

MODEL AGREEMENT TO CARRY OUT SPECULATIVE YYYY SURVEY IN ZZZZ IN AAAA OF INDIA

BETWEEN

DIRECTORATE GENERAL OF HYDROCARBONS, a body constituted under the Ministry of Petroleum & Natural Gas, Government of India, having its office at **C-139, Sector 63 Noida -201 301**. hereinafter referred to as “**DGH**”, which expression shall mean and include all its officers, employees, consultants, nominated third parties, agents, successors and assigns thereof.

AND

XXXX, a corporate entity registered under the laws of _____, hereinafter referred to as “**XXXX**” which expression shall mean and include all its officers, employees, consultants, nominated third parties, agents, successors and assigns thereof

(DGH and **XXXX** shall hereinafter be as such or collectively as “Parties” or singularly as “Party”).

The Ministry of Petroleum & Natural Gas, Government of India, has granted to DGH the right to carry out speculative geophysical survey exclusively or jointly with any foreign or Indian company to upgrade the available Data on hydrocarbons potential on the territory of India, with the purpose of attracting foreign and Indian companies to explore and develop oil and gas fields in the areas described herein.

XXXX has proposed to DGH its willingness to carry out the entire process involving the acquisition, processing, interpretation of YYYY Survey data in Kutch-Saurashtra offshore in aaaa of India and thereafter assist DGH in preparing Data packages using the latest technology and know-how available in the market. The said survey program has been designed by **XXXX** to reveal upto subtrapean mesozoic sediments , deep features and architecture that shall aid in postulating new ideas about the continental margins around India. DGH has agreed to the said proposal on the terms and conditions more fully described hereunder.

1. DEFINITIONS

- “**Agreement**” shall mean and include the entire document contained hereto and all amendments and extensions made in writing hereinafter.
- “**Area**” shall mean on the effective date the area described in attachment/(s) attached hereto.
- “**Cost**” shall mean the actual verifiable sum of money that **XXXX** incurs in conducting the Project seismic program detailed herein. This cost incurred shall be verified by DGH and shall be used to determine issues relating to cost recovery status of Project as well as revenue to be shared with DGH.
- “**Data**” shall mean all Data whether acquired and/or, processed and/or, reprocessed and/or, interpreted and/or, reinterpreted and/or, reports and/or, maps etc pursuant to this agreement.

- **“DGH data”** shall mean the Data provided by DGH to **XXXX** to support the objectives of Project. DGH DATA may include any Data relevant to Project including seismic Data, Well Data and other geophysical, geological or engineering studies. These Data might be furnished by DGH in course of Project to help with program design, layout, interpretation and sale.
- **“Sale of Data”** shall mean the sale of the “Data” as contemplated under this agreement.
- **“LKM”** shall mean Line Kilometer a terminology used in offshore seismic projects.
- **“Proprietary Information”** means any technical and/or commercial information (whether in visual or machine readable form) disclosed by one party to the other and identified by a suitable legend or marking as being “Confidential” or “Proprietary” as well as Proprietary Information disclosed orally from one party to the other which was described as being proprietary or confidential at the time of disclosure and thereafter is reduced to writing, appropriately identified and a copy thereof sent to the receiving party within 15 working days of the original oral disclosure PROVIDED HOWEVER that Proprietary Information shall not include any information which the receiving party can show:
 - is in or comes into the public domain otherwise than through a breach of this Agreement or the fault of the receiving party; or
 - has been lawfully received from a third party without restriction as to its use or disclosure; or
 - was already in its possession free of any such restriction prior to receipt from the disclosing party; or
 - was independently developed by the receiving party without making use of the Proprietary Information; or
 - has been approved for release or use (in either case without restriction) by written authorization of the disclosing party.
- **“Project”** shall mean the entire work as detailed in the scope of work which shall be carried out by **XXXX**.
- **“Revenue”** shall mean and includes the entire sale proceeds realized out of the sale of Data.

2. SCOPE OF WORK

XXXX shall at its own risk as to cost and with its own personnel and equipment shall execute the project as outlined herein for the acquisition, processing, interpretation, Data packaging.

Volume and Nature of Work

- ----- LKM of YYYY Survey data Acquisition.
- Processing of newly acquired Data
- Interpretation of all the available geophysical and geological Data-new as well as old reprocessed Data.
- Preparation of Data packages.
- Joint marketing and sale of data

Subject to the provisions contained herein the place of processing, interpretation, and Data packaging shall be at **XXXX** offices in India and abroad. As soon as the Data is ready for first sale, the said Data shall be delivered by **XXXX** at no cost to DGH at its office at New Delhi, India in the following manner :

- Raw Data tapes to be delivered at the end of processing, to DGH office.
- One set of processed Data tapes to be delivered at the end of processing, to DGH office.
- Two sets of Data packages (both hard and soft copies) for DGH along with detailed and comprehensive interpretation report after completion of interpretation and Data packaging, to DGH office.
- Any other formalities as may be essential for the safety of Data would be complied with as may be specified by the Government of India and its agencies from time to time.

3 DURATION

3.1 Duration of survey

The survey work shall commence within four months from the date of signing of this agreement and the entire project of Data acquisition, processing and interpretation work and preparation of data packages contemplated herein shall be completed latest by -----, 2008 .If the survey volume is increased or decreased from the volume defined in the agreement, the duration of the project will be calculated on prorata basis .

3.2 Duration of sale of data by XXXX

The Data shall be sold at the earliest possible date and the first sets of data in any case shall not be sold later than 31/03/2008 .The duration of the sale of data and **XXXX** sharing the revenue shall commence from the date of the first sale of data to any party and shall terminate at the end of the ten (10) years period counted from the date of the sale of the first Data, either prior to the start of the data acquisition or after the start of data acquisition.

4. PERFORMANCE GUARANTEE

4.1 Within 21 days of the signing of the agreement, the successful contractor shall furnish the Bank Guarantee (BG) for faithful performance of the agreement, equivalent to an amount of 10% of the total value of the agreement as per the format enclosed at Annexure 2. Guarantee should be valid for 90 days beyond the agreement completion period. Foreign Bank issuing the BG should indicate the corresponding branch office in India, where claim, if any, may be lodged.

4.2 In the event the contractor fails to honour any of the commitments entered into under the contract and/ or in respect of any amount due from the contractor to the DGH , the DGH shall have the right to invoke the Performance Bank Guarantee and claim the amount from the Bank.

- 4.3 The DGH has the right to invoke the Performance Bank Guarantee in case CONTRACTOR fails to mobilize the equipment with in the stipulated period irrespective of any reasons whatsoever unless otherwise stipulated in the contract,
- 4.4 The Performance Bond will be duly discharged by the DGH after successful completion of contractors' obligations under the contract including completion of any/ all obligations under the contract to the satisfaction of the DGH and/or person /agency appointed by it for the said purpose.

5 Liquidated Damages

- 5.1 The contractor is liable to pay penalty for delays in
- (a) timely mobilization which is to be completed in 120 days from the signing of the agreement.
 - (b) completion of the scope of work as per the contract.
- 5.2 The penalty for delays in as mentioned above will be 1/2 % (half percent) of the contract value per week as part thereof on each of the referred items (a) & (b) ,but not exceeding 7 1/2% (seven and half percent) of the contract value.
- 5.3 Any penalty paid by the contractor as above is not cost recoverable.

6. FINANCIAL TERMS

For the purpose of cost recovery, the total cost for acquiring ----- LKM of project Data by **XXXX** will be limited to US\$ ----- million calculated on pro-rata basis. The components of the cost which shall include the following :

- ◆ Data Acquisition
- ◆ Acquisition standby (Weather, technical and permission related downtime)
- ◆ Acquisition QC
- ◆ Logistics and Permitting
- ◆ Geological consultation
- ◆ Interpretation fees
- ◆ Prepararation of data packages
- ◆ Processing and Interpretation QC
- ◆ Training for 2 DGH personnel in Acquisition, processing and imaging stages
- ◆ Joint Marketing and Sale of Data
- ◆ Any other activity which may be required for fulfilling the obligations of parties stated in the agreement.

XXXX shall sell Data as per the price schedule listed below, however **XXXX** may in consultation with DGH sell the seismic data at a price above or below this schedule.

Price Schedule

" Early Participation" – The list price for license purchases made prior to the start of Data acquisition is US\$ ----- per LKM.

“ Late participation” – The list price for license purchases made subsequent to the start of date of acquisition is US\$ ----- per LKM

Income generated from the sale of the seismic Data of the continental margins around India shall be shared between the Parties in the following proportions:

BETWEEN	XXXX	DGH
Upto US\$ ----- million (cost of project)	100%	Nil
More than cost of the project Upto twice the cost of the project	70 %	30 %
More than twice the cost of the project	50 %	50 %

7. RIGHTS AND OBLIGATIONS :

- 7.1 **XXXX** shall be entitled to acquire data in the proposed area on a non-exclusive basis and DGH reserves it rights to allow any other party(ies) to acquire the data in Area.
- 7.2 **XXXX** also shall have the right to sell the Data other than DGH data, in consideration of its obligations set out herein. However the said right shall not preclude DGH to use or sell the Data to any company or investor in any manner as deemed fit.
- 7.3 DGH shall depute nominated geoscientists to **XXXX** work place and provide such access to its existing geophysical Data, geological understanding for line placements and geological inputs as may be deemed necessary by DGH for completion of the scope of work and **XXXX** in turn shall provide DGH access to their nominated geoscientists as well as unrestricted access to all Data generated pursuant to carrying out the scope of work detailed herein to enable DGH to monitor as well as contribute for the successful execution and completion of the program.
- 7.4 **XXXX** and DGH shall provide each other with a quarterly statement of sales within thirty days of completion of such quarter. The statement shall itemize for each sale the customer’s name, the amount of Data in kilometers sold, the rate in USD per LKM, the total income, and the share of income of each party. Remittances of the other party’s share of income shall be made within thirty days of receipt of the same from the customers.
- 7.5 **XXXX** shall be solely responsible to obtain all necessary permissions, approvals and permits from the appropriate authorities and Government of India agencies in accordance with the applicable laws / procedures/ orders on the subject matter. **XXXX** shall bear the cost of all such fee, guarantee bonds and other costs related to obtaining such permissions.
- 7.6 **XXXX** shall obtain funding for the project by sale of the Dataset on a non-exclusive basis to both national and international petroleum companies. Both **XXXX** and DGH shall retain the right to inspect the other’s books of

account, statement of accounts and to monitor the sale of the Datasets in order to ensure the adherence of the terms and conditions stated herein. All expenses relating to the exercise of such right by DGH shall be at the cost of **XXXX**.

- 7.7 The parties however agree that any subsequent improvements made to the said Dataset during the duration of the above mentioned ten (10) years shall not constitute a fresh Data and shall not confer any rights on **XXXX** which have not been granted herein unless mutually agreed upon in writing. **XXXX** will provide DGH with a copy of any improved dataset free of charge upon completion of the aforementioned improvements.
- 7.8 Subject to Government of India approvals the original unprocessed field raw Data tapes may be taken out of India, and DGH shall render all necessary assistance in this regard, however, **XXXX** shall be solely liable to bear the cost for acquiring and transporting the said Data out of India as well for bringing the same back to India and for complying with all such terms and conditions which may be imposed by Government of India prior to giving such approvals as stated above.
- 7.9 Data shall be processed outside India under the supervision of two DGH personnel and the cost of the two DGH personnel for any outside supervision shall be borne by **XXXX**.
- 7.10 Data packages for specific buyers shall be prepared by **XXXX** free of charge, costs, fee or any other imposts for each block separately as per written instruction provided by DGH communicated from time to time. However, DGH shall also have the right to prepare data packages independently for any block falling under the seismic coverage as mentioned under Clause 2 of this agreement and sell to the interested parties at a price or prices to be decided by DGH/ Government for the purpose of promoting such acreages and also DGH shall have the right to use all data free of charge in promoting / licensing acreages under bidding rounds / open acreages licensing policy. Data packages should include seismic, brief discussion of interpretation results, and identification of leads and their prospectivity, a descriptive write-up of general basin geology, previous work and hydrocarbon potential of the basin, etc. **XXXX** will prepare the data package on each block upon completion of all final processing and interpretation. This data package will constitute of final geophysical results (prestack time migration and prestack depth migration and velocity models) and interpretation.
- 7.11 **XXXX** shall allow two DGH nominated geophysicists unrestricted access to its project site/(s) and offices during and after the survey and shall provide boarding and lodging, field transport and office facilities, free of any cost to DGH. DGH personnel shall be provided such an access in order for the said geophysicists to acquaint themselves with acquisition, processing as well as quality control and shall also provide necessary interpretational inputs where found to be necessary. DGH personnel shall comply with **XXXX**'s health-safety-environment policies.
- 7.12 **XXXX** shall allow DGH geoscientists to associate with **XXXX** at their Office at the time of processing of new Data and reprocessing old usable Data, and final interpretation. In respect to this association, **XXXX** shall bear all

costs. This arrangement shall also meet the conditions for supervision of work and safety of Data.

- 7.13 **XXXX** shall digitally transfer to DGH the proposed locations seismic Data being acquired, processed and interpreted prior to commencement of the project.
- 7.14 **XXXX** shall use its best efforts to sell the Data as per standard international petroleum industry practices during the duration of this agreement and such right shall cease to exist on the expiry of the period of this agreement
- 7.15 To-and-fro transportation and insurance of old usable seismic tapes to **XXXX** processing center, for reprocessing, shall be at **XXXX** cost.
- 7.16 **XXXX** agrees that it shall not keep any original or copies of any data owned by DGH (not limited to the Data supplied by DGH and or the Data acquired pursuant to this agreement) in any form whatsoever and further any such Data which is removed from India shall be brought back to India at the earliest possible time which in any case shall not exceed more than thirty days after the termination of this agreement.
- 7.17 DGH shall have the right to ask for additional Data acquisition, processing and interpretation as well as for preparation of additional data packages, where ever needed to fill in the Data gaps and its cost which shall be recovered by **XXXX** on prorata basis and the period for completing the additional work detailed above shall be in proportionate basis. All other terms and conditions agreed to herein shall remain unchanged for carrying out the aforesaid additional work.
- 7.18 **XXXX** shall provide a copy of the Data, an analysis and Final Report to DGH at the conclusion of the Project on or before ----- , 2008. This copy shall be provided by **XXXX** to DGH at no cost basis. The copy of the Data so supplied shall not constitute a license or sale agreement and both parties agree that the same may be used by DGH for the Exploration Licensing rounds to be announced in future.
- 7.19 A US\$ ----- /Km of the cost recovery figure of US\$ ----- /Km will be available to **XXXX** as operating costs to sponsor additional studies as required.

8. OWNERSHIP OF DATA AND CONFIDENTIALITY

Ownership

All DGH data which may be handed over by DGH to **XXXX** under this agreement as well as the data created by **XXXX** pursuant to this agreement shall vest exclusively with DGH at all times. DGH shall pursuant to this right of exclusive ownership be entitled to exercise all rights of ownership and supervision of acquisition of new data as wells as sale of data. DGH shall at all times be entitled to exercise its discretion over the acquisition and sale of such data / proprietary information.

Confidentiality:

The receiving party of an item of Proprietary Information undertakes:

- to keep such Proprietary Information confidential;
- not to use such Proprietary Information otherwise than for purposes of the Project unless such use is specifically authorized in writing by the disclosing Party;
- not to disclose such Proprietary Information to any persons employed in its business other than those having a need-to-know for the purposes of the Project, and then only on the understanding that such persons are made aware of and undertake to observe the provisions of this Agreement.
- not to disclose Proprietary Information to any fourth party except for the purposes of the Project and with the prior written consent of the disclosing party (which consent shall not be unreasonably withheld) and then only on the understanding that such fourth party is made aware of and undertakes to observe the provisions of this Agreement;
- not to copy or reduce Proprietary Information to writing except as may be strictly necessary for the purposes of the Project; and
- to return to the disclosing party on demand all copies of Proprietary Information reduced to writing (or other permanent form) and to destroy all notes and any other written reports or documents which may have been made by the receiving party to the extent they contain any part of or reference to the Proprietary Information in whole or part except as authorized in writing by the disclosing party or as is strictly necessary to complete any outstanding obligations relating to the Project whereafter such Proprietary Information shall be returned or destroyed as aforesaid.

This Agreement shall not be construed as granting expressly or impliedly any rights under patents, copyright or other form of intellectual property rights belonging to the disclosing party in respect of Proprietary Information the ownership of which shall remain vested in the disclosing party at all times.

Should any party named in this Agreement hereto be the subject of merger or any other form of reorganization it is agreed that the successor in law to such party shall also be bound by the terms of this Agreement as if such party were an original party hereto. Subject as aforesaid no party shall assign its interest under this Agreement without the prior written consent of the other party.

9. TAXES, LEVIES AND DUTIES

XXXX solely shall be liable for payment and shall pay all taxes, fees or charges for the services rendered, customs duties, stamp duties, registration fees, taxes on property, levies, fees or charges generally applicable from time to time in India or of the Country where any activity mentioned in this agreement are conducted. The taxes shall include all personnel and corporate taxes as well as all other taxes including service taxes arising out of this agreement shall be borne by **XXXX**.

10. NOTICES AND ADDRESSES

a) Directorate General of Hydrocarbons (DGH)
C-139, Sector 63
Noida -201 301
INDIA
Fax : 91 120 4029410
Attn : Mr. V.K. Sibal

b) ...**XXXX**.....
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All notices given by any party to the other party shall be deemed sufficient for all purposes if sent by registered mail, telex or facsimile and shall be effective from the date of receipt thereof.

11. TRAINING

XXXX shall carry out the project on behalf of DGH in addition of which **XXXX** shall sponsor the participation of two DGH Geophysicists, who shall follow the program during the acquisition and processing of the project. **XXXX** shall pay for two geophysicists from DGH to be onboard the vessel and in Houston, including flight expenses, room and board, during the duration of the Project. **XXXX** shall cover the daily living expenses of Project geophysicists during the duration of the project in Houston.

12. TERMINATION

- 12.1 If DGH considers that the performance of **XXXX** is unsatisfactory or not up to the expected standard or for breach of any of the obligations stated in this agreement, DGH shall notify **XXXX** and specify in detail the reasons of dissatisfaction. DGH shall have then the right to terminate the Agreement without compensation by giving 30 days notice if **XXXX** fails to rectify the said defects within the said period and the data acquired upto the stage of termination shall be delivered free of cost to DGH.
- 12.2 DGH may at any time by giving 45 days notice terminate the agreement by giving notice to the **XXXX**, without compensating the **XXXX**, if **XXXX** becomes bankrupt or otherwise insolvent.
- 12.3 Upon termination either under this clause or under clause 3.2 of this agreement, all data and reports or any other material shall be returned to DGH at no cost within period of 30 days from the date of termination and all the rights of **XXXX** under this agreement shall stand ceased from the date of termination.
- 12.4 Notwithstanding the termination of the Agreement, the parties shall continue to be bound by the provisions of this Agreement that reasonably require some action after the expiry of the term of this agreement.

13. INDEMNIFICATION

XXXX hereby agrees to indemnify and hold DGH harmless from any loss or liability, (including all/any attorney's fees and related legal expenses), arising out of any claim for damage to **XXXX**'s property and injuries to or death of **XXXX**'s employees and agents caused by, or incidental to **XXXX**'s performance under this Agreement, regardless of whether any such loss, liability, injury, or death may be caused by negligence of DGH.

DGH shall not be liable to the others for any special, indirect punitive, incidental or consequential damages, including, without limitation, loss of production or business interruptions which result in any manner, directly or indirectly, from the performance of this Agreement.

14. INSURANCE

XXXX shall at all times during the currency of the agreement provide, pay for providing and maintaining and keeping in force the following insurance covers amongst others:

Workmen compensation insurance as required by the laws of the country of origin of employee. Employer's liability Insurance as required by Law in the country of origin of employee. General Public Liability Insurance covering liabilities including agreemental liability for bodily, injury including death of person, and liabilities for damage of property. This insurance must cover all operations of **XXXX** required to fulfill the provisions under this agreement. **XXXX**'s equipment provided by the **XXXX** for performance of the work hereunder shall have an insurance cover with a suitable limit (as per international standards). Automobile Public Liability Insurance covering owned, non-owned and hired automobiles used in the performance of the work hereunder with bodily injury limits and property damage limits shall be governed by Indian Insurance regulations.

XXXX shall take out appropriate insurance policies for DGH nominated personnel (as per the laws of their respective countries of origin) who are involved in providing any service pursuant to this agreement. DGH will ensure proper insurance and documentation for personnel joining the survey vessel during the course of the project.

Any deductible set forth in any of the above insurance shall be borne by **XXXX**.

XXXX shall furnish to DGH to its satisfaction prior to commencement of Data acquisition work, certificates of all its insurance policies, which shall indicate the following information:

Type and amount of insurance;
Insurance company or companies carrying the aforesaid coverage;
Effective and expiry date of policies;
Territorial limits of the policies;
List of items/equipment covered under the insurance policies.

Should there be a lapse in any insurance required including but not limited to under-insurance or self insurance to be taken by **XXXX** hereunder for any reason whatsoever, loss/damage claims resulting herefrom shall be to the sole account of **XXXX**.

XXXX shall require all of its sub-contractors to provide such of the foregoing insurance coverage as **XXXX** is obliged to provide under this agreement and inform the DGH about the coverage prior to the commencement of agreements with its sub-contractors.

All insurance taken out by **XXXX** or its sub-contractors shall be endorsed to provide that the underwriters waive their rights of subrogation against DGH .

15. RESOLUTION OF DISPUTES

- 15.1 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 or performance thereof.
- 15.2 Matters which, by the terms of this Agreement, the parties have agreed to refer to a sole expert and any other matter which the parties may agree to so refer, may be referred to a sole expert who shall be an independent and impartial person of international standing with relevant qualifications and experience, appointed by 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 that 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 Parties, the sole expert shall be appointed by a body or an institution or an agency or a person, mutually agreed by parties. In case, there is no agreement on the body or an institution or an agency or a person for appointing sole expert or such institution or agency or body fails to appoint a sole expert within thirty (30) days or such longer period as may be mutually agreed by 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.
- 15.3 Subject to the provisions of this Agreement, the Parties hereby agree that any controversy, difference, disagreement or claim for damages, compensation or otherwise (hereinafter in this clause referred to as a "dispute") arising between the Parties, which cannot be settled amicably within ninety (90) days after the dispute arises, may (except for those referred to in clause 13.2, which may be referred to sole expert) be submitted to conciliation or an arbitral tribunal for final decision as hereinafter provided.

- 15.4 The arbitral tribunal shall consist of three arbitrators. Each party to the dispute shall appoint one arbitrator and the Party or Parties shall so advise the other Parties. The two arbitrators appointed by the Parties shall appoint the third arbitrator.
- 15.5 Any Party may, after appointing an arbitrator, request the other Party (ies) 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.
- 15.6 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 otherwise agree, at the request of either Party, the third arbitrator shall be appointed in accordance with Arbitration and Conciliation Act, 1996.
- 15.7 If any of the arbitrators fails or is unable to act, his successor shall be appointed by the Party or person who originally appointed such in the manner set out in this Clause as if he was the first appointment.
- 15.8 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.
- 15.9 The arbitration agreement contained in this Clause 13 shall be governed by the Arbitration and Conciliation Act, 1996 (Arbitration Act). Arbitration proceedings shall be conducted in accordance with the rules for arbitration provided in Arbitration Act.
- 15.10 The right to arbitrate disputes under this Agreement shall survive expiry or the termination of this Agreement.
- 15.11 Prior to submitting a dispute to arbitration, the Parties may by mutual agreement submit 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.
- 15.12 The venue of the sole expert, conciliation or arbitration proceedings pursuant to this Clause, unless the Parties agree otherwise, shall be New Delhi, India and shall be conducted in the English language. Insofar as practicable, the Parties shall continue to implement the terms of this Agreement notwithstanding the initiation of proceedings before as a sole expert, conciliator or arbitral tribunal and any pending claim or dispute.

15.13 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 arbitrator appointed by a Party in accordance with the provision of this Clause shall be borne by the respective Party and the cost and expenses of third arbitrator and other incidental expenditure in relation to arbitration and liability thereof shall be at the discretion of the arbitrators.

16. GOVERNING LAW AND JURISDICTION

The Agreement including all matters connected with this Agreement, shall be governed by the Indian Law in force, both substantive and procedural and shall be subject to the exclusive jurisdiction of competent Courts at Delhi / New Delhi.

17. MISCELLANEOUS

17.1 All correspondence relating to this Agreement shall be in the English language.

17.2 For conducting the offshore geophysical Data acquisition, **XXXX** or its employees shall not be deemed to be employees or agents of DGH. Similarly, DGH or its employees shall not be deemed to be employees or agents of **XXXX**.

17.3 **XXXX** shall be solely responsible for the performance of its obligations pursuant to this Agreement and for the manner and details of the execution of such acquisition work and DGH shall have the right to intervene where deemed fit and necessary by DGH. The views of DGH would be taken into consideration for quality control of Data acquisition, processing parameters and interpretation.

17.4 This Agreement may not be amended or otherwise modified except by a written instrument executed by authorized representatives of the parties of the Agreement and such amendments and modifications will not adversely impact the objective of the surveys and will also not adversely impact the interests of the Government of India.

17.5 If any provisions of this Agreement are determined to be invalid, illegal or unenforceable in terms of Indian Laws, the other provisions of this Agreement shall nevertheless remain in effect.

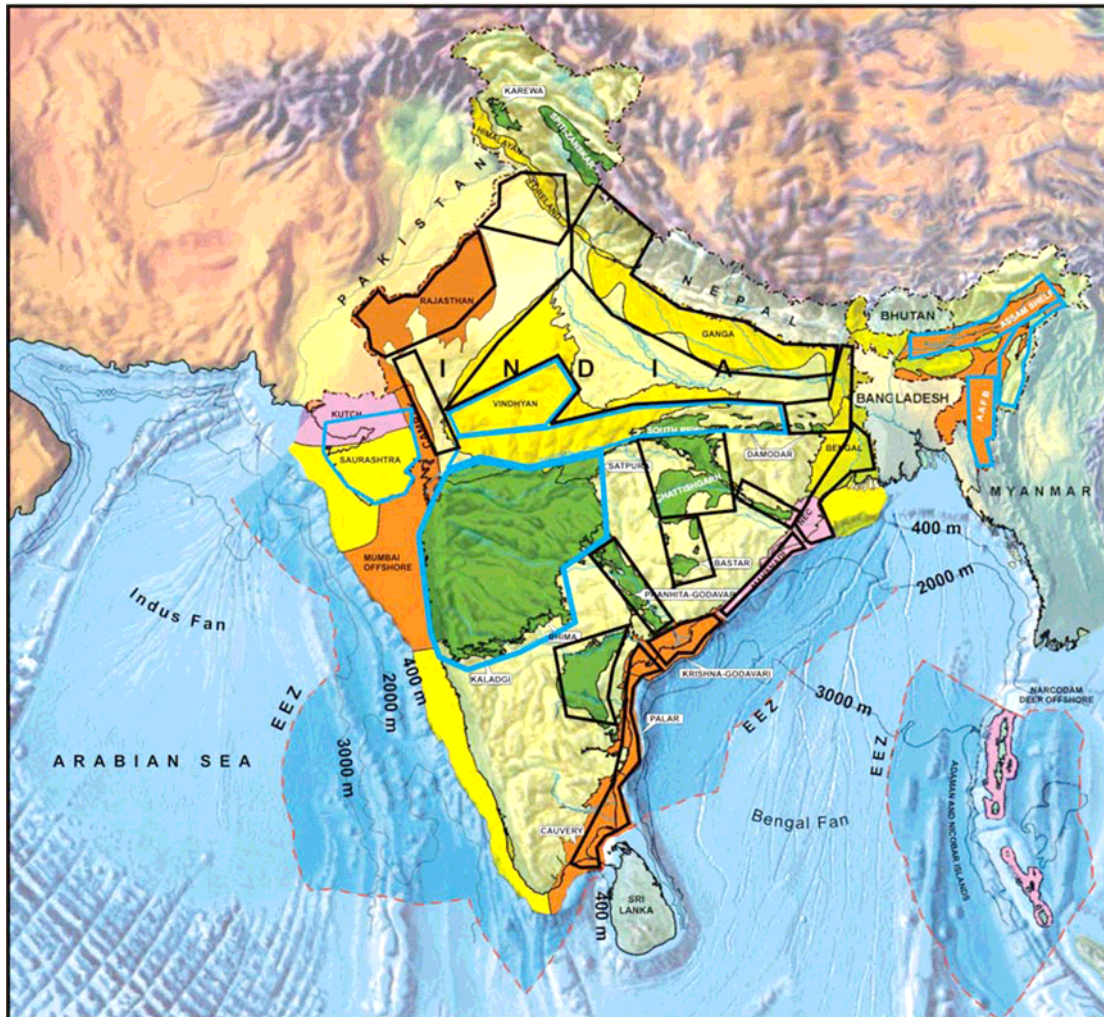
DATED AS OF THE ----- DAY OF ----- 2007

(V.K. SIBAL)

Director General
Directorate General Of Hydrocarbons

XXXX

Appendix 1- Final Program Layout
INDICATIVE AREAS FOR SPECULATIVE GEOPHYSICAL SURVEYS
IN
ONLAND SEDIMENTARY BASINS OF INDIA



LEGEND

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 2D SEISMIC SURVEY
 2D SEISMIC & GRAVITY SURVEY