gas within a common geological structure or feature.
- 1.1.56 **“Gas Hydrate”** means an occurrence of hydrocarbon in which molecules of natural gas, typically methane, are trapped in ice molecules.
- 1.1.57 **“Good International Petroleum Industry Practices”** or **“GIPIP”** shall mean the good international petroleum industry practices for carrying out Mineral Oil Operations efficiently, safely, prudently and in an environmentally sustainable manner. This shall also include any guidelines and notifications as and when issued by the Government in pursuant of the same.
- 1.1.58 **“Government”** or **“Central Government”** means Government of India or any other instrumentality of the Government unless otherwise stated.
- 1.1.59 **“Government Company”** shall have the meaning assigned to such term under the Companies Act, 2013 (as may be amended from time to time).
- 1.1.60 **“Government’s Share of Revenue”** means the amounts determined to be payable to the Government for each month under Article 14 of this Contract.
- 1.1.61 **“HPHT”** or **“High Pressure High Temperature”** means a Well having an undisturbed bottom hole temperature of greater than 300°F and a pore pressure of at least 0.8 psi/ft. or requiring a BOP with a rating in excess of 10000 psi.
- 1.1.62 **“HRP”** or **“Higher Revenue Point”**, means value published as being the HRP/Higher Revenue Point in the NIO, for the Block i.e. ____.
- 1.1.63 **“IT Systems”** means the information and communications technology systems, associated infrastructure, and data sets used by the Contractor, whether owned or authorized for access and use by a third-party, including but not limited to hardware, software, technology, networks, data, electronic records, computer resource, computer system, and associated documentation.
- 1.1.64 **“Key Managerial Personnel”** or **“KMP”** for an Indian entity shall have the same meaning as assigned under the Companies Act, 2013 and for any Foreign Company, shall have the meaning as assigned for a similar term under the laws of its jurisdiction.
- 1.1.65 **“Lease”** means a Mineral Oil lease granted pursuant to the Rules.

- 1.1.66 “**Lenders**” means the financing institutions, banks, multilateral funding agencies and similar bodies undertaking lending business or their trustees/ agents including their successors and assignees, who have agreed to provide finance to a Member(s) and are permitted chargee under Article 23.8.
- 1.1.67 “**Lessee**” means the Contractor to whom a Lease is issued under the Rules for the purpose of carrying out Mineral Oil Operations in the Contract Area.
- 1.1.68 “**Liquidated Damages**” with respect to Work Programme shall mean the liquidated damages payable pursuant to Article 5.4, and as per Appendix G.
- 1.1.69 “**LRP**” or “**Lower Revenue Point**” means the value published as being the LRP/Lower Revenue Point in the NIO, for the Block i.e. _____
- 1.1.70 “**Management Committee**” or “**MC**” means the committee constituted pursuant to Article 6 hereof.
- 1.1.71 “**Member**” means such Parties that are comprising the Contractor in the event the Contractor is a consortium comprising of more than one Party. In case the Contractor comprises only one company, Member shall denote, wherever necessary, that sole company.
- 1.1.72 “**Mineral Oil Operations**” means, as the context may require, Exploration Operations, Development Operations or Production Operations or any combination of two or more of such operations, including construction, operation and maintenance of all necessary facilities, plugging and abandonment of Wells, safety, environmental protection, transportation, storage, sale or disposition of mineral oil, Site Restoration and any or all other incidental operations or activities as may be necessary.
- 1.1.73 “**Mineral Oils Produced and Saved**” means gross Mineral Oils produced excluding:
- (a) impurities such as water or solids produced along with Mineral Oils,
 - (b) Mineral Oils recycled to the Reservoir,
 - (c) Mineral Oils used in Mineral Oil Operations or flared, and
 - (d) Mineral Oils otherwise unavoidably lost under the provisions of the Contract.
- 1.1.74 “**Month**” means Calendar Month.
- 1.1.75 “**Natural Gas**” means gas obtained from Wells and consisting primarily of hydrocarbons but does not include helium occurring in association with such hydrocarbons.
- Explanation – natural gas includes associated natural gas and non-associated natural gas and all its constituent elements.
- 1.1.76 “**NGLs**” means natural gas liquids, which are those hydrocarbons in Natural Gas that are extracted in a process plant, including Condensate and liquified petroleum gas (i.e. butane, propane and propane-butane mixed).

- 1.1.77 **“Non Associated Natural Gas”** or **“NANG”** means Natural Gas which is produced either without association of Crude Oil or in association with such quantities of Crude Oil which by itself cannot be commercially produced.
- 1.1.78 **“Non-Defaulting Member”** shall have the meaning specified in Article 25.3.
- 1.1.79 **“NIO”** or **“Notice Inviting Offers”** means the notice inviting offers issued by the Government of India dated dd-mm-yyyy pursuant to which Contractor had submitted their Bid for the Block.
- 1.1.80 **“Oil Field”** means, within the Contract Area, an Oil Reservoir or a group of Oil Reservoirs within a common geological structure or feature.
- 1.1.81 **“Onland Blocks”** means Blocks with more than 50% (fifty percent) area falling in onshore area.
- 1.1.82 **“Operator”** means one of the Parties comprising the Contractor, designated as the Operator pursuant to Article 7.
- 1.1.83 **“Operating Agreement”** means the Joint Operating Agreement entered by the Members in accordance with Article 7, with respect to conduct of Mineral Oil Operations.
- 1.1.84 **“Operating Committee”** means the Committee established by that name in the Operating Agreement pursuant to Article 7.
- 1.1.85 **“Original Contract Area”** means the area described in Appendix A of this Contract.
- 1.1.86 **“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.
- 1.1.87 **“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.
- 1.1.88 **“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.
- 1.1.89 **“Petroleum”** means naturally occurring hydrocarbons, whether in the form of natural gas or in a liquid, viscous or solid form or a mixture thereof, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale.
- 1.1.90 **“Pilot Assessment Well”** means a Well drilled for the purpose of determining the potential CBM accumulations in the Contract Area on geological entities in terms of thickness, lateral extent and Gas content of coal seams up to a depth or stratigraphic level specified in the Work Programme.
- 1.1.91 **“Potential Commercial Assessment”** means the finding, during exploration, of a deposit of CBM in commercial quantities which can be recovered at the surface in a flow measurable by conventional petroleum industry testing methods.

- 1.1.92 **“Production Operations”** means all operations conducted for the purpose of producing mineral oil from the Development Area after the commencement of production from the Development Area including the operation and maintenance of all necessary facilities thereof.
- 1.1.93 **“RBI”** means the Reserve Bank of India.
- 1.1.94 **“Reservoir”** means a naturally occurring accumulation of Mineral Oil including a geological unit limited by rock characteristics by structural or stratigraphic boundaries or coal or lignite of any rank which contains Mineral Oil (whether in association or independent of water or any other minerals) or a combination of these.
- 1.1.95 **“Revenue”** shall have meaning as defined in Article 14.1.
- 1.1.96 **“Revenue Share”** shall mean Government’s Share of Revenue.
- 1.1.97 **“Royalty”** means the royalty payable by the Contractor to the Government under Article 15.4 and payable at the rates specified under Appendix H.
- 1.1.98 **“Rules”** means the Petroleum and Natural Gas Rules, 2025 and any amendments made thereto from time to time.
- 1.1.99 **“Secretary”** means any person appointed by the Operator to act as a secretary to the Management Committee. Provided in case of any change of the Operator in the manner prescribed under Article 6, the Operator shall within a period of 5 (five) Working Days appoint a person to act as a secretary to the Management Committee.
- 1.1.100 **“Self-sufficiency”** means, in relation to any Year, the total availability of Crude Oil and Condensate and/or Natural Gas from all Mineral Oil production activities in India meets the total national demand, as determined by Government.
- 1.1.101 **“Shallow Water Blocks”** mean Blocks with more than 50% (fifty percent) area falling in shallow water area.
- 1.1.102 **“Site Restoration”** shall mean all activities required to return a site compatible with its intended after-use as far as practicable, after cessation of Mineral Oil Operations pursuant to a plan approved by the Government and shall include, where appropriate, abandonment of Wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, in-filling of excavations and any other appropriate measures as may be required.
- 1.1.103 **“SOFR”** means the 6 (six) month term Secured Overnight Financing Rates administered and/or published (before any correction, recalculation, or republication by the administrator) by CME Group Benchmark Administration Limited, or, if the Parties agree, any other person that takes over administration and/or publication of that rate or any such institutions."
- 1.1.104 **“Statement”** or **“Statements”** refers to the statements required to be furnished in accordance with Article 20 of this Contract.
- 1.1.105 **“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 Leases. In case the

Contract Area covers more than one state, the State Government shall include all such governments of those states.

1.1.106“**Subcontractor**” means any company or person contracted by the Contractor or Operator to provide goods or services with respect to Mineral Oil Operations.

1.1.107“**Technical Assessment Report**” or “**TAR**” shall mean the part A of FDP specified in Article 10.3 which shall be submitted generally in the form provided in Appendix C to this Contract.

1.1.108“**Test Well**” means an Exploration Well drilled for the purpose of carrying out different well tests to assess the CBM production potential of the coal or lignite seams. The well tests in such a well shall include but not be limited to injection or fall off tests, stress test, dewatering test for production testing or any other test as required for estimation of CBM and water production rates.

1.1.109“**Term**” has the meaning as ascribed under Article 28.1 of this Contract.

1.1.110“**Ultra Deep Water Area**”, means the area falling beyond 1500 (fifteen hundred) metre isobath.

1.1.111“**Ultra Deep Water Blocks**” means a block in which more than 30% (thirty percent) of the area is Ultra Deep Water Area.

1.1.112“**US \$**” or “**USD**” or “**US Dollar**” or “**United States Dollar**” means the currency of the United States of America.

1.1.113“**Well**” means a borehole, made by drilling in the course of Mineral Oil Operations, but does not include a seismic shot hole.

1.1.114“**Windfall Gain**” accrues to the Contractor when Revenue from the Contract Area lying in Category II or Category III basins, exceeds USD 2,500,000,000 (USD 2.5 billion) in a Financial Year.

1.1.115“**Work Programme**” means Committed Work Programme or Mandatory Work Programme in accordance with Article 3, for the purpose of carrying out Mineral Oil Operations, but shall not include any Additional Work Programme.

1.2. Interpretation

In this Contract, unless the context requires otherwise:

- (a) reference to the singular includes a reference to the plural and vice versa;
- (b) reference to a “Person” includes an individual, proprietorship, partnership firm, company, body corporate, co-operative society, entity, authority or anybody, an association or an organization of individuals, or persons whether incorporated or not;
- (c) reference to any agreement, deed, document, instrument, rule, regulation, notification, act, 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;

- (d) 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;
- (e) 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;
- (f) 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; and
- (g) in the event of any conflict between any provisions in the main body of this Contract and any provision in the Appendices, the provision in the main body shall prevail.

ARTICLE 2

PARTICIPATING INTERESTS

- 2.1.** The Contractor shall be exclusively responsible for Mineral Oil Operations in the Contract Area, and shall bear the complete risk in carrying out the Mineral Oil Operations, and shall be solely responsible to the Government for the execution and management of the Mineral Oil Operations in accordance with this Contract.
- 2.2.** The initial Participating Interest of the Members comprising the Contractor shall be as per Appendix B. Appendix B shall be amended upon transfer or assignment of Participating Interest, in accordance with Article 2.
- 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 Contractor shall appoint any one of the Members constituting the Contractor as the Operator under Article 7 of this Contract, to represent them in communicating and liaising with the Government in relation to the Contract and performance thereof.
 - (b) Notwithstanding the provisions of sub-clause (a) of Article 2.3 above, the appointment of the Operator shall in no way limit, restrict, or discharge the other Members from their obligations, responsibilities, and liabilities as Members 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 other Members to the extent of their individual Participating Interest.
 - (c) Subject to provisions of sub-clause (d) below, the liabilities and obligations of the Members under this Contract shall be to the extent of their individual Participating Interest.
 - (d) In accordance with Applicable Law, the Contractor is liable, regardless of fault, for losses incurred as a result of pollution or any other environmental damage from the Mineral Oil 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.

ARTICLE 3

EXPLORATION PERIOD

3.1. The Exploration Period shall be as follows:

Location	Exploration Period
Onland / Shallow Offshore	8 years from Commencement Date
Deep Water/ Ultra Deep	10 years from Commencement Date

3.2. The Contractor shall be required to complete the Committed Work Programme within the following timeline:

Location	Timeline for CWP
Onland / Shallow Offshore	3 years from Commencement Date
Deep Water/ Ultra Deep	4 years from Commencement Date

Provided that, the Contractor may extend this timeline, to a maximum period of 1 (one) year, in one or more instalments, by making a payment of USD 25,000 (USD twenty-five thousand) per quarter to the Government at least 30 (thirty) days prior to the expiry of the aforementioned timeline. The extension shall be automatic on making the payment in the bank account prescribed by the Government. However, any extension granted pursuant to this clause shall not extend the overall time period for Exploration Period provided in Article 3.1.

3.3. If the Contractor has completed the Committed Work Programme as per the timeline provided in Article 3.2, or has paid Liquidated Damages, the Contractor shall exercise the option by giving a written notice to Government at least 30 (thirty) days prior to the expiry of timeline provided in Article 3.2 to either:

- (a) relinquish the entire Contract Area;
- (b) retain any Discovery Area and/or any Development Area to conduct Mineral Oil Operations in accordance with the terms of this Contract, and relinquish the remaining Contract Area; or
- (c) retain any Discovery Area and Development Area and any other portion of the Contract Area in accordance with the following, by committing to complete the following work programme (“**Mandatory Work Programme**”) before expiry of the timeline for Exploration Period as provided in Article 3.1 and by submitting the guarantee as per Article 24;

Contract Area* to be retained	Number of Exploration Wells to be Drilled
Up to 50%	1
Above 50%	2

- * The extent of the Contract Area to be retained shall be in addition to the Discovery Area and Development Area.

If neither of the options provided in (a), (b), and (c) hereof is exercised by the Contractor, this Contract shall stand terminated, and the Lease shall stand automatically cancelled. Such termination shall be without prejudice to the right of the Government to claim Liquidated Damages.

- 3.4.** After the expiry of the Exploration Period, if the Contractor has completed Mandatory Work Programme or has paid Liquidated Damages, the Contractor shall exercise the option by giving a written notice to Government at least 30 (thirty) days prior to the expiry of timeline provided in Article 3.1 to either:

- (a) Relinquish the entire Contract Area; or
- (b) Retain any Development Area and/or Discovery Area to conduct Mineral Oil Operations in accordance with the terms of this Contract, and relinquish the remaining Contract Area.

If neither of the options provided in (a) and (b) hereof above is exercised by the Contractor, this Contract shall stand terminated, and the Lease shall stand automatically cancelled. Such termination shall be without prejudice to the right of the Government to claim Liquidated Damages.

- 3.5.** The Contractor shall have the right to explore for Mineral Oils within the retained Contract Area for the entire duration of this Contract.

ARTICLE 4

RELINQUISHMENT

- 4.1.** The Contractor may relinquish any part of the Contract Area, subject to the condition that such relinquished area:
- (a) forms not more than 2 (two) polygonal areas; and
 - (b) is not lesser than an area of 1'x 1' as specified in the National Data Repository (NDR).
- 4.2.** On expiry or termination of this Contract or relinquishment of part of the Contract Area, the Contractor shall decommission all equipment and installations, and perform all necessary Site Restoration activities in accordance with the terms of this Contract and the Rules.
- 4.3.** Relinquishment of all or part of the Contract Area shall not be construed as absolving the Contractor of any liability incurred by the Contractor during the period between the Execution Date and the date of such relinquishment.
- 4.4.** Subject to Article 4.2, the liability of the Contractor shall be limited to any liability undertaken or incurred by or on behalf of the Contractor in respect of, relating to or connected with the Contract, or any claim arising out of or in relation to the act of negligence, misconduct, commission or omission in carrying out Mineral Oil Operations and relinquishments under this Article, during the period between the Execution Date and the date of relinquishment of the Contract Area or termination or expiry of the Contract, as the case maybe.

ARTICLE 5

WORK PROGRAMME

- 5.1.** Exploration Well(s) shall be drilled to at least one of the following depths, whichever is shallower:
- (a) Target Depth (TD) for the purpose of Committed Work Programme, as specified in Appendix B, and for the purpose of Mandatory Work Programme as informed to the MC; or
 - (b) to Basement; or
 - (c) that point below which further drilling becomes impracticable due to geological conditions encountered and drilling would be abandoned by a reasonable prudent operator in the same or similar circumstances.
- 5.2.** If the Contractor or any of its Affiliates has obtained, before or after the award of a particular Block, seismic data generated under a multi-client speculative survey model for that particular Block, then the same can be set off against the similar Committed Work Programme for that Block, provided that such data obtained by the Contractor or Affiliate is shared with the Government.
- 5.3.** The Contractor may formulate any additional work programme, during the tenure of this Contract, and shall submit the same to the Government for information (“**Additional Work Programme(s)**”). However, no Liquidated Damages shall be applicable for any Additional Work Programme.
- 5.4.** In the event that the Contractor fails to fulfill any part of the Work Programme within the period specified in Article 3, then each Member shall be liable to the Government for Liquidated Damages in proportion to its Participating Interest for the part of the Work Programme which has not been completed.
- Provided that, for any Exploration Well(s), which have been committed but not drilled in accordance with conditions provided in Article 3, the Contractor shall be liable for Liquidated Damages for the entire Well, irrespective of the meterage left to be drilled.
- 5.5.** The Contractor may, with prior approval of Government, swap part of the Committed Work Programme in relation to the 2D Acquisition, Processing and Interpretation data and 3D Acquisition, Processing and Interpretation data with each other, as per ratios defined in Appendix B. The Contractor may swap any other Work Programme in accordance with any policy notified by the Government in this regard.

ARTICLE 6

MANAGEMENT COMMITTEE

6.1. The Management Committee shall be constituted comprising of the following:

- (a) 2 (two) representatives of the Government,
- (b) 2 (two) representatives of the Contractor where Contractor is the sole Member;
or,
- (c) if the Contractor comprises of two or more Members then 2 (two) representatives of the Operator and each other Member shall have 1 (one) representative.

The Parties shall nominate their representatives who would comprise the Management Committee, within 30 (thirty) days of the Execution Date.

6.2. Each Party shall also nominate alternate members with full authority to act in the absence, and on behalf of the members nominated under Article 6.1 and may, at any time, nominate another member or alternate member to replace any member nominated earlier, by providing a prior written notice to other members of the Management Committee.

6.3. One (1) of the representatives of the Government shall be designated as the Chairman of the Management Committee. The designated representative of the Operator shall be the Secretary of the Management Committee.

6.4. The Contractor, with the approval of Operating Committee constituted under the Article 7.5, or in case of a single Party constituting the Contractor, then that Party, shall submit the following to the Management Committee for its information:

- (a) details of the Target Depth of the Exploration Wells;
- (b) details of Contract Area proposed to be relinquished;
- (c) details of Additional Work Programme and Appraisal Programme;
- (d) Information/details of Discovery;
- (e) FDP as per Appendix C;
- (f) proposed methodology for measurement of Mineral Oils;
- (g) Proposed Annual Program Quantity i.e. the annual projected production profile for the current Financial Year and the next 2 (two) Financial Years;
- (h) Actual production levels in accordance with the year on year projections of production as provided by the Contractor;
- (i) Report on health of the Reservoir (Reservoir performance) for proper and optimal exploitation of reserves;

- (j) Audited statement of Mineral Oil production, revenue and computation of Government's Share of Revenue.
- 6.5.** The Contractor, with the approval of Operating Committee constituted under the Article 7.5, or in case of a single Party constituting the Contractor, then that Party shall submit details of the Development Area, or any revisions thereof, to the Management Committee for its approval.
- 6.6.** The Secretary to the Management Committee shall initiate a meeting at least once every 6 (six) Months or more frequently if required. The Secretary to the Management Committee shall circulate the agenda for the meeting at least 15 (fifteen) days prior to such a meeting, unless agreed otherwise.
- 6.7.** The quorum for a valid Management Committee meeting shall be the presence of at least 1 (one) nominated member from each Party being present in person or being represented as per Article 6.2. If the quorum is not present, the meeting shall be adjourned by 1 (one) week, and in the next meeting, the members present in person or being represented as per Article 6.2, subject to the nominee of the Government being present, shall constitute the quorum.
- 6.8.** The Chairman shall preside over the meetings of the Management Committee, and in his absence; such other Person designated in writing by the Chairman to represent Government shall preside over the meetings. Secretary to the Management Committee shall be responsible, *inter alia*, for the preparation of the minutes of every meeting in the English language, and providing each member of the Management Committee 2 (two) copies of the minutes approved by the Chairman within 7 (seven) days of the meeting.
- 6.9.** The meetings of the Management Committee shall be held in India, except that the members of the Management Committee shall be entitled to attend such meetings by videoconference. All expenses of the members of the Management Committee attending meetings shall be borne by the respective Parties.
- 6.10.** The Management Committee, if it considers necessary, may appoint legal, financial, or technical subcommittees comprised of such representatives, as may be agreed by the Management Committee to consider any matter requiring approval or decision of the Government. The expenses of such sub-committee shall be borne by the Contractor.
- 6.11.** Any hindrance in exploration, production, and development in the Block may be brought to the notice of the Management Committee. The Management Committee shall endeavor to help resolve any such issues brought to its notice.

ARTICLE 7

OPERATORSHIP, JOINT OPERATING AGREEMENT AND OPERATING COMMITTEE

- 7.1. In case the Contractor is a consortium, the Member designated in Appendix B shall be the Operator for the purpose of carrying out Mineral Oil Operations pursuant to the Contract during the term of this Contract.
- 7.2. In the event there is only one Party constituting the Contractor, then the Contractor shall be the Operator for the purpose of carrying out Mineral Oil Operations, pursuant to this Contract during the term of the Contract, and in such cases the provisions of Article 7.5 and Article 7.6 below shall not be applicable.
- 7.3. No change in the Operator shall be effected without the prior written consent of the Government, which consent shall not be unreasonably withheld. In the event the Contractor desires to change the Operator, it shall submit an application to the Government seeking the Government's prior consent for the same. The Government shall ensure that the new operator meets the criteria that the earlier Contractor/Operator had qualified for at the time of bidding. The Government shall accept or reject such application within a maximum period of 120 (one hundred and twenty) days from the date of receipt of the application.
- 7.4. The functions required of the Contractor under this Contract shall be performed by the Operator on behalf of the Contractor, subject to and in accordance with, the terms and provisions of this Contract and generally accepted Good International Petroleum Industry Practices, provided, however, that this provision shall not be construed as relieving the other Members from any of their obligations or liability under the Contract.
- 7.5. In the event there are more than one Member(s), then a Joint Operating Agreement shall be executed between the Members, within 90 (ninety) days of the Execution Date or such longer period as may be agreed to by Government. The said agreement shall be consistent with the provisions of this Contract and shall provide for, among other things:
- (a) The appointment, resignation, removal, and responsibilities of the Member being designated as the Operator;
 - (b) The establishment of an Operating Committee comprising of an agreed number of representatives of the Members chaired by a representative of the Operator;
 - (c) Functions of the said Operating Committee taking into account the provisions of the Contract, procedures for decision making, frequency, and place of meetings;
 - (d) Contribution to costs, default, sole risk, responsibilities relating to the preparation and implementation of the Work Programme, execution of Mineral Oil Operations, disposal of Mineral Oils decommissioning, Site Restoration, and assignment of Participating Interests as between the Parties to the Joint Operating Agreement;

- (e) Ensure that every information and proposal for approval submitted to the Management Committee is approved by the Operating Committee; and
 - (f) In case Operating Committee is unable to unanimously approve any decision, then the decision of the representatives of the Members having an aggregate Participating Interest of 51% (fifty one percent) or more (as applicable) shall be binding on all Members of the Contractor, and the approval of Operating Committee shall be deemed to have been granted for such decision.
- 7.6.** The Operator shall provide to the Government a copy of the duly executed Joint Operating Agreement within 30 (thirty) days of its execution date or such longer period as may be agreed to by the Government.
- 7.7.** In the event an assignment of Participating Interest occurs in accordance with Article 23 resulting in the change in Member(s) of the Contractor, then the provisions of Article 7.5 and Article 7.6 shall be complied with from the date of any such assignment.

ARTICLE 8

GENERAL RIGHTS AND OBLIGATIONS OF THE PARTIES

- 8.1.** The Contractor shall submit an application for the Lease in respect of the Original Contract Area, as described in Appendix A, to the Government or relevant State Government, as the case may be, within 30 (thirty) days from the Execution Date, in accordance with the Rules.
- 8.2.** Subject to the provisions of this Contract, the Lease and the Applicable Law, the Contractor shall have the following rights:
- (a) the exclusive right to carry out Mineral Oil Operations (of any type) within the Contract Area;
 - (b) the right to use, free of charge, such quantities of Mineral Oil produced as are reasonably required for conducting Mineral Oil Operations in the Contract Area in accordance with Good International Petroleum Industry Practices;
 - (c) the right to lay pipelines, build roads, construct bridges, ferries, aerodromes, landing fields, radio telephones and related communication and infrastructure facilities, and exercise other ancillary rights as may be reasonably necessary for the conduct of Mineral Oil Operations, subject to such approvals from relevant authorities as may be required under the Applicable Laws in force from time to time for the regulation and control thereof;
 - (d) the right to employ qualified foreign nationals and Subcontractors in India as it deems necessary to conduct Mineral Oil Operations;
 - (e) to import goods and services required for Mineral Oil Operations;
 - (f) to utilize any facilities owned by Contractor or any other person to the extent excess capacity is available outside the Contract Area; and
 - (g) such other rights as are specified in this Contract.
- 8.3.** The Government reserves the right to itself, or to grant to others the right, to prospect for and mine minerals or substances other than Mineral Oils within the Contract Area; provided, however, that if after the Execution Date, others are issued rights, or the Government proceeds directly to prospect for and mine in the Contract Area any minerals or substances other than Mineral Oil, the Contractor shall use its best efforts to avoid obstruction to or interference with such operations within the Contract Area, protection for ensuring no hinderance to Mineral Oil Operations in the Contract Area shall be granted in accordance with the Rules.
- 8.4. Pre Emption**
- (a) In the case of a national emergency in respect of any Mineral Oil, the Government shall, at all times, during such emergency, have the right of pre-emption of the Mineral Oils or mineral oil products produced from the Contract Area, or of the Mineral Oils or where the Contractor is permitted to sell, export or dispose of it without it being refined within India; provided that the fair

market price prevailing at the time of pre-emption shall be paid to the Contractor by the Government, for the Mineral Oils or mineral oil products taken in pre-emption.

- (b) The Government shall be the sole judge as to what constitutes a national emergency in respect of Mineral Oils, and its decision in this respect shall be final.

8.5. The Contractor shall, having due regard to Good International Petroleum Industry Practices:

- (a) except as otherwise expressly provided in this Contract, conduct all Mineral Oil Operations at its sole risk, cost, and expense and provide all funds necessary for the conduct of Mineral Oil Operations including funds for the purchase or lease of equipment, materials or supplies required for Mineral Oil Operations as well as for making payments to employees, agents, and Subcontractors;
- (b) conduct all Mineral Oil Operations in relation to the Contract Area diligently, expeditiously, efficiently, and in a safe, secure and workman like manner pursuant to the Work Programme formulated in accordance with Contract;
- (c) ensure provision of all information, data, samples etc. which may be required to be furnished under the Applicable Laws or under this Contract;
- (d) ensure that all equipment, materials, supplies, plant, and installations used by the Contractor, the Operator, and Subcontractors comply with generally accepted standards and are of proper construction and kept in safe and good working order;
- (e) in the preparation and implementation of Work Programmes and in the conduct of Mineral Oil Operations, follow Good International Petroleum Industry Practices with such degree of diligence and prudence reasonably and ordinarily exercised by experienced parties engaged in a similar activity under similar circumstances and conditions;
- (f) after the designation of a Development Area pursuant to this Contract, forthwith proceed to take all necessary action for prompt and orderly development of the Development Area and for the production of Mineral Oils in accordance with the terms of this Contract;
- (g) appoint a technically competent and sufficiently experienced representative, and in his absence, a suitably qualified replacement therefore, who shall be resident in India and who shall have full authority to take such steps as may be necessary to implement this Contract and whose name(s) shall, on appointment within 90 (ninety) days after commencement of the first Contract Year, be made known to the Government;
- (h) provide acceptable working conditions, living accommodation and access to medical attention and nursing care for all personnel employed in Mineral Oil Operations;

- (i) carry out such other obligations as are specified in this Contract and in particular those specified in Article 13;
- (j) at all times ensure that Mineral Oil Operations are conducted with due regard to safety and security of personnel, installations, procedures and the environment, including implementation of internationally accepted safety management systems, adherence to statutory safety codes, and compliance with Government directives on security;
- (k) take all actions necessary to prevent hazards to human life or to the property of others or the environment;
- (l) establish safety and security protocols including access control, surveillance systems, cyber security and emergency response procedures;
- (m) develop a site-specific security plan in consultation with Government, especially for offshore platforms and remote onland facilities;
- (n) report to the Government any sabotage, intrusion, or threat incidents to the designated authority within 24 hours of occurrence;
- (o) prepare and periodically update a comprehensive Emergency Response and Disaster Management Plan (ERDMP), which includes cyclone preparedness for offshore/onshore assets, fire, explosion, and sabotage risks;
- (p) ensure that all personnel working on site are trained in safety security protocols and emergency evacuation;
- (q) ensure that reasonable security safeguards, technical and organization measures, and incident reporting mechanisms are implemented and updated from time to time in accordance with industry standards for ensuring the confidentiality, integrity, and availability of IT Systems and Data including compliance with Applicable Laws regarding personal data protection and informational privacy;
- (r) maintain and implement adequate anti-virus, other protective software and technology measures, back-up and data recovery, disaster recovery, business continuity, and data protection plans, procedures, and facilities; and test such plans, procedures, and facilities regularly consistent with industry standards and Applicable Laws; and
- (s) be always mindful of the rights and interests of India in the conduct of Mineral Oil Operations.

8.6. The Contractor shall, at all times, keep the Government advised of all material developments taking place during the course of Mineral Oil Operations and shall furnish the Government with full and accurate information and progress reports relating to Mineral Oil Operations (on a daily, monthly, yearly or other periodic basis) as Government may reasonably require.

8.7. Subject to the terms and conditions of this Contract, the rights and obligations of the Parties shall include but not be limited to:

- (a) The obligation of the Contractor to pay the Government's Share of Revenue to the Government.
- (b) The right of the Contractor to receive the Contractor's share of Revenue.
- (c) The obligation of the Contractor to complete, at the Contractor's cost, the Work Programme within the time lines specified in Article 3.
- (d) The obligation of the Contractor to complete the Field Development Plan at its cost, and to not produce Mineral Oils in quantities in excess of the Annual Program Quantity.
- (e) The obligation of the Contractor to furnish any information or documents relating to Mineral Oil Operations to Government of India whether during the validity of the Contract or after expiry or termination of this Contract.
- (f) The obligation of the Contractor to comply with the Applicable Laws and obtain all necessary approvals as required under the Applicable Laws.
- (g) Without prejudice to the right of the Contractor to select and employ such number of personnel as, in the opinion of the Contractor, are required for carrying out Mineral Oil Operations in a safe and efficient manner, the Contractor shall, to the maximum extent possible, employ, and require the Operator and Subcontractors to employ, citizens of India having appropriate qualifications and experience, taking into account experience required in the level and nature of the Mineral Oil Operations.
- (h) The obligation of the Contractor to offer Indian nationals the opportunity for on-the-job training and practical experience in Mineral Oil Operations, as mutually agreed with the Government. Not later than 6 (six) Months after submission of FDP, the Operator shall, in consultation with the Government, establish and implement training programmes for staff positions at every level of Mineral Oil Operations including skilled, technical, executive and management positions, with a view to ensuring employment of nationals of India.
- (i) The obligation of the Contractor to:
 - (i) give preference to the purchase and use of goods manufactured, produced or supplied in India, provided that such goods are available on terms equal to or better than imported goods with respect to timing of delivery, quality and quantity required, price and other terms;
 - (ii) employ Indian Subcontractors having the required skills or expertise, to the maximum extent possible, provided that their services are available on comparable standards with those obtained elsewhere and on competitive terms; and if no such Subcontractors are available, preference may be given to non-Indian Subcontractors who utilize Indian goods to the maximum extent possible, subject, however, to the proviso in Para (1) above; and

- (iii) ensure that provisions in terms of Para (1) and (2) above are contained in contracts between the Operator and its Subcontractors.

In this Clause, “goods” means equipment, materials and supplies.

ARTICLE 9

GOVERNMENT ASSISTANCE

9.1. The Government or its nominee will:

- (a) use their good offices to provide the right of ingress and egress from the Contract Area and any facilities used in Mineral Oil Operations, wherever located, and which may be within their control;
- (b) use their good offices, when necessary, to assist the Contractor in procurement or commissioning of facilities required for execution of Work Programme including necessary approvals, permits, consents, authorizations, visas, work permits, licenses, Leases, rights of way, easement, surface rights, and security protection at the Contractor's cost, required pursuant to this Contract and which may be available from resources within its control; and
- (c) in the event that onshore facilities are required outside the Contract Area for Mineral Oil Operations including, but not limited to, storage, loading and processing facilities, pipelines and offices, use their good offices in assisting the Contractor to obtain from the authorities of the State in which such facilities are required, such licenses, permits, authorizations, consents, security protection at the Contractor's cost, surface rights and easements as are required for the construction and operation of the said facilities by the Contractor.
- (d) render such other assistance as the Contractor may reasonably request from time to time for the purpose of the smooth implementation of this Contract.

ARTICLE 10

DISCOVERY, DEVELOPMENT AND PRODUCTION

- 10.1.** If and when a Discovery is made within the Contract Area, the Contractor shall notify the Government, as per the format prescribed, within 7 (seven) days from the establishment of the Discovery (“**Notification of Discovery**” or “**NOD**”) and the Contractor shall promptly run tests, as it may be required under Good International Petroleum Industry Practices in respect of such Discovery, to determine whether the Discovery is of potential commercial interest (“**PCI**”).
- 10.2.** After running the appropriate tests, the Contractor shall, within 180 (one hundred and eighty) days from the NOD, declare to the Government whether the Discovery is of PCI or not alongwith relevant information, in the format prescribed by the Government (“**PCI Notice**”).
- 10.3.** If, pursuant to the above, the Contractor informs the Government that the Discovery merits Appraisal, the Contractor may submit an Appraisal Programme:
- (a) no later than 6 (six) months from the date of submission of PCI Notice for Onland / Shallow Water Blocks;
 - (b) no later than 12 (twelve) Months from the date of submission of PCI Notice for Deep Water / Ultra Deep Water Blocks.
- The Appraisal Programme shall be for a maximum period of 30 (thirty) months for onland and 42 (forty-two) months for offshore, from the date of PCI Notice.
- The Discovery Area shall be determined by Contractor and such Discovery Area shall be retained by the Contractor and informed to the Government.
- 10.4.**
- (a) The Contractor shall declare whether the Discovery is of commercial nature or not and where the Discovery is of commercial nature also submit the FDP to the Government, no later than:
 - (i) 36 (thirty-six) months of PCI Notice for Onland Blocks; and
 - (ii) 48 (forty-eight) months of PCI Notice for Offshore Blocks.
 - (b) The Contractor may extend the timeline for submission of the FDP to a maximum period of 24 (twenty four) months for Onland Blocks and 36 (thirty six) months for Offshore Blocks, in one or more instalments, by making a payment of USD 25,000 (USD twenty-five thousand) per quarter or part thereof to the Government at least 30 (thirty) days prior to the expiry of the timeline provided in sub-clause (a) above. The payment for seeking extension shall be made to the bank account prescribed by Government.
- 10.5.** The Contractor shall carry out Mineral Oil Operations in accordance with the FDP and Good International Petroleum Industry Practices .

- 10.6.** The Contractor may revise the FDP without changing the timelines for commencement of Commercial Production as specified in Article 10.7, subject to the condition that any change in Development Area shall require prior approval of the MC.
- 10.7.** The Contractor shall ensure commencement of Commercial Production within the following timeline from the date of submission of FDP:
- (a) 2 (two) years in case of Onland Blocks;
 - (b) 3 (three) years in case of Shallow Water Blocks;
 - (c) 5 (five) years in case of Blocks falling in Deep Water/Ultra Deep Water areas,
- Provided that, the Contractor may extend this timeline, to a maximum period of 2 (two) years, in one or more instalments, by making a payment of USD 250,000 (USD two hundred fifty thousand) per quarter or part thereof to the Government at least 30 (thirty) days prior to the expiry of the aforementioned timeline. The extension shall be automatic on making the payment in the bank account prescribed by the Government.
- 10.8.** Failure to commence Commercial Production within the timeline specified in Article 10.7, may be considered as material breach and the relevant Development Area shall be deemed to be relinquished by the Contractor, unless there are sufficient grounds for delay beyond 2 (two) years.
- 10.9.** In case any Reservoir extends beyond the Contract Area, the Contractor shall take all necessary steps in compliance with the Rules.

ARTICLE 11

STABILISATION

- 11.1. In the event of a Change in Law which results in reduction of economic benefit accruing to the Contractor, such affected Contractor shall be entitled to be placed in the same financial condition had there been no such Change in Law in the manner contained herein.
- 11.2. Upon such a Change in Law, the Contractor may with a prior written notice of at least 90 (ninety) days, deduct such amounts which places the Contractor in the same financial condition had there been no such Change in Law from dues payable by it to the Government.
- 11.3. Along with the notice referred to in Article 11.2 above, the Contractor shall submit supporting documents evidencing the reduction in economic benefit, and shall thereafter promptly provide to the Government any additional information or documents concerning the same as may be required by the Government.
- 11.4. The Government shall be entitled to dispute any such deduction made in accordance with the dispute resolution procedure in this Contract.

For the avoidance of doubt, it is agreed that this Article 11 shall be restricted to Changes in Law on account of Applicable Laws enacted by the Government.

- 11.5. “**Change in Law**” shall mean a change in the taxes, duties, levies, cesses, fees, royalties, rent, charges, or impositions under an Central Law payable by the Contractor after the Execution Date, whether on account of a change in rates, introduction of a new Central law, or change in interpretation by judgement of a court of record which has become final, conclusive, and binding, as compared to such interpretation or application by a court of record prior to the Execution Date.
- 11.6. “**Central Law**” shall have the same meaning as ascribed to ‘Central Act’ as defined under the General Clauses Act, 1897.

ARTICLE 12

MEASUREMENT OF MINERAL OILS

- 12.1.** The Contractor shall ensure that the Mineral Oils used for internal consumption, Mineral Oil Operations, flared, saved, and sold from the Contract Area shall be measured for volume, weight, and quality by methods and appliances as prescribed by the Government and in absence thereof as per the methods and by appliances generally accepted and customarily used in the Good International Petroleum Industry Practices.
- 12.2.** The Government may, at all reasonable times, inspect, and test the appliances used for measuring the volume and determining the quality of Mineral Oil, provided that any such inspection or testing shall be carried out in such a manner so as not to unduly interfere with Mineral Oil Operations and may at any time be at variance with Article 12.3(b).
- 12.3.** The Contractor shall comply with the procedure prescribed by the Government for measurement of Mineral Oils, on various aspects including but not limited to:
- (a) the point or points at which Mineral Oils shall be measured which shall include:
 - (i) measurement at the Well Head; and
 - (ii) measurement at the identified Delivery Points, provided that the measurement at the Well Head shall only be for the purposes of information and record and shall be submitted to the Government on a Monthly basis;
 - (b) the frequency of inspections and testing of measurement appliances and relevant procedures relating thereto;
 - (c) the consequences of a determination of an error in measurement;
 - (d) reconciliation mechanism between Mineral Oils Produced and Saved and Mineral Oils sold; and
 - (e) methods to be employed for measurement of volume, weight and quality.
- 12.4.** The Contractor shall undertake to measure the volume and quality of the Mineral Oils Produced and Saved from the Contract Area with the frequency and according to procedures prescribed by the Government, and in absence thereof shall apply methods, appliances, procedures consistent with Good International Petroleum Industry Practices. The Contractor shall not make any alteration in the method or procedures prescribed for measurement or to any of the prescribed appliances used for that purpose, without the written consent of the Government.
- 12.5.** The Contractor shall give the Government timely notice of its intention to conduct measuring operations or any agreed alteration for such operations and the Government shall have the right to supervise, either directly or through authorized representatives, such operations.

- 12.6.** During the term of this Contract, the Contractor shall keep all the records of analysis and measurement of hydrocarbons calibrations and proving of measurement system and make available to Government or its authorized agency such records on request or at the end of every quarter.
- 12.7.** Notwithstanding anything contained hereinabove, the Government may modify, supplement or supplant the directions issued to the Contractor on the methodology of measurement, the equipment used for the measurement and the point of measurement of Mineral Oil and the Contractor shall be bound by such directions.

ARTICLE 13

PROTECTION OF THE ENVIRONMENT

- 13.1.** The Contractor shall conduct its Mineral Oil Operations in compliance with all Applicable Laws and Good International Petroleum Industry Practices on protection of environment and wherever applicable, on conservation of forests and protection of wildlife and obtain the clearances required in accordance with Applicable Laws including under the Environment Impact Assessment Notification issued by the Ministry of Environment, Forest and Climate Change, Government of India (“**Environment Impact Assessment Notification**”) 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 including advanced techniques, practices and methods of operation for the prevention of Environmental Damage in conducting its Mineral Oil Operations;
 - (b) take necessary and adequate steps to:
 - (i) prevent Environmental Damage, and where some adverse impact on the environment is unavoidable, to minimize such damage and the consequential effects thereof on property and people;
 - (ii) ensure adequate compensation for injury to persons or damage to property caused by the effect of Mineral Oil Operations;
 - (iii) minimize flaring of gas to the extent reasonable;
 - (c) shall ensure that:
 - (i) Mineral Oil Operations are conducted in an environmentally acceptable and safe manner consistent with Good International Petroleum Industry Practices and that such Mineral Oil Operations are properly monitored;
 - (ii) the pertinent completed environmental impact studies are made available to its employees and to its Subcontractors to develop adequate and proper awareness of the measures and methods of environmental protection to be used in carrying out the Mineral Oil Operations; and
 - (iii) the agreements entered into between the Contractor and its Subcontractors relating to its Mineral Oil Operations shall include the provisions stipulated herein and any established measures and methods for the implementation of the Contractor’s obligations in relation to the environment under this Contract.
- 13.2.** If the Contractor fails to comply with the provisions of Article 13.1.(b)(i) and/or contravenes any relevant Applicable 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 under the Applicable Laws.

- 13.3.** If the Government in accordance with the Applicable Laws has good reason to believe that any works or installations erected by the Contractor or any operations conducted by the Contractor are endangering or may endanger persons or any property of any person, or are causing or may cause pollution, or are harming or may harm fauna or flora or the environment to a degree which the Government deems unacceptable, the Government may require the Contractor to take remedial measures within such reasonable period as may be determined by the Government and to repair any such damage. If the Government deems it necessary, it may also require the Contractor to discontinue Mineral Oil Operations in whole or in part until the Contractor has taken such remedial measures or has repaired any damage caused.
- 13.4.** The measures and methods to be used by the Contractor for the purpose of complying with the terms of Article 13.1.(b)(i) shall be determined in timely consultation with the Government upon the commencement of Mineral Oil Operations or whenever there is a significant change in the scope or method of conducting Mineral Oil Operations and shall take into account the international standards applicable in similar circumstances and environmental impact study (if any) shall be carried out in accordance with applicable Environment Impact Assessment Notification and under the Applicable Laws. The Contractor shall notify the Government and relevant State Government, in writing, of the measures and methods finally determined by the Contractor and shall cause such measures and methods to be reviewed from time to time in the light of prevailing circumstances. The Contractor shall, prior to conducting any drilling activities, prepare and submit for review by the Government contingency plans for dealing with oil spills, fires, accidents, blow outs and emergencies, designed to achieve rapid and effective emergency response. The plans referred to above shall be considered by the Government and concerns expressed by the Government shall be taken into account forthwith to the extent reasonable.
- 13.5.** In the event of an emergency, accident, oil spill or fire arising from Mineral Oil Operations affecting the environment, the Contractor shall forthwith notify the Government and relevant State Government and shall promptly implement the relevant contingency plan and perform such Site Restoration as may be necessary in accordance with Good International Petroleum Industry Practices and any other guidelines issued by the Government.
- 13.6.** In the event that the Contractor fails to comply with any of the terms contained in Articles 13.5 and 13.6 within a period specified by the Government, the Government, after giving the Contractor reasonable notice in the circumstances, may take any action which may be necessary to ensure compliance with such terms and to recover from the Contractor, immediately after having taken such action, all costs and expenditures incurred in connection with such action together with interest which shall be calculated in accordance with Clause 14.5, on which such costs and expenses are incurred until the date on which such direct costs and expenditures are reimbursed to the Government.
- 13.7.** The Contractor shall prepare a proposal for Site Restoration including abandonment plan 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 Plan and requirement of funds with annual contribution against such plan shall be submitted for the consideration and approval of the Government. For this purpose, the annual contribution to Scheme shall be calculated based on unit of production method i.e. reserve to production ratio, or any other guideline/direction issued by the

Government in this regard. The activity of Site Restoration will be done in accordance with Applicable Law and Good International Petroleum Industry Practices. The Contractor shall create the Site Restoration Fund and commence its annual contribution from the year in which Mineral Oil is Produced and Saved from Production Operations. For the purpose of this Contract, the word profit petroleum mentioned in the Site Restoration Fund Scheme - 1999 may be read as Revenue.

- 13.8.** The Contractor shall complete Site Restoration within time prescribed and in accordance with Applicable Law. Failure to complete Site Restoration shall make the contractor liable for damages equivalent to the cost of restoration as estimated by DGH.
- 13.9.** In this Article, a reference to Government includes the State Government, to the extent that the relevant subject matter falls under the jurisdiction of the State Government under Applicable Law.
- 13.10.** The obligations and liability of the Contractor for the environment under this Contract shall be limited to damage to the environment which:
 - (a) occurs after the Commencement Date; and
 - (b) results from an act or omission of the Contractor.

ARTICLE 14

REVENUE SHARE

- 14.1. “Revenue”** for the purposes of determining the Government’s Share of Revenue under this Contract shall be:

Revenue computed on the basis of valuation in accordance with Article 18 for the quantum of Mineral Oil sold from the Contract Area for a period

LESS

Royalty on account of quantum of Mineral Oils sold from the Contract Area for a period

LESS

Taxes and duties levied on production or sales (excluding taxes or duties paid or payable on input goods/ services and corporate income tax), on account of the sale of Mineral Oils from the Contract Area for a period.

14.2. Methodology to calculate Revenue Share for Blocks falling in Category-I Basins

- 14.2.1 The Government’s Share of Revenue (in percentage terms) for a Month for blocks falling in Category-I Basins shall be calculated in the following manner:

- (a) when the R for the relevant Month is less than or equal to LRP, shall be X % (percent).
- (b) when the R for the relevant Month is equal to or more than the HRP, shall be Y % (percent).
- (c) When the R for the relevant Month is more than the LRP and less than the HRP, shall be Z% (percent), to be determined as under:

$$Z = X + [(Y-X) \times (R-LRP) / (HRP - LRP)]$$

- 14.2.2 Notwithstanding Article 14.2.1, the Government’s Share of Revenue shall be calculated as (X) % of Revenue, for an initial period of 2 (two) years from the date of commencement of production from the Contract Area.

- 14.2.3 For the purpose of this Article 14.2:

“X” = Government’s Share of Revenue, at LRP level as specified in Appendix B.

“Y” = Government’s Share of Revenue, at HRP level as specified in Appendix B;

“R” = Average daily Revenue for the relevant Month, computed on the basis of Revenue determined as per Article 14.1.

14.3. Government Revenue Share for Blocks falling in Category-II & Category-III Basins

14.3.1 Revenue for Blocks falling in Category-II & Category-III Basins shall be shared with the Government only if Windfall Gain accrues to the Contractor.

14.3.2 In case Windfall Gain accrues to the Contractor, the Revenue Share to Government shall be payable as under:

- (a) If the cumulative Revenue in a Financial Year is more than USD 2,500,000,000 (USD 2.5 billion) but less than or equal to USD 5,000,000,000 (USD 5 billion), 10% (ten percent) of Revenue exceeding USD 2,500,000,00 (USD 2.5 billion).
- (b) If the cumulative Revenue in a Financial Year is more than USD 5,000,000,000 (USD 5 billion) but less than or equal to USD 10,000,000,000 (USD 10 billion), Revenue Share calculated in (a) above plus 30% (thirty percent) of Revenue exceeding USD 5,000,000,000 (USD 5 billion).
- (c) If the cumulative Revenue in a Financial Year is more than USD 10,000,000,000 (USD 10 billion), Revenue Share calculated in (a) & (b) above plus 50% (fifty percent) of Revenue exceeding USD 10,000,000,000 (USD 10 billion).

14.3.3 Revenue Share to the Government in a Financial Year shall be payable from the Month in which “Windfall Gain” accrues to the Contractor i.e. from the month in which the threshold limit of USD 2,500,000,000 (USD 2.5 billion) is crossed during the relevant Financial Year.

14.4. Revenue Share payable to the Government for a Month in a Financial Year shall be equal to the amount as calculated at the end of that month applying the rates given in Articles 14.2.1 and 14.3.2, as applicable, on cumulative revenue at the end of that month as reduced by the Revenue Share calculated on cumulative revenue at the end of previous month.

14.5. The Contractor shall pay the Government’s Share of Revenue on a monthly basis, to the Government, on or before the last Day 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 daily at applicable SOFR plus 2% (two percent) points.

14.6. The Contractor shall remit Royalty and Government’s Share of Revenue or any other Government dues under the Contract in Indian Rupees (INR). For conversion purposes between United States Dollars (USD) or any other currency and Indian Rupees, the RBI/FBIL/RBI authorized agency reference rate of Exchange on the previous day on which such remittance is made shall be used.

14.7. If, pursuant to any determination made under the Rules by the Government or the State Government, it is found that the quantity of any Mineral Oils declared by the Contractor is incorrect, the Contractor shall be liable to promptly pay Revenue on the reassessed quantity, along with any interest, in accordance with Article 14.5 above.

ARTICLE 15

TAXES, ROYALTIES, DUTIES ETC.

- 15.1.** The Contractor shall be subject to all fiscal legislation in India except where, pursuant to any authority granted under any Applicable Law, they are exempted wholly or partly from the application of the provisions of a particular law or as otherwise provided herein.
- 15.2.** Pursuant to the provisions of section 42 of the Income-tax Act, 1961, the following allowances shall apply in computing income tax payable by a Member on its profits and gains from the business of Mineral Oil Operations in lieu of (and not in addition to) the allowances admissible under the Income-tax Act, 1961.
- (a) If there is no Commercial Discovery in the Contract Area and the Contract Area or any part thereof is relinquished or surrendered, all infructuous or abortive expenditure, both capital and revenue, incurred towards unsuccessful Exploration Operations relevant to that area shall be allowed in the Year of such relinquishment or surrender;
 - (b) The expenditure incurred, both capital and revenue, towards Exploration or drilling activities in the Contract Area before the start of the Commercial Production shall be aggregated and 100% (one hundred percent) of such expenditure shall be allowed in the Year of first Commercial Production. Alternatively, such expenditure can be amortized over a period of 10 (ten) years from the Year of first Commercial Production;
 - (c) The expenditure incurred, both capital and revenue, towards Exploration and drilling activities in the Contract Area after the beginning of Commercial Production, shall be allowed in the Year in which it is incurred;
 - (d) The expenditure incurred towards Development Operations other than drilling operations, Production Operations and any other expenditure in respect of Mineral Oil Operations not covered in above (a), (b) and (c) shall be treated as per the relevant provisions of Income Tax Act 1961.
- 15.3.** For the purposes of Article 15.2 and section 42 of the Income-tax Act, 1961:
- (a) The following terms used in section 42 of the Income-tax Act, 1961, shall have the meanings corresponding to the terms used in this Contract and defined in Article 1 as follows:
 - (i) “agreement” means this Contract as defined in Article 1;
 - (ii) “commercial production” shall have the meaning assigned in Article 1.
 - (b) “Year” means a Previous Year as defined in the Income Tax Act, 1961.
 - (c) The other terms used herein and defined in Article 1 shall have the meaning therein ascribed.

- 15.4.** The Contractor shall be required to pay Royalty to the State Government(s) (in case of onshore areas) and to the Government (in case of offshore areas), at the rates specified in Appendix H of this Contract, on the value of the Mineral Oil Produced and Saved by the Contractor from the Contract Area in accordance with the provisions of Article 18 of this Contract.
- 15.5.** Concessional Royalty Rates specified in Appendix H shall be applicable if production is commenced within 4 (four) years for Onland and Shallow Water blocks, and 5 (five) years for Deep Water Blocks and Ultra Deep Water Blocks from the Commencement Date of this Contract.
- 15.6.** Cess, under Oil Industry (Development) Act, 1974 (“**OID Act**”), shall not be applicable on crude oil production from the Block.

ARTICLE 16

DOMESTIC SUPPLY, SALE, DISPOSAL AND EXPORT OF MINERAL OILS

- 16.1.** Unless otherwise expressly permitted by the Government each Member shall sell in the domestic market in India all of the Member's entitlement to Mineral Oil from the Contract Area.
- 16.2.** Each Member shall, throughout the term of this Contract, have the right to separately take in kind and dispose of all its share of Mineral Oils Produced and Saved equivalent to its Participating Interest and shall have the obligation to lift the said Mineral Oil on a current basis and in such quantities so as not to cause a restriction of production or inconvenience to the other Member.
- 16.3.** The Members shall ensure that any sale of Mineral Oils, is carried out without any restrictive commercial practices following the principles of Arm's Length Sales.
- (a) Any Affiliate of the Member can participate in the transparent bidding process. Sale of Mineral Oils to any Affiliate of the Member is permitted only if the Affiliate's bid price is the highest.
- Further, the bidding process will not be valid if Affiliate(s) of the Member are the only participant(s) in the bidding process, and there are no other bidders. In such a situation, rebidding shall be done.
- (b) The Members shall not be eligible to participate in the bidding process.
- (c) Any sale following such transparent bidding process under the Article 16.3 shall be deemed to be carried out on an Arm's Length Sale basis.
- 16.4.** Except for the purposes of sale of Natural Gas, the provisions of Article 16.3 and Article 16.4 shall not be applicable to Government Companies for sale of other Mineral Oils.

ARTICLE 17

JOINT DEVELOPMENT OF COMMON INFRASTRUCTURE

- 17.1.** The Contractor shall be required to declare details of capacity in the infrastructure facilities developed by it and be eligible to allow utilization of such excess capacity by any other entity, in accordance with the Rules, for the purposes of carrying out Mineral Oil Operations.

Provided that the Contractor shall have the right of first use of such excess capacity in accordance with the Rules.

- 17.2.** The Contractor in accordance with the Rules, may:
- (a) utilize the excess capacity in any infrastructure(s) already existing in relation to any Block or Contract Area; or
 - (b) develop common infrastructure(s) along with other party(ies).
- 17.3.** Any agreement on joint development of infrastructure pursuant to Article 17.2 shall be submitted to the Government, for its information and records, within 30 (thirty) days of execution of such agreement.

ARTICLE 18

VALUATION OF MINERAL OIL

- 18.1.** The Contractor shall have the right to use free of charge, such quantities of Mineral Oil produced as are reasonably required for conducting Mineral Oil Operations in the Contract Area in accordance with Good International Petroleum Industry Practices. The Contractor shall submit at the end of each month the records relating to the quantity of Mineral Oils used for the purposes of Mineral Oil Operations to the Government as per the prescribed format.
- 18.2.** For the purpose of determination of Government's Share of Revenue, the value of Mineral Oils shall be determined in terms of United States Dollars based on the pricing methodology provided below:
- (a) For Crude Oil and Condensate, shall be the higher of the following:
 - (i) Price arrived on Arm's Length Sales basis; or
 - (ii) the price of Indian Basket of crude oil as calculated by and published by Government or Government nominated agency.
 - (b) For Natural Gas, shall be higher of the following:
 - (i) Price arrived on Arm's Length Sales basis ; or
 - (ii) Price calculated as per the guidelines prescribed by the Government and published by Government or Government nominated agency.
 - (c) For any other Mineral Oils (other than Crude Oil, Condensate and Natural Gas), shall be the higher of the following:
 - (i) Price arrived on Arm's Length Sales basis; or
 - (ii) Price calculated as per the guidelines prescribed by the Government and published by Government or Government nominated agency, if any.

Provided that for any sale of Mineral Oil to any Government Company, Revenue Share shall be calculated as per the actual sale price.

ARTICLE 19

INSURANCE AND INDEMNIFICATION

19.1. Insurance

19.1.1 The Contractor shall, during the term of this Contract, maintain and obtain insurance coverage for and in relation to Mineral Oil Operations for such amounts and against such risks as are customarily or prudently insured in the international Mineral Oil industry in accordance with GIPIP, and shall within 2 (two) months of the date of policy or renewal furnish to the Government, certificates evidencing that such coverage is in effect. Such insurance policies shall include the Government as additional insured and shall waive subrogation against the Government. The said insurance shall, without prejudice to the generality of the foregoing, cover:

- (a) loss or damage to all installations, equipment, and other assets for so long as they are used in or in connection with Mineral Oil Operations; provided however, that if for any reason the Contractor fails to insure any such installation, equipment or assets, it shall replace any loss thereof or repair any damage caused thereto;
- (b) loss, damage or injury caused by pollution in the course of or as a result of Mineral Oil Operations;
- (c) loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Mineral Oil Operations for which the Contractor may be liable;
- (d) any claim for which the Government may be liable relating to the loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Mineral Oil Operations for which the Contractor is liable to indemnify the Government, or the State Government(s);
- (e) with respect to Mineral Oil Operations offshore, the cost of removing wrecks and cleaning up operations following any accident in the course of or as a result of Mineral Oil Operations;
- (f) the Contractor's and/or the Operator's liability to its employees engaged in Mineral Oil Operations;
- (g) any business interruption losses; and
- (h) any of the abovementioned risks, costs or losses associated with security incidents, terrorist attacks, and natural disasters.

19.1.2 The Contractor shall require its Subcontractors to obtain and maintain insurance against the risks referred to in this Article relating mutatis mutandis to such Subcontractors.

19.2. Indemnity

Subject to Article 4.4, the Contractor shall indemnify, defend, and hold the Government and the State Government(s) harmless against all claims, losses and damages of any

nature whatsoever, including, without limitation, claims for loss or damage to property or injury or death to persons caused by or resulting from any Mineral Oil Operations conducted by or on behalf of the Contractor.

ARTICLE 20

RECORDS, REPORTS, ACCOUNTS AND REVENUE AUDIT

- 20.1.** The Contractor shall maintain at an office in India adequate and verifiable physical and electronic records of production and sales transactions which shall be used for valuation of Mineral Oil for computing Government's Share of Revenue for the Term of the Contract.
- 20.2.** The Contractor shall, within 30 (thirty) days of signing, share a copy of the sale and purchase agreements for any Mineral Oil, in physical and electronic form as required by the Government.
- 20.3.** The statements, as referred to in Article 20.5 and Article 20.6, shall be prepared in USD. The quantitative statements shall be prepared in Barrels (BBL) & Million Metric Tonne (MMT) for Crude Oil and Condensates and in Million British Thermal Units (MMBTU) and Million Standard Cubic Metres (MMSCM) for Natural Gas.
- 20.4.** For the purpose of this Contract, the Contractor shall maintain a separate bank account in a Scheduled Commercial Bank.
- 20.5.** From the date of first production of Mineral Oil from the Contract Area the Contractor shall submit a monthly Production and Revenue statement to the Government showing the following information separately of each producing Field and in aggregate for the Contract Area, in the format(s) prescribed by the Government, on or before the seventh (7th) Day of the following Month:
- (a) The quantity of Crude Oil and Condensate produced and saved;
 - (b) The quality and characteristics of such Crude Oil and Condensate produced and saved;
 - (c) The quantity of Associated Natural Gas and Non Associated Natural Gas produced and saved;
 - (d) The quality, characteristics and composition of such Natural Gas produced and saved separately;
 - (e) The quantities of Crude Oil, Condensate and Natural Gas used for the purposes of carrying on drilling and Production Operations and pumping to field storage, as well as quantities re-injected;
 - (f) The quantities of Crude oil, Condensate and Natural Gas unavoidably lost;
 - (g) The quantities of Natural Gas flared and vented;
 - (h) The size of Petroleum stocks held on the first Day of the Month in question;
 - (i) The size of Petroleum stocks held on the last Day of the Month in question;
 - (j) The quantities of Natural Gas re-injected into the Petroleum Reservoir;

- (k) The number of days in the Month during which Petroleum was produced from each Field;
 - (l) The Gas-Oil ratio for each Reservoir and Field/ Cluster for the relevant Month;
 - (m) Water production, water injection and Reservoir pressure data for each Reservoir and Field;
 - (n) The quantities of Crude Oil, Condensate and Natural Gas sold to every buyer;
 - (o) The status of all the Wells in the field / cluster by categorizing in flowing, non-flowing, on artificial lift, under workover etc. with future action plan, if any; and
 - (p) Revenue statement.
- 20.6.** The Contractor shall submit audited annual statements pertaining to production, sale, Revenue, computation of Royalty and Government's Share of Revenue, to the Government within 2 (two) months from the close of relevant Financial Year. The audit shall be carried out on the behalf of the Contractor by an independent firm of Chartered Accountants, registered in India in accordance with the generally accepted auditing and accounting practices in India.
- 20.7.** The Government or its appointed agency shall have the right to audit statements provided under Article 20.6 above.
- 20.8.** For the purpose of any audit pursuant to this Contract, the Contractor shall make available to the Government or its appointed agency, true and accurate copies of all such books, records, accounts, statements, and other documents and information of the Mineral Oil Operations as may be reasonably required by the Government either as physical or electronic records, in each case being remotely accessible by the Government or its appointed agency, during normal business hours.

ARTICLE 21

INFORMATION, DATA, CONFIDENTIALITY, INSPECTION AND SECURITY

- 21.1.** The Contractor shall submit all Data to the Government in accordance with the Rules and policies notified by the Government from time to time.
- 21.2.** Any proprietary Data submitted by the Contractor shall be protected in accordance with the provisions of the Rules.
- 21.3.** The obligation specified in Article 21.1 above shall not operate so as to restrict the Contractor from sharing of data with the following:
- (a) to Affiliates, Contractors, or Subcontractors for the purpose of Mineral Oil Operations;
 - (b) to employees, professional consultants, advisers, data processing centers and laboratories, where required, for the performance of functions in connection with Mineral Oil Operations for any Party comprising the Contractor;
 - (c) to Lenders in connection with Mineral Oil Operations;
 - (d) to bona fide intending assignees or transferees of a Participating Interest of a Party comprising the Contractor or in connection with a sale of the stock or shares of a Party comprising the Contractor;
 - (e) to any other Contractor or Lessee to the extent required and for the purposes of development discussion pursuant to the Rules;
 - (f) to the extent required by any Applicable Law or in connection with any legal proceedings or by the regulations of any stock exchange upon which the shares of a Party or an Affiliate of a party comprising the Contractor are quoted;
 - (g) to Government departments for, or in connection with, the preparation by or on behalf of the Government of statistical reports with respect to Mineral Oil Operations, or in connection with the administration of this Contract or any relevant law or for any purpose connected with Mineral Oil Operations; and
 - (h) by a Party with respect to any Data or information which, without disclosure by such Party, is generally known to the public.
- 21.4.** Where an area ceases to be part of the Contract Area, the Contractor shall hand over all the originals of the Data with respect to that part to the Government within a period of 1 (one) year from the date of relinquishment or surrender. The Contractor shall, however, be allowed to retain copies of the Data in its possession in accordance with provisions of the Rules.
- 21.5.** The Government shall, at all reasonable times, through duly authorized representatives, be entitled to observe Mineral Oil Operations and to inspect all assets, books, records, reports, accounts, contracts, samples, and data kept by the Contractor or the Operator in respect of Mineral Oil Operations in the Contract Area. The duly authorized representatives shall be given reasonable assistance by the Contractor for such functions

and the Contractor shall afford such representatives reasonable use of all facilities and privileges afforded to its own personnel in the Field including the use of office space and housing for a period not exceeding 30 (thirty) days in a Year and thereafter at the cost of Government. The said representatives shall be entitled to make a reasonable number of surveys, measurements, drawings, tests and copies of documents, take samples, and make reasonable use of the equipment and instruments of the Contractor provided that such functions shall not unduly interfere with the Contractor's Mineral Oil Operations.

- 21.6.** The Contractor shall provide reasonable advance notice to the Government, or to any other authority designated by the Government for such purpose, prior to conducting surveys by aircraft or ships, indicating, *inter alia*, the name of the survey to be conducted, approximate extent of the area to be covered, the duration of the survey, the commencement date, and the name of the airport or port from which the survey aircraft or ship will commence its voyage.
- 21.7.** The Government, or the authority designated by the Government for such purpose, shall have the right to inspect any aircraft or ship used by the Contractor or a Subcontractor carrying out any survey or other operations in the Contract Area, and shall have the right to put on board such aircraft or ship Government officers in such number as may reasonably be necessary to ensure compliance by the Contractor or the Subcontractor with the security requirements of India.
- 21.8.** If the Contractor does not provide or suppresses Data, under this Article 20, to the Government, it shall be considered as material breach of the Contract.

ARTICLE 22

TITLE TO MINERAL OIL, DATA AND ASSETS

- 22.1.** The Government is the sole and exclusive owner of Mineral Oils underlying the Contract Area, and shall remain the sole and exclusive owner of Mineral Oils produced pursuant to the provisions of this Contract except as regards that part of Mineral Oil, the title whereof has passed to the Contractor or any other person in accordance with the provisions of this Contract.
- 22.2.** Title to Mineral Oils to which the Contractor is entitled under this Contract, and title to Mineral Oils sold by the Contractor/ Members thereof (as applicable) shall pass to the relevant buyer party at the Delivery Point.
- 22.3.** Title to all Data specified in Article 21 shall be vested in the Government and subject to Rules, the Contractor shall have the right to use thereof as therein provided.
- 22.4.** Assets purchased by the Contractor for use in Mineral Oil Operations shall be owned by the Members in proportion to their Participating Interest.
- 22.5.** Upon expiry or earlier termination of this Contract, subject to payment of reasonable compensation, the Contractor shall be required to, take steps for:
- (a) vesting of title and ownership, free of charge and free from any encumbrances, in favor of the Government in any or all of the assets, whether fixed or movable, acquired and owned by the Contractor for use in Mineral Oil Operations, whether inside or outside the Contract Area including transfer of the site restoration fund, if any; or
 - (b) the grant to the Government of rights of access, usage, or other arrangements in respect of such assets as may be necessary to ensure continuity of Mineral Oil Operations.

Provided that the foregoing provisions of this Article 22.5 shall not apply to the following categories of assets:

- (a) proprietary systems or software used by the Contractor;
 - (b) assets outside India;
 - (c) assets disposed, decommissioned or abandoned in the ordinary course of business during the Term of the Contract; or
 - (d) vessels used for international shipping.
- 22.6.** In the event the Contractor enters into any subcontract for the performance of any part of its Mineral Oil Operations under this Contract, the Contractor shall ensure that each such subcontract contains provisions that entitle the Government to step into and assume the rights of the Contractor under such subcontract, in the event of termination or expiry of this Contract, in order to exercise its rights under Articles 22.5. Such subcontract shall further provide for the transfer and assignment to the Government of all rights and interests as required under Article 22.5.

- 22.7.** The Contractor shall be responsible for proper maintenance, insurance, and safety of all assets acquired for Mineral Oil Operations and for keeping them in good repair, order, and working condition at all times.

ARTICLE 23

ASSIGNMENT OF PARTICIPATING INTEREST

- 23.1.** Subject to the terms of this Article 23 and subject to other terms of this Contract, any Member may assign, or transfer, a part or all of its Participating Interest, to any other Person (including its Affiliate) 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 Article 24 of the Contract;
 - (b) the prospective assignee or transferee is not a company incorporated in a country with which the Government, for policy reasons, has restricted trade or business;
 - (c) the prospective assignor or transferor and the assignee or transferee are willing to comply with any reasonable conditions of the Government as may be necessary in the circumstances with a view to ensuring performance under the Contract; and
 - (d) the assignment or transfer will not adversely affect the performance or obligations under this Contract or be contrary to the interests of India.
- 23.2.** An application for consent to assign or transfer shall be accompanied by
- (a) all relevant information concerning the proposed assignment; or
 - (b) transfer including detailed information on the proposed assignee or transferee and its shareholding and corporate structure, as was earlier required from the Members constituting the Contractor;
 - (c) the terms of the proposed assignment or transfer and the unconditional undertaking referred to in Article 23.1.
- 23.3.** The applicant shall also submit such information relating to the prospective assignee or transferee of the assignment or transfer as the Government may reasonably require to enable proper consideration and disposal of the application.
- 23.4.** No assignment or transfer shall be effective until the approval of the Government is received. Approval may be given by the Government on such terms and conditions as it may deem fit, subject to such terms and conditions not increasing the obligations of the Members. 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.
- 23.5.** 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 10% (ten percent) of the total Participating Interest of all the Members, except where the Government, on the recommendations of the Management Committee may, in special circumstances, so permit.

- 23.6.** Once a consent for assignment is granted, the assignor/ transferor shall ensure execution of amendment to this Contract to give effect to such assignment, including but not limited to, amend provisions of Appendix B.
- 23.7.** Nothing contained in this Article 23, shall prevent a Member from mortgaging, pledging, charging or otherwise encumbering at its own risk and cost all or part of its Participating Interest for the purposes of security relating to finance to the extent required for performing its obligation under the Contract, provided that:
- (a) such Member shall remain solely liable for all its obligations relating to its Participating Interest to the exclusion of the other participants thereto;
 - (b) the encumbrance shall be expressly subordinated to the rights of the other Parties under this Contract. The obligations occurring from the said encumbrance shall be the sole responsibility of the original Party that created the said encumbrance and shall in no manner compromise the rights of other Parties to the Contract;
 - (c) such Party has given reasonable notice of such encumbrance and furnishes to all other Parties (including, for the avoidance of doubt, the Government) a certified copy of the executed instrument(s) evidencing the encumbrances;
 - (d) keeping in view the national interest of India, prior consent of the Government shall be required (which consent shall not be unreasonably withheld) of the list of potential Lenders with whom such Party can consider hypothecation;
 - (e) the Party creating the charge shall ensure that such charge shall not in any way affect the interest of other Parties or result in interference with joint operations. In the event of any claims or liabilities imposed on other Parties because of the creation of such charges, the Party having created charge on its Participating Interest shall indemnify the other Parties; and
 - (f) in case of foreclosure or default by a borrowing Party, the mortgagee shall not be deemed to have acquired a right to carry on either by itself or through an agent, the Mineral Oil Operation, without the prior written consent of the Government of India. Provided that if such a consent is granted, the same shall be subject to the rights of Government under this Contract and the pre-emptive rights of the Parties as may be contained in Operating Agreement or any other agreement. Any Party which wishes to exercise the said pre-emptive rights will explicitly assume the obligation on the same terms and conditions as the Borrower.

ARTICLE 24

GUARANTEES

- 24.1.** Each of the Members constituting the Contractor or their Parent Companies or the Operator on behalf of the other Members, shall procure and deliver to the Government as applicable:
- (a) within 30 (thirty) days from the Execution Date, an irrevocable, unconditional Bank Guarantee from a Scheduled Commercial Bank of good standing in India, acceptable to the Government, in favor of the Government, for the amount specified in Article 24.2 and valid for the Exploration Period for which bid commitments are made as specified in Appendix B with claim period of 1 (one) year, in a form provided at Appendix F;
 - (b) in the event the Contractor opts to commit Mandatory Work Programme in accordance with Article 3.3, within 30 (thirty) days from the date of opting for the Mandatory Work Programme, an irrevocable, unconditional Bank Guarantee from a Scheduled Commercial Bank of good standing in India, acceptable to the Government, in favor of the Government, for the amount specified in Article 24.2 and valid for the remaining Exploration Period with claim period of 1 (one) year, in a form provided at Appendix F;
 - (c) within 30 (thirty) days from the Execution Date, financial and performance guarantee in favor of the Government from a Parent Company of the Member acceptable to the Government, in the form and substance set out in Appendix D, or, where there is no such Parent Company, the financial and performance guarantee from the Company itself in the form and substance set out in Appendix E.
 - (d) along with the relevant guarantee as provide in (a), (b), or (c) above, as applicable, a legal opinion from its legal advisors, in a form satisfactory to the Government, to the effect that the aforesaid guarantees have been duly signed and delivered on behalf of the guarantors with due authority and is legally valid and enforceable and binding upon them;
- 24.2.** The amount of the guarantee referred to in Articles 24.1 (a) and 24.1 (b) above shall be equal to the Liquidated Damages computed by applying the rates specified in the table in Appendix G for the Work Programme. The amount of guarantee of the Members comprising the Contractor under this Contract shall be to the extent of their individual Participating Interest.
- 24.3.** After the completion and due performance of the Committed Work Programme, or, after completion of the Mandatory Work Programme, including Wells opted for drilling for retaining area, if any the guarantee will be released in favor of the Member on presentation to the bank of a certificate from the Government that the obligation of the Contractor has been fulfilled or discharged as the case may be and the guarantee may be released.
- 24.4.** After the completion of the Work Programme, if the Contractor intends to retain any Development Area, the Contractor shall submit a Bank Guarantee, in a form provided

in Appendix F, within 30 (thirty) days from the end of the relevant Work Programme, valid for an initial period of 3 (three) years which shall be extended till the date of Commercial Production, for an amount equal to:

- (a) USD 2,000,000 (USD two million) for Onland Blocks and;
- (b) USD 10,000,000 (USD ten million) for Offshore Blocks.

24.5. Subject to Article 24.5, notwithstanding any change in the composition or shareholding of the Parent Company furnishing a performance guarantee as provided herein, it shall, not under any circumstances, be absolved of its obligations contained in the guarantees provided pursuant to Article 24.1(c).

24.6. If:

- (a) a Party (“**Assignor**”) assigns all or a part of its Participating Interest to a third party (“**Assignee**”) in accordance with Article 23;
- (b) the requisite guarantee(s) and legal opinion under Article 24.1 are provided within 30 (thirty) days of the grant of the consent for assignment by the Government;
- (c) the amendment to the Contract giving effect to the assignment of Participating Interest is executed by all Parties;

then the Government shall release the guarantee given by the Assignor under Article 24.1 to the extent of the amount of the guarantee provided by the Assignee.

24.7. The guarantees including but not limited to the Bid Bonds submitted by the Contractor at the time of bidding shall be returned only after appropriate guarantee has been submitted under Article 24.24.1 by the Contractor.

24.8. The Bank Guarantees submitted pursuant to Article 24 shall be extended from time to time-

- (a) (a) for the period up to which the Exploration Period is extended; or
- (b) (b) for the term of this Contract as extended from time to time,

as the case may be.

24.9. The extended Bank Guarantees shall be submitted at least 30 (thirty) days prior to expiry of the existing Bank Guarantees submitted by the Contractor. In case the Contractor does not submit the extended Bank Guarantee within the said timeline, the Government shall have all rights to encash and forfeit the existing Bank Guarantees without any further notice.

24.10. The Guarantees can be submitted in INR. For exchange rate from USD to INR, exchange rate published by RBI/FBIL/RBI authorized agency for immediate previous working day shall be used at the time of issuance. Extended guarantees shall be submitted based on the exchange rate prevailing on the immediate previous working day of the date of issuance.

24.11. In the event of breach of any of the terms of this Contract, the Government shall, without prejudice to its other rights under this Contract and Applicable Law, have the right to invoke and encash any of the guarantees provided to it in accordance with terms of this Contract. Additionally, in the event the Contractor fails to submit the guarantees within the time period stipulated in this Article, the Participation/Bid Bond and Bank Guarantee in lieu of Net Worth submitted pursuant to NIO shall be encashed and forfeited.

ARTICLE 25

TERM AND TERMINATION OF THE CONTRACT

- 25.1.** The duration of this Contract shall commence from the Execution Date and shall continue for the period of the Lease granted thereunder, unless the Contract is terminated earlier in accordance with its terms, and shall be deemed to have been terminated, if for any reason, the Contractor ceases to hold such Lease (the “**Term**”). If this Contract is terminated in accordance with its terms, the Lease shall stand automatically cancelled.
- 25.2.** Without prejudice to the other provisions of this Contract, and subject to compliance of Article 3, Article 13, and Article 25.6, the Contractor shall have the right to terminate this Contract:
- (a) with respect to any part of the Contract Area other than a Development Area then producing, or that prior thereto had produced Mineral Oil, upon giving 90 (ninety) days written notice of its intention to do so; and
 - (b) with respect to any Development Area in which Mineral Oil is being produced, or that prior thereto had produced Mineral Oil, or from where the production becomes uneconomical to produce, upon giving at least 180 (one hundred and eighty) days written notice of its intention to do so.
- 25.3.** This Contract may, subject to the provisions herein below, be terminated by the Government upon giving 90 (ninety) days written notice with reasons to the other Parties of its intention to do so in the following circumstance, namely the Contractor or a Member comprising the Contractor (“**Defaulting Party**”):
- (a) has knowingly submitted any false written statement to the Government in any manner which was a material consideration in the execution of this Contract; or
 - (b) has intentionally and knowingly extracted or authorized the extraction of hydrocarbon not authorized to be extracted by the Contract or without the permission of the Government; or
 - (c) is adjudged bankrupt by a competent court or enters into or scheme of composition with its creditors or takes advantage of any law for the benefit of debtors; or
 - (d) has passed a resolution to apply to a competent court for liquidation of the Member unless the liquidation is for the purpose of amalgamation or reconstruction of which the Government has been given notice and the Government is satisfied that the Member’s performance under this Contract would not be adversely affected thereby and has given its approval thereto; or
 - (e) has assigned any interest in the Contract or part thereof without the prior written consent of the Government as provided in Article 23; or
 - (f) has failed to comply with any award or any final settlement pursuant to Article 28 and subject to the provisions thereof; or

- (g) has failed to carry out or observe any of the terms and conditions of the Lease or the provisions of any Applicable Law in force thereunder; or
- (h) has failed to submit the FDP in accordance with the terms of this Contract; or
- (i) has committed a material breach of the Contract; or
- (j) has failed to make any monetary payment required by law or under this Contract by the due date or within such further period after the due date as may thereafter be specified by the Government; or
- (k) has failed to comply with its obligations under Article 23.1 (a), Article 24 and Article 29.2 of this Contract.

PROVIDED THAT

Where the Contractor comprises two or more Members, the Government shall not exercise its rights of termination pursuant to Article 25.4, on the occurrence, in relation to one or more, but not all, of the Members comprising the Contractor, of an event entitling the Government to terminate the Contract,

- A) if any other Member(s) constituting the Contractor (the “**Non-Defaulting Members**”) satisfies the Government that it, or they, is/are willing and would be able to carry out the obligations of the Contractor.
- B) where the Non-Defaulting Member with the consent of the Government, has/have acquired the Participating Interest of the defaulting Member and has/have procured and delivered to the Government a guarantee or guarantees as referred to in Article 25.1, in respect of the Participating Interest of the defaulting Member acquired by the Non Defaulting Member.

Provided further that, in the event there is no Non-Defaulting Member to carry on the obligations of the Contractor, the Lenders to the Contractor shall have the right to identify an entity to step-in and discharge and duly carry out the obligations of the Contractor (“**Replacement Contractor**”), within a period of 90 (ninety) days, or such extended period as may be granted by the Government following the notice of the Government’s intention to terminate the Contract pursuant to this Article 25.3. Upon identification of the Replacement Contractor by the Lenders, the Lenders shall submit the technical and financial details of the Replacement Contractor to the Government, which should be equivalent to the Contractor at the time of its selection and assure the Government of the ability of the Replacement Contractor to discharge the obligations under this Contract and to duly undertake and carry out the obligations of the Contractor. The Government shall, upon satisfaction of the ability of the Replacement Contractor to carry out the obligations of the Contractor hereunder, shall approve and agree to the assignment of the Contract to the Replacement Contractor.

- 25.4.** This Contract may also be terminated by the Government on giving the requisite notice specified above if the events specified in Article 25. 3 (c) and (d) occur with respect to a company which has given a guarantee pursuant to Article 24 subject however to Article 225.5.

- 25.5.** If the circumstances of Articles 25.3 (f), or (g), or (h) or (i) or (j), or (j) or Article 25.4 are remedied (whether by the defaulting Member or by Non-Defaulting Member or any third Party on its behalf) within the 90 (ninety) Day period, or such extended period as may be granted by the Government, following the notice of the Government's intention to terminate the Contract as aforesaid, such termination shall not become effective.
- 25.6.** On termination of this Contract, for any reason whatsoever, the rights and obligations of the Contractor shall cease but such termination shall not affect any rights of any Party which may have accrued or any obligations undertaken or incurred by the Contractor/ Members thereof (as the case may be) and not discharged prior to the date of termination.
- 25.7.** In the event of termination pursuant to Articles 25.2, 25.3 or 25.4, the Government may require the Contractor to provide assistance for conducting Mineral Oil Operations in accordance with the Rules.
- 25.8.** Upon termination of this Contract under Article 25.3, the Defaulting Party shall be liable for all damages and penalties under the Applicable Laws and rules and also as per the provisions of this Contract.

ARTICLE 26

FORCE MAJEURE

- 26.1.** Any non-performance or delay in performance by any Party hereto of any of its obligations under this Contract, or in fulfilling any condition of the Contract, shall, except for the payment of monies due under this Contract or under the Act and the Rules or any law, be excused if, and to the extent that, such non-performance or delay in performance under this Contract is caused by Force Majeure as defined in this Article.
- 26.2.** For the purpose of this Contract, the term “**Force Majeure**” means any cause or event, other than the unavailability of funds, whether similar to or different from those enumerated herein, lying beyond the reasonable control of, and unanticipated or unforeseeable by, and not brought about at the instance of, the Party claiming to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for, and which has caused the non-performance or delay in performance. Without limitation to the generality of the foregoing, the term Force Majeure shall include natural phenomena or calamities, earthquakes, typhoons, pandemics, national trade sanctions, and embargoes imposed under Applicable Laws of India, terrorism, fires, wars declared or undeclared, hostilities, invasions, blockades, riots, strikes, insurrection and civil disturbances but shall not include the unavailability of funds.
- 26.3.** Where a Party is claiming suspension of its obligations on account of Force Majeure, it shall promptly, but in no case later than 10 (ten) days of occurrence of Force Majeure notify the Management Committee and the Government of the occurrence of the Force Majeure and thereafter provide the Government with a copy to Management Committee with the detailed notice giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected, the reasons for suspension (if any), with description and the manner in which it is causing the non-performance or delay in performance under this Contract, the measures being taken by the party to mitigate the management of the Force Majeure event (if any means are possible) but such detailed notice of Force Majeure should in no case be later than 30 (thirty) days after the occurrence of the event of Force Majeure notified to the Management Committee and the Government.
- 26.4.** A Party claiming Force Majeure shall exercise reasonable diligence to seek to overcome the Force Majeure event and to mitigate the effects thereof on the performance of its obligations under this Contract. The Party affected shall promptly notify the Management Committee and the Government within 10 (ten) days from the Day 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.
- 26.5.** The Party asserting the claim of Force Majeure shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under this Article and that such Party has exercised reasonable diligence and efforts to remedy the cause of any alleged Force Majeure.
- 26.6.** Where a Party is prevented from exercising any rights or performing any obligations under this Contract due to Force Majeure, despite taking precautionary measures, the time for the performance of the obligations affected thereby and for performance of any

obligation or the exercise of any right dependent thereon, and the term of Exploration Period, Appraisal Period, Development Phase, Production Phase of this Contract, may be extended to the extent of Force Majeure period or by such period as may be approved by the Government.

- 26.7.** Notwithstanding anything contained herein above, if an event of Force Majeure occurs and is likely to continue for a period in excess of 30 (thirty) days, the Parties shall meet to discuss the consequences of the Force Majeure and the course of action to be taken to mitigate the effects thereof or to be adopted in the circumstances.
- 26.8.** In the event, the Force Majeure persists for more than 1 (one) year, the Contractor shall have an option to exit from the Contract without any obligations provided, the Contractor has completed proportionate amount of Work Programme (rounded off to the nearest integer with a minimum number of one) for the period for which the Contractor has worked without a Force Majeure condition. However, if the Work Programme completed by the Contractor at the time of exiting is less than proportionately reduced (w.r.t time), then the Liquidated Damages to the extent of unfinished Work Programme shall be levied on the Contractor. The Contractor is allowed to exercise such an option during the currency of the Force Majeure or no later than 3 (three) months from the date of removal of Force Majeure.

ARTICLE 27

COMPENSATION

- 27.1.** If any measure or series of measures taken by the Government or the State Government substantially or permanently deprives the Contractor of the ownership of any assets being utilised for Mineral Oil Operations, or of its rights under the Lease or this Contract, the Contractor shall be entitled to compensation in the manner set out in this Article 27.

Provided that no compensation shall be payable in the following circumstances:

- (a) a valid exercise by the Government of its rights and remedies under this Contract, the lease, the Act, or the Rules; or
 - (b) non-discriminatory regulatory measures of general application, including regulatory actions taken to protect legitimate public interest objectives, such as public health, safety and the environment; or
 - (c) no FDP has been submitted.
- 27.2.** Upon occurrence of the events set out in Article 27.1, the Contractor shall be paid an amount equal to the sum total of all costs and expenditures incurred in respect of Mineral Oil Operations, up to that point relating to such asset or rights deprived.
- 27.3.** The eligibility and quantum of the compensation under this Article 27 shall be determined on a case-by-case, fact-based inquiry, taking into account all relevant circumstances.
- 27.4.** The compensation payable under this Article 27 shall be expressed in a freely convertible currency.
- 27.5.** In the first instance, the Parties shall endeavor to agree an appropriate compensation under this Article 27. If within 90 (ninety) days of a Party's notice to the other Party inviting discussion of the appropriate compensation, no agreement is concluded, the matter may be referred to dispute resolution under Article 28.

ARTICLE 28

DISPUTE RESOLUTION

- 28.1.** In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Contract or the performance thereof, including any question regarding its existence, validity or termination (“**Dispute(s)**”), the Parties shall at the first instance use their best efforts to achieve amicable resolution of such Disputes through good faith negotiations within 90 (ninety) days from the date such dispute arises.
- 28.2.** If the Dispute is not resolved amicably within the period specified above, the Parties shall seek resolution of the Dispute through mediation, either (a) by referring the dispute to the Committee of External Eminent Persons (“**CEEE**”) or experts notified by the Government of India from time-to-time, or (b) by engaging a mediator in accordance with the Mediation Act, 2023, as mutually agreed. Any mediated settlement reached and signed by the Parties shall be final and binding and enforceable in accordance with sub-section (2) of section 27 of the Mediation Act, 2023. Any costs associated with such mediation shall be borne equally between the parties.
- 28.3.** If the Dispute remains unresolved following mediation, it shall be referred to arbitration. The governing law of this Contract and the arbitration agreement, including questions relating to its scope, validity, and interpretation shall be Indian law.
- 28.4.** The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party, and the third (presiding arbitrator) appointed in accordance with the rules of [insert name of arbitral institution chosen by the parties from Appendix B].
- 28.5.** The language of arbitration shall be English.
- 28.6.** The seat of arbitration shall be New Delhi, India. [*Mandatory for a contractor which is a body corporate incorporated in India or an association or a body of individuals whose central management and control is exercised in India; may be opted for by a foreign party within the meaning of Rule 60(2)(b) of the Rules*]

OR

The seat of arbitration shall be [insert place and country of a neutral jurisdiction]].
[*where the contractor falls within the scope of Rule 60(2)(b) of the Rules*]

Provided that the minimum Participating Interest for a party to be permitted to opt for foreign but neutral seated arbitration for the purposes of this Contract shall be [insert]% of the total Participating Interest.

Provided that the minimum Participating Interest for a party to be permitted to opt for foreign but neutral seated arbitration for the purposes of this Contract shall be [insert]% of the total Participating Interest.

Provided further that nothing under this Contract shall exclude the applicability of Sections 9, 27, clause (a) of sub section (1) and sub section (3) of Section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996).

Provided further that, in the event of a change in constitution of the Contractor, the Contractor may apply to the Government for amendment of the seat of arbitration, subject to the requirements set out in Rule 60 of the Rules.

- 28.7.** Pending the resolution of any Dispute, the Parties shall, unless otherwise agreed or directed by the arbitral tribunal or a court of competent jurisdiction, continue to perform their respective obligations under this Contract to the extent practicable.
- 28.8.** The costs of arbitration shall be allocated in accordance with the applicable institutional rules. The arbitral tribunal shall have the power to make orders on costs in its final award.
- 28.9.** The award of the arbitral tribunal shall be final and binding on the Parties and may be enforced in accordance with the Arbitration and Conciliation Act, 1996.
- 28.10.** Where multiple arbitrations arise under this Contract or any related agreement, the Parties shall use their best efforts to consolidate such proceedings into a single arbitration. The arbitral tribunal shall have the power, with the consent of all relevant parties, to consolidate proceedings or permit the joinder of additional parties, provided that no such consolidation or joinder shall unduly delay the proceedings.
- 28.11.** The dispute resolution process set out in this Article shall be read subject to, and in conjunction with, the Petroleum and Natural Gas Rules, 2025, as amended from time to time. In the event of any inconsistency between this Article and such Rules, the provisions of the Rules shall prevail.

ARTICLE 29

CHANGE OF STATUS OF MEMBERS

29.1. Subject to the provisions of this Contract, any Member which is a Party to this Contract may enter into transactions which may result in a change in the management or control of the Member or the relationship with any guarantor of the Member with the prior written consent of the Government and compliance of Article 29.2, provided that the Government is satisfied regarding:

- (a) Technical and Financial strength of the new Member;
- (b) Details of shareholder's agreement; and
- (c) Composition of Board of Directors consequent upon such transaction.

29.2. In case of any change in the:

- (a) status of a Member or its shareholding resulting in a change in the "control" of any Member; or
- (b) the control of the Parent Company of any Member; or
- (c) status of a Member or its shareholding resulting in a change in its relationship with any company providing the guarantee specified under Article 24.1(a) and 24.1 (b),

shall require prior written consent of the Government for any such change or changes and the provisions of Article 23.2, Article 23.3, and Article 23.3 shall apply, mutatis mutandis, for obtaining such consent and approval thereof by the Government, and the relevant guarantee, as may be necessary, under Article 25 shall be provided. For the purpose of this Article, "control" shall have the same meaning as in Article 1.1.2.

29.3. In case of change of status of Member(s), it shall submit fresh certificates as per Article 30.7 of this Contract.

ARTICLE 30

ENTIRE AGREEMENT, AMENDMENTS, WAIVER AND MISCELLANEOUS

- 30.1.** This Contract supersedes and replaces any previous agreement, or understanding between the Parties, whether oral or written, on the subject matter hereof, prior to the execution date of this Contract.
- 30.2.** This Contract shall not be amended, modified, varied, or supplemented in any respect except by an instrument in writing signed by all the Parties, which shall state the date upon which the amendment or modification shall become effective.
- 30.3.** No waiver by any Party of any one or more obligations or defaults by any other Party in the performance of this Contract shall operate or be construed as a waiver of any other obligations or defaults whether of a like or of a different character.
- 30.4.** The provisions of this Contract shall inure to the benefit of and be binding upon the Parties and their permitted assigns and successors in interest.
- 30.5.** Notwithstanding any exemption granted to the Contractor from compliance of any obligations within the timelines provided in the Contract, the Parties hereby agree that the time is of essence and the Contractor shall initiate all actions well in time in order to ensure that each activity falling within the scope of the Contractor is completed within the agreed time limits.

30.6. Consequences of Delay or Denial of clearances

- (a) If the Contractor is unable to proceed with Mineral Oil Operations in part or whole of the Contract Area due to denial of, or delay in grant of Mineral Oil leases, any statutory clearances, licenses, or approvals from any Governmental Authority beyond a period of two (2) years from the date of application, whichever is earlier, the Contractor shall have the following options:
- (i) exit the Contract without payment of Liquidated Damages; or
 - (ii) if during the Exploration Period, seek proportionate reduction of the Work Programme, rounded to the nearest whole number and relinquish the affected part of the Contract Area and continue operations in the part of the Contract Area unaffected by such clearances, licenses, or approval; or
 - (iii) seek addition of Extra Days to be added to the time available to the Contractor for completion of obligations under this Contract; or
 - (iv) both (ii) and (iii).

Extra Days shall be the time period taken by the Government or relevant State Government or their respective agencies, ministries, institutions or authorities in addition to the Approval Period to provide such permits, clearances, approvals or consents.

The time period stipulated under Applicable Laws of India for providing any permits, clearances, approvals or consents (or where no time period is provided for grant of such permits, clearances, approvals or consents, within 120 (one hundred and twenty days) shall be “**Approval Period**”)

- (b) If the reduction in Contract Area or the reduction in the Work Programme approved by the Government of India is different from the one applied for by the Contractor, the Contractor may opt to exit the Contract without payment of Liquidated Damages, by submitting an application for exit within 60 (sixty) days of receipt of such approval communicating such reduction in Contract Area or the reduction in the Work Programme.
- (c) If the Contractor fails to exercise the option of exit or reduction of the Work Programme within the period specified above and seeks to exit later, Liquidated Damages shall be levied proportionate to the unfinished Work Programme.
- (d) The maximum cumulative period of Extra Days permitted under this Contract shall not exceed 730 (seven hundred and thirty) days.
- (e) Any delay attributable to the Contractor shall be excluded in computing the 730 (seven hundred and thirty) days period specified above.
- (f) The Contractor shall submit an application to the Government to claim the benefit of Extra Days at least 60 (sixty) days prior to the expiry of the relevant phase or period for which such extension is sought.
- (g) The obligation of the Contractor to take all the requisite and necessary steps for obtaining any requisite permits, clearances, approvals or consents as may be required for performance of its obligations under this Contract shall include but not be limited to make the requisite applications, pay the necessary fees, and comply with all pre-conditions, as may be applicable for grant of the such permits, clearances, approvals or consents, respond to any queries that may be received from the relevant authority, and liaise and follow up with the relevant authorities after making of the relevant applications. In the event the Contractor fails to undertake the necessary steps for obtaining any requisite permits, clearances, approvals or consents, the Extra Days shall not be added to the time period for completion of the Contractor’s obligations under the Contract.

30.7. A Member shall furnish, prior to execution of this Contract, a duly authorized copy of a resolution, properly and legally passed by the board of directors of the Member authorizing its Key Managerial Personnel or any other representative to execute this Contract along with a certificate duly signed by the Company Secretary of the Member under its seal in this regard and to the effect that the Member has the power and authority to enter into this Contract and to perform its obligations thereunder and has taken all necessary action to authorize the execution, delivery and performance of the Contract.

30.8. Notices

- (a) All notices, statements, and other communications to be given, submitted or made under this Contract by any Party to another shall be sufficiently given if given in writing in English language and sent by registered post, postage paid, or by facsimile, or email to the address or addresses of the other Party or Parties as follows

If to the Government:

Secretary to the Government of India
Ministry of Petroleum and Natural Gas
Shastri Bhawan,
Dr. Rajendra Prasad Marg,
New Delhi- 110001, India

Facsimile No.: 91 11 23383585

Telephone No.:

Email

XYZ Limited:

- (b) Notices when given in terms of Article 30.8 shall be effective when delivered if offered at the address of the other Parties as under Article 30.8 during business hours on working days, and if received outside business hours, on the next following working day.
- (c) Any Party may, by reasonable notice as provided hereunder to the other Parties, change its address and other particulars for notice purpose.

30.9. Any termination or expiration of this Contract shall be without prejudice to any rights, remedies, obligations, and liabilities which may have accrued to a Party pursuant to this Agreement or otherwise under Applicable Law. All rights or remedies which may have accrued to the benefit of either Party (and any of this Contract's provisions necessary for the exercise of such accrued rights or remedies) prior to the termination or expiration of this Contract shall survive such termination or expiration. Furthermore, the provisions of Articles 1, 4, 28, 30.8 and 30.9 shall survive the termination or expiration of this Agreement.

30.10. In the event that any provision in this Contract shall for any reason be determined by any court or tribunal to be illegal, invalid, or unenforceable, then the remaining

provisions shall not be affected, impaired, or invalidated and shall remain in full force and effect and shall continue to be binding upon the Parties.

The Parties may negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

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 _____, Two thousand and Twenty _____

Signed for and on behalf of the President of India

By: _____

In presence of _____

Signed for and on behalf of XYZ Limited

By: _____

In presence of _____

Signed for and on behalf of ABC Limited

By: _____

In presence of _____

Signed for and on behalf of PQR Limited

By: _____

In presence of _____

APPENDIX A

A.1 DESCRIPTION OF THE ORIGINAL CONTRACT AREA

The area comprising approximately _____sq. km. Onshore/Offshore India identified as block _____described herein, falling in_____Basin (Category-.....) and shown on the map attached as Appendix A.2 (“Map of the Original Contract Area”). Longitude and Latitude measurements commence at points 1,2,3....., are given below:

A.2 MAP OF THE ORIGINAL CONTRACT AREA

APPENDIX B

SPECIFIC DETAILS OF THE CONTRACT

Block Name _____			
Basin Category _____			
A. Name of the member (s) comprising the Contractor, their Participating Interest and designated Operator of the Block			
Name of the Company		Participating Interest (%)	Operator/ Member
B. Committed Work Programme (CWP)			
S. No	Type of Work	Quantum	Total Estimated Expenditure (USD)
1	2D Seismic Surveys (API) (in LKM)		
2	3D Seismic Surveys (API) (in Sq. Km)		
3	Exploration Wells (applicable only for blocks in Category I basins)		
	3.1 Number of Wells		
	3.2 Target Depth (in meters) (In case of offshore areas, it shall be measured from Sea Bed)		
C. Committed Revenue Share to the Government			
S. No	Revenue Points	Percentage share of Revenue offered to the Government	
1	Less than or equal to LRP	(X)*	
	(USD 0.05 million per day)		
2	Equal to or more than HRP	(Y)*	
	(USD 7 million per day)		

***"X" and "Y" values shall be used for the purpose of Revenue Share calculation under Articles 10 and 14.**

D. Timelines for Committed Work Programme (CWP) (applicable only for Category I basins Blocks)

Timelines	Type of Work		
	2D Seismic Surveys (API)(in LKM)	3D Seismic Surveys (API) (in Sq. Km)	Exploration Wells
Year 1			
Year 2			
Year 3			
Year 4 (only for Deep Water/Ultra Deep Water blocks)			

E. Timelines for Committed Work Programme (CWP) in Category II/III Basin Blocks

Timelines	Type of Work	
Timelines	2D Seismic Surveys (API) (in LKM)	3D Seismic Surveys (API) (in SKM)
Year 1		
Year 2		
Year 3		

APPENDIX C

CONTENTS OF FIELD DEVELOPMENT PLAN

(to be updated in accordance with the latest SoP of DGH)

PART A (TECHNICAL ASSESSMENT REPORT)

- 1. Executive summary**
- 2. Description of Block**
 - a) Block details
 - b) Lessee Information – Participating Interest (P.I.) structure; Operator; Consortium partner
 - c) Extension history, if any
 - d) Critical RSC and other issue(s), if any
 - e) Relinquishment of area (if any)
- 3. Geological, Geophysical and Petrophysical Analysis**
 - a) Exploration history in the block
 - b) Geology of the area
 - c) Geological information about the field and its complexities
 - d) G&G (Geological and Geophysical) work carried out in the block
 - e) Petroleum System and Generalized Stratigraphy
 - f) Discovery and its details
 - g) Petrophysical Analysis
 - h) Analysis and Interpretations
 - i) Oil & Gas in Place as per PRMS
 - j) Development Area with co-ordinates and technical justification
- 4. Reservoir Analysis**
 - a) Testing details of Discovery, surface flow rates and well test interpretations
 - b) PVT, Fluid data and Reservoir data
 - c) Basis and validation of establishing "Sustainable Production Levels" as per RSC
 - d) Development Strategy
 - e) Reservoir Simulation Studies
 - f) IOR/EOR Plan, if any
 - g) Proposed Development locations with co-ordinates (tentative and for information only) map showing locations along with 1P & 2P in place polygons
 - h) Production profile under different variants along with recommended variants

- i) Reservoir Management Plan
- j) Action required in maximizing the ultimate recovery factor from the field

5. Development Concept and Production Facilities

- a) Development Options
- b) Flow Assurance, Chemistry & Water Injection/disposal
- c) Field Management Plan
- d) Pipelines network & details
- e) Delivery point with map
- f) Methodology for Measurement of Petroleum.

6. Drilling and Well Completion

- (a) Well Drilling Strategy
- (b) Well Design and Well Completion (Production, injection, etc.)

7. Health, Safety & Environment

8. Oil & Gas Evacuation and Market Strategy.

PART B

Implementation schedule (timelines) for commercial development of the Field including date of commencement of production

PART C

Costs and budget estimates and Techno-economic analysis to demonstrate economic viability of the project

- (a) Estimated development and production expenditures
 - CAPEX estimate
 - OPEX estimate
- (b) Techno – economic analysis

The Contractor may submit separate or integrated Field Development Plans (“**FDPs**”) for the discoveries, based on the development strategy adopted, subject to approval by the Authority.

APPENDIX D

FORM OF PARENT COMPANY FINANCIAL AND PERFORMANCE GUARANTEE

(to be furnished pursuant to Article 24 of the Contract)

WHEREAS _____ a company duly organized and existing under the laws of _____ having its registered office at _____ (hereinafter referred to as 'the Guarantor' which expression shall include its successors and assigns) is (the indirect owner of 100% (one hundred percent)) of the capital stock of XYZ company and direct owner of its parent Company); and

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

WHEREAS the Guarantor wishes to guarantee the performance of XYZ Member or its Affiliate Assignee under the Contract as required by the terms of the Contract;

NOW, THEREFORE this Deed hereby provides as follows:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Government that it will make available, or cause to be made available, to XYZ Member or any other directly or indirectly owned Affiliate of XYZ Member to which any part or all of XYZ Member's rights or interest under the Contract may subsequently be assigned ('Affiliate Assignee'), financial, technical and other resources required to ensure that XYZ Member or any Affiliate Assignee can carry out its obligations as set forth in the Contract.
2. The Guarantor further unconditionally and irrevocably guarantees to the Government the due and punctual compliance by XYZ Member or any Affiliate Assignee, of any obligations of XYZ Member or any Affiliate Assignee under the Contract.
3. The Guarantor hereby undertakes to the Government that if XYZ Member, or any Affiliate Assignee, shall, in any respect, fail to perform its obligations under the Contract or commit any breach of such obligations, then the Guarantor shall fulfil or cause to be fulfilled the said obligations in place of XYZ Member or any Affiliate Assignee, and will indemnify the Government against all losses, damages, costs, expenses or otherwise which may result directly from such failure to perform or breach on the part of XYZ Member.
4. This guarantee shall take effect from the Execution Date and shall remain in full force and effect for the duration of the said Contract and thereafter until no sum remains payable by XYZ Member, or its Affiliate Assignee, under the Contract or as a result of any decision or award made by any expert or arbitral tribunal thereunder.

5. This guarantee shall not be affected by any change in the articles of association and bye-laws of XYZ Member or the Guarantor or in any instrument establishing the Member or Guarantor.
6. The liabilities of the Guarantor shall not be discharged or affected by (a) any time indulgence, waiver or consent given to XYZ Member; (b) any amendment to the Contract or to any security or other guarantee or indemnity to which XYZ Member has agreed; (c) the enforcement or waiver of any terms of the Contract or of any security, other guarantee or indemnity; or (d) the dissolution, amalgamation, reconstruction or reorganization of XYZ Member.
7. This guarantee shall be governed by and construed in accordance with the laws of India.

IN WITNESS WHEREOF the Guarantor, through its duly authorized representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____ day of _____ 202__.

APPENDIX E

FORM OF COMPANY FINANCIAL AND PERFORMANCE GUARANTEE

(to be furnished pursuant to Article 24 of the Contract)

WHEREAS XYZ Member _____ duly organized and existing under the laws of _____ having its registered office at _____ (hereinafter referred to as 'the Guarantor' which expression shall include its successors and assigns) is signatory to a Revenue Sharing Contract in respect of an (offshore) (onshore) area identified as Block _____ (hereinafter referred to as 'the Contract') made between the Government of India (hereinafter referred to as 'the Government'), and XYZ Member (hereinafter referred to as XYZ which expression shall include its successors and permitted assigns); and

WHEREAS the Guarantor wishes to guarantee its performance under the Contract as required by the terms of the Contract;

NOW, THEREFORE this Deed hereby provides as follows:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Government that it will make available, or cause to be made available, financial, technical and other resources required to ensure that XYZ Member can carry out its obligations as set forth in the Contract.
2. The Guarantor further unconditionally and irrevocably guarantees to the Government the due and punctual compliance by it of any obligations under the Contract.
3. The Guarantor hereby undertakes to the Government that it shall fulfill or cause to be fulfilled all its obligations under the Contract, and if it fails to perform its obligations under the Contract or commits any breach of such obligations, then it shall indemnify the Government against all losses, damages, costs, expenses or otherwise which may result directly from such failure to perform or breach on its part.
4. This guarantee shall take effect from the Execution Date and shall remain in full force and effect for the duration of the said Contract and thereafter until no sum remains payable by XYZ Member, under the Contract or as a result of any decision or award made by any expert or arbitral tribunal thereunder.
5. This guarantee shall not be affected by any change in the articles of association and bye-laws of XYZ Member or in any instrument establishing the Member.
6. The liabilities of the Guarantor shall not be discharged or affected by (a) any time indulgence, waiver or consent given to XYZ Member; (b) any amendment to the Contract or to any security or other guarantee or indemnity to which XYZ Member has agreed; or (c) the enforcement or waiver of any terms of the Contract or of any security, other guarantee or indemnity.

7. This guarantee shall be governed by and construed in accordance with the laws of India.

IN WITNESS WHEREOF the Guarantor, through its duly authorized representatives, has caused its seal to be duly affixed hereto and this guarantee to be duly executed the _____ day of _____ 202__.

APPENDIX F

PROFORMA OF BANK GUARANTEE TO BE PROVIDED PURSUANT TO ARTICLE 24

1. In consideration of Government of India (hereinafter referred to as “Government”) having entered into a Revenue Sharing Contract for the block _____ dated _____ (hereinafter referred to as “Contract”, which expression 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 _____, which expression unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assigns), which is a Member, 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 Company(ies))/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 expression shall unless repugnant to the context or meaning thereof includes all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of Indian Rupees/US\$ _____ (in figures) 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 confirm that this Guarantee has been issued with observance of appropriate laws of the country of issue.
8. The Bank also agree that this Guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian courts at _____ **India.
9. 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 additional one (1) year after the expiry date/extended date. Any claim under this Guarantee must be received before the expiry of one (1) year or before the expiry of one (1) year from the extended date if any. If no such claim has been received by us within one (1) year 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 one (1) year 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 _____ 202__ at _____.

The seal of _____ was hereto duly affixed by _____ this day of _____ 202__ in accordance with its bye-laws and this Guarantee was duly signed by _____ and _____ as required by the said bye-laws.

Witness:

*Bank Guarantee can be submitted in INR. For exchange rate from USD to INR, exchange rate published by RBI/FBIL/RBI authorized agency for the same day or immediate previous working day can be used.

**Jurisdiction of the BG shall be New Delhi or Place of issuance of BG.

APPENDIX G

LIQUIDATED DAMAGES PAYABLE UNDER ARTICLE 5.4

In USD					
	Onland (Excluding CBM)	Shallow Water	Deep Water	Ultra Deep Water	CBM
Per well/Core hole (as applicable)	1,000,000	3,000,000	10,000,000	12,000,000	Core hole – 250,000 Test Wells – 650,000
Per sq.km. of 3D Seismic	5,000	1,500	1,500	1,500	N.A.
Per line km. of 2D Seismic	2,500	1,000	1,000	1,000	N.A.

APPENDIX H

ROYALTY RATES AND BASIN CATEGORY-WISE CONCESSIONAL ROYALTY RATES

Royalty Rates:

For the purpose of this contract, following royalty rates will be applicable (vide Notification S.O. 367 (E) dated 14-01-2019):

Type of Block	Duration	Royalty rates (Oil)	Royalty rates (Gas & CBM)
Onland	-	12.5%	10.0%
Shallow Water	-	7.5%	7.5%
Deep Water	First 7 years	No Royalty	No Royalty
	After 7 years	5%	5%
Ultra Deep Water	First 7 years	No Royalty	No Royalty
	After 7 years	2%	2%

Concessional Royalty Rates:

Basin Category Wise following concessional royalty rates will be applicable vide notification S.O.1597(E) dated 11th April, 2019:

Crude Oil-

Basin Category	Onland	Shallow Water	Deep Water		Ultra Deep Water	
	Throughout	Throughout	First 7 Years	After 7 Years	First 7 Years	After 7 Years
Category-I Basins	11.25%	6.75%	Nil	4.50%	Nil	1.80%
Category-II Basins	10%	6%	Nil	4%	Nil	1.60%
Category-III Basins	8.75%	5.25%	Nil	3.50%	Nil	1.40%

Natural Gas/CBM-

Basin Category	Onland	Shallow Water	Deep Water		Ultra Deep Water	
	Throughout	Throughout	First 7 Years	After 7 Years	First 7 Years	After 7 Years
Category-I Basins	9%	6.75%	Nil	4.50%	Nil	1.80%
Category-II Basins	8%	6%	Nil	4%	Nil	1.60%
Category-III Basins	7%	5.25%	Nil	3.50%	Nil	1.40%

APPENDIX I
FORMAT FOR NOTIFICATION OF DISCOVERY
(to be finalized)

APPENDIX J

CATEGORY-WISE LIST OF 26 SEDIMENTARY BASINS OF INDIA

Category I

1. Krishna-Godavari Basin
2. Mumbai Offshore Basin
3. Assam Shelf Basin
4. Rajasthan Basin
5. Cauvery Basin
6. Assam-Arakan Fold Belt Basin
7. Cambay Basin

Category II

1. Saurashtra Basin
2. Kutch Basin
3. Vindhyan Basin
4. Mahanadi Basin
5. Andaman-Nicobar Basin

Category III

1. Kerala-Konkan Basin
2. Bengal-Purnea Basin
3. Ganga-Punjab Basin
4. Pranhita-Godavari Basin
5. Satpura-South Rewa-Damodar Basin
6. Himalayan Foreland Basin
7. Chhattisgarh Basin
8. Narmada Basin
9. Spiti -Zaskar Basin
10. Deccan Syneclise Basin
11. Cuddapah Basin
12. Karewa Basin
13. Bhima-Kaladgi Basin
14. Bastar Basin

APPENDIX K

WEIGHTAGE FOR INTERCHANGEABILITY OF WORK PROGRAMME

For swapping of work programme, equivalent weightage for different types of work programmes, as per table below shall be applicable.

WEIGHTAGE FOR WORK PROGRAMME INTERCHANGEABILITY									
Parameter	Unit	Onland		Shallow Water		Deep Water		Ultra-Deep Water	
		Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well
Exploration Well	No.	400	1	3000	1	10000	1	12000	1
2D Seismic API	LKM	1.00	400	1.00	3000	1.00	10000	1.00	12000
3D Seismic API	SKM	7.00	57	3.00	1000	3.00	3333	3.00	4000
2D Seismic Reprocessing	LKM	0.07	5714	0.07	42857	0.07	142857	0.07	171429
3D Seismic Reprocessing	SKM	0.47	851	0.20	15000	0.20	50000	0.20	60000
Gravity Magnetic Potential API	LKM	0.20	2000	0.20	15000	0.20	50000	0.20	60000

Note: API stands for Acquisition, Processing and Interpretation