

GAS SALES AGREEMENT

This Gas Sale Agreement (hereinafter interchangeably referred to as this "Agreement" or "Contract") executed on thisday of

BETWEEN

1. Selan Exploration Technology Limited, a company constituted under the Companies Act, 1956 having its registered office at Unit No. 455-457, 4th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurgaon, Haryana-122018, India (hereinafter referred to as "**Seller**", which expression shall, unless the context requires otherwise, include its successors and permitted assigns) of THE FIRST PART;

AND

2. XXXXX, having its Registered Office at XXXXXXXX (hereinafter referred to as "Buyer", which expression shall, unless the context requires otherwise, include its successors and permitted assigns) of THE SECOND PART.

The Seller and the Buyer are hereinafter referred to as such or individually as "Party" and collectively as "Parties", as the case may be.

WHEREAS

1. Seller is a party to the Production Sharing Contract ("PSC") with the Government of India ("GoI") dated 16 Feb 2004 in respect of Karjisan Field for exploration, development and production of natural Hydrocarbons from Karjisan Field (hereinafter referred to as the "Field")
2. The Buyer is desirous of purchasing Natural Gas for its own consumption from Seller's Gas distribution point located at Karjisan Field in vicinity of the Seller's gathering station or the Delivery Point as defined herein below.
3. The Buyer has agreed to purchase and the Seller has agreed to sell Natural Gas on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for the mutual considerations contained herein, the Parties hereby agree as follows.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Wherever used in this Agreement, the following words shall have the following meanings:

ASTM means the American Society of Testing Materials.

Business Days means any day other than a Sunday or a holiday in the State of Gujarat (as prescribed by the State Government of Gujarat).

Buyers Facilities means pipelines and metering facilities and (any other facilities) owned by the Buyer and installed at downstream flange of isolation valve at the Delivery Point.

Commencement Date has the meaning given to such term in Clause 6.1.

Contract Period has the meaning given to such term in Clause 4.1.

Daily Contract Quantity has the meaning given to such term in Clause 8.1.

Day means a period of twenty-four (24) consecutive hours beginning at 06:00 hours on a day and ending at 06:00 hours on the following day, and "Daily" shall be construed accordingly.

Delivery Point means the off-take point at the downstream flange of the isolation valve on the metering unit as identified in Schedule 2.

Delivery Pressure has the meaning given to such term in Clause 5.1.

Exchange Rate is INR amount equal to 1 United States Dollar rounded off to two decimal places, as published by Financial Benchmarks India Private Limited.

Financial Year means the period beginning on the 1st of April of one year and ending on the 31st of March of the subsequent year, both days inclusive.

Gas or Natural Gas means gas produced from oil and gas field wells, gas condensate wells and the residue gas remaining after processing such gas for the removal of liquefiable hydrocarbons and impurities there from, to meet the specifications specified in Schedule 1.

Gross Calorific Value or "GCV" shall mean the quantity of heat in British Thermal Unit ("Btu") or Kilocalories ("Kcal"), produced by complete combustion of one (1) Standard Cubic Meter of Gas with air at Standard Temperature and Pressure and all the water formed by combustion reaction has condensed to liquid and has released its latent heat.

Material Breach means a breach, act or omission, which adversely affects operations or facilities of either Party or business or performance or goodwill of either Party or which is serious in the widest sense of having a serious effect on the benefit which the terminating party would otherwise derive from

Measurement Equipment means such main and subsidiary meters, with valid weights and measures department certification including apparatus, mains and pipes, as the Seller considers necessary for the measurement and recording of the volume in SCM and pressure in Kg/cm²g of Gas delivered at the Delivery Point and for the safe operation of the Seller's Facilities.

Minimum Guaranteed Off take or **MGO** has the meaning given to such term in Clause 8.2.

MMBTU shall mean million British Thermal Units (International Table) based on Gross Calorific Value.

Planned Maintenance Period has the meaning given to such term in Clause 10.1.

PLR means Long Term Prime Lending Rate of State Bank of India from time to time.

Reasonable and Prudent Operator and its abbreviation "RPO" shall mean a person exercising that degree of skill, diligence, prudence and foresight, which would reasonably be exercised by an experienced operator as per industry practices.

SCM or **Standard Cubic Meter** means one standard cubic meter of Gas being the quantity of Gas required to fill one (1) standard 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 fifteen (15) degrees Celsius.

Security Instrument has the meaning given to such term in Clause 13.1.

Seller's Facilities means the reservoir in the gas Field, Seller's pipelines, gas plants, machinery, Measurement Equipment, other metering facilities and other equipment necessary for flow control and the processing, compression, measuring and testing of Gas to enable delivery of Gas to the Buyer at the Delivery Point.

Specification means the **specification of Gas** set out in Schedule 1.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

1. The descriptive headings of Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of this Agreement;
2. The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to any person or persons or circumstances as the context otherwise permits;
3. Reference to a person includes a body corporate, an incorporated body or other entity;
4. The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used, mean and refer to this Agreement and not to any particular Clause of this Agreement. The term "Section" and "Sub-section" mean and refer to the Clause and Sub-Clause of this Agreement so specified;
5. References to the word "includes" or "including" are to be construed without limitation;
6. References to a Party or a person shall include their respective successors, assignees or transferees (to the extent assignment or transfer is permitted under this Agreement);
7. All references to agreements, documents or other instruments shall be reference to that agreement, document or instrument as amended, supplemented, substituted, novated or modified from time to time;
8. All references to Annexures and Schedules shall be a reference to the Annexure or Schedule to this Agreement. The Annexures and Schedules form an integral part of this Agreement and in case of any inconsistency between the provisions of any Clause of this Agreement and any of its Annexure/Schedule, the provisions of the Agreement shall prevail over such Annexure/Schedule;
9. Any reference to time shall, except where the context otherwise requires, be construed as a reference to the time in India; and
10. References to any law, statute or rules shall include references to such law, statute or rules as it may be amended, supplemented or re-enacted from time to time.
11. Reference to MMBTU means MMBTU on Gross Calorific Value (GCV) basis.

Words and abbreviations which have well known technical or trade/commercial meanings are used in the Agreement in accordance with such meanings.

2 SALE AND PURCHASE

- a. The Seller agrees to sell and tender for delivery at the downstream flange of the isolation valve at the Delivery Point on as is where is basis, and the Buyer agrees to purchase, receive and take at the downstream flange of the isolation valve at the Delivery Point and pay for Gas in such quantities, at such times and at such prices determined in accordance with, and subject to, the terms and conditions of this Agreement.
- b. The Buyer shall not use the gas for any purpose other than those contemplated in this Agreement.

3 CONDITIONS PRECEDENT

- a. As a condition precedent to the commencement/execution of this Agreement, both Parties shall have obtained all required corporate and statutory approvals for the due performance of their respective obligations under this Agreement.
- b. Upon signing of this Agreement, Buyer shall provide advance refundable security deposit as per the provisions of Clause 13.
- c. The parties shall use reasonable endeavors to satisfy these conditions failing which the obligations of the parties shall not come into operation/cease and the Agreement unless otherwise agreed between the parties shall stand terminated.

4 CONTRACT PERIOD

4.1 Contract Period

This Agreement shall come into force on the date hereof and shall, subject to any early termination in accordance with the terms and conditions of this Agreement, expire after eighteen (18) months from the Commencement Date (hereinafter referred to as the "**Contract Period**").

4.2 Extension of the Contract Period

This Agreement may be renewed for a further period of six (6) months at the sole discretion of Seller, upon the same, revised or other terms and conditions as may be mutually agreed for the purposes of renewal. The buyer agrees to execute such documents as may be necessary to give effect to the Contract for the extended period.

5 DELIVERY OF GAS

5.1 Delivery

- a. The Seller shall deliver the Gas to the Buyer at the downstream flange of the isolation valve at the Delivery Point on as is where is basis in accordance with the terms and conditions of this Agreement.
- b. Gas pipeline after the downstream flange of the isolation valve at the Delivery Point (which would be the Seller's metering station) would be constructed and maintained by the Buyer at its own costs and risk. The Seller reserves the right to supply Gas to other Buyers before the upstream flange of metering system.
- c. The Buyer shall be responsible, at its own costs and risk, for making all necessary arrangements for receiving Gas at the Buyer's Facilities.
- d. The Seller shall deliver Gas to the Buyer at a pressure of upto 2.0 kg/cm²g at the Delivery Point (hereinafter referred to as the "**Delivery Pressure**").
- e. If requisite gas pressure at which Seller is required to deliver Gas is other than as agreed, Seller may use reasonable endeavors to enable the same but shall be under no obligation to do so and any resultant costs for pressure maintenance at Buyer's end thereto shall be borne by the Buyer.

- f. The Seller or his authorized representative shall have right of entry at all hours to the Gas Metering Station, route of pipeline up to all consumption points and gas consuming facilities inside the Buyer's premises.

6 COMMENCEMENT DATE

6.1 Commencement Date

Subject to Clause 3, the Seller shall commence delivery of gas and the Buyer shall take delivery of Gas at the Delivery Point from 1 March 2025 (hereinafter referred to as "Commencement Date").

7 TITLE, RISK , INSURANCE AND INDEMNITIES

7.1 Title and Risk

Title to the Gas to which the Buyer is entitled under this Agreement and the associated risks and liabilities shall pass from the Seller to the Buyer at the Delivery Point. Buyer shall be responsible for all costs and risks associated with the supply of gas at, from the Delivery Point and thereafter.

7.2 Insurance

Buyer shall arrange comprehensive insurance to cover all risks in respect of their personnel, materials and equipment belonging to Buyer or its sub-contractors during the currency of the Agreement. Buyer shall at all time during the currency of the Contract provide, pay for and maintain the following insurances amongst others:

- a) Comprehensive workmen compensation insurance as required by the laws of the country of origin of employee.
- b) Employer's liability insurance as required by law in the country of origin of employee.
- c) General public liability insurance covering liabilities including contractual liability for bodily injury, including death of persons, and liabilities for damage to property. This insurance must cover all operations of Buyer required to fulfill the provisions under this contract.
- d) Buyer's equipment provided by the Buyer for performance of the work hereunder shall have an insurance cover with a suitable limit (as per international standards).
- e) Automobile public liability insurance covering owned, non-owned and hired automobile used in the performance of the work hereunder, with bodily injury limits as per Indian insurance regulations.

Buyer shall furnish to the Company prior to commencement date, certificate of all its insurance policies relating to Buyer's operations hereunder indicating:

- a) kinds and amount of insurance as required herein;
- b) insurance company or companies carrying the aforesaid coverage;
- c) effective and expiry dates of policies;
- d) territorial limits of policies.

Should there be a lapse in insurance required to be carried by Buyer hereunder for any reason whatsoever, loss/damage claims resulting therefrom shall be to the sole account of Buyer.

Buyer shall require all of it's sub-contractors to provide such of the foregoing insurance coverage as Buyer is obliged to provide under this Contract and inform the Company about the coverage prior to the commencement of agreement with its sub-contractor.

All insurance taken out by Buyer or his sub-contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company.

It shall be the responsibility of the Buyer to recover the insured amounts from its insurers in the event of any accident, mishap, accident caused due to negligence of Buyer's personnel or due to whatsoever and Buyer agrees to indemnify and hold Company harmless from any and all losses / liabilities that may arise to the Buyer in the course of its operations during the currency of the Contract.

7.3 Indemnities

7.3.1 Buyer's Indemnity

Without prejudice to the provision of Clause 7.1, the Buyer shall defend, indemnify, keep indemnified and hold harmless the Seller and its respective directors, officers, employees and agents against any and all costs (including legal fees on a full indemnity basis), losses, damages, expenses, demands, claims, actions or suits that it may suffer or incur, that relate to the damage or destruction of any property or the injury or death of any person or third party claims and that arise out of either:

- a. The installation, operation, or maintenance by the Buyer of the Buyer's Facilities; or
- b. The presence of Gas in or from Buyer's Facilities downstream from the Delivery Point.
- c. The further distribution of the Gas by the Buyer to other consumers, with prior written approval from the Seller

7.3.2 Seller's Indemnities

Without prejudice to the provisions Clause 7.1, the Seller shall indemnify, keep indemnified and hold harmless the Buyer and its directors, officers, employees and agents against any and all costs (including legal fees on a full indemnity basis), losses, damages, expenses, demands, claims, actions or suits that it may suffer or incur, that relate to the damage or destruction of any property or the injury or death of any person and that arise out of either:

- a. the installation, operation or maintenance of the Seller's Facilities or any other facilities of the Seller located near the Buyer's Facilities; or
- b. the presence of Gas in or from the Seller's Facilities upstream of the Delivery Point.

8 QUANTITY OF GAS

8.1 Daily Quantity

The Seller agrees to sell and deliver and the Buyer agrees to purchase a quantity of &&&& MMBTU per day, which is equal to \$\$\$\$ Standard Cubic Meters of Gas Per Day (SCMD) at a GCV of 9439.09 Kcal / scm (hereinafter referred to as the "Daily Contract Quantity") at the price stipulated in Clause 11.

8.2 Increase / Decrease in supply quantity

- (a) In the event of decrease of gas availability due to a operational or any other reasons whatsoever with the Seller, the Seller shall be at an absolute liberty to inform the Buyer of such eventuality by giving three (3) days notice and thereafter decrease the supply of Gas to the Buyer. The Buyer thereupon would be obliged to pay for the decreased quantity at the agreed price during this period of decreased supply, the MGO clause contained in 8.3 shall remain in abeyance. On the normal supply being restored to the agreed quantity, the Seller shall again inform the Buyer by giving one (1) day notice and thereafter the Buyer shall once again begin making payment at the Price under Clause 11 and the MGO clause will again get revived.
- (b) In the event of increased availability of Natural Gas, the Seller shall be at an absolute liberty to decide about its quantitative distribution and monetization. The Buyer shall have no claim or right either legal or equitable, to the increased availability in any manner whatsoever. Any agreement to supply of the increased availability of Natural Gas by the Seller to the present Buyer shall be independent of this

Agreement and shall be on such terms and conditions as may be agreed upon between the parties at the relevant time.

- (c) The Buyer further agrees that the Seller has the absolute right to allot any additional quantities of ANG and / or Natural Gas (as may be available from the new drilling activities or well testing activities) to an independent and unrelated party which qualifies the techno-commercial criteria of the Company for ANG / Natural gas supplies.

8.3 Minimum Guaranteed Offtake

- a. The Buyer undertakes to purchase, a minimum quantity of Gas equivalent to eighty five per cent (85%) of the Daily Contract Quantity multiplied by the number of days in a month period (hereinafter referred to as the "**Minimum Guaranteed Offtake**" or "MGO"). This shall come into force from the Commencement Date. If the Buyer, for reasons other than any declared Force Majeure event, fails to take delivery of MGO, in part or full, the Buyer shall pay for the entire or the balance part of the MGO in accordance with Clause 11.
- b. The Seller has no responsibility, whatsoever, in the unwarranted and unforeseen event of the quantity of Natural Gas supply falling below the Minimum Guaranteed Offtake levels or lower, as the case may be, for the agreed supply quantity or any revisions thereof based on mutual agreement.

8.4 Uniform Rate

The Buyer shall draw and the Seller shall supply Daily Contract Quantity of Gas at a uniform rate, which rate shall be determined by dividing the Daily Contract Quantity by 24 with a maximum daily variation of $\pm 10\%$ (plus or minus ten percent).

Provide however that in any 24 hours period, variation beyond $\pm 20\%$ (Plus or minus twenty percent) shall be adjusted in subsequent deliveries.

9 MEASUREMENT AND CALIBRATION OF GAS

- a. The Seller shall deliver Gas conforming to the Specification specified in the Schedule 1. Quantity of Gas supplied under this Agreement shall be measured at the Delivery Point in SCM. The Measuring Equipment shall be supplied, installed and maintained by the Seller at its property.
- b. The Parties shall verify Working of the Measurement Equipment once every month, preferably on the first Monday of the month, through joint Calibrations arranged by Seller.
- c. If the Buyer has any reasonable doubt as to the proper working of and / or accuracy of the Measurement Equipment between scheduled joint calibrations, Buyer shall communicate the same to the Seller in writing along with an advance payment of Rupees Ten thousand (Rs.10,000) towards the calibration charges and request the Seller to either check or re-calibrate the Measurement Equipment. The Seller shall undertake such check/re-calibration of the Measurement Equipment within twenty-one (21) days of receipt of such request. The cost of conducting the checks/re-calibration shall be borne by the Buyer which shall be adjusted against the above advance amount paid by Buyer. The Buyer's representative may remain present at the time when the Measurement Equipment is being checked.
- d. If on carrying out the check/re-calibration of the Measurement Equipment as aforesaid it is discovered that either the percentage of inaccuracy exceeds $\pm 1\%$ (one percent) or that the Measurement Equipment is out of service, the following procedure in order of priority, whichever is feasible, for arriving at the computation of quantity of Gas during the period between the last calibration and the present, shall be followed:
- by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or
 - by estimating the volume of Gas delivered by comparison with deliveries during the period under similar conditions when the Measurement Equipment was registering accurately.

At the time of carrying out the check of the Measurement Equipment as above, if it is discovered that

the error in the readings of the Measurement Equipment exceeds $\pm 1\%$, the Measurement Equipment shall be re-calibrated at Buyer's cost.

- e. Notwithstanding anything contained in this Agreement, pending the result of any check/re-calibration, the Buyer shall not withhold payments to the Seller under this Agreement on this account. However, the Buyer shall be entitled to lodge his claim for refunds/adjustments, if any, depending upon the final results of such check/re-calibration within a period of fourteen (14) days of such check/re-calibration. Such claim, if found correct by the Seller, shall be adjusted against the subsequent invoice(s) of supply of Gas. Pending the resolution of any dispute, the Seller shall produce the invoices on the basis of self-verification.

10 SHUT DOWN AND STOPPAGE OF GAS

10.1 Planned Maintenance

On or before first day of April each year, the Parties shall inform each other of the schedule of preliminary Planned Maintenance Period and the program during such period. The Parties shall be relieved of their respective obligations to deliver or to off take Gas for a period for reasonably required planned maintenance of the Buyer's Facilities or the Seller's Facilities, as the case may be, by a quantity equal to up to sixteen (16) Days in aggregate per Financial Year which can be availed of in a maximum of two lots of at most eight days each multiplied by the Daily Contract Quantity with respect to the Buyer and up to sixteen (16) Days in aggregate per Financial Year can be availed of in a maximum of two lots of at most eight days each multiplied by the Daily Contract Quantity for that Financial Year for the Seller ("**Planned Maintenance Period**"). Buyer shall cause its nominees/consumers to comply with the provisions of this Clause 10.

- 10.2 At least fifteen (15) days prior to the commencement of each Planned Maintenance Period, each Party shall give to the other a notice in writing informing the other of the details of the proposed Planned Maintenance Period. The other Party shall within two (2) days of the receipt of such notice intimate its acceptance/objection to the proposed Planned Maintenance Period. If the other Party fails to give such intimation within two (2) days of the receipt of the notice, then the proposed Planned Maintenance Period shall be deemed to have been accepted
- 10.3 Each Party shall use reasonable endeavours to cause their respective Planned Maintenance periods to coincide and / or synchronise.
- 10.4 Each Party shall provide as much notice as is reasonably possible in the circumstances in respect of unplanned interruption to delivery or taking of Gas under this Agreement.
- 10.5 Notwithstanding anything contained in Clause 8.3, any Planned Maintenance Period shall not be taken into account in calculating the Minimum Guaranteed Offtake of the Buyer.

10.6 Shutdown

The Seller shall make all reasonable endeavors for supply of Gas to the Buyer from the commencement date and thereafter. The Buyer shall offtake such quantities of gas as agreed, provided however that the Buyer shall indemnify the Seller of all the claims and liabilities for any unforeseen interruption or stoppage of gas supply which may be caused due to abrupt reservoir or oil and gas well behaviour or due to any other cause which is attributable to the interruption or stoppage of gas supplies from the Seller's Oil and Gas Fields, the provision of relating to payment of MGO by the Buyer for such period shall not apply, i.e. Buyer is not bound to pay for MGO if the supplies are stopped by seller under the circumstances as detailed above.

The Buyer shall inform the Seller immediately about any such defects in the Buyers' Facilities and calling for complete or partial stoppage of supply of Gas. Provided that in all such cases, the period for which the supply of Gas is completely or partially stopped, the provisions relating to payment of Minimum Guaranteed Off-take by the Buyer under Clause 8.3 (Minimum Guaranteed Offtake) shall continue to be applicable.

The Seller shall inform the Buyer immediately about any defects in the Seller's Facilities and of the complete or partial discontinuance of supply of Gas.

11 PRICE

11.1 The Price of the gas or Gas Price in USD/ MMBTU (on GCV basis) shall be Reserve Gas Price

- The Reserve Gas Price shall be subject to a Cap of 10\$/ MMbtu.
- The Reserve Gas Price shall be subject to a Floor Price of 7.5 \$/ MMbtu.

Reserve Gas Price shall be Domestic Gas Price as notified by PPAC/ MOP&NG, Govt. of India on monthly basis for domestically produced gas as per the MoP&NG's Notification L-12015/1/2022-GP-II (E-44157) dated 07.04.2023 under New Domestic Natural Gas Pricing Guidelines, and the applicable Reserve Gas Price for month of July 2023 is 7.48 US\$/MMBTU on GCV basis.

11.2 The Gross Calorific Value which shall be used for invoicing shall be 9439.09 Kcal / scm

11.3 The price of Gas/Gas Price as mentioned in Clause 11.1 and 11.2 above shall be inclusive of all the present applicable corporate taxes, royalty and levies (payable by Seller) but exclusive of sales tax, duties, rates, cess, fee, octroi and all statutory levies levied by the Central or State Government or Municipality or any other local body or bodies (to be borne and payable by the Buyer). Any revision in these VAT / GST etc or other statutory levy shall also be borne and paid by the Buyer.

11.5 The Parties may periodically review the demand supply market conditions and discuss the matters pertaining to revision in price, if required.

12 BILLING AND PAYMENT

- a. The Seller shall raise an invoice for the actual quantity of Gas computed in accordance with the provisions of Clause 9, Clause 10 & Clause 11 every fortnight.
- b. The Invoice values shall be equal to
 - (i) Fortnightly Quantities in MMBTU. Multiplied by
 - (ii) Price in USD / MMBTU
 - (iii) Plus Applicable Taxes
- c. The Exchange Rate to be applied to convert the invoice amount in USD to an amount expressed in INR shall be average of the daily exchange rate for the supply / invoice period, rounded off to two decimal places, as published by Financial Benchmarks India Private Limited applicable for the Fortnight during which supply of Gas is made to the Buyer.
- d. In the event, there is a MGO, the Seller shall raise the invoice for the MGO quantities and the invoice value shall the equal to
 - i. MGO Quantities in MMBTU. Multiplied by
 - ii. Price in USD / MMBTU
 - iii. Plus Applicable Taxes
- e. The Buyer shall within seven (7) days of the receipt of an invoice from the Seller, pay to the Seller the amount mentioned in such invoice in a manner to be specified by the Seller.
- f. The Buyer agrees that, notwithstanding (i) any dispute in relation to any amount invoiced, or (ii) anything else to the contrary herein this Agreement it shall not withhold payment in accordance with the provisions of this Clause 12 of any amounts. After making full payment of such invoice, the Buyer shall lodge the claims with the Seller giving full particulars within a period of fourteen (14) Days from the date of making the payment, and if such claims are found correct, the Seller shall adjust the same against the next invoice. It is further agreed that no interest will be payable by the Seller on any such amounts adjusted in the subsequent invoices.
- g. The Buyer shall pay interest on all delayed payments at uniform rates equivalent to PLR+2%
- h. If full payment of the invoice is not made by the Buyer as stipulated in this Clause 12 within thirty (30) days of raising the invoice, the Seller may, at its sole discretion and without prejudice to any other rights

under this Agreement, discontinue the supply of Gas to the Buyer and shall be entitled to invoke the Security Instrument for any unpaid amounts which shall be replenished to the extent of amounts drawn by the Seller in accordance with this Agreement. The Seller shall be under no obligation to resume supply of Gas to the Buyer till such time that the Buyer has paid all amounts unpaid on the invoice, interest thereon and any penalty levied in accordance with the terms of this Agreement.

- i. The Buyer shall not have recourse to the Arbitration mechanism under Clause 19 for any dispute relating to payments and/or invoices, unless the invoiced amounts have been paid in full i.e. with interest and penalty. The amounts so paid or the relevant portion thereof shall be refunded to the Buyer in the event it is decided that such amounts are not payable, or that a reduced sum is payable by the Buyer.

13 PAYMENT SECURITY

- a. In accordance with Clause 3, during the term of this Agreement the Buyer shall provide an advance Security Deposit.
- b. The Value of the Security Deposit is equal to = Daily Contracted Qty x 30 days x Gas Price.
For the sake of clarity, the USD to INR exchange rate so used to compute the security deposit shall be the exchange rate published by Financial Benchmarks India Private Limited, for the date prior to the issuance of such security to the Seller.
- c. The Security Deposit shall be in the form of a revolving Bank Guarantee from a Nationalized Bank or anyother private sector bank as approved by and acceptable to the Company.
- d. The Seller may adjust the advance security deposit against any payments outstanding if the Buyer fails to pay any sum owed and duly invoiced with respect to Gas as per the provisions of Clause 12.
- e. The Seller shall refund the advance security deposit after adjusting any outstanding sums upon Termination or Expiry of this Contract as per the provisions of Clause 16.
- f. Within 3 (three) working days of such drawing or adjustments in part or full by the Seller, Buyer shall cause the deposit amount to be replaced or replenished to the full aggregate amount as referred in Clause 13.

14 REPRESENTATIONS AND WARRANTIES

14.1 Mutual Representations and Warranties

The Seller warrants and undertakes to the Buyer and the Buyer warrants and undertakes to the Seller that, as on the date of this Agreement:

- a. it is duly incorporated and validly exists under the laws of its place of incorporation 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 Agreement has been duly executed by it and is a legal, valid and binding agreement enforceable against it in accordance with its terms;
- c. the execution of this Agreement does not violate any law, or any document constituting the Party, or any permit granted to such Party or any agreement to which such Party is a party and that all necessary approvals and permits have been obtained;
- d. it is not so far as it is aware 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 Agreement; and
- e. it will perform its obligations under this Agreement as a Reasonable and Prudent Operator.

14.2 Seller's Warranties and Undertakings

The Seller warrants and undertakes to the Buyer that throughout the term of this Agreement:

- a. it will have title to all Gas before it tenders the agreed quantities to the Buyer at the Delivery Point.
- b. it shall keep the Buyer indemnified against all claims, losses, damages, and expenses suffered by it and arising from any defects in the Seller's title to the Gas:
- c. the Seller's Facilities shall be fit for the purpose of delivering Gas to the Buyer at the Delivery Point and the Seller shall maintain the Seller's Facilities in good condition as a Reasonable and Prudent Operator in accordance with the provisions of this Agreement.

14.3 Buyer's Warranties and Undertakings

The Buyer warrants and undertakes to the Seller that throughout the term of this Agreement:

- a. the Buyer's Facilities shall be technically and operationally compatible with the Seller's Facilities at the Delivery Point and fit for purpose for offtake of gas at the Delivery Point;
- b. the Buyer's Facilities shall be maintained in good working order and condition and so operated as to be compatible with the fulfillment of the obligations of the Buyer under this Agreement;
- c. Buyer will grant the Seller all rights of access at any time to inspect the Buyer's Facilities at the Delivery Point for purposes connected with this Agreement;
- d. Buyer will allow the Seller to tender deliveries to other purchasers from the upstream side of the Seller's Facilities at the Delivery Point as agreed between the Seller and the other purchasers.
- e. Buyer agrees and acknowledges that the decision of making investments for setting up its facilities for offtake of Gas from the Seller for its own consumption and/or the further distribution of the Gas, are at its sole discretion and that it indemnifies the Seller of all the claims and liabilities of whatsoever nature that may arise consequent upon the Buyer's setting up of such gas offtake and associated facilities for its own consumption and/or for further distribution.

15 FORCE MAJEURE

15.1 Force Majeure Events

The expression "Force Majeure" shall mean any event beyond the control of a Party, acting in accordance with the standards of a Reasonable and Prudent Operator which prevents the ability in whole or in part of such Party to fulfill any obligation under this Agreement which it could not prevent or overcome acting as a Reasonable and Prudent Operator. Such events provided they fulfill the requirements stated in the preceding sentence, shall mean the following:

- a. laws, acts and conduct of the central or any State Government or instrumentality or regulatory authorities or representatives thereto (whether or not in fact legally valid) directly affecting the ability of Buyer or Seller to perform its obligations under this Agreement;
- b. acts of the public enemy, wars, military hostilities, civil and military disturbance, blockades, embargoes, insurrections, riots, acts of terrorism;
- c. epidemics and quarantine;
- d. any act of God including, lightning, earthquakes, fires, storms, storm warnings, tidal waves, droughts, floods, shipwreck, navigational and maritime perils;
- e. Breakage of or accident to or failure or breakdown of any part of the Seller's Facilities or the Buyer's Facilities, including but not limited to, machinery, production facilities, processing facilities, Gas pipelines ancillary and any other facilities in the normal course of operations upon which the Seller or the Buyer

are relying to satisfy the requirements of this Agreement;

- f. the act or omission of any Buyer or supplier of any Party, but only if due to an event which, but for the Buyer or supplier not being a Party to this Agreement, would have been Force Majeure;
- g. the inability to obtain, or the suspension, termination, adverse modification, interruption, or inability to renew any easement, permit, license, certificate, authorisation, consent or approval of the Central or any State Government or instrumentality of either affecting:
 - i. the construction or operation of the Seller's Facilities; or
 - ii. the Seller's ability to sell Gas; or
 - iii. the Buyer's ability to purchase Gas from the Seller in relation to the Contract; or
 - iv. the construction or operation of the Buyer's Facilities; and
- h. any event analogous to the events mentioned in (a) to (h) above affecting the Seller's Supplier & Transporter;

Provided always that no Party shall be entitled to rely on or claim as an event or condition of Force Majeure because of lack of funds due to any commercial economic or financial reason such as, but not limited to, such Party's inability to make a profit or achieve a satisfactory rate of return due to the provisions of this Agreement or changes in market conditions.

15.2 Relief Due to Force Majeure

Neither Party hereto shall be liable for failure to perform or for delay in performing any of their obligations under this Agreement other than those providing for specification and payment for Gas supplied, sold and purchased hereunder, if such failure or delay is caused or results from a Force Majeure. Provided however that nothing contained hereinabove shall release the Buyer from its obligations to make payments to the Seller for actual quantities of Gas supplied during the period of Force Majeure.

In the event that the Force Majeure lasts for a continuous period of more than three (3) months, either Party may terminate this Agreement by giving the other Party a written notice of fifteen (15) days.

15.3 Party to Notify Occurrence of 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 five (5) days after becoming aware of the occurrence of the event of Force Majeure, notify the other Party in writing giving full particulars of the Force Majeure event, the estimated duration of the Force Majeure, the obligations affected and the reasons for its suspension.

15.4 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 its effect on the performance of its obligations under this Agreement. The Party affected shall promptly notify the other Party 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.

15.5 Onus on Party Claiming Force Majeure

The Party claiming Force Majeure shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure under this Clause 15 and that such Party has exercised reasonable diligence and efforts to remedy the cause of any alleged Force Majeure.

16 EXPIRY AND TERMINATION

16.1 Expiry

Subject to earlier termination of this Agreement in accordance with its provisions, this Agreement shall expire on the first (1) anniversary of the Commencement Date unless renewed further as per clause 4.2

above. Such termination shall not affect any rights of the Parties which may have accrued to them under this Agreement prior to such expiry.

16.2 Termination

16.2.1 Termination for Buyer's Default: Seller may forthwith terminate this Agreement in the following circumstances:

- i. Buyer fails to pay any amount in full within thirty (30) days after the due date of such payment;
- ii. Buyer becomes insolvent or is otherwise unable to pay, suspends payment of, or agrees to a moratorium with respect to all or a substantial part of its debts, or makes a general assignment or any composition with or for the benefit of its creditors;
- iii. Buyer fails to remedy its obligation to establish, maintain or renew a Deposit as required under Clause 13;
- iv. Buyer transfers its interest in this Agreement without satisfying requirements of Clause 18.2; or
- v. Buyer breaches a material term of this Agreement, and such breach is not cured within thirty (30) days following notice of such breach from Sellers.

16.2.2 Other Termination: Sellers shall have the right to terminate this Agreement upon thirty (30) Days' notice to Buyer (or such shorter period as may be necessary in the circumstances) upon termination of the PSC or cancellation of any or all of the applicable petroleum mining lease(s) or for any other reason. Any such termination of this Agreement shall be without liability to either Party.

16.2.3 Accrued Rights: Any termination of this Agreement shall not affect any rights, obligations and liabilities which may have accrued prior to such termination.

16.3 Notwithstanding, anything contained elsewhere in this Agreement, if during the contract period, the availability of gas declines to the extent that gas cannot be supplied to the buyer as per the quantities herein agreed, the seller shall have the absolute discretion to terminate this agreement.

17 ARBITRATION

Any dispute or difference whatsoever arising out of this contract, including a dispute as regards interpretation of any clause contained in this Agreement which is not settled by mutual consultation of the Seller and Buyer shall be referred to two arbitrators, one to be appointed by the Seller and the other to be appointed by the Buyer. The two arbitrators shall appoint an umpire / presiding arbitrator. Arbitration proceedings shall be held in accordance with the provision of the Indian Arbitration Act, 1996 and the rules made there under as amended from time to time.

17.1 Survival of Right to Arbitrate

The right to arbitrate disputes and claims under this Contract shall survive the termination of this Agreement.

17.2 Venue and Law of Arbitration Contract

The venue of arbitration proceedings conducted under this Agreement, unless the Parties otherwise agree, shall be New Delhi and proceedings shall be conducted in English language.

The Parties shall continue to perform their respective obligations under this Agreement notwithstanding any ongoing/pending dispute.

18 MISCELLANEOUS

18.1 Governing Law

This Agreement shall be subject to the laws of India. The parties submit themselves to the exclusive jurisdiction of the courts of New Delhi.

18.2 Assignment

The Buyer shall have no right whatsoever to assign its rights or transfer its obligations under this Agreement without the prior written consent of the Seller.

Seller may at any time transfer or assign all its rights and obligations under this Agreement to any other associated company or corporation by giving prior notice to the Buyer of such transfer of assignment and thereupon all its rights and obligations under this Agreement for supply of gas shall stand transferred to such associated company or corporation to whom the seller so transfers or assigns its rights and obligations.

18.3 Confidentiality

Each Party shall, and shall cause its and its affiliates' directors, officers, employees and agents to keep in strict confidence all information and data furnished or obtained pursuant to this Agreement, including the terms and conditions of this Agreement, except as and to the extent that the other Party consents in writing to the disclosure of such data, information or terms. This Clause shall not apply to data or information:

- a. which, at the time of its disclosure, is in the public domain as evidenced by printed publication or otherwise;
- b. after its disclosure becomes part of the public domain by publication or otherwise except through breach of this confidentiality obligation by fault of any Party or its respective employees or representatives;
- c. which is required to be produced by law or by the order of any government, state government or governmental agency or any court or judicial authority of competent jurisdiction or the rules of any recognised stock exchanges on which the shares or other securities of a Party or any affiliate of a Party are listed;
- d. which is obtained by a Party from a third party who is lawfully in possession of such information or data and not subject to any contractual or fiduciary relationship which would preclude its disclosure;
- e. where required by a bank or other financial institution (and its employees, agents and consultants) that is providing finance to the Party wishing to disclose such information or data in whole or part on the security of a charge or other encumbrance or other such disclosing Party's interest in this Agreement or its participating interest, provided that the bank or financial institution has entered into a written agreement with the disclosing Party agreeing to keep such information secret and confidential or, in the alternative, the disclosing Party agrees to be liable for any disclosures by the bank or other financial institution (and its employees agents and consultants) and where appropriate to seek injunctive relief against the same;
- f. to bona fide consultants, lawyers and other advisers of the Party provided that such consultants have entered into a written undertaking with the disclosing Party agreeing to keep the information disclosed to it confidential or, in the alternative, the disclosing Party agrees to be liable for any disclosures by such consultants lawyers and other advisers and where appropriate to seek injunctive relief against the same; and
- g. to bona fide potential assignees or transferees of a Party's rights or obligations under this Agreement or its participating interest provided that such potential assignees or transferees have entered into a written undertaking with the disclosing Party to keep the information disclosed to it confidential.

The provisions of this Clause shall survive for a period of one (1) year after the termination / expiry of this Agreement.

18.4 Exclusion of Consequential Loss

Neither Party shall be liable to the other Party for:

- 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 Agreement, and
- b. any and all indirect losses, damages, costs and financial harm. including and without limitation those relating to: loss of contract, loss of use of machinery or property, loss of production; or loss of profit or revenue,

of whatever kind and nature suffered by that Party under or in connection with this Agreement, however caused (including the default or negligence of the other Party or a breach of any duty owed in law by the other Party), and whether or not foreseeable at the date of this Agreement.

18.5 Notices

Any notice, request, demand or other statement, document or communication required or permitted to be given or provided for under this Agreement shall:

- a. be in writing and in the English language;
- b. be delivered by hand or by registered airmail, postage pre-paid, facsimile (confirmed by a copy sent by registered mail or courier);
- c. be addressed to the Party to whom it is to be sent or delivered at the following address or such other address as such Party may from time to time notify in writing to the other Parties:
- d. If to the Seller:
Director – Commercial and Marketing
8th Floor, Imperia Mindspace, Golf Course Extension Road,
Gurgaon – 122102, Haryana
- e. If to the Buyer :
%%%%

All notices and communications shall, when telefaxed, couriered, hand delivered or mailed be effective when received. Except where provided for otherwise in this Agreement, any consents permitted by this Agreement shall be in writing and delivered by hand or sent by facsimile transmission or courier or registered mail, return receipt requested.

18.6 Amendment

Any amendment to this Agreement or any of its provisions shall be valid and binding only if all the Parties to this Agreement approve of it in writing and agree to its incorporation in this Agreement under the signature and seal of person or persons duly authorised and empowered by the Parties for that purpose or in the case of a waiver by the Party whose rights are waived

If the Seller accepts changes required by the Government of India (MoPNG / DGH), then that shall be binding on both parties.

18.7 Entire Contract

This Agreement shall constitute the full agreement between the Parties and shall supersede all prior negotiations, representations, proposals and agreements, whether oral or written, regarding the subject matter of this Agreement.

18.8 Survival

All payment obligations of either Party under this Agreement accruing prior to termination / expiry and Clause 17 and Clause 18.3 and this Clause 18.8 shall survive the termination / expiry of this Agreement.

18.9 Performance by nominees

The Parties agree their respective obligations under this Agreement can be performed by their nominees, which shall be duly notified to the other party. However, performance by nominees shall not excuse the Parties from their obligations under this Agreement who shall continue to be primary obligors and shall be continue to be liable for the performance of their obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the date first above written.

Signed for and on behalf of Selan Exploration Technology Limited

Mr. Pankaj Jain
Director – Commercial and Marketing

In the presence of:

Signed for and on behalf of

By:

In the presence of:

SCHEDULE 1

Specification of Gas

1. Current Specifications

a. Composition

Component	% (Vol. / Vol.)
Methane	94.23
Ethane	1.63
Propane	0.73
i-Butane	0.27
n-Butane	0.30
i-Pentane	0.14
n-Pentane	0.15
Hexanes +	0.72
Carbon Dioxide	1.20
Nitrogen / Air	1.01

b. Properties

Temperature	:	25 °C
Pressure	:	upto 3 kg/cm ²
Specific Gravity	:	0.6229
Molecular Weight	:	18.04 kg/kmol
Gross Calorific Value	:	9439.09 kcal/m ³

The above specifications are for reference purposes only. The Seller does not guarantee the same and under no circumstances shall be held liable for.