

CRUDE OFFTAKE  
And  
SALE  
AGREEMENT

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**CRUDE OFFTAKE AND SALE AGREEMENT**  
**THIS AGREEMENT made on    day of....., 2023**

BETWEEN:

**Hindustan Oil Exploration Company Limited**, a company incorporated under the provisions of Companies Act, 1956, having its registered office at 'HOEC House', Tandalja Road, Vadodara, India, and its Corporate Office at 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 600 018 (hereinafter referred to as the "SELLER")(which expression shall, where the context so requires or admits of, be deemed to include its successors or permitted assigns) of the first part

**AND**

\_\_\_\_\_, a company incorporated under the provisions of Companies Act, 1956, having its registered office at \_\_\_\_\_

\_\_\_\_\_, hereinafter referred to as "BUYER" (which expression shall, where the context so requires or admits of, be deemed to include its successors or permitted assigns) of the second part;

PARTIES of the first and second part are individually referred to as a "PARTY" and collectively referred to as the "PARTIES"

**WHEREAS**

- A. Hindustan Oil Exploration Company and Adbhoot Estates Private Limited are Joint Venture Parties to a Revenue Sharing Contract of DSF Block MB/OSDSF/B80/2016 (hereinafter referred to as "RSC") dated-27<sup>th</sup> March 2017, with their Participating Interest 60% and 40% respectively (collectively as the "RSC Parties"). Hindustan Oil Exploration Company is the operator of the block / contract area under the RSC.
- B. Hindustan Oil Exploration Company Limited by itself and on behalf of its co-venturers is entitled to explore, develop, and produce oil and gas in MB/OSDSF/B80/2016(B80) block located in the offshore Mumbai Basin of India pursuant to a Revenue Sharing Contract executed with Government of India. Hindustan Oil Exploration Company Limited is the Operator of the said block and the liabilities of the co-venturers to the RSC/JOA are several.
- C. Crude oil produced from B80 block after processing and stabilization is stored onboard FSO Prem Pride Vessel and is currently available for sale and offtake by suitable buyer
- D. BUYER is engaged in the business of \_\_\_\_\_

NOW THEREFORE IT IS HEREBY AGREED as follows:

**ARTICLE 1 DEFINITIONS**

1.1 In the Agreement, unless otherwise stated:

- a) "**Affiliate**" means in relation to either Party, any company which is affiliated to it. A company is deemed to be affiliated to another if the first company is controlled by, under common control with, or controls the other. For the purposes of this definition, "control" means the right to cast more than fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of the entity concerned or, if there are no such rights, ownership of more than fifty percent (50%) of the equity share capital of or other ownership interests in such entity, or the right to direct the policies or operations of such entity (either directly or indirectly) or right to appoint a majority of the directors of such entity (either directly or indirectly).
- b) "**Agreement**" means the terms and conditions set out in this agreement including all the

schedules, annexures, attachments and appendices attached hereto, as amended, modified or supplemented from time to time in accordance with the terms hereof.

- c) **"ASTM"** means the American Society for Testing Materials;
- d) **"Barrels"** means a volume of forty-two (42) U.S. gallons corrected for temperature to 60 degrees Fahrenheit and 1 atmospheric pressure; One Cubic Meter (M3) shall consist of 6.29297 Barrels.
- e) **"Bill of Lading Date"** or B/L date is the day on which hose/chickson gets disconnected after completion of discharge of cargo at Loading Terminal, unless otherwise mentioned in this Agreement
- f) **"Billing Period"** has meaning as per Article 12.
- g) **"BS &W"** means Basic Sediments & Water excluding Free Water.
- h) **"Buyer 's Refinery"** means that refinery owned by Buyer through which Crude Oil sold hereunder by the Seller will be refined;
- i) **"Completion of Discharge"** shall mean the time and date at which the operation of loading is completed, as recorded on the time sheet prepared by the Loading Terminal;
- j) **"Crude Oil"** means all kinds of hydrocarbons in liquid form in their natural state of the grade as specified in the Schedule B.
- k) **"Custody Transfer Measurement System"** means the custody transfer meter/measurement system of Seller located at or near the Delivery Point as set forth in Schedule A;
- l) **"Custody Transfer Point"** means the point at which custody, title and risk of Crude Oil passes to the Buyer, and this point will also be considered as "Delivery Point";
- m) **"Custody Transfer Quantity"** is dry quantity of crude oil, free of water and BS&W measured by the Custody Transfer Measurement System.
- n) **"Day"** means the period of time commencing at 0000 hrs Indian Standard Time (IST) on each day and expiring at 0000 hrs IST on the following day and the date of any such day shall be the day of its beginning as herein defined.
- o) **"Delivery Commencement Date"** means the date for the commencement of deliveries of Seller's Crude Oil hereunder as set forth in Article 3.;
- p) **"Delivery Mode"** means the mode of delivery and transportation of Crude Oil as indicated in Schedule A;
- q) **"Delivery Month"** means month in which Billing Period falls;
- r) **"Delivery Point"** means the point at which the Parties agree deliveries of Crude Oil shall be made under this Agreement as set forth in Article 5
- s) Not used
- t) **"Due Date"** has the meaning ascribed to it in Article 12
- u) **"Expert"** has the meaning ascribed to it in Schedule F.
- v) **"Firmed Layday(s)"** in case of FOB deliveries shall have meaning ascribed to it in Article 9.1
- w) **"FOB"** means Free on Board.
- x) **"FOB Basis"** means delivery on FOB basis wherein risk, title & custody is transferred to the Buyer at the Delivery Point unless mentioned otherwise in this agreement.
- y) aa) **"FSO"** means Floating Storage & Offloading.
- bb) **"Government"** means the Government of India or any of the States of India or local government like municipal corporations, municipality and their successors;
- cc) **"Invoice"** means a document containing calculations sent by Seller to Buyer pursuant to Article 12.3 specifying the following elements:

- a. The dry Quantity at Standard Temperature adjusted for BS&W (the "Dry Quantity at Standard Temperature") in barrel and metric tonne,
  - b. The applicable price in Rs. /Barrel,
  - c. The product of such Dry Quantity at Standard Temperature and the Price (the "Amount Due");
  - d. Any other relevant item as required by the relevant laws.
- dd) Not used
- ee) Not used
- ff) **"Laws, Regulations and Orders"** means the Central, State and local laws of India and all orders, ordinances, rules, regulations, statutory revisionary orders, executive orders, decrees, policies, judicial decisions, notifications or similar directives or requests made pursuant thereto issued by any executive, legislative, judicial or administrative entity or authority or any person purporting to act in such capacity, as any of them may be amended from time to time;
- gg) **"Laytime"** means time allowed to the Seller for loading crude oil at loading terminal as per Article 9.8.
- hh) **"Loading Terminal"** means port or terminal at which the crude oil to be delivered/supplied hereunder is or will be loaded or, where the context requires, the operator, authority, or governing body of such port or terminal as specified in the Schedule A.
- ii) **"Loading Master"** means Seller's representative at the Loading Terminal.
- jj) **"Marine Vessel"** means a tankship or other Vessel which is mainly constructed or adapted for the carriage of crude oil.
- kk) **"Metric Ton"** shall mean the unit of weight equal to one thousand (1000) kilograms;
- ll) **"Month", ("Monthly")** means the period of time commencing at 0000 IST hours on the first day of a calendar month and expiring at 0000 IST hours on the first day of the following calendar month;
- mm ) Not used
- nn) **Not used**
- oo) **"NOR"** means the valid notice of readiness to load cargo, as given by master of the vessel to the Seller at the Loading terminal
- pp) **"Party"** means Buyer or Seller and **"Parties"** means both Buyer and Seller;
- qq) **"Price"** means the price to be paid by Buyer to Seller for each barrel of Crude Oil delivered by Seller to Buyer hereunder set forth in Schedule G;
- rr) **"Producing Areas"** means those petroleum accumulations described in Schedule A from which Seller shall supply and Buyer shall purchase Crude Oil hereunder;
- ss) **"Scheduled Outages"** has the meaning ascribed to it in Article 14;
- tt) **"Supplementary Invoice"** means a document containing calculations sent by Seller to Buyer specifying the detail of all other amounts owing from Buyer to Seller or from Seller to Buyer in respect of any previous Billing Period;
- uu) **"Supply Location"** has meaning as per Schedule A.
- vv) **"Term of Agreement"** has the meaning ascribed to it in Article 3;
- ww) **"Time"** means Indian Standard Time;
- xx) **"typically"** means quality or characteristic often attributable to crude oil from a particular source, given without guarantee and not amounting to representation or warranty that such typical quality or attribute will be present in the crude oil.
- yy) **"Year" or "Financial Year"** shall mean the period of time commencing at 0000 IST

hours on April 1 of any Financial Year and expiring at 0000 IST hours on April 1 in the next succeeding Financial Year.

- 1.2 All references herein to persons shall where the context admits be deemed to include bodies corporate, unincorporated associations and partnerships.
- 1.3 References to "day(s)", "month(s)" and "year(s)" means as defined above
- 1.4 Unless the context requires otherwise, in this Agreement:
  - (a) The headings are for convenience only and shall be ignored in construing this Agreement;



- (b) The singular includes the plural and vice versa;
- (c) References in Articles, schedules and Annexure are, unless this context otherwise requires, references to Articles of, Schedules of, and Annexure to, this Agreement;
- (d) In carrying out its obligations and duties and exercising its rights under this Agreement, each Party shall have an implied obligation to act in good faith;
- (e) The word "including" means "including without limitation"; and
- (f) A day shall be a period of 24 hours commencing at 00 00 IST thereon; a week shall commence on each Sunday; a month shall be a calendar month; a quarter shall be a calendar quarter; and a year shall be a Financial Year.
- (g) Any reference to "writing" or "written" includes electronic mail, faxes and letters.

## **ARTICLE 2 AGREEMENT AND SCHEDULES**

- 2.1 This Agreement, besides the main body of the agreement shall also consist of Schedule A ('Loading Terminal'), Schedule B ('Crude Oil Typical Specification), Schedule C ('Planning, and nomination of Quantities'), Schedule D ('Custody Transfer Quantity: sample calculation), Schedule E ('Payment Security Deposit'), Schedule F('Arbitration and Dispute Resolution), Schedule G (Pricing Sheet), all annexures, attachments and appendices hereto, as amended/modified/supplemented from time to time. This agreement shall also consist of Notification of Award(s) (NOA), as issued from time to time during the term of this Agreement.

## **ARTICLE 3 TERM OF AGREEMENT**

- 3.1 Term of this Agreement shall commence and be effective from 01/01/2024 (also known as the Delivery Commencement Date) and shall continue in full force and effect for the Term of 2 months unless this Agreement is terminated earlier by either Party by giving due notice for termination as set forth in this Agreement. This Agreement may be extended by mutual written agreement of the Parties for a period not exceeding 01 year.

## **ARTICLE 4 SALE AND PURCHASE OF CRUDE OIL**

- 4.1 Commencing from the Delivery Commencement Date, during the Term of this Agreement, Seller shall sell and Buyer shall purchase, at the Delivery Point, the Quantity of Crude Oil set forth in Notification of Award(s) supplemented from time to time to this Crude Offtake and Sale Agreement, in accordance with the terms of this Agreement.

## **ARTICLE 5 DELIVERY AND DELIVERY POINT**

- 5.1 Crude Oil will be supplied via Marine Vessels as per Schedule A.

- 5.2 Crude Oil will be supplied from Off-shore loading terminals as per Schedule A.
- 5.3 All deliveries of crude oil hereunder shall be made by the Seller at the Delivery Point on FOB basis unless stated otherwise.
- 5.4 For delivery via Marine Vessel mode, Buyer shall, at its own risk and cost, place suitable marine vessel at the Loading Terminal.

**5.5 Delivery Point**

**(a) Delivery from FSO**

Delivery point, hereunder, shall be the inlet flange of Marine Vessel to be nominated by Buyer, and custody, risk, and title of crude oil shall pass at the Delivery Point

- (b) The operating procedures for each Delivery Point shall be in accordance with the prevailing standard practice followed at the Delivery Point at the time of delivery

**Custody Transfer Point**

- (c) Custody Transfer point shall be the Delivery Point.

**5.6 Independent Inspection**

- (a) Buyer can appoint third party inspector at the loading terminal. Cost of appointing the inspector shall be borne by Buyer. In case of any dispute, findings of Loading Master shall prevail.
- (i) For FSO loading Buyer shall nominate two inspectors; one required at FSO vessel and other at Buyer vessel during cargo loading operation. Cost of transporting inspectors to FSO and back to on land, shall be borne by Buyer .

**ARTICLE 6 PLANNING, AND NOMINATION IN QUANTITIES**

Refer schedule C.

**ARTICLE 7**  
**QUALITY**

- 7.1 All Crude Oil delivered hereunder shall be accepted by Buyer. The delivery of Crude Oil from the Supply points except as set forth herein, constitutes the whole of Seller's obligations with respect to the description, quality and fitness for purpose of the Crude Oil to be delivered. The crude oil Assay is shared at Schedule B of this Agreement This is indicative of the specifications of crude oil that shall be got from B-80

**ARTICLE 8**  
**MEASUREMENT AND TESTING**

- 8.1 The quantity and quality of crude oil delivered under the Agreement shall be determined by measurement, sampling and testing in accordance with the standard practice followed at the Loading Terminal at the time of shipment. The measurement of the Custody Transfer Quantity of Crude Oil, Sampling and Testing of the quality shall be carried out as under:

**(a) Delivery from FSO**

Wet quantity of crude oil delivered shall be measured by taking manual dip by surveyor with Vessel Experience factor (VEF) at the mother vessel (Prem Pride) before and after the loading operation. Dry crude oil will be calculated after deducting free water and BS&W.

- 8.2 Both parties shall be present for all measurements and all ticketing of deliveries which shall be completed on a joint basis. Mutually agreed inspector shall witness quantity measurement and finding of the mutual inspector shall be binding to Buyer/Seller for invoicing purpose.
- 8.3 Seller and Buyer shall jointly sign a statement or electronically exchange delivery document after delivery (or as otherwise mutually agreed) certifying the quantity for billing purpose.
- 8.4 The Parties agree to joint calibration of the measurement device at Delivery Point.
- 8.5 If upon conducting a test of any measurement device:
- (a) any measuring equipment is found to have a margin of error that is less than plus or minus zero point three percent (0.3%), then the prior recorded measurements/results of such equipment shall be deemed correct for computing the Crude Oil deliveries, but the equipment shall be promptly adjusted to operate and record and/or test correctly;
  - (b) any measuring system in the aggregate is found to have a margin of error which exceeds plus or minus zero point three percent (0.3%), then, for the period for which such device has been known or is mutually agreed to have been so

inaccurately functioning, the recorded measurements/results of such equipment shall be corrected to zero (0) margin of error for such period. If, however, the period of such inaccurate functioning of the device is not known or is not mutually agreed upon, then, from the date when the notice was given by either party, as the case may, intimating that margin of error, the recorded measurements/results by such devices shall be adjusted to a zero (0) margin of error.

- 8.6 The variation in loading volumes basis manual dip stick reading and ship receipt figure with Vessel Experience Factor (VEF) will be considered. In case the same is more than 0.3% (both positive as well as negative), ship receipt figure with VEF will be considered as BL figure.
- 8.7 Not used
- 8.8 In case any dispute between Seller and Buyer in relation to the quality or quantity of the Crude Oil delivered hereunder cannot be resolved amicably through mutual consultation, it shall be dealt with as per the provisions of Schedule F.
- 8.9 Both parties are expected to have validated measurement devices at delivery point. If any measurement device is out of service or is registering inaccurately, the volume of the Crude Oil purchased and sold under this Agreement shall be estimated as under:
- (a) By correcting the error if the proportion of the error is ascertainable by calibration or test, or analytically in accordance with acceptable international oil industry practice; or in the absence thereof;
  - (b) By using the readings of a check meter, if installed, and accurately registering; or in the absence thereof;
  - (c) By using an alternate acceptable form of measurement.

## **ARTICLE 9 SHIPPING & LOADING**

### 9.1 Lay days

- (a) The firm lay days are defined as the range of 2 days within 1<sup>st</sup> January 2024 to 31<sup>st</sup> January 2024 for the 1<sup>st</sup> lot in which the Buyer shall arrange to pick-up crude from delivery point. These dates are to be intimated by Buyer to Seller before 7 days
- (b) The Seller shall have a sufficient quantity of the crude oil deliverable under the Agreement available at the Loading Terminal so as to enable loading to commence and continue on an uninterrupted basis.

### 9.2 **Buyer Nomination of vessel**

- (a) Unless otherwise specified, delivery hereunder shall be given and taken in one full cargo Lot.

- (b) Each Vessel shall be nominated in writing by the Buyer to the Seller. Such nomination shall specify:
  - (i) The name of vessel, date built, summer deadweight, LOA, arrival & departure draft and displacement, and flag.
  - (ii) Approximate quantity to be loaded.
  - (iii) The ETA of vessel
  - (iv) Destination(s) of the vessel.
  - (v) Such other information as required by the Loading Terminal from time to time.
  - (vi) Confirmation that vessels complies with the requirement of Loading Terminal.
- (c) The marine vessel nomination by the Buyer shall not be effective unless it is received by the Seller not later than 03 days prior to the first day of the firm ed layday(s).

### **9.3 Substitution of marine vessel**

In respect of any nominated marine vessel, the Buyer may, or if necessary to perform its obligations under the Agreement must, substitute therefor another marine Vessel provided always that:

- (a) The size of substitute marine vessel and the quantity to be loaded shall not, without prior written consent of the Seller, differ materially from the size of the vessel previously named and the quantity specified in the nomination;
- (b) The laydays which would have applied in respect of the vessel originally nominated shall apply to the substitute marine vessel.

### **9.4 Rejection of nomination and vessel**

- (a) For Off-shore Loading Terminal: The Seller shall give notice accepting or rejecting any Vessel nominated by the Buyer within 2 Business days of receipt of the Buyer's nomination.
- (b) Notwithstanding anything to the contrary express or implied elsewhere herein, the Seller shall have the right:
  - (i) To reject any nomination made by the Buyer pursuant to 9.2 and 9.3 on any reasonable ground; and or
  - (ii) To refuse, on any reasonable ground, to accept for loading any Vessel named pursuant to 9.2 and 9.3 and or

- (iii) To reject the Vessel in question, notwithstanding any prior acceptance of such Vessel (whether nominated or substituted pursuant to 9.2 and 9.3 ), on any reasonable ground if such vessel is involved in any incident or more recent information regarding such vessel becomes available to the Seller which indicates that the information relied upon by the Seller in previously accepting the Vessel was materially incorrect/incomplete.

## **9.5 Regulation at Loading Terminal**

- (a) All restrictions at the Loading Terminal with respect to the maximum draft, maximum displacement, favourable tide for berthing, LOA, deadweight, age, flag, the procedures relevant to health, safety and Vessel operations and all applicable governmental, local and port authority regulations and any other applicable requirements of whatever nature in force at the Loading Terminal shall apply to the Buyer's Vessel. Notwithstanding section 9.5.b, the Buyer shall be deemed to be fully familiar with such Loading Terminal requirements and shall nominate a Vessel that can comply with such requirements at all the time.
- (b) The Seller shall provide all information regarding restrictions at the Loading Terminal and such other Loading requirements that are readily available to it, upon Buyer's written request.

## **9.6 Liability**

The Seller shall not be liable for the consequences of rejection or delay (including but not limited to Demurrage) of the vessel or the restriction suffered in respect of the Vessel by virtue of the application of any regulations or other requirements of Article 9.2, 9.3, 9.4, 9.5 and the Buyer shall be liable for any costs or damages incurred by the Seller arising out of any such rejection of, delay to or restricting of the Vessel.

## **9.7 Arrival of Vessel, Loading, Berth etc. <Can be discussed and agreed before COSA execution after input from Shipper>**

- (a) Arrival of Vessel
  - (i) The Buyer shall arrange for its marine Vessel to report its ETA to the Loading Terminal, with a copy to Seller, at least 72 hours, 48 hours, 24 hours, 12 hours prior to its arrival and otherwise in accordance with the standard reporting procedure applicable from time to time at the Loading Terminal in question. If the Buyer's Vessel fails, for any reason, to give at least 24 hours prior notice of arrival at the Loading Terminal, the time allowed to the Seller for loading pursuant to Article 9.8 shall be extended by a period equal to the delay in giving such 24 hours' notice, but in any case not exceeding an additional 24 hours.

(ii) For Off-shore Loading Terminal: By no later than 1100 hrs. on firm layday the Vessel must have:

1. Arrived at the loading terminal in question (or the usual waiting ground/anchorage), and be in all respects ready to commence loading the crude oil deliverable hereunder; and
2. Tender a valid NOR. If NOR is tendered after 1100 hrs. on firm layday, marine vessel shall be deemed to have missed the laycan.

(b) Loading

After the receipt of the NOR pursuant to section 9.7, the Seller, having regard to the requirements of the Loading Terminal, Loading Terminal procedures and the time when the vessel has complied with the provisions of section 9.7.a, shall commence loading as soon as reasonably practicable.

(c) Berth for Off-shore Loading Terminal

- (i) If the berth in question requires the Buyer's marine vessel to be loaded from FSO, berthing operation shall take place on layday if marine vessel arrives at or before 1100 hrs and tender NOR pursuant to 9.7.a. In case, marine vessel arrives after 1100 hrs on the day, Seller is not liable to berth the Marine Vessel on same day.

(d) Vacation of berth

- (i) The Buyer's vessel shall indicate vessel readiness to move out of berth of the port/Loading Terminal in question as soon as possible after completion of loading provided Loading Terminal documents are delivered to the vessel at the berth. Loading Terminal shall not take more than 4 hours to prepare and deliver the Loading Terminal documents to the Master of the Nominated Vessel.
- (ii) If Vessel fails to provide vessels readiness after 4 hours of completion of loading due to cause with in the control of vessel and/or Buyer, any liability arising thereof shall be paid by the Buyer. For the avoidance of doubt, it is agreed that for the purpose of this section any technical failure or breakdown on the part of the vessel shall be a cause within the control of the vessel and the Buyer.

**9.8 Laytime, Delays, Demurrage**

(a) Laytime

- (i) For off-shore loading terminal: Time allowed to the Seller for the loading of the standard cargo size of 55 TMT crude oil deliverable hereunder to each vessel shall be 48 running hours, all days and holidays included. This shall be the Laytime. Any time lapsed on account of failure of Buyer's nominated vessel during berthing & loading operation and tendering NOR after 1100 hrs. on Firmed Layday shall not be the part of the time allowed. Moreover, the actual cargo size can be more or less than 55 TMT subject to mutual agreement between Buyer and Seller. And for every 1 TMT or part there of cargo quantity more than the standard cargo size of 55 TMT, allowed time shall increase on pro-rate basis at the rate of 1 hour/TMT. However, for any cargo size less than 55TMT, laytime will remain as 48 hours.

(b) Running hours

- (i) Except as otherwise provided in this section, provided always that the Buyer has complied with section 9.7.a, running hours shall commence:
1. 6 hours after a valid NOR is tendered to the Seller by the master of the vessel after its arrival at the Loading Terminal, or
  2. If the vessel moves directly to the berth, when the vessels is made all fast at the berth,

Whichever is earlier.

- (ii) If valid NOR is given for the vessel before the firmed layday, running hours shall commence at 0600 hrs. on the firmed layday or on commencement of loading whichever is earlier. If valid NOR is given for the vessel after the layday and is accepted for loading by the Seller in its sole and absolute discretion, then without prejudice to any of the Seller's other rights, running hour shall commence only on the commencement of loading.
- (iii) Time shall cease to run upon the commencement of final disconnection of ~~loading~~ hoses/chickson after completion of loading of the cargo. However, time shall recommence 4 hours after the completion of cargo if Seller is not able to produce loading terminal documents to the master of the vessel and shall continue until such documents are provided by the Seller.

- (c) Any delay arising out of or in connection with any of the following situations shall not be counted or included in calculating the time taken by the Seller to load the



shipment or the time in respect of which the Seller is liable for demurrage (whether or not vessel is already on demurrage):

- (i) Awaiting immigration, customs;
- (ii) Bunkering unless concurrent with cargo operation;
- (iii) Restrictions imposed by the owner, charterer or master of vessel;
- (iv) Any breakdown of the vessel's equipment or failure to comply with the requirements of the Loading Terminal with respect to equipment aboard;
- (v) Cleaning and inspection of vessel cargo tanks;
- (vi) Any delay attributable to loading rate restriction at marine vessel;
- (vii) Any delay in berthing and/or loading of the cargo, attributable to , berth and port safety, which will be as declared by the mooring master for offshore loadings.
- (viii) Any other delay attributable to the vessel, the Buyer or agents of the Buyer.

(d) Demurrage

- (i) If the nominated cargo is not loaded within the time allowed in accordance with section 9.8.a, the time so allowed shall be extended till the commencement of final disconnection of hoses/chickson after completion of loading, and Seller shall pay to the Buyer demurrage in currency USD/day in respect of the excess time at the appropriate rate per day (or pro-rata for part of the day) as herein specified. In the event of delay directly attributable to fire or explosion or breakdown of failure of equipment, plant or machinery at the Loading Terminal, the rate of demurrage shall be reduced by half for the period of such delay.
- (ii) The appropriate rate of demurrage shall be;
  - 1. Demurrage rate as per Charter party. Buyer shall provide relevant extract of Charter party document to ascertain Charter party rate.
  - 2. Any demurrage incurred on account of bad weather shall be shared equally between Buyers and Sellers
- (iii) Any demurrage claim must be notified to the Seller in writing within 60 days of the date of loading of cargo, with full supporting documents (the time computation, NOR, statement of facts, where applicable evidence of charter party rate). Seller may seek any other documentation as reasonably required. If the Buyer fails to give such notice or provide such documentation within above time limits, then the Buyer's claim shall be deemed to be forfeited and

any liability of the Seller for such demurrage shall be extinguished.

## **ARTICLE 10**

### **PRICE**

- 10.1 The Price to be paid by Buyer to Seller for the Quantity of Crude Oil sold shall be as set forth in the PRICING SHEET as Schedule G of this Agreement and shall be payable in accordance with this Agreement.
- 10.2 Discount on account of BS&W shall be applicable as per Schedule G.

## **ARTICLE 11**

### **TAXES AND DUTIES**

- 11.1 All taxes duties, imposts, fees, charges and dues of every description (including Royalty and OID Cess) other than the duties and taxes mentioned in Schedule G or elsewhere in the Agreement which Buyer has agreed to bear and pay, which are presently imposed or levied by any governmental, local or port authority on the Crude Oil supplied hereunder, in respect of any stage up to transfer of title and risk in such Crude Oil being transferred to Buyer, shall be borne by Seller.
- 11.2 All applicable taxes & duties in respect of transfer of title and risk in the crude oil (including sales tax / VAT) shall be on Buyer's account. Further, Buyer agrees to pay the taxes and duties mentioned in Schedule G.
- 11.3 Currently, Crude Oil is out of purview of GST. Buyer agrees to pay full GST from the date Crude oil is brought under GST.

## **ARTICLE 12**

### **BILLING AND PAYMENT**

#### **12.1 Billing Period:**

- (a) NA
- (b) For deliveries through Marine Vessel

The "Bill of Lading Date" (B/L date) for individual shipment shall constitute the Billing Period.

## **12.2 PRICING PERIOD**

- (a) Not used

**12.3** Buyer shall pay all amounts due to Seller for the Crude Oil sold hereunder based on the following Billing Periods and on or before the Due Date specified herein:

- (i) Invoice shall be raised by the Seller on the Buyer for each Bill of Lading. For deliveries by marine vessels, , the Due Date for payment shall be 30 days from the bill of lading date. B/L date is to be considered as day zero. Buyer shall ensure payment, based on the invoices raised by the Seller, on or before the Due Date.

(b) Seller shall submit to the Buyer, not later than 5 working days prior to the payment Due Date

- (i) An Invoice setting out Seller's computation of the Amount Due for that Shipment {as mentioned in 12.1 above} in accordance with this Agreement;

(ii) Supplementary Invoice, if any, for the previous billing period (s).

(iii). In case Supplementary Invoice /Debit Note / Credit Note, if any raised less than 5 working days prior to the payment due dates, as specified in Clause 12.3(a) and (b) above, payment for the Supplementary Invoice /Debit Note / Credit Note shall be made by the Buyer or the Seller within 5 working days from the date of such Supplementary Invoice /Debit Note / Credit Note.

**12.4** Digitally signed invoice / A scanned copy of the signed invoice or Supplementary Invoice shall be sent by facsimile or e-mail to the Buyer as set forth in Schedule G ( Pricing Sheet) or to such other number or e-mail address as Buyer may from time to time intimate by notice to Seller . Original copy of the Invoice, shall be sent by Speed Post / Courier only in case such requirement is submitted by the Buyer to the Seller in advance.

**12.5** Buyer shall arrange remittance of the Amount Due for invoice and any amount due for a Supplementary Invoice on or before the Due Date specified herein via electronic transfer/telegraphic transfer to the bank(s) and account(s) nominated from time to time by Seller by written notice. Buyer shall provide (by facsimile

transmission/e-mail to a designated officer of Seller) details of Buyer's payment at the time of any such payment. The cost incurred in arranging electronic or telegraphic transfers shall be borne by the Buyer.

- 12.6** If both of Buyer's banks and Seller's banks are closed on the Due Date on account of scheduled holiday, the payment will be made on the working day previous to the aforesaid Due Date. If Buyer's Bank is closed on account of Scheduled holiday but Seller's Bank is open, on the Due Date, Buyer shall arrange to make payment on or before such Due date.
- 12.7** If Buyer's banks and/or Seller's banks are closed for two consecutive days or more on account of scheduled holiday, any payment due on the first such day shall be made on the working day prior to the Due Date of payment and any payment due on the second day or following day(s) shall be made on the first working day following such closure.
- 12.8** In case of unscheduled closure of either or both Buyer and Seller's banks on the Due Date, the payment will be made on the following working day.
- 12.9** Notwithstanding anything contained in clause 12.6 to 12.8, in case payment Due Date falls on Saturday, payment shall be made on Friday whereas when payment Due Date falls on Sunday, payment shall be made on Monday.
- 12.10** In the event of dispute regarding billing and payment, Buyer agrees that all payments due hereunder shall be paid in full, without any set off or deduction, and shall be subsequently adjusted if so agreed by the Parties or, failing agreement within 90 days, the same shall be referred to an Expert. Buyer shall not make any unilateral/ arbitrary deduction/adjustment on any account, other than for Crude oil supplies under this Agreement, from payments due for crude oil supplies.
- 12.11** Interest on overdue payments beyond the due date shall accrue as of and including the Due Date for payment and ending on but excluding the date of payment. Interest shall be calculated at State Bank of India (SBI) Yearly MCLR plus 4% for first 30 days and thereafter at SBI Base Rate plus 5% compounded each quarter.

### **ARTICLE 13**

#### **PAYMENT SECURITY**

- 13.1** Non- PSU Buyer shall give a security deposit in the form of bank guarantee from Nationalized/Scheduled Commercial Bank (as per format provided in SCHEDULE-E of the COSA) within 15 days from the Date of NOA with a validity of Date of NoA plus 90 days, so as to cover the security of payment against the crude oil supply. The value of this Bank guarantee would be for the value of 1 Lot as per quantity in the Notice of Award . This amount would be calculated considering the crude oil price construct as at Sl. 9 of **Schedule G**. The applicable Benchmark

Crude Oil Price and Exchange Rate would be the average rate for the month preceding the month in which NOA is awarded.

- 132 For subsequent NoAs as and when a tradeable parcel is available will be awarded as per Article 6, Buyer has to give security deposit as per article 13.1 if applicable.

#### **ARTICLE 14** **SCHEDULED OUTAGES**

- 14.1 Buyer / Seller shall give the other party sufficient notice (30 days in advance on best endeavour basis) in writing, before the beginning date and the duration of the scheduled Outage. Both Parties agree to coordinate and make their best efforts / endeavours for matching the outage period wherever feasible. In any event the total period of Scheduled Outage for each Party shall not exceed 15 days in contract period.

#### **ARTICLE 15 CHANGE IN LAWS, REGULATIONS, ORDERS, ETC**

- 15.1 It is understood by both Parties that they are entering into the Agreement in reliance on the Laws, Regulations and Orders in effect and in force on the date hereof.
- 15.2 If at any time and from time to time during the currency of the Agreement any Laws, Regulations and Orders are changed or new Laws, Regulations and Orders have become or are due to become effective and the material effect of such changed or new Laws, Regulations and Orders; (a) is not covered by any other provisions of this Agreement, and (b) has or will have a materially adverse economic effect on either party, the affected party shall have the option to require renegotiation of the Price or other relevant terms of the Agreement. Such option may be exercised by the affected party by written notice to the other party at any time after such changed or new Laws, Regulations and Orders are promulgated, such notice to contain the terms desired by the affected party. If the Parties do not agree upon new Price or terms satisfactory to both Parties within 30 days after the date of the affected party's notice, the affected party shall have the right to terminate the Agreement immediately at the end of such 30 -day period. Any Crude Oil delivered during such 30-day period shall be sold and purchased at the existing Price and on the terms applying under the Agreement without any adjustment in respect of the new or changed Laws, Regulations and Orders.

#### **ARTICLE 16** **FORCE MAJEURE**

- 16.1 Except for its obligation to make payment for any past dues already accrued, neither Seller nor Buyer shall be responsible for any failure or delay in fulfilling any terms of this Agreement caused due to Force Majeure. The term "Force Majeure" shall mean unavoidable causes reasonably beyond the control and without the fault or

negligence of either party including but not restricted to acts of God or sabotage, fires, floods, cyclones, typhoons, earthquakes, wars (declared or undeclared), hostilities, invasion, blockades, riots, epidemics, quarantine restrictions, nationwide strikes, freight embargos, civil commotion or any order of Government, any court, local authority having jurisdiction or anybody or person purporting to be or to act for such authority. In case of Force Majeure, the Parties agree to provide 48 hours' notice to be served by the affected Party as per Article 16.2 herein below.

- 162 In the event of Force Majeure, the affected Party shall provide notice promptly and in no case later than 48 hours after the occurrence of event of Force Majeure, notifying the other Party with respect to the ongoing Force Majeure event, giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons of its suspension and the affected Party's ability to recommence performance of its obligations under the Agreement as soon as possible.
- 163 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.
- 164 In the event of Force Majeure, the Parties agree to use best efforts to remedy the event of and mitigate the effect of Force Majeure.

## **ARTICLE 17 TERMINATION**

- 17.1 This agreement shall terminate upon expiry of its Term.
- 17.2 Seller may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving [30] days' notice to Buyer, suspend deliveries of the Crude Oil or upon giving [30] days' notice to Buyer terminate the Agreement if:
- (i) Buyer for any reason whatsoever fails to make any payment due to Seller under the Agreement by the Due Date, and such failure remains unremedied at the expiry of the aforesaid notice period;
  - (ii) Buyer is in substantial breach of its material obligations under the Agreement and such breach or failure remains unremedied at the expiry of the aforesaid notice period;
  - (iii) Buyer fails to take delivery of Crude Oil it is obligated to under this Agreement and such failures are not excused by any other provision in the Agreement;
  - (iv) A Buyer event of Force Majeure continues for 30 days or more;
  - (v) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Buyer;

- (vi) Buyer becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- (vii) A receiver is appointed for the whole or significant part of the assets or undertaking of Buyer;
- (viii) Buyer ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued out upon or against any significant part of the property of Buyer and is not discharged until [90] days;
- (ix) Pursuant to Article 15.2 Laws, Regulations, and Orders, the Parties fail to agree to a new Price or terms satisfactory to both Parties;
- (x) If Buyer is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
- (xi) Buyer has passed a resolution to apply to a competent court for liquidation.

17.3 Buyer may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving [30] days' notice to Seller, terminate the Agreement if:

- (i) Seller is in substantial breach of its material obligations under the Agreement and such breach or failure remains unremedied at the expiry of the aforesaid notice period;
- (ii) A Seller event of Force Majeure continues for 30 days or more;
- (iii) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Seller;
- (iv) Seller becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Buyer's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- (v) A receiver is appointed for the whole or significant part of the assets or undertaking of Seller;
- (vi) Seller ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued out upon or against any significant part of the property of Seller and is not discharged until [90] days;

- (vii) Pursuant to Article 15.2 Laws, Regulations and Orders, the Parties fail to agree to a new Price or terms satisfactory to both Parties;
  - (viii) If Seller is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
  - (ix) Seller has passed a resolution to apply to a competent court for liquidation.
- 17.4 In the event of Seller suspending deliveries of Crude Oil in any of these circumstances referred to in Article 17.1, Seller may, so long as the event continues, and in addition to any other legal remedies it may have, forthwith upon giving the appropriate notice to Buyer , terminate the Agreement.
- 17.5 If pursuant to the provisions of Article 17.1, Seller withholds, reduces or suspends delivery of the Crude Oil, then Seller shall be under no obligation to make up any quantity of the Crude Oil which would have been delivered to Buyer but for such withholding, reduction, or suspension.
- 17.6 Any termination of the Agreement shall be without prejudice to the rights and obligations of either Party as accrued at the date of termination.
- 17.7 Notwithstanding anything to the contrary express or implied elsewhere herein:
- (i) Seller (without prejudice to its other rights) may at its sole discretion either terminate the Agreement forthwith suspend delivery under the Agreement until further notice, on notifying the other party either orally (confirming such notification in writing) or by notice in writing, if Buyer:
    - (1) fails to make any payment due to Seller under the Agreement in full and punctually by the Due Date;
    - (2) fails to take delivery in accordance with the Quantity or Delivery provisions of the Agreement

## **ARTICLE 18**

### **DISPUTE RESOLUTION**

- 18.1 Except as otherwise provided elsewhere in the Agreement, if any dispute, difference, question or disagreement arise between the parties hereto or their respective representatives or assignees, at any time in connection with construction, meaning, operation, effect, interpretation of the Agreement or breach thereof which parties are unable to settle mutually, the same shall be settled as per provided under **Schedule F** of this Agreement.

## **ARTICLE 19**



## **INSURANCE OF CRUDE OIL**

19.1 The responsibility for securing insurance for the Crude Oil, from marine or other risks lies completely with the Buyer after the Crude Oil passes the Delivery Point as provided in this Agreement.

## **ARTICLE 20** **INDEMNITY**

20.1 Any loss, damage, liability, cost and/or expense related to:

- (a) any injury to, ill health, disease or death of an employee or a contractor or subcontractor of a Party (or any employee of such contractor or sub-contractor); and/or
- (b) actual physical loss to a Party's facilities;

which is caused by either Party's operations at or near the Custody Transfer Point, shall be borne by the Party causing such loss, damage and/or cost or the Party which has engaged the relevant employee or contractor or sub-contractor, causing such loss, damage and/or cost and the Party bearing as aforesaid such loss, damage, liability, cost and/or expense shall defend, indemnify, hold harmless and release the other Party in respect of such loss, damage, liability, cost and/or expense.

20.2 Whenever a Party (the "**Indemnitee**") becomes aware of a claim in respect of which it will or may be entitled to require the other Party (the "**Indemnitor**") to defend, indemnify, hold harmless and release it pursuant to this Article above, the Indemnitee shall promptly notify the Indemnitor and the Indemnitee shall take such action as the Indemnitor may reasonably request to avoid, dispute, resist, appeal, compromise or defend the relevant claim and any judgement in respect thereof, subject to the Indemnitee being indemnified and secured to its reasonable satisfaction by the Indemnitor against all losses, costs, damages and expenses relating to such claim including, without limitation, those thereby incurred or to be incurred. If the Indemnitor does not request the Indemnitee to take any appropriate action as aforesaid, or shall fail to indemnify and secure the Indemnitee to its reasonable satisfaction within twenty-eight 28 days of the notice to the Indemnitor, the Indemnitee shall be free to pay or settle the relevant claim on such terms as it may in its absolute discretion think fit and thereafter recover from the Indemnitor pursuant to the Indemnitee's rights under this Article.

## **ARTICLE 21** **ASSIGNMENT/SUB-CONTRACTING**

21.1 Neither Party shall assign any of its rights or transfer or subcontract any of its obligations under this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld. In the event of an assignment in accordance with the terms of this Article, the assignor shall nevertheless remain responsible for the proper performance of the Agreement. Any assignment not made

in accordance with the terms of this Article shall be void.

## **ARTICLE 22 LAW AND JURISDICTION**

22.1 This Agreement shall be governed by and construed in accordance with the laws of India and the Parties submit to the exclusive jurisdiction of the Mumbai courts.

## **ARTICLE 23 NOTICES**

23.1 All notices given by either party to the other under this Agreement shall be in writing.

23.2 Any notice or other communication required to be given pursuant to this Agreement shall be given by delivering the same by hand at, or by sending the same by registered/speed post (air mail if to an address outside the country of posting) to the address of the relevant Party set out in this Agreement or by fax, e-mail using the relevant number set out below or such other address as either Party may notify to the other from time to time. Any notice or other communication given as aforesaid shall be deemed to have been given at the time of delivery (if delivered by hand) or on transmission of the recipient's automatic answerback (if sent by fax) or when received (if sent by post):

- (i) For Seller: As set forth in Schedule B.C of this Agreement as Seller's address and Contact; and
- (ii) For Buyer: As set forth in Schedule B.C of this Agreement as Buyer's address and Contact.

## **ARTICLE 24 CONFIDENTIALITY**

24.1 Subject to the further provisions of this Article 24, each Party shall maintain in confidence in accordance with the standards of care and diligence that it utilises in maintaining its own confidential information the terms of this Agreement and any information supplied or obtained by a Party pursuant to the terms hereof ("**Confidential Information**").

24.2 Notwithstanding Article 24.1, confidential information will not be termed as confidential if

24.3 Disclosure of such information is required by law;

24.4 Disclosure of such information is required by any securities exchange or regulatory or governmental body to which such Party is subject or submits, wherever situated, whether or not such requirement for information has the force of law;

24.5 Such information is disclosed to the professional advisers, auditors, bankers of a Party provided that such Party procures that such persons protect such Confidential Information on the same terms as and agrees to be bound by as if it were a Party to this Article;

- 24.6 Such Information is already in the public domain through no fault of that Party;
- 24.7 The other Party has given prior written approval to for the disclosure of such information to the disclosing party;
- 24.8 Such information is disclosed to any potential assignees or transferees of such Party provided that such Party procures an undertaking in writing that the potential assignee or transferees protects such Confidential Information on the same terms as and agrees to be bound by as if it were a party to this Agreement.

**ARTICLE 25**  
**NO AGENCY**

- 25.1 Neither Party shall, and each shall procure that its directors, officers and employees in that capacity, shall not, represent itself or otherwise hold itself out as an agent or other representative of the other Party or otherwise hold itself out as having any authority to bind the other of them unless such person is validly authorized to do so.

**ARTICLE 26**

- 26.1 NOT USED

**ARTICLE 27 EFFECT OF INVALIDITY, ILLEGALITY, UNENFORCEABILITY**

- 27.1 The invalidity, illegality or unenforceability of any of the terms of this Agreement in any respect for whatever reason under the law of any jurisdiction, shall not affect or impair the validity, legality or enforceability in that jurisdiction of any other provision of this Agreement, or under the law of any other jurisdiction of that or any other provision of this Agreement. The Parties shall make all reasonable endeavours to agree as far as possible that invalid terms shall be amended or replaced by valid terms with a similar effect in order to maintain the purpose and continuity of this Agreement and till the amendments are carried out, such invalid terms will be inoperative in relation to the rights and obligations of the Parties under this Agreement.

**ARTICLE 28**  
**GOOD FAITH**

- 28.1 Each of the Parties shall, and shall use all reasonable endeavours to procure that any necessary third party shall, at its own cost, so execute or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to

perfect the transaction referred to herein, and to give effect to the terms of this Agreement.

**ARTICLE 29**  
**WAIVER**

- 29.1 No delay or omission on the part of either Party in exercising any right, power or remedy provided by law or under this Agreement, nor any indulgence granted by any Party to any other Party, shall impair such right, power or remedy, or be constructed as a waiver thereof, nor shall the single or partial exercise of any right, power or remedy provided by law or under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 29.2 Any waiver shall relate only to the matter, non-compliance or breach as it expressly relates to and shall not apply to any subsequent or other matter, non-compliance or breach.

**ARTICLE 30**  
**CUMULATIVE REMEDIES**

- 30.1 Except as expressly provided herein, the rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

**ARTICLE 31**  
**ENTIRE AGREEMENT**

- 31.1 This Agreement and the documents referred to therein or that are expressed to be entered into in connection with it and other agreements entered into contemporaneously with this Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any past understanding, agreement, side letter, amendments, etc. Each of the Parties hereby acknowledges that, in entering into this Agreement it has not relied on any representation or warranty save as set out expressly herein or in any document referred to herein.

**ARTICLE 32**  
**AMENDMENTS**

- 32.1 No variation of or amendment to any of the terms of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties and no waiver of any provision hereof shall be effective unless it is in writing and signed by the Parties against whom such waiver is sought to be entered.

**ARTICLE 33**  
**NO PARTNERSHIP**

33.1 Nothing in this Agreement shall constitute or be deemed to constitute the relationship of principal and agent or of a partnership between the Parties and neither of them shall have any opportunity to bind the other in any way or for any purposes.

**ARTICLE 34**  
**PRIVITY**

34.1 This Agreement is intended solely for the benefit of the Parties and is not intended to confer any benefits on, or create any rights in favour of any other person.

**ARTICLE 35**  
**COUNTERPARTS**

35.1 This Agreement may be executed in multiple counterparts simultaneously, each of which shall be an original, but all of which shall constitute a single instrument.

**ARTICLE 36**  
**COMPLIANCE WITH LAWS**

36.1 In carrying out the obligations, the Parties shall comply with all applicable statutes of India as may be amended from time to time.

**ARTICLE 37**  
**APPROVALS**

37.1 Each Party shall be responsible for obtaining all consents, authorizations, approvals and assurances of whatsoever nature necessary to enable it to comply with its obligations under the Agreement.

**ARTICLE 38 CONSEQUENTIAL LOSS, LIMITATION OF LIABILITY**

38.1 Except as expressly provided for in this Agreement, neither Buyer or Seller shall be liable for consequential, indirect, remote, unforeseen or special losses/damages or for loss of control, profit or product of any kind arising out of or in any way connected with the conclusion, the performance or non or mis-performance or the

termination of this Agreement, and whether arising in contract, tort including negligence or breach of duty, statutory, or otherwise.

**ARTICLE 39**  
**REPRESENTATIONS**

39.1 Without prejudice to any liability for any fraudulent misrepresentation, each of the Parties hereby acknowledge to the other Party that it has not entered into this Agreement in reliance upon any representations made by such other Party (other than any made fraudulently) and accordingly, neither Party shall have any remedy against the other Party in relation to misrepresentation.

**ARTICLE 40**  
**NON-EXCLUSIVITY**

40.1 Both parties to this agreement agree that entering into this agreement will not be a bar / limitation for either party to enter into similar agreements with other parties.

**AS WITNESS** the hands of the duly authorized representatives of the Parties the day and year first above written.

**Signed on behalf of the**  
**Hindustan Oil Exploration Company Limited**

By:

In the presence of:

**Signed on behalf of the**  
**<Buyer>**

By:

In the presence of:

**SCHEDULE A**

Loading Terminals			
<b>Supply Location</b>	<b>Terminal Type</b>	<b>Loading Point</b>	<b>Delivery Mode</b>
Mumbai Offshore	Off-shore Terminal	Prem Pride	Marine Vessel

**SCHEDULE B**

A. **Typical Crude Oil Characteristics**

**B-80 Crude oil Assay shared as a separate document. This is indicative of the crude quality**

## **SCHEDULE C**

### **PLANNING, AND NOMINATION OF QUANTITIES**

#### 1. Nomination

- a. Seller shall indicate the Buyer the quantity available for sale as and when a tradeable parcel becomes available for sale. First lot size is between 3,60,000 to 4,40,000 barrels. Subsequent lot sizes can be determined based on mutual agreement between Seller and Buyer for the subsequent lots.
- b. The buyer shall respond with confirmation to offtake to seller within 15 days of receiving the communication/nomination from the seller, following which a notice of award will be issued by seller. Buyer shall plan to offtake within the next 30 days subsequent to issuance of Notice of Award.



## SCHEDULE D

### Custody Transfer Quantity: Sample Calculation

SR NO	HEADING	DESCRIPTION
1	Oil and water at Observed Temp in M3	Reading taken from ship tanks using VEF, dip has to be taken correctly. VEF from ship document.
2	Percentage of water (free water) as per auto sampler/ship	
3	Water vol in m3 (2 X 1)	
4	Gross oil volume (1 - 3)	
5	Volume at 15 deg C in M3	1 * 6
6	Volume Reduction Factor (5/1)	From surveyor document, Table 54A has to be checked correctly
7	Standard volume in M3 at 15 C	Does not include free water, 4*6
8	B.S & W % v/v	Calculated from sample in the lab
9	B.S & W in m3, (7 X 8/100)	Calculation
10	Net Oil Volume in M3 at 15 C (7 - 9)	Dry oil volume at normal pressure
11	Weight Reduction Factor	Density -0.0011, Table 56
12	Net qty in MT (10 X 11)	Conversion of volume to weight in air
13	Quantity in barrels(10 X 6.29297)	Dry crude in bbls, invoice generated on this no
14	B/L	Point 5 X Point 11
	Ship quantity + H2O	

Sampling for BS&W to be done after draining free water

## SCHEDULE E

### Payment Security Deposit

**Bank Guarantee format toward payment security**

To: [SELLER/ BENEFICIARY]  
[ADDRESS]

**BANK GUARANTEE. NO.:** \_\_\_\_\_

**Name of Beneficiary:** \_\_\_\_\_

**Name of Applicant:** \_\_\_\_\_

**Bank Guarantee Amount:** ₹ \_\_\_\_\_ . **Expiry Date:** \_\_\_\_\_ .

At the request of the \_\_\_\_\_ (“**Applicant**”), we, \_\_\_\_\_ (“**Issuing Bank**”) hereby provide bank guarantee no. \_\_\_\_\_ Dt. \_\_\_\_\_ in favour of \_\_\_\_\_, (the “**Beneficiary**”) for Rs. \_\_\_\_\_ (the “**Value**”) as per following terms and conditions:-

1. This Bank Guarantee is issued as required under Crude oil sales Agreement [the Agreement] dated \_\_\_\_\_ to cover payments to be made by the Applicant to the Beneficiary for supply of natural gas under the AGREEMENT executed between the Applicant and the Beneficiary. This Bank Guarantee will be valid in respect of the documents such as Invoices/Debit notes/Statement of claims/ Demand letters etc. raised under the Agreement, as well as supplementary agreements, Side Letters, Term Sheet, amendments etc. and other addenda thereof.
2. All bank charges including opening, negotiation, handling, amendment, renewal, related to this Bank Guarantee shall be borne by the Applicant. However, charges of the advising bank shall be borne by the Beneficiary.
3. We \_\_\_\_\_ (Name of the Bank) hereby irrevocably and unconditionally undertake to promptly pay all amounts drawn upon this Guarantee under the terms of the Agreement up to the Guaranteed Amount.
4. This Bank Guarantee shall also cover Beneficiary’s requests for partial payment and/or multiple drawings. If and when invoked, the Applicant shall replenish the Bank Guarantee sum promptly.
5. The validity of Bank Guarantee will be up to \_\_\_\_\_ from date of issuance.
6. The Issuing Bank undertakes not to amend any of the terms and conditions of this Bank Guarantee without prior consent of Beneficiary during the validity of this Bank Guarantee.
7. This Guarantee shall not be affected by any appointment of receiver, liquidator, administrator of assets, insolvency, bankruptcy or winding up, amalgamation, re-organization or restructuring of \_\_\_\_\_ (Name of the Applicant) or any pending legal proceedings or dispute between the parties.
8. Payments under this Guarantee to \_\_\_\_\_ (Name of the Beneficiary) 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.

9. This Bank Guarantee shall be subject to jurisdiction of courts of law in Chennai.

Notwithstanding anything to the contrary contained hereinabove

- a) Bank's liability under this Bank Guarantee shall not exceed Rs. \_\_\_\_\_
- b) This Bank Guarantee shall be valid upto \_\_\_\_\_ and,
- c) Bank is liable to pay the Bank Guarantee amount or any part thereof under this Bank Guarantee only and only if the Beneficiary serve upon us a written claim or demand on or before \_\_\_\_\_ (Expiry Date).  
Yours faithfully

(Sign of authorized Officer of Bank)

**SCHEDULE F**  
**ARBITRATION AND DISPUTE RESOLUTION**

- a. The PARTIES shall use their best efforts to settle amicably all disputes, differences or claims arising out of or in connection with any of the terms and conditions of this agreement or concerning the interpretation of the provisions of this agreement or performance thereof (hereinafter in this Article referred to as a “dispute”).
- b. Parties may agree to refer the dispute to a sole expert who shall be an independent and impartial person of international standing with relevant qualifications and experience appointed by a written agreement between the Parties and who shall not by virtue of nationality, personal connection or commercial interest, have a conflict between his/her own interest and his/her duty as a sole expert. In the event the Parties fail or are unable to agree on a sole expert within thirty (30) days or such longer period as may be mutually agreed by the Parties, the matter shall be referred to arbitration. Any sole expert appointed shall be acting as an expert and not as an arbitrator and the decision of the sole expert on matters referred to him/her shall be final and binding on the Parties and shall not be subject to arbitration.
- c. Subject to the provisions of this agreement, the Parties hereby agree that any dispute arising between the parties which cannot be amicably settled within sixty (60) days after the dispute arises, may (except those referred to a sole expert as per clause 12.2) be submitted to conciliation or an arbitral tribunal for final decision as hereinafter provided.
- d. The arbitral tribunal shall consist of three arbitrators. Each Party to the dispute shall appoint one arbitrator and the Party shall so advise the other Parties. The two arbitrators appointed by the Parties shall appoint the third arbitrator.
- e. Any Party may, after appointing the arbitrator, request the other Party in writing to appoint the second arbitrator. If such other Party fails to appoint an arbitrator within thirty (30) days of receipt of the written request to do so, such arbitrator may, at the request of the first Party, be appointed in accordance with Arbitration and Conciliation Act, 1996.
- f. If the two arbitrators appointed by or on behalf of the Parties fail to agree on the appointment of the third arbitrator within thirty (30) days of the appointment of the second arbitrator and if the Parties do not agree otherwise, at the request of either Party, the third arbitrator shall be appointed in accordance with Arbitration and Conciliation Act, 1996.
- g. If any of the arbitrators fails or is unable to act, his successor shall be appointed by the Party who originally appointed such in the manner set out in this Article as if he was the first appointment.
- h. The decision of the arbitral tribunal shall be pronounced within four (4) Months unless otherwise extended by the Parties, and, in case of difference among the arbitrators the decision of the majority shall be final and binding on the Parties.
- i. The arbitration agreement contained in this Article shall be governed by Arbitration and Conciliation Act, 1996. Arbitration proceedings shall be conducted in accordance with the rules for arbitration provided therein.
- j. The right to arbitrate disputes under this Agreement shall survive the expiry or termination of this Agreement.
- k. Prior to submitting a dispute to arbitration, the Parties may by mutual agreement subject the matter for conciliation in accordance with Part III of the Arbitration and Conciliation Act, 1996. No arbitration proceedings shall be instituted while conciliation proceedings are pending provided that a Party may initiate arbitration proceedings in the event that dispute has not been resolved by conciliation within sixty (60) days of the date of agreement by the Parties to submit such dispute to conciliation.
- l. The venue of the sole expert, conciliation or arbitral proceedings pursuant to this Article, unless the Parties agree otherwise, shall be Mumbai, India and shall be conducted in the English Language.

- m. The fees and expenses of a sole expert or conciliator appointed by the Parties shall be borne equally by the Parties. The cost and expenses of the arbitrator appointed by a Party shall be borne by the respective Party and the cost and expenses of the this arbitrator and other incidental expenditure in relation to arbitration and liability thereof shall be at the discretion of the arbitrators.

## SCHEDULE G

### PRICING SHEET

Template illustrating crude oil price working / build up

<b><u>COMPUTATION OF PRICING:</u></b>	
1	<p>Benchmark Price = <b>Reserve Price</b> :</p> <p><b>For Marine Vessel supplies:</b> in USD per barrel applicable for supplies under this Agreement shall be monthly average of the daily mean values of the high and low assessments of Dated Brent (PCAAS00) Crude Oil quotations (as published under the Spot Crude Assessment Heading in Platt's Crude Oil MARKETWIRE spot assessment) in US \$ per barrel for the month of supply in which the Bill of Lading (B/L) Date falls, calculated upto the date of B/L, to be rounded off to THREE decimal places</p>
2	<b>Quoted Price Bid</b> , as mentioned in Notification of Award (s) (NOT to be rounded off)
3	Not used
4	Applicable BS&W discount, to be rounded-off to THREE decimal places.
5	<b><u>Applicable price:</u></b>
(a)	in USD/bbl ,to be rounded off to THREE decimal places: (Benchmark Price <i>plus</i> Quoted Price Bid <i>minus</i> BS&W discount)
(b)	Monthly Average Exchange Rate for the month of supply, calculated upto the date of B/L, (RBI Reference rate as published by FBIL ), to be rounded off to TWO decimal places
(c)	in Rs/bbl (in USD/bbl(5a) * FE rate(5b)), to be rounded off to THREE decimal places
6	<b>Basic Excise Duty &amp; NCCD</b>
7	<b>Base for Sales Tax /CST/GST{(5(c) + 6 } to be rounded off to 3 decimal places</b>

8	<b>Applicable Taxes &amp; Duties (VAT/ Sales Tax /CST /GST) on Sl.no. 7 above: NOT to be Rounded off.</b>
9	<b>Price(Inclusive of Taxes&amp; levies) in Rs./bbl ( 7+8 ), rounded-off to THREE decimal places</b>

**Adjustments for Basic Sediments & Water (BS&W) discount for BS&W content shall be as under:**

<b>BS&amp;W level</b>	<b>Discount \$/bbl</b>
0.200 < BS&W ≤ 0.500 vol%	0.10
0.500 < BS&W ≤ 1.000 vol%	0.15
Above 1.000 vol%	For every increase of 0.500 vol % or part thereof over 1.000 vol%, additional discount of \$0.05/bbl shall be applicable
<ol style="list-style-type: none"> <li>1. Free water shall not be included in BS&amp;W.</li> <li>2. BS&amp;W % vol. shall be rounded off to three decimal places</li> </ol>	