

GAS SALES CONTRACT (GSC)

BETWEEN

GUJARAT STATE PETROLEUM CORPORATION LIMITED

AND

SANRON ENERGY PRIVATE LIMITED

AND

HINDUSTAN PETROLEUM CORPORATION LIMITED

AND

GEOGLOBAL RESOURCES INC.

(SELLERS)

AND

(NAME OF BUYER)

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THIS CONTRACT (the “Contract”) is executed at **Gandhinagar** on this _____ day of _____ 2024,

BY AND BETWEEN

GUJARAT STATE PETROLEUM CORPORATION LIMITED (GSPCL), a company established under the Companies Act. 1956 (India) and having its registered office at GSPC Bhavan, Sector-11, Gandhinagar-382 010, Gujarat, India (hereinafter referred to as “**GSPCL**”, which expression shall, unless repugnant to its subject or where the context so requires or admits of, be deemed to mean and include its Affiliates, successors and permitted assignees, as the context may require);

SANRON ENERGY PRIVATE LIMITED (SEPL), a company whose registered office is at E-102, Supath-2, Near Old Wadaj Bus Stand, Old Wadaj, Ahmedabad-380013, India (hereinafter referred to as “**SEPL**”, which expression shall, unless repugnant to its subject or where the context so requires or admits of, be deemed to mean and include its Affiliates, successors and permitted assignees, as the context may require).

HINDUSTAN PETROLEUM CORPORATION LIMITED (HPCL), a company whose registered office is at Petroleum House 17, Jamshedji Tata Road, Mumbai, Maharashtra, 400020, India (hereinafter referred to as “**HPCL**”, which expression shall, unless repugnant to its subject or where the context so requires or admits of, be deemed to mean and include its Affiliates, successors and permitted assignees, as the context may require).

GEOGLOBAL RESOURCES INC. (GGR), a company whose registered office is at Chamberlain Place, Broad Street, Bridgetown, Barbados, West Indies with its corporate head office at Suite 200, 625-4 Avenue SW Calgary, Alberta T2P 0K2, Canada (hereinafter referred to as “**GGR**”, which expression shall, unless repugnant to its subject or where the context so requires or admits of, be deemed to mean and include its Affiliates, successors and permitted assignees, as the context may require).

AND

_____ a company incorporated and established in India under the provisions of the Companies Act, 1956 and having its registered office at _____ (hereinafter called the “**Buyer**”, which expression shall unless repugnant to its subject or where the context so requires or admits of, be deemed to mean and include its Affiliates, successors, and permitted assignees as the context may require)

(GSPCL, SEPL, HPCL and GGR) are hereinafter referred to collectively as the ‘**Sellers**’ and individually as a ‘**Seller**’. The Sellers and the Buyer are hereinafter collectively referred to as the ‘**Parties**’ and individually as a ‘**Party**’ as the context may require or admit.)

WHEREAS: -

- a) The Sellers and the Government of India are Parties to the Production Sharing Contract (PSC) dated 6th February, 2004 for the CB-ONN-2002/3 Block under which the Sellers are entitled to sell to any party in India the Gas to which they are entitled under the PSC.
- b) The Sellers are the parties to the Joint Operating Agreement (JOA) for the CB-ONN-2002/3 Block, under which each Seller is entitled separately to take in kind and dispose of its Participating Interest share of Gas to which all the Sellers are entitled under the PSC. Each of the Sellers has agreed to sell its Participating Interest of Sales Gas in a commingled form through a single stream produced from the Sanand Part A (“Manipur”) Field of CB-ONN-2002/3 Block and deliver at the Delivery Point and the Buyer has agreed to purchase and receive Sales Gas from the Sellers as

per their Bid against the RFP no. _____ (“**Bid Document**”) and on the terms and conditions of this Contract.

- c) The Buyer is desirous of purchasing Sales Gas with intended use as provided in the Bid Document.
- d) Buyer desires to purchase and receive the gas from the Sellers’ and the Sellers’ agree to sell and deliver to the Buyer gas as produced in its natural state or after stripping of heavier component for other uses hereinafter referred to as ‘Sales Gas’ from the Sanand Part A Field of CB-ONN-2002/3 Block, in Manipur village, Dist: Ahmedabad, Gujarat for further transportation and consumption on the terms and conditions stated herein which have been mutually agreed upon between the Sellers’ and the Buyer.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS, CONTRACTS AND OBLIGATIONS TO BE PERFORMED BY THE PARTIES, WHICH ARE SET OUT HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE 1: DEFINITIONS & INTERPRETATION

1.1. Definitions

Unless the context indicates or requires otherwise, the capitalized and bolded words set out below shall have the corresponding meaning in this Contract, including the recitals and the annexure:

“**ASTM**” shall mean the American Society for Testing of Materials.

“**Adjusted MCQ**” shall have the meaning set out in Article 5.2.

“**Affiliate(s)**” shall mean in relation to a Party, any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by that Party, or is under common control along with that Party. It being understood that the term “control” used herein means ownership by one Person of more than fifty percent (50%) of the voting securities of the other company, or such a Person having the power to direct, administer and dictate the policies of the other company or where such Person has the ability or entitlement to appoint a majority of the Board of Directors of the other Person even where the voting securities held by such a Person exercising such effective control in that other company is less than fifty percent (50%) and the term “controlled” shall be construed accordingly.

“**BTU**” or “**British Thermal Unit**” means the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch.

“**Buyer’s Facilities**” shall mean the Gas pipeline, installations, machinery, equipment and other facilities downstream of the Delivery Point(s) which are owned and/or controlled by either the Buyer or the buyers associated person and operated & maintained by the Buyer at its cost and which are used by the Buyer to take and accept delivery of Gas and perform its obligations in accordance with and under this Contract.

“**Business Day**” shall mean any day on which the nationalised banks are normally open for business in the state of Gujarat.

“**Confidential Information**” shall mean all information and data of any nature whatsoever, which any Party may from time to time receive or obtain (orally or in written or electronic form) as a result

of entering into, or performing its obligations pursuant to, this Contract, whether or not such information and data is marked as confidential and which:

- (i) relates in any manner to this Contract or any other contract or arrangement contemplated by this Contract; or
- (ii) concerns the business, finances, assets, liabilities, dealings, transactions, knowhow, customers, suppliers, processes or affairs of the Sellers; or
- (iii) is expressly indicated herein or otherwise to be confidential or is imparted by the Sellers to the Buyer in circumstances creating an obligation of confidence and/or non-disclosure.

“Consequential Loss” means:

- (a) any and all claims for loss, damage and/or expense of a third party other than any third party claims which are the subject of any express indemnities under this Contract; and
- (b) any and all indirect losses, damages and costs; and
- (c) any and all loss of use, loss of revenue, loss of profits, loss of business or business interruptions or loss of contracts or any other type of economic loss (whether the foregoing are direct or indirect losses).

“Contract” shall mean this contract together with all the schedules, exhibits, annexures and attachments hereto, including any extension, renewal, modification or amendment of this Contract and/or the schedules, exhibits, annexures and attachments hereto which has been agreed to in writing by the Parties in accordance with the terms and conditions set out - herein.

“Contract Period” shall have the meaning set out in Article 3.1.

“Contract Year” or **“Year”** shall mean a period during the Contract Period beginning at 0600 hours on the first (1st) date of the month of April in a calendar year and ending at 0600 hours on the first (1st) date of the month of April in the next calendar year provided that:

- (i) for the first Year, a Contract Year shall mean the period commencing on the Start Date and finishing at 0600 hours on the first (1st) date of the immediately succeeding month of April; and
- (ii) for the final Year a Contract Year shall mean a period beginning at 0600 hours on the first (1st) date of the month of April immediately preceding the date of early termination or expiry of this Contract in accordance with the terms and conditions set out herein and ending on the date of such early termination or expiry.

“Custodian Meter(s)” shall mean all those meter units required for the measurement of Gas supplied and delivered by the Sellers at the Delivery Point(s) under this Contract by converting such delivered Gas from a flowing condition to a base condition comprising of a meter and the associated filter system and other accessories fitted either at or downstream of the Delivery Point(s). The Custodian Meters shall be owned by the Sellers and the Buyer agrees that the Sellers shall be entitled to calibrate the same in accordance with the terms and conditions set out in the Contract.

“Daily Contracted Quantity” or **“DCQ”** shall mean the quantity of Gas set out in Article 5.1, which shall be the maximum quantity of Gas that the Sellers shall deliver and the Buyer shall be obliged to take at the Delivery Point(s) on each Day during the Contract Period in accordance with the terms and conditions of this Contract.

“Day” shall mean a period of twenty-four (24) consecutive hours beginning at 0600 hours on a given day and ending at 0600 hours on the following day.

“Delivery Point” shall have the meaning set out in Article 4.1.

“Expiry Date” shall mean the date set out as the Expiry Date in Article 3.1.

“**Location Map**” means the area described and delineated in Appendix-2.

“**Force Majeure Event**” shall have the meaning set out in Article 14.

“**Fortnight**” shall mean a period commencing at 0600 hours on the first (1st) date of a calendar month and ending on 0600 hours on the sixteenth (16th) date of the same calendar month or a period commencing from 0600 hours on the sixteenth (16th) date of a calendar Month and ending at 0600 hours on the first (1st) date of the succeeding calendar Month, as the context may require, provided that the final Fortnight of this Contract shall end at 0600 hours on the date of early termination or expiry of this Contract and commence at 0600 hours on the first (1st) or the sixteenth (16th) date of a calendar month, whichever such date was the last to occur before such early termination or expiry.

“**Fortnightly Invoice**” shall mean the invoice rendered to the Buyer by the Sellers in accordance with Article 7.1.

“**Gas**” shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane.

“**Governmental Authority**” shall mean the Government and any department, authority, ministry, commission, instrumentality, or agency of the Government, or any central, regional, local or municipal authority; any court or governmental tribunal, or any regulatory authority or any other authority of the Government lawfully exercising jurisdiction over this Contract and / or the operations arising out of this Contract whether under an Act of parliament, or any state legislature or otherwise.

“**Gross Calorific Value**” or “**GCV**” means the quantity of heat, expressed and measured in Gcals/MMBTU as the case may be, produced by the complete combustion at Atmospheric Pressure of 1 (one) Standard Cubic Metre of Gas at 15 (fifteen) Degree Celsius and with excess air at the same temperature and pressure as the Gas when the products of combustion are cooled to 15 (fifteen) Degree Celsius when the water formed by combustion is condensed to a liquid state and the products of combustion contain the same total mass of water vapour as the Gas and air before combustion as defined in the Latest Approved Version of ISO 6976 for Gas.

“**Joint Operating Agreement (JOA)**” means the Joint Operating Agreement signed by and amongst the Sellers, and as amended from time to time, for CB-ONN-2002/3 Block.

“**Kilocalorie**” or “**Kcal**” shall mean the amount of heat required to raise the temperature of one (1) kilogram of water by one (1) degree Celsius.

“**Law**” shall mean the substantive laws of India and shall include any Central, State or other statute, enactment, ordinance, code, directive, guidelines, policy, notice, decree, order, regulation, rule, law, or other applicable legislative or administrative action of a Governmental Authority or a final decree, judgement or an order of a court of India or any other public instrument-giving rise to rights and/or obligations which are enforceable before the courts in India.

“**Monthly Contracted Quantity**” or “**MCQ**” shall have the meaning set out in Article 5.3.

“**Metering Facilities**” means those facilities installed by the Sellers to perform Natural Gas quality monitoring, gas volume measurement, recording and telemetry near the Delivery Point.

“**Metering Point(s)**” shall mean those points, located either at the Delivery Point(s) or downstream of the Delivery Point(s), where the Custodian Meter(s) are installed for the purpose of measurement

of Gas supplied and delivered by the Sellers at the Delivery Point(s) under this Contract.

"MMBTU" means one million 1,000,000 BTUs.

"**Minimum Guaranteed Offtake**" or "**MGO**" shall have the meaning set out in Article 5.3.

"**Month**" shall mean a period beginning at 0600 hours on the first (1st) date of a calendar month and ending at 0600 hours on the first date of the following calendar month provided that the final Month of this Contract shall end on 0600 hours on the date of early termination or expiry of this Contract and commence at 0600 hours on the first (1st) date of the calendar month during which such date of early termination or expiry happens to fall.

"**Operator**" means the Operator appointed under the PSC from time to time. At the date of execution of this Contract, GSPC is the Operator.

"**Participating Interest**" means in relation to each of the Sellers, the undivided share, expressed as a percentage, of such party in the CB-ONN-2002/3 Block under the PSC and the JOA,

"**Permit**" shall mean any permit, permission, approval, consent, licence, registration, no objection, waiver or exemption by or from any Government Authority.

"**Planned Works**" shall mean any maintenance, technical upgradations, total shutdown of Gas supply, repair or replacement of either the Sellers' Facilities or the Buyer's Facilities as set out in Article 13.

"**Price**" has meaning to such term as set out in Article 6.1

"**Production Sharing Contract (PSC)**" means the Production Sharing Contract dated 6th February, 2004 between GSPC, SEPL, HPCL, GGR and the President of India, as amended from time to time, for CB-ONN-2002/3 Block.

"**Reasonable and Prudent Operator**" shall mean a Party acting in good faith with the intention of performing its contractual obligations and in so doing exercising that degree of skill, diligence, prudence and foresight which would reasonably be expected of a skilled, reputable and experienced international operator complying with all applicable laws and engaged in the same type of undertaking under the same or similar circumstances.

"**Sales Gas**" means the aggregate of each Sellers Participating Interest share of Gas produced and offered for delivery at Delivery Point from the Sanand Part A Field of CB-ONN-2002/3 Block.

"**Sellers' Facilities**" shall mean all facilities such as pressure reduction stations, compressors, Gas pipelines metering equipment and any other plant, machinery, installations and equipment either owned or operated by the Sellers or accessible to the Sellers as may from time to time be necessary for the flow control and the production, transportation, processing, compression, measuring and testing of Gas to enable the Sellers to supply and deliver Gas to the Buyer at the Delivery Point(s) and shall include any facilities owned by the Affiliate or representatives or nominees or partners or associates of the Sellers.

"**Sellers' Representative**" means the Party appointed as the Sellers' Representative under **Article 4.5**.

"**Standard Cubic Meter**" or "**SCM**" shall mean that quantity of Gas required to fill one (1) cubic meter of space when the Gas is at an absolute pressure of seven hundred and sixty (760) millimeters of mercury and a temperature of 15 degrees Celsius (60 degrees Fahrenheit).

“**SCMD**” shall mean Standard Cubic Meters per Day.

“**Start Date**” shall mean the date set out as the Start Date in Article 3.1.

“**Taxes**” shall mean all, taxes, value added taxes, sales taxes, charges, fees, duties, cess, levies etc. (whether central, state, municipal or otherwise) which are applicable to the sale, transmission and delivery of Gas under this Contract from time to time as may be imposed, levied or assessed by any Governmental Authority.

“**Termination Notice**” shall mean a notice given by one Party to the other Party terminating this Contract.

“**Transfer**” shall mean any sale, assignment, mortgage, lien, pledge, charge, encumbrance or other disposition by a Party of any rights or obligations derived from this Contract.

“**US Dollars**” or “**USD**” means the lawful currency of the United States of America.

“**Weighted Average Monthly Contract Price**” shall mean, in respect of any month, the Rupee per MMBTU rate equal to the (A) sum of product of the Price and Daily Contracted Quantity (DCQ) for each Day of the month; divided by (B) the aggregate of Daily Contracted Quantity (DCQ) for each Day of the month.

“**Willful Misconduct**” shall mean the intentional or reckless breach or disregard by a Party of any of its obligations under this Contract if such Party knows (or should have known, based on due inquiry) that such a breach would have a material adverse effect on the other Party or a material part of the other Party’s business.

1.2. Interpretation

In this Contract, the following rules of interpretation shall apply unless the context requires otherwise:

- a) Words importing the singular shall include the plural and vice versa.
- b) Words denoting any gender shall include all genders.
- c) Words denoting an individuals or persons shall include all types of Persons unless the context requires otherwise.
- d) Any reference to a Person includes a body corporate, an incorporated body or other entity, their respective successors, assignees or transferees (to the extent assignment or transfer is permitted under this Contract;
- e) The terms “herein”, “hereof”, “hereinafter”, “hereto”, “hereunder” and words of similar import refer to this Contract as a whole.
- f) Unless the context otherwise requires the words “include” and “including” shall be construed without limitation
- g) A reference to a volume of Gas is a reference to such volume of Gas at standard temperature and pressure.
- h) A reference to any contract or document is to that contract or document as amended, novated, supplemented, varied or replaced from time to time unless specified otherwise.
- i) A reference to any Article or annexure or attachment is a reference to an Article of, or annexure or attachment to, this Contract.
- j) Any reference to an amount of money in this Contract shall be a reference to that amount in Indian Rupees unless otherwise specified.
- k) If there is an inconsistency between the main body of the Contract and any annexure or attachment hereto, the provisions of the main body of this Contract shall prevail to the extent of the inconsistency.

- 1) Unless otherwise specified, reference to the terms herein shall have the meaning ascribed to them in the CB-ONN-2002/3 Block Production Sharing Contract;

ARTICLE 2: SCOPE OF THE CONTRACT

2.1. Purpose

The purpose of this Contract is to establish the respective rights and obligations of the Parties concerning the sale and purchase of Sales Gas.

2.2. Sale and Purchase of Sales Gas

Subject to the provisions of this Contract, with effect from the Start Date the Sellers shall sell and tender Sales Gas for delivery at the Delivery Point to the Buyer in the quantities set out in this Contract and the Buyer shall buy and receive Sales Gas at the Delivery Point from the Sellers and pay for and receive such Sales Gas in accordance with the terms and conditions set out in this Contract.

ARTICLE 3: TERM OF THE CONTRACT

3.1. Contract Period

This Contract shall commence and be effective from date of signing of this Contract, subject to any earlier expiry or termination in accordance with terms and conditions set out in this Contract, and shall remain valid till three (3) years from the Start Date (such date hereinafter referred as the “**Expiry Date**”) (such period hereinafter referred as the “**Contract Period**”).

Buyer shall make arrangement for receiving Sales Gas from Sellers’ installation to their factory/premises. Equipment mobilization for evacuation of gas and regulatory/statutory approvals shall be responsibility of the Buyer. The Parties agree that the Start date of gas supply would be earlier of (a) Number of days quoted by Buyer/Bidder in the Bid Document or (b) 180 days from the date of letter of award issued by the Seller to the Buyer. (“**Start Date**”).

3.2. Extension

The Buyer may, not less than three (3) month prior to the Expiry Date request the Sellers to revise and extend the Expiry Date and the Contract Period. The Sellers may thereafter at their sole discretion by a written notice to the Buyer, given not less than fifteen (15) Days before the Expiry Date, revise and extend the Expiry Date, Price and the Contract Period for such period as it deems fit.

For the avoidance of any doubt in this regard it is hereby clarified that the Sellers shall be entitled to offer the Buyer terms and conditions different from those set out in this Contract as a condition precedent for extending the Contract Period as aforesaid and if the same are agreed to by the Buyer in writing then the Contract Period shall thereafter stand revised and extended and the Contract shall continue in full force and effect till the revised Expiry Date so notified by the Sellers. If the fresh terms and conditions proposed by the Sellers as aforesaid are not acceptable to the Buyer, then the Contract shall come to an end and automatically terminate on the Expiry Date.

ARTICLE 4: DELIVERY POINT, METERING POINT, TITLE AND RISK

- 4.1. “**Delivery Point**” is the outlet flange of Gas Supply Manifold after separator where the Sellers’ metering facilities are situated at Quick Production System or “QPS” of Sanand Part A Field in Manipur village, Ahmedabad Gujarat. Sales Gas metering facilities at the Delivery Point shall be constructed and operated by the Sellers. All Gas sold by the Sellers and purchased by the Buyer hereunder shall be supplied and tendered for delivery by the Sellers in a single commingled stream to the Buyer at the Delivery Point and the Buyer shall offtake and purchase Gas from the Sellers at the Delivery Point. The sale and delivery of Gas by the Sellers to the

Buyer under this Contract shall be deemed to have been completed at the Delivery Point and upon such delivery the Buyer shall be liable to pay the Sellers for the Sales Gas in accordance with the terms and conditions of this Contract.

The facilities for delivery of Sales Gas up to the Delivery Point shall be constructed, operated and maintained by the Sellers at its risk and cost.

The Buyer shall make all proper and adequate arrangement for receiving Sales Gas at the outlet of Quick Production System at his own risk and cost. Should any defect in the Buyer's intake arrangement arise, the same shall be rectified by the Buyer. The Sellers shall have an option but no obligations to stop supply of Sales Gas as soon as any defect is noticed in the Buyer's intake arrangements.

The Buyer shall be liable to pay for Minimum Guaranteed Off-take of Sales Gas as per provisions of Article 5.3 hereinafter to the Sellers on account of defect in the Buyer's intake arrangement.

4.2. Metering Point

Shall mean those points, located either at the Delivery Point(s) or downstream of the Delivery Point(s), where the Custodian Meter(s) are installed for the purpose of measurement of Gas supplied and delivered by the Sellers at the Delivery Point(s) under this Contract.

4.3. Title and Risk

The title, control and risk to Sales Gas shall pass from the Sellers to the Buyer at the Delivery Point. If the Buyer is not willing to take delivery of the Sales Gas for any reason other than Force Majeure, the Buyer shall be liable to pay amount to the Sellers equivalent to the MGO Obligation in accordance with Article 5.3.

4.4. Sellers' Liability Several

The rights of each Seller under this Contract shall be several (and not joint nor joint and several). Sellers' rights to receive payment in respect of Sales Gas delivered to Buyer and in respect of Buyer's obligations to pay for Sales Gas and for Sales Gas not taken (including payment of the Monthly Deficiency Payment) shall be in accordance with their respective Participating Interests.

The obligations, responsibilities and liabilities of each Seller under this Contract shall be several (and not joint nor joint and several). Such obligations and liabilities in respect of Sales Gas delivered under this Contract (including in respect of Sales Gas not meeting the Specifications as per Appendix 1) shall be in accordance with their respective Participating Interests.

4.5. Sellers' Representative

4.5.1. The Sellers shall at all times appoint the Operator to act as the Sellers' Representative. At the date of this Contract, GSPCL is the Sellers' Representative. If GSPCL or any subsequent Sellers' Representative ceases to be the Operator under the PSC and JOA and a new Operator is appointed in its place, the Sellers shall appoint the new Operator as the Sellers' Representative. The Sellers shall notify the Buyer as soon as is reasonably practicable of any change in the Sellers' Representative.

4.5.2. Without prejudice to any of the Sellers' obligations under this Contract, the Sellers' Representative shall have the sole authority to do the following things on behalf of the Sellers:

- a) to make arrangements with the Buyer concerning the administration of, or procedures to be followed under, this Contract;

- b) to render or receive any statements and invoices (together with any payments thereunder) to or from the Buyer and to make any amendments to any of those statements or invoices as may be necessary from time to time under this Contract;
- c) to represent the Sellers in the verification of any witness tests under this Contract;
- d) to make any adjustments to any measurement and testing equipment of the Sellers;
- e) to give and receive notices under this Contract;
- f) to accept service of process from the Buyer for and on behalf of any one or more of the Sellers in relation to any action or suit brought by the Buyer in connection with this Contract; and
- g) to execute service of process on the Buyer for and on behalf of any one or more of the Sellers in relation to any action or suit brought by them in connection with this Contract.

4.5.3. Any act or omission of the Sellers' Representative in performing any matter under Article 4.5.2 shall be binding in all respects on all Sellers in proportion to their Participating Interests only.

4.5.4. No act or omission of the Sellers' Representative shall make the Sellers' Representative, acting solely in its capacity as Sellers' Representative, personally liable for the performance of the obligations of the Sellers, whether under this Contract or otherwise, or for any costs, losses, expenses, damages, claims, actions or suits which the Buyer may incur or have against any one or more of the Sellers.

ARTICLE 5: QUANTITIES

5.1. Daily Contracted Quantity

5.1.1 Subject always to the availability of Gas with the Sellers and the Sellers' ability to supply the same to the Buyer, the Sellers shall supply and deliver 73.80 MMBTU (approximately 2000 SCM per Day at GCV of 9,299 Kcal/scm) on fall back basis to the Buyer at the Delivery Point which shall be the Daily Contracted Quantity (the "DCQ"). Seller shall review DCQ every quarter and shall notify the Buyer according to the availability of Gas. In the event of additional Gas being made available after meeting requirement of existing buyers of Gas from Sanand Part A Field, the additional Gas may be offered to the Buyer.

5.1.2 The Sales Gas supplies under this Contract shall be from the source/field indicated. The Sellers shall endeavour to supply Sales Gas from such source uninterruptedly subject to availability. However, due to reasons primarily attributable to the geological reservoir uncertainties & complexities, other complications in the gas wells or any reasons whatsoever, if gas supply cannot be provided, the Sellers shall not be responsible nor shall it be an issue for arbitration or a matter of dispute in court of law. Nothing in this GSC shall require or be construed as an obligation on the Seller to sell or make available Gas to the Buyer at the Delivery Point other than Gas produced from the field covered under this GSC. The Buyer shall make all necessary provisions for creation and maintaining dual fuel capabilities in order to meet its fuel requirement by an alternative fuel/substitute to Sales Gas, as and when Sales Gas supplies are interrupted or discontinued for the reasons mentioned herein.

5.1.3 Notwithstanding anything to the contrary set out elsewhere in this Contract and for the avoidance of any doubts in this regard, it is hereby clarified that at no time during the Term, shall the Sellers be under any obligation to provide to the Buyer at the Delivery Point any quantity of gas in excess of the DCQ on any Day other than as mentioned in Article 5.1.2 of this Contract and it is further clarified that at any time during the Term in the event of a lack of availability of Gas with the Sellers and/or an inability on the Sellers' part to supply the Gas to the Buyer, the Sellers shall be entitled to curtail the supply of Gas to the Buyer below the DCQ and/or stop the supply of Gas to the Buyer by giving the Buyer 24 hours

advance notice and in such a situation the Sellers shall not be responsible for any loss including any Consequential Loss which the Buyer may suffer on account of such curtailment.

- 5.1.4 Pursuant to an exercise of the Sellers' right to curtail the supply of Gas to the Buyer below the DCQ and/or stop the supply of Gas to the Buyer by giving the Buyer, reasonable notice as mentioned hereinabove, any quantity/ies of Gas so notified as Restricted Supply Level (hereinafter referred to as "**RSL**") in such curtailment/stoppage notice issued by the Sellers to the Buyer shall be treated as DCQ for such period as notified by the Sellers to the Buyer from time to time in the said notice for the purposes of interpreting the provisions of this Contract (i.e. RSL= DCQ).
- 5.1.5 Provided that the Sellers shall be entitled to revise the RSL which is to be applicable for such period by providing a notice of at least 1 (one) week(s) in advance and such revised RSL shall become effective and applicable for such period as notified in the said notice from the notified date mentioned therein.

5.2 Monthly Contracted Quantity

The Monthly Contracted Quantity (**the "MCQ"**) of Sales Gas available to Buyer for offtake in a Month shall be equal to the DCQ multiplied by the number of days in the month i.e.
 $MCQ = (DCQ) \times (\text{number days in the month})$

The Adjusted MCQ for a given Month shall be the MCQ less:

- a) Aggregate all quantities of Sales Gas on a Day upto minimum of Nominated Daily Quantity (NDQ) or DCQ, which the Sellers failed to deliver to the Buyer in that Month for any reason except such quantities which the Sellers failed to deliver due to a default of any of the terms and conditions of this Contract committed by the Buyer and/or non-delivery in instances where the Sellers are entitled to suspend or stop the delivery and supply of Sales Gas pursuant to this Contract;
- b) Aggregate all quantities of Sales Gas for each Day during the Month upto minimum of NDQ or DCQ, which the Buyer was unable to take or the Sellers were unable to deliver in that Month, due to the existence of a Force Majeure Event;
- c) Aggregate all quantities of Sales Gas for each Day during the Month up to minimum of NDQ or DCQ, which the Buyer was unable to take or the Sellers were unable to deliver in that Month due to Planned Works
- d) Aggregate all quantities of Sales Gas for each Day during the Month up to minimum of NDQ or DCQ which Buyer rejected in accordance with Article 10 (Quality) because it failed to meet the Specifications;

5.3 Minimum Guaranteed Offtake (MGO)

- 5.3.1 From 0600 hours of the Start Date and thereafter throughout the Contract Period Buyer shall take a quantity of Sales Gas in each Month equal to hundred percent (100%) of the Adjusted Monthly Contract Quantity (such quantity hereinafter referred as **Minimum Guaranteed Offtake or MGO**), or Buyer shall be responsible for the payment of the Monthly Deficiency Payment pursuant to Article 5.3.2 below.
- 5.3.2 The "**Monthly Deficiency Quantity**" means, as to any Month, the difference, if positive, between (a) hundred percent (100%) of the Adjusted Monthly Contract Quantity in such Month and (b) the quantity of Sales Gas actually taken by Buyer in such Month. If, in any

Month, there is a **Monthly Deficiency Quantity**, Buyer shall pay Sellers an amount (“**Monthly Deficiency Payment**”) equal to the product of (A) **Weighted Average Monthly Contract Price** applicable during such Month and (B) **applicable Monthly Deficiency Quantity** for such Month.

- 5.3.3 If, in respect of any Month, at any time Buyer fails or is reasonably expected to fail to take delivery of any quantity up to Adjusted MCQ hereunder in circumstances that require payment by Buyer of the Monthly Deficiency Payment, Seller will use reasonable endeavors to mitigate Monthly Deficiency Payment either (i) by locating other buyer for selling quantity up to such Monthly Deficiency Quantity or (ii) by reducing production subject to Seller's operational flexibility.

5.4 Make Up Gas

- (i) In the event, the Buyer has made payment for Monthly Deficiency Payment to the Seller against the Monthly Deficiency Quantity during any Month, then subject to availability of Gas and Seller's operational flexibilities, Seller shall make reasonable endeavor to supply the Gas quantities (hereinafter referred to as “Make Up Gas”) during the Contract Period.
- (ii) Buyer will be entitled to offtake Make Up Gas only after the Buyer has offtaken Gas quantities equal to MGO during such Month and provided Buyer has made full payment of Monthly Deficiency Payment for such Make Up Gas accrued during the earlier Months.
- (iii) In respect of any Make Up Gas delivered by the Seller to the Buyer during any Month, the Seller shall issue an invoice at the end of such Month to the Buyer for the product of (a) aggregate quantity of Make Up Gas delivered by the Seller and (b) the Weighted Average Monthly Contract Price and any applicable Taxes (such amount hereinafter referred as **Make Up Gas Invoice**). Seller shall also subsequently issue a credit note to Buyer for the amount equivalent (such amount hereinafter referred as **Make Up Gas Credit**) to lower of (a) positive difference of aggregate of Monthly Deficiency Payment less aggregate of Make Up Gas Credit, if any, availed in past or (b) Make Up Gas quantities supplied by the Seller multiplied by Weighted Average Monthly Contract Price. The Buyer shall pay the balance amount, which shall be equal to amount invoiced under Make Up Gas Credit. Seller shall issue credit note for the gas taken under Make Up Gas till the Monthly Deficiency Payment is setoff and reduced to zero.
- (iv) Any Make Up Gas not taken by the Buyer during the Contract Period shall have zero residual value and the Seller shall not be required to deliver outstanding Make Up Gas.

5.5 NOMINATIONS

5.5.1 Buyer's Nominations

- a) The Buyer shall nominate to the Sellers five (5) Business Days before the first day of the next Month the quantity of Sales Gas in SCM & MMBTU required for each Day of that Month, herein after referred as “**Monthly Nominated Quantity**”.
- b) Buyer shall, not later than 12:00 hours on each Day, deliver a daily delivery schedule notice to Seller setting out Buyer's actual requirements for Gas (if any) for next Day. Such stated daily quantities are herein referred to as the “**Nominated Daily Quantity**” or “**NDQ**”. The Nominated Daily Quantity must be no greater than the DCQ.
- c) In the event Buyer fails to nominate NDQ for any day, the NDQ shall be deemed to be equal to NDQ of the available previous day.

5.5.2 Properly Nominated Daily Quantity

A quantity of Sales Gas shall be deemed to have been properly nominated by Buyer if such quantity is within the limits specified and has been nominated within the time limits set out in **Article 5.5.1 (“Properly Nominated Daily Quantity” or “PNDQ”)**. Save that in the case where the Sellers are required only to use reasonable endeavours to deliver any quantity, such quantity shall be deemed only to have been properly nominated to the extent that the Sellers delivered the same.

5.5.3 Revised Nomination

Subject always to the limits set forth in Article 5. 5.1, the Buyer, may, at any time before such Day, request that such PNDQ be varied upon giving prior written notice

Subject to the Sellers’ operational flexibility, the Sellers shall use reasonable endeavors to accommodate the variation in delivery rate requested by Buyer under this Article 5.5.3.

ARTICLE 6: PRICE AND SECURITY

6.1 Price

- (a) The price of Sales Gas payable by the Buyer (such price being hereinafter referred to as the “Price”) (on Gross Calorific Value (GCV) basis) at Delivery Point shall be sum of (i) FCC and (ii) IRC, where,

- (i) **Foreign Currency Component (FCC):** FCC shall be sum of FCC1 and FCC2.

A. FCC1 (in US \$/MMBTU) (on GCV basis): Higher of

- i. **Reserve Gas Price** which is the Domestic Natural Gas Price as notified by PPAC/ MOP&NG, Govt. of India on monthly basis for domestically produced gas as per New Domestic Natural Gas Guidelines, 2014 dated October 25, 2014 and subsequent notification dated April 07, 2023.
- ii. **Floor Price** shall be ceiling price of gas produced by ONGC/OIL from their nominated fields as per New Domestic Natural Gas Guidelines, 2014 dated October 25, 2014 and subsequent notification dated April 07, 2023 and as notified by PPAC/ MOP&NG, Govt. of India.

B. FCC2 (in US \$/MMBTU) (on GCV basis): Premium “P” (as quoted in e-bidding process)

- (ii) **Indian Rupee Component (IRC):** IRC shall be 17.45 Rs/MMBTU (Constant “C”) on GCV basis.

The Price of Sales Gas shall be converted to Rs/MMBTU for invoicing purpose as per provisions of 7.1(e) of the GSC. Price in Rs/MMBTU shall be rounded off to two decimal places.

With effect from 1st January 2025, on the first Day of January (including 1st January 2025) of each calendar year, the Constant “C” [as mentioned in point 6.1(a)(ii) in Rs/MMBTU] shall be subject to an annual escalation and accordingly shall stand increased by 5% over the Constant “C” applicable for the immediately previous calendar year.

- (b) For further clarity, it may be noted that the Reserve Gas Price applicable for April 2024 is \$8.38/MMBTU and Floor Price is \$6.50/MMBTU. This applicable Gas Price shall be revised upon notification by PPAC/ MOP&NG, Govt. of India from time to time for domestically

produced gas as per New Domestic Natural Gas Guidelines, 2014 dated October 25, 2014 and subsequent notification dated April 07, 2023.

- (c) The Parties recognize that Government Authority (including MoP&NG) may notify the Price of Gas / Pricing Formula / Pricing Policy applicable to CB-ONN-2002/3 Block during the term of this Contract. In the event that Government Authority notify Price of Gas / Pricing Formula / Pricing Policy applicable to CB-ONN-2002/3 Block that are different from any of the Price under this Contract or that are charged on a different basis than that under this Contract, then the Sellers shall have a right to implement such notified Price of Gas/ Pricing Formula / Pricing Policy from the Government Authority from the date of applicability of such Price of Gas/ Pricing Formula / Pricing Policy. Such notification shall be implemented irrespective of whether the price increase or decrease or the same is from retrospective or prospective basis. The Buyer agrees to unconditionally pay for such price notified by Government Authority and acknowledges and agrees all changes as notified by the Sellers shall become applicable to this Contract immediately on the Buyer being notified by the Sellers in writing.
- (d) The Parties expressly acknowledge and agree that if the Reserve Gas Price and/or Floor Price is withdrawn by the relevant Government Authority, then the Buyer agrees to pay to the Sellers the Price as per below formula which shall be effective from the date of such withdrawal of Reserve Gas Price/Floor Price by the Government Authority till expiry of this Contract.

Price (on GCV basis) shall be sum of (i) FCC and (ii) IRC

(i) FCC (in US \$/MMBTU) (on GCV basis): Sum of

A. Higher of

(I) 10% multiplied by Average Brent

(II) 6.50 US \$/MMBTU

B. Premium "P" (as quoted in e-bidding process)

(ii) IRC (in Rs/MMBTU) (on GCV basis): Constant "C"

where,

'Average Brent' shall be the arithmetic average up to three (3) decimal places of the mean values of the high and low assessments of the benchmark crude oil "Dated Brent" (Platts Code: PCAAS00) as published in "Platts Crude oil Marketwire" in United States Dollar ("USD") per barrel for each Day of the preceding month to the month during which Sales Gas shall be delivered.

and,

Constant "C" shall be 17.45 Rs/MMBTU. With effect from 1st January 2025, on the first Day of January (including 1st January 2025) of each calendar year, the Constant "C" shall be subject to an annual escalation and accordingly shall stand increased by 5% over the Constant "C" applicable for the immediately previous calendar year.

- (e) Any and all costs relating to the transportation of Sales Gas by pipeline beyond the Delivery Point will be Buyer's obligation. The Price of Sales Gas in **Article 6.1 (a)** above is inclusive of royalty and exclusive of sales tax, duties, rates, cess, fee, octroi and all other statutory levies as applicable at present or to be levied in future by the Central or State Government or Municipality or any other local body or bodies which shall be borne by the Buyer over and above the aforesaid price. In case of any change in applicable taxes, duties, rates, cess, fee, octroi and all other statutory levies by the Central or State Government or Municipality or any other local body towards selling of Gas, the Sellers would endeavour to inform the Buyer as soon as practicable from the date of receipt of such notification by the Sellers and the same shall be reflected in the next due invoice.
- (f) In case of any doubt or clarification by the Buyer whether a particular cess or tax or fee or

duty or levy or assessment etc. or any change thereto is effective or imposed, as the case may be, the Buyer shall take up the matter directly with the concerned Central or State Government or local authority or any such other body or bodies without withholding the payments thereto due under this Contract and shall inform the Sellers regarding the decision of such authorities. The Sellers shall allow the Buyer to avail Sales Tax Exemptions/Concessions under the incentive scheme of the Government of Gujarat and/or Government of India. As provided in such incentive schemes, the Sellers shall charge Sales Tax at rate as applicable under the incentive scheme from time to time, upon receipt of appropriate documentation.

6.2 Taxes

- a) The Sellers shall be responsible for and agrees to pay all Taxes applicable to the sales, transmission and delivery of Sales Gas delivered and sold under this Contract, upstream of the Delivery Point(s) and shall be entitled to recover such Taxes from the Buyer. All Taxes applicable over and above the Price set out in Article 6.1 above shall be passed on to the Buyer by the Sellers and shall be borne by the Buyer and such Taxes shall be applied, charged and invoiced by the Sellers in the Fortnightly Invoice issued to the Buyer under Article 7.1. Any future revision, imposition, levy or assessment of Taxes shall become applicable immediately and the Buyer shall be liable to bear and pay such revised Taxes over and above the Price with immediate effect. If the Buyer is in any doubt or requires a clarification as to whether any Taxes are effective or imposed, as the case may be, the Buyer shall take up the matter directly with the concerned Governmental Authority or any such other body or bodies without withholding the payments due to the Sellers under this Contract on that account. The Buyer shall thereafter forthwith inform the Sellers regarding the decision of such Governmental Authority in the matter.
- b) The Buyer shall be responsible for and agrees to pay, or cause to be paid all Taxes arising from the purchase, transportation, processing, handling and use of Sales Gas downstream of the Delivery Point(s) under this Contract, including all Taxes arising in respect of the Buyer's Facilities and all Taxes including those based on the Buyer's income, profits and capital gains.

6.3 Payment Security

- a) The Buyer shall at all times from the Start Date till the expiry or termination of this Contract, open and maintain an unconditional, irrevocable bank guarantee in favour of the Sellers, with a bank acceptable to the Sellers, to secure any payments as may be due and payable by the Buyer to the Sellers from time to time under this Contract and in a form acceptable to the Sellers (hereinafter referred to as the "**Bank Guarantee**" or "**BG**" or "**Payment Security**") **and provided at Appendix 3.**
- b) The Payment Security shall be effective and delivered to the Sellers no later than seven (7) working days after the signing of this Contract. In the event, Buyer fails to issue the Payment Security within fifteen (15) working days from the date of signing of this Contract, the Seller shall have sole discretion to terminate the Contract without any liability on his part, on this account.
- c) The Payment Security shall be for an amount equivalent to the sum of (i) 30 (Thirty) multiplied by DCQ multiplied by the Price and (ii) the applicable Taxes and Duties on this amount. Buyer shall bear all expenses and bank charges in connection with establishment of such Payment Security. The Payment Security shall be valid for one (1) year and shall be renewed thirty (30) days before its expiry.
 - i. Upon drawal:
The Buyer shall replenish, renew or replace the Payment Security such that it is, at all times, for an amount determined in accordance with the provisions of Article 6.3 (c) and should the Sellers draw on such Payment Security under Article 6.3 (e) below in

respect of any sum owing, then the Buyer shall, within seven (7) Days of such drawal, replenish, renew or replace the Payment Security for the amount required under this Article 6.3 as if no such drawal had occurred in relation to the earlier Payment Security.

- ii. Before expiry:
If the Payment Security is not renewed or replaced within seven (7) Days prior to its date of expiry then the Sellers shall have the right to draw on the balance amount of such Payment Security before it expires.
- d) The Payment Security submitted by the Buyer shall be liable to be invoked on monthly basis in the event of delay in offtake of Sales Gas from the Start Date. In such case Buyer is required to replenish the Payment Security within seven (7) working days from the date of encashment for the amount that is encashed. In the event, Buyer fails to replenish the Payment Security within seven (7) working days the provision of Article 15.4 shall apply.
- e) The Parties further agree that the Sellers may seek revision in the face value of Payment Security at the end of each Month in case of any increase in the exchange rate and /or DCQ and/ or Price of ten percent (10%) or more and Buyer shall provide the same within seven (7) Business Days of such demand from Sellers. The Buyer shall bear all charges payable to the bank issuing such Payment Security.
- f) The Sellers may invoke the Payment Security if the Buyer fails to pay any sum due and payable by the Buyer under this Contract.
- g) The Sellers shall have the right to assign the Payment Security to its lenders or to third parties with whom it has entered into contractual arrangements

ARTICLE 7: BILLING AND PAYMENT

7.1 Fortnightly Invoice

- a) The Sellers shall issue to the Buyer as soon as reasonably practicable at the end of each Fortnight during the Contract Period (being a Fortnight including the Start Date or any subsequent Day during the Contract Period) a Fortnightly Invoice setting out, amongst other things:
 - i. the aggregate quantity of Sales Gas offtaken by the Buyer at the Delivery Point during that Fortnight;
 - ii. the Price;
 - iii. the Taxes
- b) The Sellers shall issue to the Buyer as soon as reasonably practicable at the end of each Month during the Contract Period (being a Month including the Start Date or any subsequent Day during the Contract Period) a Monthly Invoice setting out, amongst other things (i) the MGO, (ii) the Adjusted MCQ (identifying all deductions made against the MCQ), and the (ii) MGO Payment due for that Month.
- c) The Sellers shall issue to the Buyer debit note for any other payments due from the Buyer to the Sellers under this Contract;
- d) The Sellers shall issue to the Buyer debit note for any payments due and payable by the Buyer to the Sellers for any services that may have been provided by the Sellers to the Buyer from time to time during the Contract Period not set out herein; and
- e) Fortnightly/Monthly Invoice for the Price shall be raised in equivalent Indian Rupees, wherein the foreign currency component, if any, shall be converted at an exchange rate as follows, if

applicable:

- i. The Buyer shall make all payments to the Sellers in Indian Rupees, converted from US dollars at T.T. Selling Rate of the State Bank of India on the Banking Day preceding the date of issuance of invoice by the Sellers.
- ii. If, for any reason, the TT Selling Rate of the State Bank of India on such day (as in (i) above) is unavailable, then the last available TT Selling Rate (excluding the rate for the date of invoice) of the State Bank of India, shall be applicable.
- iii. If, for any reason, the TT Selling Rate of State Bank of India ceases to be published, then the TT Selling Rate of HDFC Bank on such Day shall be applicable, unless the Parties agree on any alternate rate.

7.2 Payment

- a) The Buyer shall pay to GSPC's designated account the amount as set out in the Fortnightly Invoice within Four (4) Business Days from the date of delivery of the Fortnightly Invoice through email, facsimile, hand delivery or via post or courier, whichever is earlier (**'Due Date'**).
- b) Payments shall only be deemed to be received when such amounts are duly credited to the other Party's designated bank account. Mode of payment shall be by electronic transfer of funds through RTGS or telegraphic transfer to the designated bank account of the Sellers on or before the Due Date as advised by the Sellers. Should the Buyer fail to make payments of any sum due and payable, the Buyer shall, in addition to the amount remaining unpaid, be liable to pay Interest.
- c) If Due Date falls on holiday, Buyer shall make payment immediately preceding day before the Due Date.
- d) Payments effected by wire transfer shall be deemed to be received by the Party on the date on which such payment is actually credited in favour of the Party.

7.3 Disputed Payments

In the event that the Buyer disputes any Fortnightly Invoice(s) or any item therein, the Buyer shall not withhold any payment against any such Fortnightly Invoice(s) and after making full payment of such Fortnightly Invoice(s), the Buyer shall be entitled to lodge a claim in that respect with the Sellers providing full particulars within a period of fourteen (14) Days from the date of making the payment. If, or to the extent that, such claims are found to be correct by the Sellers the same shall be refunded by the Sellers to the Buyer or adjusted against the next Fortnightly Invoice.

7.4 Late Payment

- a) If the Buyer fails to make payment on the Due Date of any sum or amount due hereunder, interest thereon at the rate of State Bank of India's Base Rate plus 6.25% accruing on daily basis and compounded quarterly from the date when such payment was due until the date the payment is actually received by the Sellers, shall be applicable and the same shall be payable by the Buyer to the Sellers.
- b) In the event of a default in payment against any Fortnightly Invoice(s) by the Buyer for any reason whatsoever, the Sellers shall at its sole discretion be entitled to treat the same as a Buyer's Event of Default under Article 15.2 and notwithstanding anything to the contrary set out elsewhere the Sellers shall be further entitled to stop and suspend the delivery and supply of Sales Gas to the Buyer under this Contract after providing the Buyer an advance notice of twenty four (24) hours and thereafter terminate the Contract in accordance with Article 15. For avoidance of doubt, during suspension, Sellers shall not be liable for any damage,

ARTICLE 8: REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

8.1 Representations, Warranties and Undertakings

Each Party (but in the case of Article 8.1 (f) and Article 8.1 (g), the Buyer only) hereby represents warrants and undertakes that:

- a) it is duly formed and validly existing entity and has the power, capacity and authority to own its assets and to conduct its business as currently conducted and as contemplated herein;
- b) this Contract has been duly executed by it and is a legal, valid and binding contract enforceable against it in accordance with its terms;
- c) it is not subject to any litigation, arbitration or other proceedings nor subject to any investigation or inquiry nor bound by any order, injunction, declaration, judgment or award of any court, arbitrator or other forum which could adversely affect its ability to perform its obligations under this Contract;
- d) it will obtain, maintain and comply with all Permits necessary to perform its obligations under this Contract;
- e) all actions, conditions and things required by law or any regulatory authority to be taken, fulfilled and done in order for such Party to enter into and perform its obligations under this Contract have been taken, fulfilled and done or will have been taken, fulfilled and done at the time contemplated by this Contract;
- f) the execution or performance of this Contract does not violate any Law, or any document constituting the Buyer, or any Permit or any contract(s) to which such Buyer is a party; and
- g) the Buyer is aware of and at all times hereafter shall abide with the applicable HSSE norms prescribed by the relevant Government Authorities.

8.2 Buyer's Undertaking

- a) The Parties acknowledge that Gas is a hazardous commodity and that the installation and operation of Gas facilities requires specialist skills. Accordingly, the Buyer unequivocally undertakes and agrees that it shall not commit any unauthorized use of Sales Gas and shall at all times throughout the Contract Period use the Sales Gas purchased under this Contract solely for the purpose as confirmed by the Buyer in the Bid Document.
- b) Buyer unequivocally undertakes to commence gas offtake on the Offtake Start Date confirmed under the Bid Document for the Quoted Gas Volume.
- c) In the event of any breach of the conditions of this Article by the Buyer, the Sellers shall at its sole discretion and without prejudice to its other rights under this Contract or at Law be entitled to treat the same as a Buyer's Event of Default under Article 15.2 and notwithstanding anything to the contrary set out elsewhere the Sellers shall be further entitled to immediately stop and suspend the supply of Sales Gas to the Buyer under this Contract and terminate this Contract in accordance with Article 15.

8.3 Continuing Effect

The representations, warranties and undertakings given under Articles 8.1 and 8.2 shall be deemed to be given as of each Day starting on the date of execution of this Contract and ending on the Expiry Date or the date of termination of this Contract, whichever date is earlier.

ARTICLE 9: PRESSURE

- 9.1 Subject to availability of adequate gas pressure Sellers shall maintain a pressure for the offtake of adequate Gas at the Delivery Point(s) of not more than 4 bar.
- 9.2 The Sellers shall use their reasonable endeavors to deliver Sales Gas at a uniform hourly rate.

The Buyer shall use its reasonable endeavors to take Sales Gas at a uniform hourly rate.

- 9.3 Title and risk in Sales Gas shall pass from the Sellers to the Buyer at the Delivery Point, and without limiting the generality of the foregoing.

ARTICLE 10: QUALITY

- 10.1 The quality of the Sellers' Gas delivered hereunder shall be the quality of such Sellers' Gas as usually made available by Sellers at the Delivery Point. Sellers shall (use its best efforts to) ensure the quality Specifications for the Sellers' Gas at the Delivery Point.
- 10.2 If the quality of Sellers' Sales Gas does not meet Specification as set in Appendix 1, Buyer in such exceptional cases may reject such Sellers' Sales Gas. The Buyers shall not be liable for any Minimum Guaranteed Offtake (MGO) Obligation in respect of quantities of Sellers' Sales Gas that does not meet the Specifications and is rejected Buyer.

ARTICLE 11: FACILITIES

- 11.1 The Sellers Facilities required for the delivery of Gas upstream of the Delivery Point(s) shall be setup, constructed, installed, and maintained by the Sellers.
- 11.2 The Buyer undertakes that on and from the date of this Contract:
- a) The Buyer's Facilities will be maintained in safe and good working conditions with extra care and so operated as to be compatible with the operation of the Sellers' Facilities.
 - b) It will allow the Sellers and / or authorized representatives of the Sellers reasonable access to the Buyer's Facilities and the Buyer's Plant to inspect the same for any purpose which is connected with this Contract.
 - c) The Buyer agrees to lay its own pipeline or arrange for any other means of evacuation and the facilities used, if any, shall be maintained in safe and good working condition for which only the Buyer shall be responsible under this Contract.
 - d) Prior to the evacuation of Sales Gas, the Buyer agrees to provide the details of the mode of evacuation of said Sales Gas to the Seller in writing.
 - e) The Buyer agrees that in case it is unable to develop its own pipeline, then:
 - i. The Buyer shall have entered into requisite Gas Transportation Agreement (GTA) for onward transportation of Gas to be delivered by the Seller at the Delivery Point up to Buyer's Facilities;
 - ii. Buyer shall provide Seller, in writing, the name of the transporter in the GTA for transportation of Gas to be purchased under this GSC;
 - iii. Buyer shall ensure that the transporter's facilities are fully completed and operational, and capable of taking delivery of Gas at the Delivery Point;

ARTICLE 12: GAS MEASUREMENT

12.1 Measurement of Gas.

The volume of Gas supplied under this Contract shall be measured in Standard Cubic Meters at the Metering Point(s).

12.2 Measurement and Calibration

- a) The volume of Gas supplied by the Sellers to the Buyer under this Contract shall be measured at the Metering Point(s). The Gas measurement shall include all corrections in installation practices recommended for accurate metering of Gas in accordance with American Gas Association (AGA) report number 3 and 8 for Orifice Metering System.
- b) For the purposes of billing and measurement of the Gas sold under the Contract, the readings of the Custodian Meter(s) shall be final and binding on the Buyer.
- c) If the Buyer has any doubt about the proper working of the Measurement Equipment, it

may request the Sellers in writing to re-calibrate any meter for which the Buyer shall make a payment of Rs. 5,000 (Rupees Five Thousand) to the Sellers towards administrative charges for such re-Calibration. The re-Calibration charges and incidental charges would be at actual costs which shall be paid by the Buyer if the error in reading is within specified limit as per Article 12.2(e). The Sellers shall undertake such checks/Calibration of the Measurement Equipment as soon as reasonably practicable after the receipt of intimation from the Buyer in writing and invoice the Buyer for the same in the next Fortnightly Invoice.

- d) If the Sellers have any doubt about the proper working of the Measurement Equipment it may immediately check the meter in the presence of the Buyer's representative (or in his absence, should he fail to attend following reasonable notice).
- e) If a Calibration of the Measurement Equipment reveals it to be inaccurate to within plus or minus two percent (2%), the reading of the Measurement Equipment shall be taken as final. If the inaccuracy exceeds plus or minus two percent (2%), an adjusted measurement shall be arrived at as follows:
 - i. In case a service meter has been installed by the Sellers, by using the readings from the service meter [subject to such service meter being accurate to within plus or minus two per cent (2%); or
 - ii. In case there is no such service meter recording available, then by correcting the error if the percentage of error is ascertainable by Calibration test or mathematical calculation; or
 - iii. In default thereof by estimating the value of Gas delivered by comparison with deliveries during period under similar conditions when the meter was registering accurately.
- f) The period to which the above corrections shall apply shall be as under:
 - i. If any period during which the meter has gone wrong is known or agreed upon, that shall be the period to which the correction shall be applied.
 - ii. If the period is not known, the correction shall be made for a period equal to half of the time elapsed since the date of the preceding Calibration test provided that the correction period does not exceed sixteen (16) Days.
- g) In any case, if at the time of Calibration the meter error exceeds two percent (2 %) it shall be re-calibrated.
- h) Following any correction in accordance with Article 12.2 f, the Sellers shall (in the case of any overpayment by the Buyer) as soon as reasonably practicable reimburse the Buyer the overpayment without interest by setting off such amount against future invoices or shall (in the case of underpayment by the Buyer) invoice the Buyer the necessary incremental amount as soon as practicable in the next Fortnightly Invoice.

12.3 Calorific Value Measurement:

Gross Calorific Value (GCV) shall be measured as per industry practice and frequency shall be at least once for each quarter and such measured GCV will be used for billing purpose for that particular quarter.

ARTICLE 13: PLANNED WORKS

13.1 Planned Works

- 13.1.1 Buyer or Sellers may shut down its facilities for an annual maintenance period ("**Planned Works**") in accordance with the terms of this Article for not more than 15 days in the aggregate per Contract Year.
- 13.1.2 The Planned Works for Buyer shall be scheduled as follows: Buyer shall submit to Sellers in writing its firm proposals for the Planned Works to be taken by it in the subsequent Contract Year and its provisional proposals for the next succeeding year, at least three months prior to the expiry of each Contract Year during term. For the first Contract Year, Buyer shall submit

to Sellers in writing its firm proposals for the Planned Works to be taken by it in the first Contract Year within 15 days of Start Date.

- 13.1.3 Except for first Contract Year, Buyer shall give Sellers at least seven days' advance written notice of the beginning date and the duration of the Planned Works.
- 13.1.4 The Planned Works for Sellers shall be scheduled as follows: Sellers shall submit to Buyer in writing its firm proposals for the Planned Works to be taken by it in the subsequent Contract Year and its provisional proposals for the next succeeding year at least three months prior to the expiry of each Contract Year during term. For the first Contract Year, Sellers shall submit to Buyer in writing its firm proposals for the Planned Works to be taken by it in the first Contract Year within 15 days of Start Date.
- 13.1.5 Except for first Contract Year, Sellers shall give Buyer at least seven days' advance written notice of the beginning date and the duration of the Planned Works.
- 13.1.6 Sellers and Buyer agree to use their best efforts to synchronize the Planned Works to minimize the loss to either party.

13.2 Other Works

Any maintenance, repairs or other works by the Buyer (or its agents, contractors or otherwise) in the proximity of the Delivery Point(s) or which might otherwise affect the Sellers' Facilities shall only be carried out with the prior written approval of the Sellers.

ARTICLE 14: FORCE MAJEURE

14.1 Non-Performance or Delay Excused

Any non-performance or delay in performance by any Party of any of its obligations under this Contract shall be excused if, and to the extent that, such non-performance or delay in performance is caused by Force Majeure as defined in this Article.

14.2 Force Majeure Events

- 14.2.1 The term "**Force Majeure**" shall mean any event or circumstance or combination of events or circumstances that materially and adversely affects the performance for a continuous period of more than 24 (twenty four) hours by either Party (the "**Affected Party**") of its obligations in accordance with the terms of this Contract (including by preventing, hindering or delaying such performance), but only if and to the extent that such events and circumstances are not within the Affected Party's reasonable control and the effects of which the Affected Party could not have prevented by acting as a Reasonable and Prudent Operator.
- 14.2.2 Without limitation to the generality of the foregoing, the term Force Majeure shall include but shall not be limited to natural phenomena or calamities, floods, earthquakes, typhoons, fires, wars declared or undeclared, hostilities, invasions, blockades, riots, insurrection and civil disturbances, unexpected behavior of the reservoir (including high water cuts), well blowouts, loss or failure of reservoirs or deliverability therefrom that can economically be produced by Sellers for the purposes of this Contract, any decision or direction of a Government Authority pursuant to the terms of the PSC, strikes or lockout by the employees of Buyer/Sellers, actions of Government and its instrumentality's including changes in or promulgation of any laws, rules and regulations.
- 14.2.3 Force Majeure shall not include failure or loss of market for commercial or any other reasons or the unavailability of funds except where such unavailability is attributable to acts of the Government and/or its instrumentalities.

14.3 Party to Notify Force Majeure Events

Where a Party is claiming suspension of its obligations on account of Force Majeure, it shall promptly, but in no case later than two (2) days after the occurrence of the event of Force Majeure, notify the other Parties in writing giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons for its suspension.

14.4 Duty to Mitigate Effects of Force Majeure

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 provided, however, that the settlement of strikes or differences with employees shall be within the discretion of the Party having the difficulty. The Party affected shall promptly notify the other Parties as soon as the Force Majeure event has been removed and no longer prevents it from complying with the obligations, which have been suspended and shall thereafter resume compliance with such obligations as soon as possible.

14.5 Onus on Party Claiming Force Majeure

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. If the Parties are unable in good faith to agree that a Force Majeure event has occurred, the Parties shall submit the dispute for resolution pursuant to Article 18 hereof; provided that the burden of proof as to whether a Force Majeure event has occurred shall be upon the Party claiming a Force Majeure event.

14.6 Extension of Time as a Result of Force Majeure

Where a Party is prevented from exercising any rights or performing any obligations under this Contract due to Force Majeure, the time for the performance of the obligations affected thereby and for performance of any obligation or the exercise of any right dependent thereon may be extended by such additional period as may be agreed between the Parties or failing contract, by resolution in accordance with Article 18.

14.7 Force Majeure Event Exceeds 90 Days

Notwithstanding anything contained in herein above and Article 3 (Term of the Contract), in the event Force Majeure condition continues and remains un-remedied for period of [90] days from the date of beginning of Force Majeure condition, the Sellers shall have sole discretion to terminate the Contract without any liability on its part, on this account.

14.8 Failure to Pay

Notwithstanding the existence of a Force Majeure event, the provisions of this Article 14 shall not in any event excuse any failure to pay or delay in paying money due and owing under this Contract before or during the time of occurrence of the Force Majeure event.

ARTICLE 15: TERMINATION & SUSPENSION

15.1 Sellers may suspend delivery of Sales Gas, upon written notice, in any of the following circumstances:

- i. Buyer's failure to make payments when due;
- ii. Buyer's failure to establish, maintain and replenish the Bank Guarantee/Payment Security as required herein;
- iii. Buyer's breach of the use set forth in preamble of this Contract; or
- iv. any Event of Default under Article 15.2 below.

Upon suspension, Sellers shall be relieved of supply obligations but Buyer shall not be

discharged of MGO obligations and payment obligations. Sellers shall resume delivering Sales Gas as soon as reasonably practicable following the cure of the events listed above.

15.2 Sellers may terminate the Contract in following circumstances (Buyer Events of Default):

- i. Buyer breaches a material term of the Contract and such breach is not cured within 30 days following notice from Sellers;
- ii. Buyer fails to replenish the BG as per Article 6.3 (d)
- iii. Buyer fails to pay any amount within 15 days after due date;
- iv. if Buyer has become Insolvent;
- v. Buyer's continued failure to establish or maintain Bank Guarantee/Payment Security as required herein;
- vi. if Buyer assigns or purports to assign its rights and transfer its obligations under this Contract in violation of this Contract; or
- vii. if Buyer repudiates this Contract or evidences in any manner its intention not to perform its obligations under, or to be bound by this Contract;
- viii. if Buyer violates the undertaking as per Article 8.2

15.3 Buyer may terminate the Contract in following circumstances (Sellers Events of Default):

- i. Sellers breaches a material term of the Contract and such breach is not cured within 60 days following notice from Buyer; and
- ii. if Sellers have become Insolvent.

15.4 Effect of an Event of Default

15.4.1 Suspension and Early Termination

- a) If an Event of Default (as defined herein) with respect to the Defaulting Party has occurred and is continuing, the other Party (the "Terminating Party" or "Non-Defaulting Party") may, notwithstanding anything herein to the contrary and in addition to any other remedies available to the Non-Defaulting Party under the Contract or at law:
 - i. Immediately suspend performance of its obligations under this Contract ("Suspension"). The Non-Defaulting Party shall notify the Defaulting Party of such Suspension immediately. For the avoidance of doubt, the Non-Defaulting Party shall not be held liable for delay or failure to perform such suspended obligations, as the case may be. If such Event of Default is remedied thereafter, provided that the Non-Defaulting Party has not exercised its rights under Article 15.4.1(a)(iii), both Parties shall resume performance of such suspended obligations; and/or
 - ii. Immediately draw under the Bank Guarantee/Payment Security provided; and/or
 - iii. terminate this Contract by giving the other Party notice.
 - iv. If the Termination is on account of the Event of Default specified at Article 15.2 (viii) of this Contract, then the Seller shall have a right to immediately invoke the Payment Security.
- b) A notice of Termination shall specify the relevant Event of Default and shall designate a day as an early termination date (the "Termination Date"). The Termination Date may not be earlier than the day the notice is deemed to have been received under the Contract nor later than twenty (20) days after such day. With effect from the Termination Date all further payments and performance in respect of all Contracts shall be released (and not merely suspended).

15.5 Subject to Article 3, this Contract shall terminate if the PSC is terminated for any reason whatsoever, in which case the effective date of such termination shall be the same as the

effective date of termination of the PSC. Such termination shall not be construed as a breach of this Contract, and no rights shall accrue to the Buyer consequent to same. It is, however, agreed that termination of this Contract for any reason whatsoever shall not affect any rights of any of the Parties which may have accrued pursuant to this Contract by them prior to the effective date of termination.

15.6 Subject to Article 3, this Contract shall be terminated in the event Sellers failed to receive the required approvals as stated in Article 2.3 (i). The effective date of such termination shall be the communicated by the Sellers through written notice. Such termination shall not be construed as a breach of this Contract, and no rights shall accrue to the Buyer consequent to same. It is, however, agreed that termination of this Contract for any reason whatsoever shall not affect any rights of any of the Parties which may have accrued pursuant to this Contract by them prior to the effective date of termination

15.7 Prior Rights

Any termination of this Contract in accordance with this Article 15 shall be without prejudice to, and shall not affect, any right of action or remedy, which has accrued in favour of either Party prior to the date of such termination.

ARTICLE 16: INDEMNITIES

16.1 The delivery of Sales Gas being a continuous process, once the Sales Gas passes the Delivery Point, the Buyer shall be deemed to be in exclusive possession and control of the said Sales Gas and fully liable and responsible for its arrangements, appurtenance and properties. Accordingly the Buyer covenants and agrees to fully protect, indemnify and hold the Sellers, its employees, agents and successors and permitted assigns harmless against any and all claims, all liabilities, costs, expenses, damages or losses growing out of or resulting from or incidental to or in connection therewith which may be made or brought against the Sellers whether by the Buyer, its employees, agents or successors and permitted assigns or by third parties on account of damages or injury to property or person or loss of life resulting from or arising out of the installation, presence, maintenance or operation of the intake arrangements, appurtenances and properties of the Buyer or other relating to the possession and handling of any Sales Gas supplied and further defend the Sellers at Buyer's sole expense in any litigation involving the Sellers.

16.2 Likewise, before the Delivery Point the Sellers shall be in control and exclusive possession of Sales Gas and shall be fully liable and responsible for its arrangements, appurtenances and properties. Accordingly, the Sellers covenant and agree to fully protect, indemnify and hold the Buyer, its employees, agents and successors and permitted assigns and harmless against any loss or damage and all claims, demands, actions, suits, proceedings and judgements and any and all liabilities, cost, expenses, damages or losses arising out of or resulting from or incidental to or in connection therewith which may be made or brought against the Buyer whether by the Sellers, its employees, agents or successors and permitted assigns or by third parties on account of damage or injury to property or a person or loss of life resulting from or arising out of the installation, presence, maintenance or operation of the supply arrangements, appurtenance and properties and Quick Production System of the Sellers and the possession and handling of any Gas received and further defend the Buyer at Sellers' sole expense in any litigation involving the Buyer.

ARTICLE 17: LIABILITY

17.1 Consequential Loss

Without prejudice to the remedies and indemnities expressly set forth in this Contract, neither the Buyer nor any of the Sellers will be liable to each other for any indirect, incidental, exemplary loss or Consequential Loss, howsoever caused (including where caused by negligence or breach of duty (statutory or otherwise)) arising out of or connected with any

act, omission or failure by any of them in relation to this Contract, and each (the "Indemnifying Party") defends, indemnifies and holds the other Parties harmless in respect of any and all such Consequential Loss suffered or incurred by the Indemnifying Party (provided that nothing in this Article 17.1 shall relieve any Party from any express obligation under this Contract to make any payment to another).

17.2 Limitation of Remedies.

Except as expressly provided for elsewhere in this Contract, a Party's remedy against the other Party for non-performance or breach of this Contract or for any other claim of whatsoever nature arising out of or in relation to this Contract shall be in contract alone and be limited to the remedies set out in this Contract, and no Party shall be liable to the other Party (or its Affiliates and contractors and their respective directors, officers, employees and agents) in respect of any damages, losses or claims for any alleged breach of statutory duty, tortious act or omission.

17.3 Mitigation of Losses

Each Party shall use reasonable endeavours to mitigate or avoid any loss or damage caused by the failure of the other Party to meet its obligations under this Contract, whether or not such failure is the result of the existence of a Force Majeure Event.

17.4 Willful Misconduct and Gross Negligence

To the extent that a Party's breach of its obligations under this Contract results solely from such Party's Willful Misconduct and/or gross negligence, Article 17.1 and Article 17.2 shall not apply to limit the liability of such Party or the remedies available to the other Party.

ARTICLE 18: GOVERNING LAW, DISPUTE RESOLUTION & JURISDICTION

18.1 Governing Law.

This Contract and all matters related hereto shall at all times be governed by the Laws in force in India.

18.2 Arbitration

- a) Any dispute whatsoever arising out of this Contract which is not resolved by mutual agreement through negotiations between the Parties within thirty (30) days of the notice of the dispute, shall be referred to and shall be finally settled by binding arbitration conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996, and the rules made thereunder from time to time, and any statutory modifications thereof.
- b) After the thirty (30) Days period described in Article 18.2(a), the Dispute shall be referred to a tribunal comprising three (3) arbitrators. Each Party to the arbitration shall appoint one (1) arbitrator and the two (2) arbitrators thus appointed shall choose the third arbitrator who will act as a presiding arbitrator of the Tribunal (together forming the "Arbitral Tribunal").
- c) The arbitration shall be conducted under the Indian Arbitration and Conciliation Act, 1996 and the decision(s) of the Arbitral Tribunal supported by reasons for such decision shall be final and binding on the Parties.
- d) The venue of arbitration shall be Ahmedabad.
- e) If as a consequence of award of Sole Expert or Arbitral Tribunal and an amount is determined to be payable by Sellers to the Buyer, then the Buyer shall have the option to deduct such amount from the succeeding Invoice(s), likewise if the amount is payable by the Buyer to the Sellers, the Sellers shall have the right to reflect the same in the Invoice in accordance with Article 7.
- f) The Parties shall bear all the costs and expenses related to the Arbitral Tribunal including the fees of the Arbitral Tribunal in equal proportion unless otherwise decided by the Arbitral Tribunal. The Parties hereby waive their rights to claim or recover, and the

- Arbitral Tribunal shall not award, any damages for Consequential Loss or any punitive, multiple, or other exemplary damages.
- g) The final award passed by the Arbitral Tribunal may include interest, as determined by the Arbitral Tribunal, from the date of any default, breach, or other accrual of a claim until the arbitral award is paid in full. The arbitral award shall be made and payable in Indian Rupees, free of any tax or other deduction.
 - h) The Arbitral Tribunal shall be authorized to award costs, attorneys' fees, and expert witness fees and to allocate them among the Parties.
 - i) The language of the arbitration shall be English and the place and venue of the arbitration shall be Ahmedabad.
 - j) All the decisions and the final award of the Arbitral Tribunal shall be final and binding on both Parties. Judgment on the final award passed by the Arbitral Tribunal may be entered and enforced by any court of competent jurisdiction at Ahmedabad.
 - k) All negotiations and arbitration relating to a dispute (including a settlement resulting from such negotiation an arbitral award, documents exchanged or produced during arbitration proceedings, and memorials, briefs or other documents prepared for the arbitration) are Confidential Information and may not be disclosed by the Parties, their employees, officers, directors, counsel, consultants, and expert witnesses, except to the extent necessary to enforce any settlement contract or arbitration award to enforce other rights of a Party, as required by Law, or for a bona fide business purpose, such as disclosure to accountants, shareholders, or third-party purchasers; provided that any breach of this confidentiality provision shall not void any settlement, or arbitration award.
 - l) While any dispute under this Contract is pending, including the reference of any dispute to arbitration and commencement of the arbitration proceedings, the Parties shall continue to perform all of their respective obligations under this Contract without prejudice to the final determination in accordance with the provisions under this Article 18.2.

18.3 Jurisdiction

All matters arising out of this Contract shall be subject to the exclusive jurisdiction of the courts at Ahmedabad and the Parties hereby irrevocably attorn and submit to the jurisdiction of these courts. The Parties irrevocably waive any objection to venue in these courts and any objection based on the doctrine of forum non conveniens or similar grounds that these courts are inconvenient for determination of a dispute.

ARTICLE 19: MISCELLANEOUS PROVISIONS

19.1 Waiver

No waiver by any Party of any default by the other Party in performance of this Contract shall operate as a waiver of such default of that Party unless the same is in writing and signed by duly authorized representatives of such Party. No delay or omission in performance by either Party in exercising its rights or remedy hereunder shall be treated as waiver thereof.

The delay or failure of either Party at any time to require performance of any provision of this Contract shall not affect its right to require subsequent performance pursuant to that provision, nor shall the waiver by either Party of any provision of this Contract be deemed to be a waiver of any subsequent breach of such provision.

19.2 Amendments

The terms and conditions set out in this Contract may be modified or amended only by way of a written instrument mutually agreed between the Parties and signed by the representatives of both the Parties duly authorized for that purpose.

19.3 Entire Contract

This Contract, represents the entire understanding, and constitutes the whole contract between the Parties, and all the prior proposals, discussions, negotiations, representations,

correspondence, meetings, contracts, arrangements and understandings between the Buyer and the Sellers in respect of the subject matter of this Contract whether written or oral are hereby superseded by this Contract and neither Party has relied upon any of the same in entering into this Contract. No reference to such discussions or meetings or past correspondence or understandings shall be raised or entertained by either the Sellers or the Buyer for the purpose of interpreting this Contract or otherwise.

19.4 Transfer of rights

- a) Subject to **Articles 19.4 (c) and 19.4(d)**, Sellers may at any time transfer or assign all its rights and obligations under this Contract to any of its Affiliate by giving prior notice in writing to the Buyer of such transfer or assignment and thereupon all its rights and obligations under this Contract for supply of Sales Gas shall stand transferred to whom the Sellers so transfers or assigns its rights and obligations.
- b) Buyers may transfer or assign all its rights and obligations under this Contract to any of its Affiliate by giving prior notice in writing to the Buyer of such transfer or assignment. Subject to Sellers' approval, Buyer may transfer the same, thereupon all its rights and obligations under this Contract for supply of Sales Gas shall stand transferred to whom the Buyers so transfers or assigns its rights and obligations.
- c) The Buyer shall not assign its rights or transfer its obligation under this Contract without prior written consent of the Sellers.

Assignment under the PSC : If the Government has consented to the assignment by Sellers or by the holder of a mortgage, charge or other encumbrance over all or part of that Sellers' Participating Interest ("Assigning Sellers") of the whole or a part of its Participating Interest to another Sellers or a third party ("Assignee") under any provision of the PSC, the Assigning Sellers shall, with effect from the effective date of that assignment, be deemed to have assigned its rights under this Contract to the Assignee in the same proportion which the Participating Interest which the Assigning Sellers assigned to the Assignee bears to the Assigning Sellers' total participating Interest immediately prior to that assignment.

- d) **Withdrawal Under the PSC:**
 - i) If the Government has consented to the withdrawal by a Sellers ("Withdrawing Sellers") from the PSC under PSC provisions, the Withdrawing Sellers shall be deemed to have withdrawn from this Contract with effect from the effective date of the Withdrawing Seller's withdrawal from the PSC.
 - ii) If the Government of India has consented to all of the Sellers withdrawing from the PSC under PSC provisions, the Sellers shall be deemed to have withdrawn from this Contract with effect from the effective date of the withdrawal from the PSC and this Contract shall thereupon terminate

19.5 Further Assurance

The Parties shall at their expense do all further things (including without limitation, execution of documents) reasonably necessary to give effect to this Contract and each of its provisions.

19.6 Severability

If any provision of this Contract is finally determined to be illegal, invalid, void or unenforceable under applicable law, then such provision shall be deemed to be deleted from this Contract to sever such provision from the remainder of the Contract and the remaining provisions of this Contract shall continue to remain in full force and effect and if necessary, be so amended as shall be necessary to give effect to the spirit and intent of this Contract to the extent possible. Provided that in implementing this Article 19.6 the nature of this Contract or either of the Party's rights or obligations hereunder have not fundamentally changed.

19.7 Confidentiality

Subject to the provisions of this Article, the Parties shall keep all Confidential Information strictly confidential and shall not disclose Confidential Information to any Person not a Party to this Contract without first obtaining the prior written consent of the other Party, provided that either Party may disclose any such Confidential Information received from the other without obtaining the prior written consent of the other Party:

- (a) where such Confidential Information has become part of the public domain other than by breach of this Article 19.7;
- (b) the receiving Party receives the same Confidential Information from a third party whom it reasonably believes to be lawfully entitled to disclose the same;
- (c) where such disclosure is required by any Law, stock exchange regulations or other regulations or is to be made in accordance with the order of any court, stock exchange, arbitral panel or other regulatory, statutory or administrative body; and
- (d) where such disclosure is to its Affiliates, professional advisers provided the Party assumes full liability for any disclosures by such persons which would constitute a breach of this Article 19.7 were they party thereto.
- (e) where such disclosure is to any bona fide prospective transferee of a Party's rights and obligations under this Contract (including a prospective transferee with whom a Party and/or its Affiliates are conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares), and any consultant retained by such prospective transferee, in order to enable such prospective transferee to assess such Party's rights and obligations;
- (f) where such disclosure is to any bank or other financial institution or entity funding or proposing to finance such Party and/or an Affiliate.

Prior to making any such disclosures to Persons as provided under Articles 19.7 (d), (e) and (f), above, the Party desiring to make such disclosure shall obtain an undertaking of strict confidentiality and non-disclosure and to use the Confidential Information solely for the stated purpose, enforceable by either Party, but otherwise substantially in the same form and content as this Contract, from each such Person. With respect to external professional consultants, a Party shall only be required to ascertain that such external professional consultants are bound by an obligation of confidentiality.

This Article 19.7 shall survive the termination or early expiry of this Contract and continue to be in full force and effect for a further period of three (3) Years from the date of termination or early expiry of this Contract.

19.8 Survival

Article 6.2 (Taxes), Article 16 (Indemnities), Article 17 (Liability), Article 18 (Governing Law, Dispute Resolution and Jurisdiction) Article 19.4 (Transfer of Rights), Article 19.7 (Confidentiality), and Article 20 (Notices) shall survive the termination or expiry of this Contract up to the period, if any, as may be specified.

19.9 Change in law, rules and regulations

- (a) Parties agree that if during the currency of this Contract, there is any change, either by way of introduction of any new or amendment in the existing Laws, rules, regulations, orders, directives, Guidelines, policies of the Government of India, the same shall be binding on both the parties and such change shall not be a ground for amending or avoiding the Contract.
- (b) **Change in Constitution of Buyer:** Buyer shall not change its constitution or change its shareholding or ownership structure. Any such change is to be effected only after prior written approval for the same is granted by the Seller, which consent shall not be unreasonably withheld, and the same is embodied in an appropriate written amendment to or assignment of this Contract, as the case may be, duly executed and delivered by the Buyer and the Seller. In the event, Seller's prior written approval is not provided, then Seller will have the right to terminate this Contract.

ARTICLE 20: NOTICES

20.1 Notices

Any notice, bill, statement, Fortnightly Invoice or other notification (each a "Notice") to be given by one Party to the other under this Contract shall be delivered by hand to the Party in question or sent to such Party by registered post or any other means of recorded physical delivery, or facsimile addressed to that Party at such address or facsimile number as the Party in question shall from time to time designate by written notice and until such notice shall be given the addresses and the facsimile number of the Parties shall be as follows:

Sellers

Name: Mr. Devendra Agarwal
Gujarat State Petroleum Corporation Limited
GSPC Bhavan, Behind Udyog Bhavan,
Sector-11, Gandhinagar - 382 010, Gujarat, India.
Fax: (Office) +91-79-23220899

Name: Mr. Khitish Kumar Nayak
Sanron Energy Pvt. Ltd.
606-608 Shapath-V, Opp Karnavati Club,
S G Highway,
Ahmedabad 380015

Name: Dr. Prabhakar Thakur
Hindustan Petroleum Corporation Limited
Petroleum House 17,
Jamshedji Tata Road,
Mumbai, Maharashtra, 400020

Name: Mr. Jean Paul Roy
Geoglobal Resources Inc.
Chamberlain Place, Broad Street,
Bridgetown, Barbados,
West Indies

Buyer

20.2 Effectiveness

All Notices shall be effective when received at the recipient's address as aforesaid. Faxed invoices will be deemed to be original and received based on successfully delivered report during business hours.

20.3 NOT USED

ARTICLE 20: RESTRICTION ON USE OF GAS

21.01. Buyer is entitled to use the gas for any purpose other than the purpose which was declared by the Buyer in its bid and as specified in Article 2.1 of this GSC only after providing a written intimation by the Buyer to Seller.

21.02. Buyer shall not misuse the gas or use it for any anti national activity/anti-social activity. If the

Buyer does so, Seller will not be liable for such misuse or such activity and shall be entitled to stop the gas forthwith as soon as it comes to the notice of GSPC.

IN WITNESS WHEREOF the Parties hereto acting through their properly constituted representatives have set their hands to cause this Contract to be signed and executed for and on their behalf:

Sellers

For **Gujarat State Petroleum Corporation Limited**

Witnesses:

By _____
Name:
Title:

1. _____
2. _____

For **Sanron Energy Pvt. Ltd.**

Witnesses:

By _____
Name:
Title:

1. _____
2. _____

For **Hindustan Petroleum Corporation Limited**

Witnesses:

By _____
Name:
Title:

1. _____
2. _____

For **Geoglobal Resources Inc.**

Witnesses:

By _____
Name:
Title:

1. _____
2. _____

For [NAME OF THE BUYER] Limited

Witnesses:

By _____
Name:
Title:

1. _____
2. _____

APPENDIX- 1: TENTATIVE SPECIFICATION OF SALES GAS

The Gas to be supplied by the Seller has the following test composition:

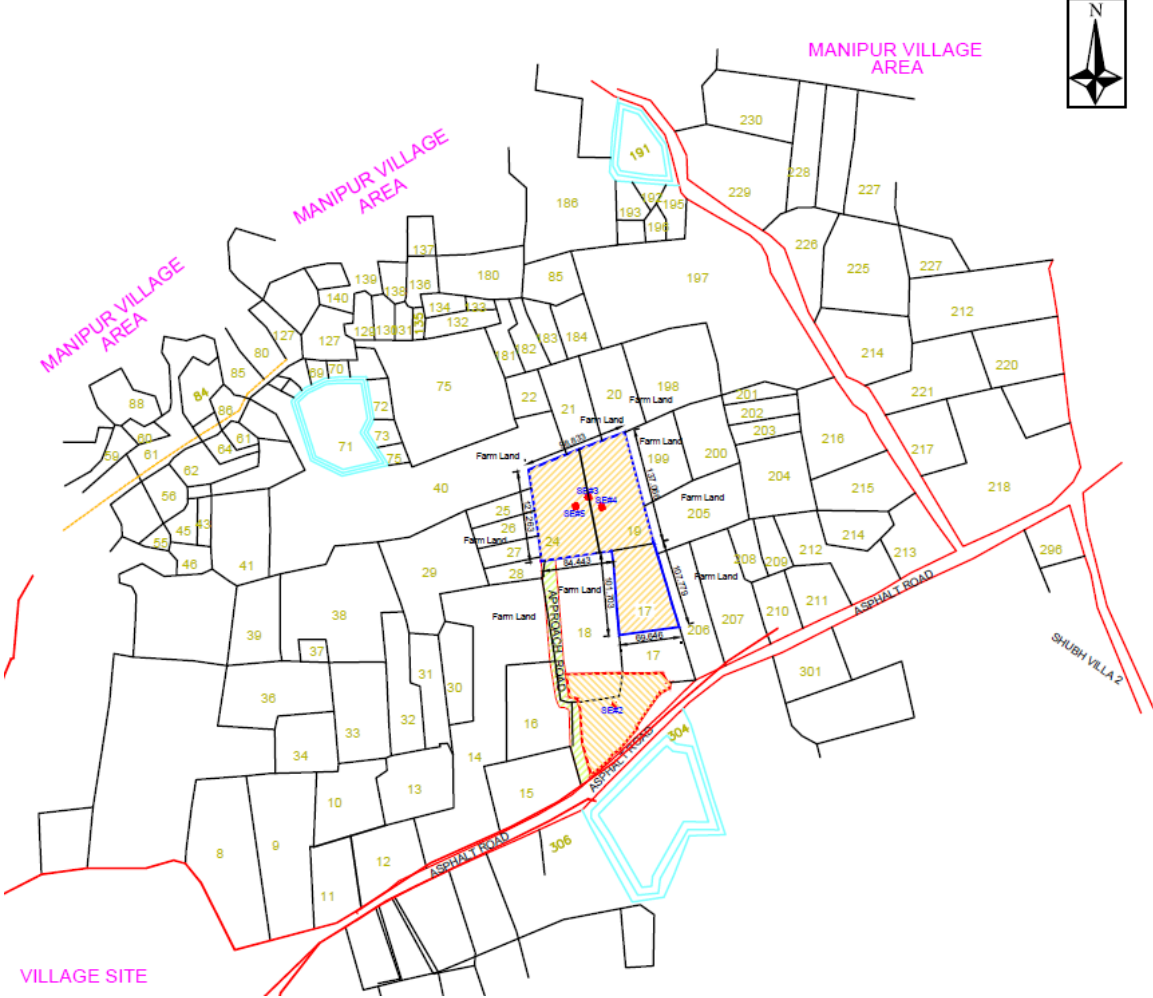
Compositional Data (as per ISO 6974-4:2000)

Sr. No.	Components	% Volume
1	Methane	93.618
2	Ethane	2.862
3	Propane	0.898
4	i-Butane	0.324
5	n-Butane	0.245
6	i-Pentane	0.081
7	n-Pentane	0.000
8	Hexane+	0.000
9	Carbon dioxide	0.796
10	Nitrogen	0.670

By Calculations: (as per ISO 6976:1995-Reaffirmed 2003)

Specific Gravity (with respect to air)	0.5950
Gross Calorific Value (K Cal/Cubic meter)	9299.42
Net Calorific Value (K Cal/Cubic meter)	8387.43

APPENDIX – 2: LOCATION MAP



APPENDIX – 3: BANK GUARANTEE FORMAT

IRREVOCABLE, UNCONDITIONAL GUARANTEE

Beneficiary:
**GUJARAT STATE PETROLEUM
CORPORATION LIMITED**
GSPC Bhavan,
Behind Udyog Bhavan,
Sector 11, Gandhinagar – 382 010

DATE: []
Bank Guarantee No.:
[_____] **Guarantor :** [Bank]

Advising Bank

This Guarantee (“**Guarantee**”) is made from _____ by [Bank] (hereinafter referred to as the “**Guarantor**” which expression shall unless repugnant to the context or meaning thereof mean and include its permitted assigns and successors) in favour of Gujarat State Petroleum Corporation Limited (hereinafter referred to as “**Seller**”) a company whose registered office is at GSPC Bhavan, Sector 11, Gandhinagar 382010 (which expression unless it is repugnant to the context or meaning thereof shall mean and include its successors, administrators, assigns and executors).

[NAME OF CUSTOMER] (hereinafter referred as “**Buyer**”), a company incorporated _____, [ADDRESS] (which expression shall unless repugnant to the context or meaning thereof mean and include their permitted assigns and successors) have entered into a Gas Sale Contract dated [_____] (for Daily Contract Quantity of _____ SCMD) (hereinafter “**GSC**”) with **Seller** for supply of natural gas; and

Whereas in terms of **Article 6.3** of GSC, **Buyer** has agreed to furnish on demand, unconditional, irrevocable Guarantee for an amount of Rs. [BG Value] during the term of the GSC.

Whereas this Guarantee is being furnished to guarantee the non-payment by **Buyer** of any payments due to **Seller** due under the GSC.

1. Guarantee

Now therefore we, [Bank], do hereby on demand, unconditionally and irrevocably guarantee (without referring the matter to the **Buyer** and without getting prior consent of **Buyer** the payment due at all times throughout the period of the GSC on behalf of **Buyer**, of any amounts due and payable to **Seller** under the GSC upto a total of [BG value]. This Bank Guarantee will be valid for any of the documents such as Invoices/Provisional invoices/Debit notes/Statement of claim/ Demand letter etc. raised by the Seller under the GSC. The Bank undertakes to pay **Seller** without cavil or argument or delay, any amount claimed by **Seller** as per the provisions of the GSC on receipt of demand letter from **Seller**.

The Seller may draw under this Guarantee by presentment to us of the demand by the Seller (hereinafter referred to as the “**Notice for Payment**”) in the format annexed hereto drawn on us.

2. The demand letter specified in Clause 1 above shall be final, conclusive and binding on us.

3. Undertaking to pay:

- a) We [BG Issuing Bank] hereby irrevocably and unconditionally undertake to pay all amounts drawn upon this Guarantee in accordance with the terms of the GSC.
- b) We [BG Issuing Bank] agree that multiple and partial drawings under this Guarantee are permitted, subject to the limits of this Guarantee and the terms of the GSC.

4. We further agree as follows:

- a) **Seller** shall be entitled to treat us as the primary obligor in respect of payments due and payable by **Buyer** under the GSC
- b) **Seller** 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 GSC, to extend time for performance by **Buyer** from time to time or postpone for any time or from time to time any of the powers exercisable by **Seller** against **Buyer**.
- c) No change or addition to or other modification or alteration of the term of the GSC to be performed thereunder or of any of the GSC documents which may be executed between **Seller** and **Buyer** shall in any way release us from our liability under this Guarantee, and we hereby waive notice of any such change, addition or modification.
- d) **Seller** shall be entitled to waive or forbear to enforce any of the terms and conditions relating to the GSC and we shall not be relieved from our liability by any reason or any variation, or extension being granted to **Buyer** or for waiver, act or omission on the part of **Seller** or any indulgence by **Seller** to **Buyer** by any such matter or thing whatsoever which under the law relating to the sureties would but for this provision have effect of so relieving us.
- e) The Sellers may further assign this Guarantee and all their rights and benefits under this Guarantee to its lenders or any other person and we hereby agree to acknowledge such assignment and agree that such assignee shall be entitled to exercise all rights and benefits due and owing to the Sellers under this Guarantee.
- f) We hereby waive any and all subrogation rights arising in terms of this Guarantee against **Buyer** until all payments due and owing to Seller under the GSC have been paid by **Buyer**
- g) This Guarantee shall be valid for the period of one year i.e. upto [dd/mm/yy] for the term of the GSC unless the GSC is terminated earlier.
- h) The Guarantee shall not be affected by any legal limitation, disability or other circumstances relating to **Buyer** or the Guarantor or any appointment of receiver, liquidator, administrator of assets, insolvency, bankruptcy or winding up, amalgamation, re-organisation or restructuring of **Buyer** or any pending legal proceedings or dispute between the parties.
- i) Payments under this Guarantee to Seller shall be made in full without any set off or counter claim and free and clear of and without deduction or withholding any present or future taxes, duties any / or other charges and any amounts withheld shall be grossed up accordingly.

5. **Maximum Liability**

Notwithstanding anything contained herein, our liability under this Guarantee shall not exceed [**BG Value**]

6. **Miscellaneous**

All notices and demand shall be in English and in writing and shall be addressed to the Guarantor at the following address:

[Bank Address]

7. **Governing law and other miscellaneous provisions:**

This Guarantee shall be governed by and constructed in accordance with the laws of India.

“Notwithstanding anything contained herein:

1. Our liability under this Guarantee shall not exceed Rs. _____/-
2. This Guarantee shall be valid upto _____ [Expiry Date] and
3. We are liable to pay the guaranteed amount or any part thereof under this guarantee only and only if you serve upon as a written claim or demand in terms of the guarantee on or before _____ [Claim period of one year from the date of expiry of BG]. If no such claim or demand has been received by us by the said date, all the rights of GSPC under this Guarantee will cease. However, if such a claim has been received by us by the said date, all the rights of GSPC under this Guarantee

shall be valid and shall not cease until we have satisfied that claim.
IN WITNESS WHEREOF this guarantee has been executed by the Guarantor, this _____day of
_____ at _____

For and on behalf of [BANK]

Signature and Seal: _____

Name: _____

Designation: _____