



D.N. Narasimha Raju
Joint Secretary

D.O. No. 60/JS(E)/2010

Dear Shri Srivastava,

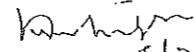
Please refer to the case of PSC Amendment of Block KG-DWN-98/4 and our letter no. 19024/11/2000-ONG-DV dated 14th October, 2009 on the same subject (enclosed).

2. In some other cases of Participating Interest (PI) transfer also, it has been observed that the operators are not adopting the Standard Format as vetted by M/o Law & Justice. This results in avoidable delay. It is considered necessary that the operators are informed of this requirement.

3. I request you kindly to inform the operators on the need to adopt the Standard Format for transfer of PI.

With regards,

Yours Sincerely,


4/3/10

(D.N. Narasimha Raju)

Shri S.K. Srivastava
Director General,
Directorate General of Hydrocarbons,
Noida.

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File No. 19024/11/2000-ONG DV (C.M.N.S.G.)
Government of India
Ministry of Petroleum & Natural Gas

12th October 2009
Shastri Bhawan,
New Delhi

To
DG
DGH
NOIDA

Sub: PSC Amendment of Block KG-DWN-98/4
Sir,

I am directed to refer to your letter dated 06.07.2009 on the subject cited above. In this context, the submitted Amendment was sent to Ministry of Law & Justice for vetting, who has opined that the word "Rights" included in Para 5(d) of the Amendment needs to be deleted as it is not in line with the earlier vetted Amendment-1 to this PSC and also with Para 6(b) of the Deed of Assignment signed between ONGC and BGEPIIL, where the Undertaking by the Assignee is towards obligations only, whether past, present or future under the Contract, to the extent of Participating Interest.

In view of above, DGH is requested to furnish a final set of the Amendment for the signatures on behalf of the Government, after getting the aforesaid rectification and signatures of all the Parties to PSC.

Yours Faithfully

(R.K.Sinha)

Section Officer (Exploration)

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AMENDMENT NO. 2 (TWO)
TO THE PRODUCTION SHARING CONTRACT
FOR BLOCK KG-DWN-98/4

THIS AMENDMENT NO. 2 (TWO) TO THE PRODUCTION SHARING CONTRACT
DATED 12th DAY OF April, 2000 FOR EXPLORATION BLOCK KG-DWN-98/4
(HEREINAFTER REFERRED TO AS SECOND "AMENDMENT") IS MADE AT
_____ ON THIS _____ DAY OF _____.

BY AND BETWEEN

1. THE PRESIDENT OF INDIA, acting through the Joint Secretary, Ministry of
Petroleum and Natural Gas, Government of India, having its office at Shastri Bhavan,
Dr. Rajendra Prasad Marg, New Delhi - 110001, India (hereinafter referred to as
"Government") of the FIRST PART.

AND

2. Oil and Natural Gas Corporation Limited - ONGC a company incorporated
under the laws of India, having its Registered Office at Jeevan Bharti, Tower II,
124-Indira Chowk, Connaught Place, New Delhi - 110 001 (hereinafter referred as
"ONGC") of the SECOND PART.

AND

3. Oil India Limited a company incorporated under the laws of India, having its
Registered Office at Dulaijan, District - Dibrugarh, Assam - 786 602 (hereinafter
referred as "OIL") of the THIRD PART.

AND

4. BG Exploration and Production India Limited a company incorporated under
the laws of Cayman Islands, having its Registered Office at Bank of Nova Scotia
Building, P.O. Box 268, George Town, Grand Cayman and principal place of
business at 'BG House', Lake Boulevard, Hiranandani Business Park, Powai,
Mumbai - 400076 (hereinafter referred as "BGEPII") of the FOURTH PART.

(The Government, ONGC, OIL and BGEPII shall unless it be repugnant to the meaning or
context thereof, be deemed to mean and include their respective successors, assigns
and/or Affiliates as permitted under Article 28 of the Production Sharing Contract, in relation
to which this Amendment is being executed.

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WHERE AS :

A. The Government and ONGC executed a Production Sharing Contract, on 12th day of April, 2000 in respect of Block KG-DWN-98/4, ONGC having 100% Participating Interest. The said Production Sharing Contract is hereinafter referred to as the "Contract".

B. Following Government's approval dated 31st May 2002 the Participating Interest of ONGC and OIL were as follows :

ONGC - 85 % (Eighty Five Percent)

OIL - 15 % (Fifteen Percent)

C. Following Government approval dated 13th May 2008 (Annexure 2), ONGC assigned 30% Participating Interest to BGEPIIL and, the respective Participating Interest of the companies will be as follows :

ONGC - 55 % (Fifty Five Percent)

OIL - 15 % (Fifteen Percent)

BGEPIIL - 30 % (Thirty Percent)

ONGC, OIL and BGEPIIL are collectively called "Parties". The Parties shall contribute their respective varied and / or modified Participating Interest share of Contract costs with respect to the Contract Area and assume a share of all rights and obligations corresponding to such Participating Interest share from the effective date of this Amendment, i.e. 13th May 2008.

D. In light of the contents of Recital C hereinabove, the Parties now wish to execute this Amendment No. 2 (Two) to the Contract to record the amendments and modifications to the Contract consequent to the assignments referred to hereinabove.

NOW, THEREFORE THIS AMENDMENT WITNESSETH, AND THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

Any word or expression used in this Amendment No. 2 (Two) but not defined herein below, or elsewhere in this Amendment, shall bear the meaning ascribed to it in the Contract.

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2. AMENDMENTS TO THE PRODUCTION SHARING CONTRACT

a) In the cover page description of Parties and in the cover page to Appendix - C Accounting procedure to Production Sharing Contract, the following shall be inserted

AND

BG EXPLORATION AND PRODUCTION INDIA LIMITED

b) The description of the parties given in the Preamble to the Contract shall stand amended and substituted as per details given below:

BG Exploration and Production India Limited a company incorporated under the laws of Cayman Islands, having its Registered Office at Bank of Nova Scotia Building, P.O. Box 268, George Town, Grand Cayman and principal place of business at 'BG House', Lake Boulevard, Hiranandani Business Park, Powai, Mumbai - 400076 (hereinafter referred as "BGEFIL") of the FOURTH PART.

c) Contents of Article 2.1 shall stand amended and be substituted by following. "Consequent upon assignment referred to here-in-above, the undivided percentage of Participating Interest of each of the constituents of the Contractor is as follows:

ONGC	:	55 % (Fifty Five Percent)
OIL	:	15 % (Fifteen Percent)
BGEFIL	:	30 % (Thirty Percent)

All the parties shall contribute their respective varied and/or modified Participating Interest share of all Contract Costs with respect to the Contract Area and assume a share from all rights and obligations corresponding to their such Participating Interest share from the said effective date, i.e. 13th May 2008.

d) Article 37.1 (d) shall be deemed as substituted as follows:

Managing Director,
BG Exploration and Production India Limited
BG House, Lake Boulevard,
Hiranandani Business Park,
Powai,
Mumbai 400 076
Facsimile No. : + 91 22 4005 8930
Telephone No. : + 91 22 4032 5000/ 4032 5210

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3. EFFECT OF THIS AMENDMENT :

- a) Upon execution of this Amendment No. 2 (Two), effective from 13th May 2008, BGEPII shall be entitled to, and shall assume 30 % (Thirty percent) undivided Participating Interest held by ONGC in KG-DWN-98/4 in the same manner, and to the same extent as ONGC was entitled to, prior to the receipt of the Government's approval (s).
- b) The assignor ONGC shall be released and discharged from its obligation under Contract only to the extent that such obligations are assumed by the assignee BGEPII.

4. EFFECTIVE DATE :

The provision of this Amendment No. 2 (Two) shall commence and be effective from 13th May 2008.

5. MISCELLANEOUS

- a) This Amendment No. 2 (Two) shall form an integral part of the Contract.
 - b) ONGC, OIL & BGEPII shall be jointly as well as severally responsible and pay for all or any costs, claims, damages, expenses and / or loss that may arise as a result of the execution of this Amendment No. 2 (Two) and also undertake to indemnify the Government of India against all or any such costs, claims and / or expenses. It is clarified that this provision does not in any manner dilute the obligations of the said other parties as set out in the Contract.
 - c) Except to the extent specified in this Amendment no. 2 (Two), all other terms of the Contract shall remain unchanged and nothing contained herein shall change or alter in any manner whatsoever, the validity, enforceability and interpretation of the Contract.
 - d) From and as of the effective date of Amendment no. 2 (Two) ONGC and BGEPII agree and covenant to be bound by the terms and conditions of the Contract. BGEPII hereby undertake to assume all ~~rights~~ obligations whether past, present or future, under the contract to the extent of its Participating Interest i.e. 30 % (Thirty Percent) Participating Interest from the effective date of this Amendment 13th May 2008 shall furnish guarantees or any other document (s) as per terms of the contract.
6. Contract shall, except as amended hereby, remain in full force and effect.
7. BGEPII unconditionally undertake to assume in full all liabilities, obligations and duties of the Contractor pursuant to the contract in respect of 30 % (Thirty Percent) Participating Interest held by ONGC pursuant to the approval of Government from, the effective date of this Amendment no. 2 (Two). BGEPII further undertakes to furnish the guarantees and/or any other document(s) as per the terms of the Contract.

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8. Warranty

ONGC do hereby bind itself its successors and assigns to warranty and forever defend all and singular, the 30 % (Thirty Percent) Participating Interest assigned to BGEPII, its successors and assigns, against each and every person till the effective date of this Amendment no. 2 (Two)

9. This Amendment No. 2 (Two) shall be governed by and construed in accordance with the laws of India.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS ADDENDUM TO BE EXECUTED BY ITS/THEIR DULY AUTHORIZED REPRESENTATIVE(S) ON THE DATE IN THE YEAR FIRST ABOVE WRITTEN.

SIGNED AND EXECUTED :

For and on behalf of the President of India By :	In presence of Witness : Signature
Authorized representative of the above named. (GOVERNMENT)	Name
	Address

For and on behalf of ONGC By : <u>C.K. BHATNAGAR</u> (C.K. BHATNAGAR) above Authorized representative of the named. ("ONGC") authorized vide Board Resolution No. dated.....	In presence of Witness : Signature <u>N. Narawat</u> Name <u>Naradha Narawat</u> Address <u>EXCON. BD. IV Group</u> <u>ONGC, New Delhi</u>

For and on behalf of OIL By : <u>C.S. RATH</u> (C.S. RATH) above Authorized representative of the above named. ("OIL") authorized vide Board Resolution No. dated	In presence of Witness : Signature <u>Manash Chatterjee</u> Name <u>MANASH CHATTERJEE</u> Address <u>OIL INDIA LTD,</u> <u>PLOT NO. 19, SECTOR 16A</u> <u>NOIDA</u>

For and on behalf of (BGEPII) By : <u>Rajendra Singh</u> Authorized representative of the above named. "BGEPII" authorized vide Board Resolution No. dated	In presence of Witness : Signature <u>R.K. Gupta</u> Name <u>RAHUL GUPTA</u> Address <u>BK HOUSE, POWAI</u> <u>MUMBAI - 400076</u>

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DEED OF ASSIGNMENT AND ASSUMPTION
BLOCK NO. KG-DWN-98/4

This Deed Of Assignment And Assumption ("DEED") is made at New Delhi on this 18th day of February 2008.

BY AND BETWEEN

Oil and Natural Gas Corporation Limited – ONGC a company established under the Law of India having its registered office Jeevan Bharti, Tower II, 124-Indira Chowk, Connaught Place, New Delhi – 110 001 (hereinafter referred to as "ONGC"), which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the one part.

AND

BG Exploration and Production India Limited, a company incorporated under the Laws of Cayman Islands, having its registered office Bank of Nova Scotia Building, P.O. Box 268, George Town, Grand Cayman and principal place of business at 'BG House', Lake Boulevard, Hiranandani Business Park, Powai, Mumbai - 400076 (hereinafter referred to as "BGEPIIL"), which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the other part.

(ONGC and BGEPIIL are hereinafter referred to as such, or collectively referred to as the "parties" and singularly as a party, as the case may be);

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WHEREAS :

1. ONGC had signed Production Sharing Contract (PSC) with Government of India for the contract area identified as offshore deepwater exploration block KG-DWN-98/4 on 12th April 2000. Pursuant to an assignment of 15% participating interest by ONGC to Oil India Limited under the terms of the PSC, an amendment to PSC was signed between ONGC and OIL and Government of India on 18th February 2003.
2. ONGC & Oil India Limited have also entered into Joint Operating Agreement (JOA) on 26th February, 2003.
3. ONGC and BGEPIIL have entered into a Deed of Assignment and Assumption dated 18th Day of February 2008 and have shown interest in assigning and acquiring participating interest in the KG-DWN-98/4 exploration block for a consideration as referred here in this Deed.
4. The parties are desirous of reducing the said terms and conditions into writing.

NOW THEREFORE, THIS DEED WITNESSES, AND THE PARTIES AGREE AS FOLLOWS :

1) DEFINITIONS:

In this Deed, unless the context otherwise requires, the following terms shall have the meaning set forth against them below :

a)	Effective Date	:	Date of approval of the Govt. of India.
b)	Joint Operating Agreement	:	The Joint Operating Agreement (JOA) relating to Block KG-DWN-98/4 dated 26 th February 2003 executed by and between the ONGC and Oil India Limited shall be amended to reflect the changed Participating Interest.
c)	Participating Interest	:	The Participating Interest owned and held by each Party in Block No. KG-DWN-98/4 including all rights, obligations risks and liabilities, benefits, interests and that like attributable to such Participating Interest under the Production Sharing Contract and Joint Operating Agreement.
d)	Production Sharing	:	The Production Sharing Contract (PSC) relating to

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	Contract	Block KG-DWN-98/4 dated 12 th April 2000 executed by and between Government of India, and ONGC and the amendment to the PSC, dated 18 th February 2003 executed by and between Government of India, ONGC and Oil India Limited.
e)	Government of India	The Ministry of Petroleum and Natural Gas.

2. Assignment and Assumption

2.1 Subject to receipt of the Government's consent to the assignment of Participating Interest set out herein and in consideration of mutual covenants between the Parties, the Parties agree as follows :

- a. ONGC hereby assigns, transfers and conveys an undivided 30 % (Thirty Percent) Participating Interest to BGEPII and BGEPII hereby assumes and accepts such Participating Interest on the terms set out below.
- b. This assignment and assumption contemplated under this deed shall, as between the Parties, be effective from 18th February 2008 (the effective date) and shall result in the Participating Interest of the Parties under the PSC and the JOA as follows:

ONGC	=	55% (Fifty Five Percent)
OIL	=	15% (Fifteen Percent)
BGEPII	=	30% (Thirty Percent)

- (c) From and as of the Assignment Date, BGEPII agrees and covenants to be bound by the terms and conditions of the Production Sharing Contract and the Joint Operating Agreement as existing and as amended from time to time. BGEPII hereby undertakes to assume all the obligations under the PSC and JOA to the extent of its 30% (Thirty Percent) Participating Interest as and from the Assignment Date.

3. Receipt of approvals

This deed is subject to obtaining to consent of the Govt. of India in respect of the Assignment contemplated under this deed.

4. Warranty

BGEPII does hereby bind itself its successors and assigns, jointly and severally to warrant and forever defend all rights, title and interest to ONGC's 30 % (Thirty

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Percent) Participating Interest assigned to BGEPIIL hereunder, against every person. Further, ONGC represents and warrants that as on the date hereof, it has good and marketable title to its Participating Interest and such it is free and clear of any and all liens or other encumbrances.

5. Financial and performance guarantee.

- a) BGEPIIL shall procure and deliver to the government a financial and performance guarantee as required under Article 29 of the PSC to be extent of 30% (Thirty Percent) Participating Interest.
- b) Until such time as the Government approves the assignment contemplated herein, ONGC shall keep and maintain in place the performance guarantee related to the proposed Participating Interest being assigned to BGEPIIL, for which BGEPIIL undertakes to furnish a back-to-back guarantees to ONGC to the extent of 30% (Thirty Percent) Participating Interest being assigned to it. hereby.

6. Undertaking

- a) BGEPIIL represents that it is capable of meeting its financial and technical obligations under the PSC, and is willing to provide an unconditional undertaking in favour of all parties to the PSC to assume its Participating Interest share of obligations and to provide a guarantee in respect thereof as provided in the PSC.
- b) That the assignee shall be liable for all the obligations whether past, present or future, under the contract, to the extent of their Participating Interest.

7. Miscellaneous

a) Governing Law

This Deed shall be governed and construed in accordance with the laws of India.

b) Costs

Each party shall bear and pay for its own expenses, legal costs and other expenses that may be incurred in connection with or by virtue of or in relation to this deed.

c) Headings

The article headings contained in this Deed are for the convenience of the Parties and shall not affect the meaning or interpretation thereof.

d) Mutual Assistance

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Each of the parties agrees to do and / or perform such acts, matters and things as are necessary to give further effect to the provisions of this Deed.

IN WITNESS WHEREOF the Parties hereunto executed this agreement the day and the year herein above written.

G.K. Bhatnagar
(G.K. BHATNAGAR)

By Oil and Natural Gas Corporation Limited

Its GM HEAD EXCON BDTV

WITNESS

- 1. V. Narasath
- 2. Prof. M.B. DOJA

Prabhat Singh
PRABHAT SINGH

By BG Exploration and Production India Limited

Its DIRECTOR (P.A.)

WITNESS

- 1. R.A. Gupta (RAHUL GUPTA)
- 2. Sampat Mukherjee (SAMPAT MUKHERJEE)

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