

**GAS SALE & PURCHASE AGREEMENT**

**FOR SALE OF GAS FROM MAIWAND X-1 WELL  
(BLOCK 28)**

**BETWEEN**

**MARI PETROLEUM COMPANY LIMITED**

**(THE “SELLER”)**

**&**

**[Insert Buyer Name]**

**(THE “BUYER”)**

**GAS SALE AND PURCHASE AGREEMENT FOR  
SALE OF GAS FROM MAIWAND X-1 WELL**

THIS **GAS SALE AND PURCHASE AGREEMENT** (“**Agreement**”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”) at Islamabad, by and between:

**MARI PETROLEUM COMPANY LIMITED**, a company incorporated under the laws of Pakistan, having its registered office at 21, Mauve Area, 3rd Road, Sector G-10/4, Islamabad, Pakistan (hereinafter referred to as “**MPCL**” or the “**Seller**” which expression shall include where the context may admit, its successors and assigns);

AND

[**Insert Buyer Name**], a company existing under the laws of Pakistan, having its office at [Insert Address], Pakistan (hereinafter referred to as “\_\_\_\_\_” or the “**Buyer**” which expression shall include where the context may admit, its successors and assigns).

(the Seller and Buyer shall hereinafter collectively be referred to as the “**Parties**” and individually as the “**Party**”)

**RECITALS:**

WHEREAS, the Seller is the holder of Exploration License 125/Pakistan/1991 granted by the Government in respect of Block 28 dated 9<sup>th</sup> February 1991 (“**Block**”).

WHEREAS, as a result of Seller’s exploratory activities in the Block, the Seller has made a discovery of gas from Maiwand X-1 St-1 as duly approved by the Government (“**Maiwand X-1 Exploratory Discovery**”).

WHEREAS, the Government has approved gas production from Maiwand X-1 Exploratory Discovery under test production/EWT arrangement for a period of \_\_\_\_\_ Months and has also granted approval to the Seller for sale of gas during test production/EWT to any third-party.

WHEREAS, the Seller intends to enter in this Agreement for sale of Sales Gas (as defined below) from the Discovery (as defined below) on “as is” and “as and when available basis” subject to requisite Government approval(s) and the Buyer is willing to buy and accept such Sales Gas if and when made available by the Seller in accordance with the terms and conditions as set forth in this Agreement.

**NOW THEREFORE**, in consideration of the covenants and agreement herein contained, the Parties agree on the following terms and conditions:

**ARTICLE – 1: DEFINITIONS**

- a) “**Billing Month**” means a period beginning at twelve (12) a.m. on the first day of the calendar Month and ending at twelve (12) a.m. on the corresponding day of the next succeeding month.
- b) “**Business Day**” means a day (other than Saturday and Sunday) on which banks in Islamabad are open for business.

- c) "Buyer's Facilities" means the requisite equipment and facilities constructed and installed by the Buyer which shall enable the Buyer to offtake Sales Gas as made available by the Seller at its sole discretion at the Delivery Point and includes the connection between the Seller's measurement equipment at the Delivery Point and the Buyer's facilities.
- d) "Day" means a period of twenty-four (24) consecutive hours beginning at midnight Pakistan Standard Time and ending at 2400 hours Pakistan Standard Time and Days shall be construed accordingly.
- e) "Delivery Point" means the point of delivery of Sales Gas to the Buyer which is the outlet flange at the downstream of the Seller's measurement equipment.
- f) "Discovery" means the Maiwand X-1 Exploratory Discovery and any other appraisal and development well(s) in relation to Maiwand X-1 Exploratory Discovery.
- g) "Effective Date" means the date of execution of this Agreement.
- h) "Late Payment Surcharge" or "LPS" has the meaning ascribed to it in Article 7.7.
- i) "Month" means a period beginning at 00:00 hours Pakistan Standard Time of the first day of any calendar month and ending at 00:00 hours Pakistan Standard Time on the first day of the next succeeding calendar month and "Monthly" shall be construed accordingly.
- j) "MMBTU" means Million British Thermal Units of Gas.
- k) "MMSCFD" means million standard cubic feet per day.
- l) "MSCF" means on thousand (1000) standard cubic feet as required to fill one thousand cubic feet of space when the Gas is at an absolute pressure of fourteen point six five (14.65) pounds per square inch and at temperature of sixty (60) degrees Fahrenheit.
- m) "Sales Gas" means the natural gas produced from the Discovery in its raw form after separation of free water through KOD/separators and made available at the Delivery Point by the Seller under this Agreement.
- n) "SCF" means standard cubic foot of Gas.
- o) "Year" means a period of 365 or 366 days beginning on 1<sup>st</sup> January and ending on 31<sup>st</sup> December, both days inclusive.

## **ARTICLE – 2: EFFECTIVE DATE AND TERM**

- 2.1 This Agreement shall be effective from the Effective Date and remain valid for a period of two (2) Years from the Effective Date unless terminated earlier pursuant to Article 11 herein.
- 2.2 Upon expiry, the term of this Agreement may be extended for further two (2) years with the mutual consent of the Parties subject to requisite approvals and provided the Buyer has a valid regulatory approval/permit/license to continue performance of its obligations under this Agreement.

## **ARTICLE – 3: SALES GAS SUPPLY & QUALITY**

- 3.1 Notwithstanding anything contrary contained herein, the Parties agree that the commencement, delivery, and sale of Sales Gas under this Agreement shall be subject to the following conditions (“**Condition Precedent**”) having been satisfied:
- (a) Grant/issuance of all necessary and requisite regulatory approval(s)/license(s)/permit(s) by the relevant Government regulatory body/authority to the Buyer, as required under the applicable the law and regulations, to perform its obligations under this Agreement including but not limited to the Buyer’s construction and operations of its facilities and the purchase of natural gas from the Seller and submission of copy of the same to the Seller.
- 3.2 The Parties agree that in the event of non-satisfaction of Conditions Precedent pursuant to Article 3.1 within six (6) months period, from the Effective Date or any extension thereof as agreed by the Seller in writing, this Agreement shall stand terminated unless otherwise mutually agreed by the Parties in writing.
- 3.3 Subject to Articles 3.1, 6, 8, 9, 11 and 14 of this Agreement and the Buyer’s compliance with the provisions of this Agreement, the Seller at its sole discretion on “as is” and “as and when available basis” may supply Sales Gas quantity of up to 3 MMSCFD to the Buyer, and the Buyer undertakes to offtake/purchase and pay for such Sales Gas at the Delivery Point during the term of this Agreement. The indicative production profile of Sales Gas is annexed as Annexure – A.
- 3.4 The Sales Gas, if and when made available by the Seller to the Buyer at the Delivery Point, shall be in its raw and natural form at the available delivery pressure. The Sales Gas shall be saturated at its dew point temperature at the Delivery Point with varying heating value. Any requirement of Sales Gas treating or conditioning including but not limited to dehydration, maintaining HCDP temperature, purification and/or compression etc., shall be carried out at the downstream of the Delivery Point by the Buyer itself at its own cost and risk.
- 3.5 Notwithstanding anything to the contrary contained herein, the Buyer understands and agrees that this Agreement shall neither constitute nor be construed as a commitment to supply Sales Gas by the Seller, and the Seller is under no obligation to make available any given quality or quantity of Sales Gas to the Buyer. However, if the Seller makes available Sales Gas volume pursuant to Article 3.1 above, then the Buyer shall be obligated to offtake/accept and pay for such Sales Gas volumes.
- 3.6 The Buyer understands that the quantity and quality of Sales Gas may vary during the term of this Agreement and therefore agrees that the Seller shall not be liable for any damages, loss, injury or claims of any kind under this Agreement because of, including but not limited to, any variation in the quantity and/or quality of Sales Gas, delivery pressure, Sales Gas specification (including water contents) or the complete suspension/curtailment of Sales Gas supply due to Government directive, reservoir conditions/constraints/depletion/failure or the Seller’s own gas requirement, or for any other operational or commercial reasons.

#### **ARTICLE – 4: DELIVERY POINT**

- 4.1 Subject to the Articles 2 and 3, the Seller shall deliver the Sales Gas to the Buyer at the Delivery Point, after which risk and title of the Sales Gas shall transfer from the Seller to the Buyer.
- 4.2 The Buyer shall be responsible for taking delivery of Sales Gas, as and when made available by the Seller at the Delivery Point and for its onward processing, storage/transportation/sales etc.

- 4.3 The Buyer shall be responsible to construct, operate and maintain the entire Sales Gas gathering/transmission system and the required Buyer's Facilities pursuant to Article 6 hereof, at the downstream of the Delivery Point at its own cost, time and risk in accordance with the applicable laws and in compliance with the industry best practices.
- 4.4 The Buyer (and its representatives/employees/contractors at the site) shall strictly observe and comply with all applicable laws, rules and regulations including but not limited to laws relating to safety, health, cleanliness, industrial security, medical requirements, accident prevention and safeguarding of the environment, safety standards.

The applicable laws include but are not limited to:

- i. Petroleum Rules, 1937 (for Storage and Transportation of Petroleum and Inflammable Chemicals)
- ii. Oil and Gas (Safety in Drilling and Production) Regulations, 1974.
- iii. Mines Act 1923.
- iv. Pakistan Environmental Protection Act, 1997,
- v. Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000.
- vi. National Environmental Quality Standards.

#### **ARTICLE – 5: MEASUREMENT**

- 5.1 The quantity of Sales Gas delivered at the Delivery Point shall be determined through the Seller's Sales Gas measuring equipment equipped with 24/7 fiscal grade recording charts or online flow computation. The methods and standards used for calculation of Sales Gas quantity shall, as far as reasonably practicable, be such as are approved and accepted by the American Gas Association for such purpose.
- 5.2 The measurement of the Sales Gas delivered to the Buyer at Delivery Point shall be carried out by the Seller and shall be considered accurate, conclusive, and final and shall be used for invoicing purposes. The Buyer shall not have the right to dispute such measurement of Sales Gas in any manner and for any reason whatsoever.
- 5.3 The gross heating value of Sales Gas shall be determined either through an online gas chromatograph or by sample analysis through a third party lab analysis on a monthly basis. The cost of such monthly third-party lab analysis shall be borne equally by the Parties. The gross heating value of Sales Gas determined as stated above shall be considered accurate, conclusive, and final for invoicing purposes.

In case of non-availability of most recent information about heating value of Sales Gas, the last known value of heating value shall be used for invoicing purposes with provision of subsequent adjustment (if required) upon availability of latest information/values.

- 5.4 The Buyer shall have the right to be present at the Seller's premises to witness the meter readings and to inspect the Seller's Sales Gas measurement equipment upon advance written request for such inspection at a mutually agreed time and date. However, the Buyer shall not dispute the quantity measured as well as quality of Sales Gas in any manner and shall accept the same on an as is basis without objection.

#### **ARTICLE – 6: BUYER'S FACILITIES**

- 6.1 Subject to Article 2, the Buyer shall be responsible for the construction and installation of requisite equipment and facilities to be able to offtake Sales Gas pursuant to Article 3, made available by the Seller, at the Delivery Point, which include the interconnecting pipeline from the Seller's measurement equipment at the Delivery Point to the Buyer's facility ("**Buyer's Facilities**") within six (6) months, or an extended period as mutually agreed by the Parties, from the Effective Date.
- 6.2 The Buyer agrees that it shall maintain and operate the Buyer's Facilities downstream of the Delivery Point at its own sole cost and risk in accordance with the applicable laws, rules, safety regulations, and in compliance with the Seller's safety procedures and Government's environmental laws. Further, the Buyer represents and warrants that it shall obtain all requisite licenses/approvals/permits from the relevant Government authorities as applicable prior to the commencement of Buyer's Facilities' construction and operations.
- 6.3 The Buyer agrees to construct within its operational area adequate flaring / venting facilities so as to ensure continuous supply of gas from Seller in the event of an overpressure scenario due to Buyer's equipment. Gas suspension shall not occur on such events other than planned outages mutually agreed by the both Parties and not lasting \_\_\_\_ Days. Any gas flared due to overpressure scenario at Buyer's Facilities shall have been deemed Billed by the Seller. In all such eventualities, Seller's Meter shall be considered as final for Billing / Invoicing Purposes.
- 6.4 The Buyer agrees that the Buyer's Facilities shall be located at least five hundred (500) meters away from the Delivery Point.
- 6.5 The operation, maintenance, and any repair or replacement of the Buyer's Facilities or any parts/components of it shall be the sole responsibility of the Buyer with no cost or expenses attributable to the Seller under any circumstances and for any reason whatsoever.
- 6.6 The Buyer shall be responsible for acquisition and maintenance of land and right of way for the laying, constructing, installing, and commissioning the Buyer's Facilities in accordance with the relevant laws, rules, regulations, and shall be solely responsible for the payment of rent/compensation whenever due to the landlord or the Government, as the case may be.
- 6.7 The Buyer shall be responsible to ensure that the Buyer's Facilities installed shall have the necessary equipment(s) with an operational flexibility to adjust to varying quantity, quality, and pressure of the Sales Gas. The Buyer shall submit the procedure for usage of inline regulating devices immediately downstream of Delivery Point to the Seller to support continuous Sales Gas flow and shall in no event, operate the isolating valve for full closure without prior approval of the Seller's site representative.
- 6.8 The Buyer agrees that the Buyer shall make all necessary arrangements and shall ensure that Buyer's Facilities have the provision for continuous off-take of the Sales Gas or any excess quantity (over and above the quantity specified in Article 3.1) without imposition of any back pressure including the period of Buyer's non-utilization or temporary shutdown of the Buyer's Facilities with an exception of Force Majeure event.
- 6.9 In case of temporary shutdown, the planned maintenance or emergency shutdown (including Force Majeure) of the Buyer's Facilities, the Buyer shall immediately give notice of such shutdown(s) to the Seller, verbally followed by written notice ("**Buyer's Notice**"). The Buyer

shall continue to draw the quantities of Sales Gas till the Seller suspends the Sales Gas supplies after receipt of Buyer’s Notice in accordance with the provisions of this Agreement. The Sales Gas delivered at the Delivery Point during the period till the actual suspension of Sales Gas supplies by the Seller shall be paid by the Buyer without any exception.

6.10 During the Term of this Agreement, Buyer shall provide and maintain in full force and effect the following insurance coverages, as per applicable laws, as acceptable to the Seller, at the Buyer's sole cost and expense:

- i. Insurance of Buyer’s Facilities and Buyer's contractors and contractor’s equipment, storage tanks, and personnel (as applicable).
- ii. Workmen’s Compensation and Employer’s Liability for Buyer’s employees, including occupational disease coverage, according to the Laws of Pakistan.
- iii. Third Party Insurance Policy.

6.11 The Buyer shall provide and retain with the Seller all the times during the term of this Agreement copies of valid insurance policies as mentioned above in Article 6.9 and if the Buyer fails to do so, then the Seller shall have the right to obtain the same at the cost of the Buyer. In each case, the Buyer shall ensure that insurance coverage/policies have provisions for waiver of subrogation clause giving any right to raise any claim or liability against the Seller in any manner whatsoever and provide evidence of the same to the Seller.

6.12 The Seller shall have right to visit and inspect Buyer's Facilities as and when required, at the option of Seller.

6.13 The Buyer shall ensure maintenance of Buyer’s Facilities and coordinate with the Seller’s planned shutdown/maintenance activities of the Seller's facilities.

6.14 The Buyer and its contractors and employees with regard of Buyer’s Facilities operations shall strictly observe and comply with all applicable laws, rules and regulations including but not limited to laws relating to safety, health, industrial security, accidents, and the environment etc.

**ARTICLE – 7: PRICING & PAYMENT TERMS**

7.1 The applicable price for the Sales Gas, delivered pursuant to Article 3 and measured pursuant to Article 5 hereof, during the term of this Agreement shall be as provided in the table below (exclusive of taxes) (“Sales Gas Price”).

Period	Increase in Price (%)	Applicable Price (US\$/MMBTU)
First 12 Months from the date of commencement of Sales Gas		
From 13 <sup>th</sup> Month till 24 <sup>th</sup> Month		
From 25 <sup>th</sup> Month till 36 <sup>th</sup> Month		
From 37 <sup>th</sup> Month till 48 <sup>th</sup> Month		

- 7.2 The Parties agree that in case of any further extension in the validity of the Agreement pursuant to Article 2.2 above, an increment of 10% shall be applicable on the previous year's Sales Gas Price on an annual basis.
- 7.3 The Sale Gas Price pursuant to Article 7.1 shall be payable in equivalent PKR in accordance with the mechanism given in Article 7.4.
- 7.4 Within first ten (10) Business Days of each Month, the Seller shall raise an invoice to the Buyer in Pakistan Rupees (PKR) for payment in respect of the previous Month's Sales Gas mentioning the following details:
- i. The quantity of Sales Gas and total energy delivered in MMBTU as measured by the Seller's measuring equipment at the Delivery Point;
  - ii. The total amount payable by the Buyer to the Seller on the basis of applicable Sales Gas Price pursuant to Article 7.1;
  - iii. The amount of Government levies i.e. Federal Excise Duty, General Sales Tax and any other tax levied now or in the future.
  - iv. Exchange rate for conversion of US\$ to PKR shall be the daily average buying and selling exchange rate as published by the National Bank of Pakistan for the Month of invoice.
- 7.5 The Buyer shall pay the Seller's Monthly invoice within seven (7) Business Days from the date of receipt of invoice. The payment shall be made, at the Seller's option, either through pay order/bank draft or wire transfer to the bank account designated by the Seller. The details of the Seller's designated bank account are as follows:
- IBAN: PK02ASCM0000261650501470  
Account Titled: MARI PETROLEUM COMPANY LIMITED  
NTN No: 1414673-8  
Bank Name: Askari Bank Limited  
Branch Name: F-10 Markaz Branch  
Branch Address: Block 5-C, F-10 Markaz Branch, Islamabad  
SWIFT Code: ASCMPKKAFT3
- 7.6 All bank charges (including correspondent bank charges) in case of remittance(s)/payment(s), by the Buyer to the Seller shall be on account of the remitter (i.e. Buyer) and not the beneficiary (i.e. the Seller).
- 7.7 In the event payment against the Monthly invoice is not received or received later than the due date pursuant to Article 7.4 then any amount which has become due shall bear a Late Payment Surcharge (LPS) at the rate of six (6) months KIBOR plus 2.5% per annum until the payment is received by the Seller.
- 7.8 In the event the Buyer disputes the invoiced amount or any part thereof within the period till the due date of invoice then the Buyer shall be liable to pay the undisputed amount within the due date. The disputed amount shall be resolved by the Parties amicably and in case the matter remains unresolved for 30 Business Days from the date of dispute raised by the Buyer then the dispute shall be resolved in accordance with the Article 13.

- 7.9 In the event upon the resolution of the dispute, it is established that the disputed amount was payable by the Buyer, then the Buyer shall be liable to pay to the Seller the invoiced amount due together with LPS on the unpaid amount at the rate of 18% per annum, for the period of delay in the payment from the due date, without the Seller having to raise an invoice for such additional amount, although the Seller's may raise an invoice for the Late Payment Surcharge due. However, should the Buyer pay the disputed amount by the due date and upon resolution of dispute, it is established that the Buyer was not liable to pay the disputed amount or any part thereof, then the Seller shall give credit to the Buyer in the next invoice to the extent of the amount overpaid.
- 7.10 In the event the Seller invoices are not paid by the Buyer in accordance with the provisions of this Agreement or in case the Buyer violates the terms and conditions of this Agreement, then it shall be construed as a material breach of this Agreement, and the Seller shall have right to termination of this Agreement and en-cash the Bank Guarantee without giving any notice to the Buyer in addition to availing any other remedy available to the Seller under the laws of Pakistan.

#### **ARTICLE – 8: BANK GUARANTEE**

- 8.1 Subject to Article 2.1, the Buyer shall submit a bank guarantee of PKR [Insert Amount] equivalent to estimated three (3) Months Sales Gas invoice to the Seller with validity till the term of this Agreement. The said bank guarantee shall be submitted by the Buyer within three (3) Business Days from the date of satisfaction of Condition Precedent.
- 8.2 The Buyer agrees to maintain, extend/renew (if required) the bank guarantee within fifteen (15) Days from the date of the Seller's request, equivalent to the sum as mentioned in Article 8.1.
- 8.3 The bank guarantee shall be irrevocable, unconditional, issued by a first class scheduled bank of Pakistan as acceptable to the Seller and cashable at the option of the Seller. The bank guarantee shall be treated as security for the performance of Buyer's obligations under terms of this Agreement and securing payments due and payable by the Buyer as per Article 7 above.
- 8.4 If the invoiced amount payable by the Buyer to the Seller as per Article 7 is not made for any reason within due date, then the Seller shall have right to deduct the invoiced amount together with all taxes & levies from the bank guarantee without any prior intimation to the Buyer.
- 8.5 On encashment of the bank guarantee, the Seller shall notify the Buyer for submission of an additional guarantee or cash deposit, which the Buyer shall provide within seven (7) Business Days, for the amount en-cashed by the Seller, failing which the Buyer shall be deemed to be in a material breach of this Agreement, and may subject the Agreement to termination by the Seller.

#### **ARTICLE – 9: SUSPENSION OF GAS SUPPLY**

- 9.1 In the event that the payment of the invoiced amount or any LPS is not made within a period of fifteen (15) Business Days of becoming due, the Seller shall have the right to suspend, deliveries of Sales Gas entirely at the Buyer's risk and cost, till such time all due payments and arrears together with LPS are paid in full.
- 9.2 In the event of Seller's suspension of Sales Gas supplies pursuant to Article 9.1 or the Buyer's inability to offtake Sales Gas for any reason whatsoever, then the Buyer's agree that the Seller

shall have the right to sell the Sales Gas volumes to any other third party at its discretion till the rectification of default and the Buyer shall not have any objection to the Seller selling the Sales Gas to any third party.

- 9.3 In the event, in the opinion of the Seller that the Buyer is breaching Seller's health, safety and environment protocols, policies and procedures, or, if the Seller determines that the offtake or transport of Sales Gas is being conducted in an unsafe manner, the Seller shall reserve the right to suspend delivery of Sales Gas at the Buyer's risk and cost.

#### **ARTICLE – 10: DUTIES AND TAXES**

- 10.1 The Buyer shall have the responsibility to pay all other lawfully applicable taxes, charges, fees, and excise duty whether present or future, levied by the federal or a provincial government or any local authority, in respect of the Sales Gas which is sold to the Buyer by the Seller under the terms of this Agreement.
- 10.2 The payments by the Buyer to the Seller may be subject to such withholding tax as may be applicable under the Income Tax Ordinance of 2001 or any other law, rule or circular. If the Buyer is required to withhold any amount from an invoice, which amount would otherwise be due, the Buyer shall provide, by the due date for payment of such invoice, to the Seller a copy of a valid notification, rule or circular requiring such withholding. Where a valid withholding tax exemption certificate or relevant documentation is provided by the Seller, the Buyer shall not deduct withholding tax from the payment to the Seller. The Buyer will provide proper Tax Certificate(s)/Tax Challan(s), being evidence of withholding tax deducted by the Buyer, as and when required by the Seller.
- 10.3 The excise duty and other taxes levied now or in the future on the Sales Gas delivered by the Seller under this Agreement shall be payable by the Buyer and the Seller shall recover such excise duty and taxes in the following manner:
- a) The Seller shall invoice the Buyer for amount of excise duty and other taxes in accordance with the relevant provisions of this Agreement or in terms of the relevant laws, rules and/or notifications/circulars.
  - b) The Buyer shall pay such invoices amounts in accordance with the relevant provisions of this Agreement.

#### **ARTICLE – 11: TERMINATION**

- 11.1 This Agreement shall terminate immediately upon the occurrence of any of the following events:
- a) Expiry of the term of this Agreement or any extension thereof; or
  - b) The date of expiration or termination of the Seller's right to produce and sell Sales Gas; or
  - c) Any Government directives to the Seller or the withdrawal of Government's approval/authorization to produce the Sales Gas by the Seller or to sell the Sales Gas to the Buyer; or

- d) Expiration or termination of the Buyer's right to take, buy and use Sales Gas under Buyer's approval from the relevant authority or Oil & Gas Regulatory Authority (OGRA); or
- e) Non-satisfaction of Conditions Precedent pursuant to Article 3.2; or
- f) Buyer's failure to construct and install the Buyer's Facilities pursuant to Article 6.1.

11.2 Notwithstanding anything to the contrary, the Seller has the right to terminate this Agreement, by serving a thirty (30) Days prior written notice to the Buyer, for any reasons whatsoever including but not limited to the following:

- a) Failure by the Buyer to satisfy the Condition Precedent or the submission to the Seller of all requisite licenses/approvals/permits issued by the relevant Government authorities related to the Buyer's Facilities and purchase of Sales Gas from the Seller.
- b) Upon days of Force Majeure events reaching thirty (30) days cumulatively in a calendar year.
- c) The Buyer fails to perform any of its obligations under this Agreement including but not limited to construction and installation of Buyer's Facilities as per Article 6.1, payment obligations, breach of representations and warranties which constitutes a material breach of this Agreement.
- d) The Buyer's failure or refusal to perform any of its obligations under this Agreement, whether or not such failure or refusal constitutes a material breach under this Agreement.
- e) The Buyer assigns/transfers, or if applicable has a change of control, without the Seller's prior approval or the requirements specified under Article 12 hereof.
- f) The Buyer fails to offtake the Sales Gas for a consecutive period of fifteen (15) Days.
- g) Revocation or withdrawal of Government approval/authorization/license that granted the Buyer the right to purchase the Sales Gas from the Seller.
- h) Depletion or failure of the reservoir, or if Sales Gas is required for gas re-injection, or internal consumption by the Seller.
- i) The date of expiration or termination of the Buyers right to take, buy and use Sales Gas under Buyer's approval from the Oil and Gas Regulatory Authority.
- j) In the event the Buyer is in default of any provision of this Agreement and fails to rectify the same up-to the satisfaction of the Seller within a period of fifteen (15) Days following the initial default.
- k) Breach of health, safety and environment protocols, policies, and procedures of the Seller, as communicated to the Buyer.

## **ARTICLE – 12: ASSIGNMENT**

12.1 The Buyer shall not assign or transfer any part of its interest in this Agreement to any third party, without the prior written consent of the Seller.

### **ARTICLE – 13: GOVERNING LAW AND ARBITRATION**

- 13.1 The Agreement shall be construed, interpreted and governed by the laws of the Islamic Republic of Pakistan.
- 13.2 In the event of any difference or dispute arising between the Parties under or in connection with this Agreement or any Article or provision of this Agreement, or the construction thereof, or as to any matter in any way connected therewith or arising there from, which cannot be amicably settled, the same shall be referred to arbitration under Arbitration Act 1940 or any amendment thereof through appointment of an arbitrator by each of the Parties and if the decision cannot be reached between the Parties on nomination of umpire then an umpire shall be selected by the two nominated arbitrators within 30 Days of their nomination. The decision of the arbitration shall be final and binding on the Parties. The venue of the arbitration proceedings shall be Islamabad, and the language shall be English. For any remedy or relief, including equitable relief under applicable law, the courts of Islamabad shall have exclusive jurisdiction under this Agreement.

### **ARTICLE – 14: FORCE MAJEURE**

- 14.1 Neither Party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performance of obligations under this Agreement if such delay or default is caused by Force Majeure and the affected Party informs the other Party within three (3) Days of the event and within seven (7) Days gives details of how it will overcome the event.
- 14.2 The term “Force Majeure” means any condition or event beyond a Part’s reasonable control including but not limited to acts of God, act of Terrorism, riots, strike and Civil Commotion, Government imposed restrictions, war, act of war, insurrections, reservoir failure, and/or any other cause beyond the reasonable control of the Party whose performance is affected. Without prejudice to the above, Force Majeure shall not be claimed as a justification in case of a delay in or failure in fulfillment of payment obligations due hereunder.
- 14.3 The Parties agree that any event arising due to any pandemic including Covid-19 or a situation or market condition which effects Buyer’s business model or ability of disposal of purchase Sales Gas shall not be constituted as a Force Majeure event.
- 14.4 The Party affected shall use all reasonable diligence to overcome the effects of the Force Majeure as quickly as possible, provided that the settlement of strikes, labor disputes, matters relating to kidnapping, extortion or the like shall be at the sole discretion of the Party affected thereby and provided further that the Party affected shall not be obliged to incur expenditure to overcome the events or circumstances which caused the Force Majeure which would make it uneconomical and commercially unviable to continue to be Party to this Agreement.
- 14.5 If a Party is prevented from performing an obligation under this Agreement because of Force Majeure and such obligation is to be performed within the given time frame, such time frame shall be extended by the duration of the Force Majeure period.
- 14.6 In the event that a Party affected by Force Majeure may only overcome the Force Majeure event by incurring expenditure which would make it uneconomical for that Party to continue to be a Party to this Agreement or circumstances or events caused by the Force Majeure are incapable of remedy, and in either case the delivery or acceptance of Sales Gas at the Delivery point is

prevented, the affected Party or the Seller shall have the right to terminate this Agreement by providing a thirty (30) Days' written notice to the other Party.

#### **ARTICLE – 15: WARRANTIES, INDEMNITIES & COVENANT**

15.1 The Buyer shall be liable for and hereby agrees to indemnify and hold the Seller harmless for any claims, third party claims, causes of actions, damages, costs, expenses, and liabilities, which arise out of the performance of this Agreement or from breach of any of the following warranties and representations under this Agreement:

- i. The Buyer warrants and represents that it is duly organized and validly existing under the laws of Pakistan.
- ii. To the extent required, the Buyer warrants and represents that it is qualified to conduct business in the jurisdiction as necessary to perform under the terms of this Agreement and it has all requisite corporate approvals and authority to enter into this Agreement, to perform its obligations hereunder, and this Agreement has been duly executed and delivered by the Buyer and constitutes a legal, valid and binding obligation, enforceable against the Buyer in accordance with its terms.
- iii. The Buyer warrants that the Sales Gas sold by the Seller hereunder shall be sold / disposed of in accordance with applicable Government policies/rules.
- iv. The Buyer represents and warrants that it shall obtain and maintain all necessary and requisite licenses from the Government/Oil and Gas Regulatory Authority, or any other authority/regulatory body to perform its obligations under this Agreement.
- v. The Buyer warrants that this Agreement, the execution, delivery, and performance of this Agreement by the Buyer, the consummation of the transactions contemplated hereby, and the compliance with the provisions hereof will not:
  - a. Violate any applicable laws/regulations, judgement, decree or award;
  - b. Contravene the organizational documents of the Buyer; or
  - c. Result in a violation of a term of provision or constitute a default or accelerate the performance of an obligation under any contract or agreement executed by the Buyer.

15.2 The Buyer agrees to indemnify and hold the Seller for all losses, costs, damages and expenses whatsoever relating to processing, transportation, marketing and sale of Sales Gas as delivered to the Buyer beyond the Delivery Point which the Seller may suffer, sustain or incur and in addition thereto, indemnify and save Seller harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur, in either case by reason of any matter or thing arising out of, resulting from, attributable to or connected with the supply of Sales Gas and Buyer's Facilities or due to execution of this Agreement with the Buyer.

#### **ARTICLE – 16: NOTICES**

- 16.1 Any notice, request, demand or statement provided for in this Agreement shall be made in writing and shall be directed by mail courier service, email or fax to the head office of the other Party at the following addresses:

**Seller:**

Attention: Mr. Hassan Mehmood

Designation: Director Business Development & Commercial

Address: Mari Petroleum Company Limited, 21, Mauve Area, 3rd Road, Sector G-10/4, Islamabad

Phone: +92 (51) 111-410-410

Email: hassan.mehmood@mpcl.com.pk

**Buyer:**

[to be inserted]

The notices shall be deemed effective upon receipt by the Party to be noticed.

**ARTICLE – 17: MISCELLANOUS**

- 17.1 This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements, negotiations and understandings relating to the subject matter of the Agreement either written or oral.
- 17.2 The terms and provisions of this Agreement may only be modified in writing, as mutually agreed upon by the Parties hereto. Any additions or modifications of this Agreement are valid and binding between the Parties only if they result explicitly from written documents, duly signed by both Parties.
- 17.3 The Buyer undertakes that is shall not, except to the extent required by law, disclose to any third party any information which is confidential business information including the existence and contents of this Agreement, that may be detrimental to the business of the Seller, or any confidential information arising out of this Agreement.
- 17.4 If any term or provision of this Agreement is, or becomes, invalid, unenforceable, or illegal, in whole or in part, such term or provision or part shall to that extent be deemed not to form part of this Agreement, but the validity, enforceability or legality of the remaining provisions of this Agreement shall not be impaired.
- 17.5 This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant, or employee for any other Party for any purpose whatsoever.
- 17.6 In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.
- 17.7 Except as expressly provided in this Agreement, no Party shall be deemed to have waived, released or modified any of its rights under this Agreement unless such Party has expressly stated, in writing, that it does waive, release, or modify such right.

17.8 The Parties shall each pay their own costs and expenses in relation to the preparation and execution of this Agreement.

17.9 This Agreement will be executed in two (2) counterparts as may be required by the Parties and each counterpart shall be deemed as original.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement through their authorized representatives on the date first written above:

For and on behalf :

**MARI PETROLEUM COMPANY LIMITED**

\_\_\_\_\_

Name:

Designation:

Witness 1: \_\_\_\_\_ (CNIC) \_\_\_\_\_

Witness 2: \_\_\_\_\_ (CNIC) \_\_\_\_\_

For and on behalf:

**[INSERT BUYER NAME]**

\_\_\_\_\_

Name:

Designation:

Witness 1: \_\_\_\_\_ (CNIC) \_\_\_\_\_

Witness 2: \_\_\_\_\_ (CNIC) \_\_\_\_\_

<b>Production Profile Maiwand X-1 ST-1</b>	
<b>Date</b>	<b>(3 MMscfd)</b>

	<b>Gas Rate</b>	<b>Gas. Vol</b>	<b>WHFP</b>
	<b>MMscfd</b>	<b>Bscf</b>	<b>psig</b>
2024	3	0.54	239
2025	3	1.10	219
2026	3	1.10	190
2027	3	1.10	159
2028	3	1.10	123
2029	3	1.10	79