

**PRODUCTION SHARING CONTRACT**

**BETWEEN**

**GOVERNMENT OF INDIA**

**AND**

**OIL INDIA LIMITED**

**AND**

**HINDUSTAN OIL EXPLORATION COMPANY  
LIMITED**

**AND**

**THE GENERAL FIBRE DEALERS PRIVATE  
LIMITED**

**WITH RESPECT TO CONTRACT AREA**

**IDENTIFIED AS  
BLOCK AAP-ON-94/1**

**PREAMBLE**

This Contract made this 30th day of June 1998 between:

1. The President of India, acting through the Joint Secretary, Ministry of Petroleum and Natural Gas (hereinafter referred to as "Government") of the FIRST PART;

AND

2. Oil India Limited, a body corporate incorporated under the Companies Act, 1956 having its registered office at Duliajan, Assam (hereinafter referred to as "OIL") which expression shall include its successors and such assigns as are permitted under Article 28 hereof. of the SECOND PART;

AND

3. **HINDUSTAN OIL EXPLORATION COMPANY LTD.**, established under the laws of India, having its registered office at Tandalja Road, Off. Old Padra Road, Baroda (hereinafter referred to as "HOEC") and **THE GENERAL FIBRE DEALERS PRIVATE LTD.**, established under the laws of India, having its registered office at 10th Floor, Krishna Building, 224 A.J.C. Bose Road, Calcutta (hereinafter referred to as "GFDL"), both of which are collectively referred to herein as COMPANIES, which expression shall include their successors and such assigns as are permitted under Article 28 hereof. of the THIRD PART;

**WITNESSETH:**

**WHEREAS**

- (1) The Oil Fields (Regulation and Development) Act, 1948 (53 of 1948) (hereinafter referred to as "the Act") and the Petroleum and Natural Gas Rules, 1959, made thereunder (hereinafter referred to as "the Rules") make provision inter alia for the regulation of Petroleum Operations and the grant of licences and leases for exploration and development of Petroleum in India;
- (2) The Rules provide for the grant of exploration licences and mining leases in respect of land vested in a State Government by that State Government with the previous approval of the Central Government, and OIL has been duly granted an exploration licence/mining lease for part(s) of the Contract Area to carry out Exploration Operations in association with other companies in that area onshore identified as Block AAP-ON-94/1 and more particularly described in Appendix A;
- (3) The Rules provide for an agreement between the Government and the Licensee with respect to additional terms and conditions in regard to the licence or lease;
- (4) The Government desires that the Petroleum resources which may exist in India be discovered and exploited with the utmost expedition in the overall interest of India in accordance with good petroleum industry practices;
- (5) COMPANIES have represented that they have, or will acquire and make available, the necessary financial and technical resources and the technical and industrial competence and experience necessary for proper discharge and/or performance of all obligations required to be performed under this Contract in accordance with good international petroleum industry practices and will provide guarantees as required in Article 29 for the due performance of its undertakings hereunder;

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*WSR*

*WSR*

**ARTICLE 6**  
**OPERATORSHIP, OPERATING AGREEMENT AND**  
**OPERATING COMMITTEE**

- 6.1 Except as provided in Article 6.2 and subject to the terms of the Operating Agreement, **HOEC** shall be the Operator for the Exploration Operations, Development Operations and Production Operations within the Contract Area during the term of the Contract.
- 6.2 In respect of each Development Area in which the Licensee is participating, the Licensee shall have the option to become the Operator of the Development Area at any time after ten (10) years have elapsed from the date of commencement of first Commercial Production from that Development Area.
- 6.3 In the event Licensee elects to exercise the option specified in Article 6.2, it shall so notify the Companies in writing at least one hundred and eighty (180) days prior to the date from which the Licensee would like to assume the operatorship and the transfer of operatorship shall be effected in accordance with the provisions of the Operating Agreement
- 6.4 Except as provided in Article 6.2, no change in operatorship shall be effected without the consent of the Licensee and Management Committee and such consent shall not be unreasonably withheld.
- 6.5 The operating functions required of the Contractor under this Contract shall be performed by the Operator on behalf of all constituents of the Contractor subject to, and in accordance with, the terms and provisions of this Contract and generally accepted good International petroleum industry practices.
- 6.6 On the Contract execution Date, the Companies and the Licensee shall execute a mutually agreed Operating Agreement. The said agreement shall be consistent with the provisions of this Contract and shall provide for, among other things:
- (a) The appointment, resignation, removal and responsibilities of the Operator;
  - (b) The establishment of an Operating Committee comprised of an agreed number of representatives of the Licensee and the Companies respectively, chaired by a representative of the Company acting as Operator;
  - (c) functions of the said Operating Committee taking into account the provisions of the Contract, procedures for decision making, frequency and place of meetings; and
  - (d) accounting procedures, contribution to costs, default, sole risk, disposal of Petroleum and assignment, as between the parties to the Operating Agreement.

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*WJR*

*Handwritten signature*

## SIGNATURE PAGE

IN WITNESS WHEREOF, the representatives of the Parties to this Contract being duly authorised

have hereunto set their hands and have executed these presents this 30th day of June 1998.

Signed for and on behalf of **The President of India**

By: [Signature]

Name : SHIVRAJ SINGH Joint Secretary

in presence of : [Signature]

Name : (A.R. SIHAG), Dir (EC), MOPNG

Signed for and on behalf of **Oil India Limited**

By: [Signature]

Name : [Signature]

in presence of : [Signature]

Name : B. BHARALI

Signed for and on behalf of **Hindustan Oil Exploration Co. Ltd.**

By: [Signature]

Name : AJIT K. KAPADIA

in presence of : [Signature]

Name : VIPUL DESAI

Signed for and on behalf of **The General Fibre Dealers Private Ltd.**

By: [Signature]

Name : RAJEEVA LOCHAN KANGRIA

in presence of : [Signature]

Name : VIPUL DESAI