

AGREEMENT

BETWEEN

BOARD OF TRUSTEES FOR COCHIN PORT

AND

M/S.PETRONET LNG LTD.

FOR

**THE PROJECT OF LNG PORT & TERMINAL FACILITIES
IN THE
PUTHUVYPEEN SEZ AT COCHIN PORT**

DATED 12th MARCH, 2009

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AGREEMENT FOR LNG PORT AND RE-GASIFICATION FACILITIES

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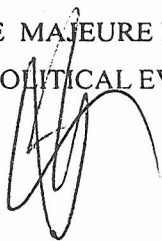
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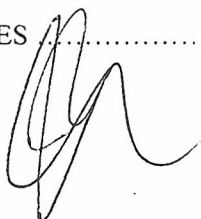

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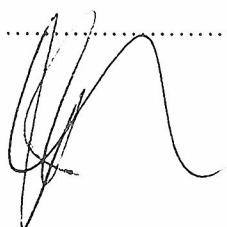

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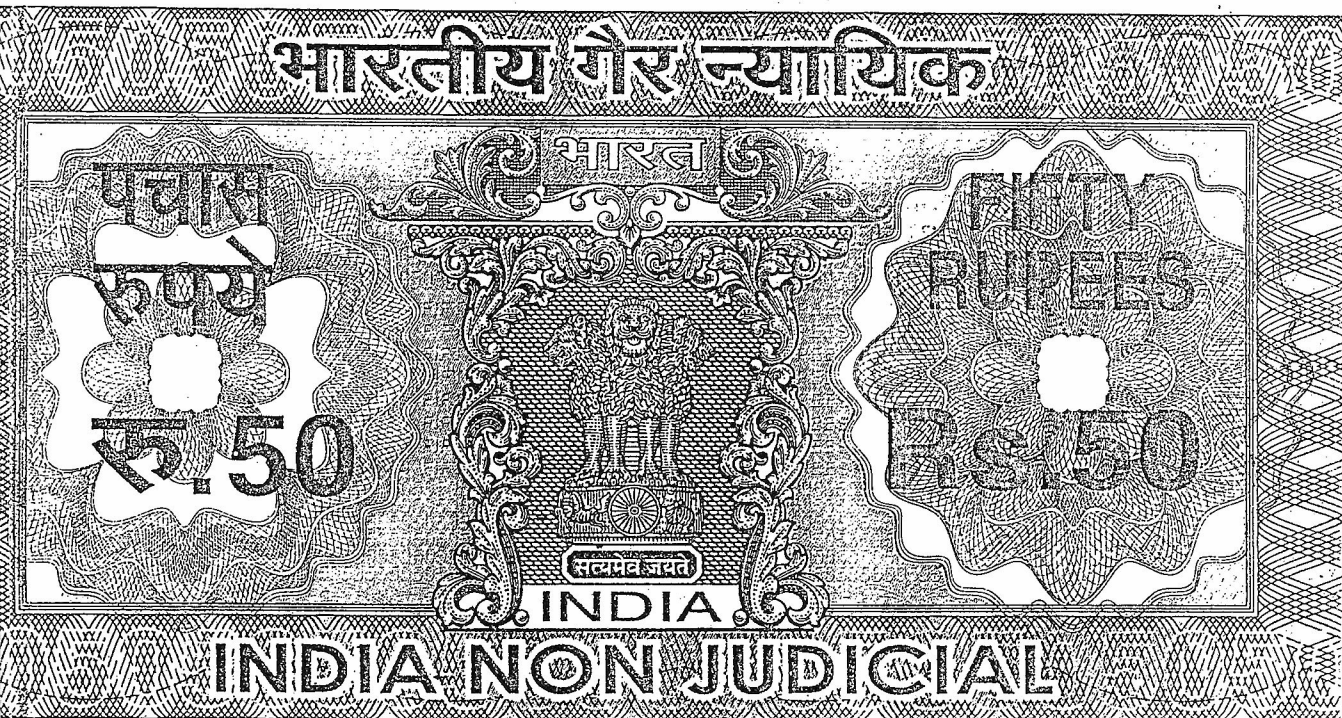

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THIS CONCESSION AGREEMENT is made at Kochi on this 12th day of March, 2009

BETWEEN:

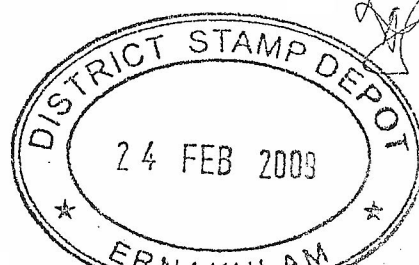
1. **BOARD OF TRUSTEES for COCHIN PORT**, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at Willingdon Island, Cochin -682 009, Kerala, hereinafter referred to as "the Concessioneing Authority" or as "CoPT" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) of the FIRST PART;

AND

2. **M/s. PETRONET LNG LIMITED**, a company registered under the Companies Act, 1956, and having its registered office at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi-110 001 hereinafter referred to as "the Concessionaire" or as "PLL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) of the OTHER PART.

WHEREAS:

- (A) M/s. Gas Authority of India Ltd., now named GAIL (India) Limited, a Public Sector Undertaking, had approached CoPT in November 1997, for allotment of 50 hectares of land at Puthuvypeen area for setting up of a LNG Import Terminal and in turn, CoPT had accorded "in principle" approval to the proposal and subject to certain conditions, the proposal to allot 50 hectares of land at Puthuvypeen to M/s. GAIL. Meanwhile, a joint venture company by name M/s. Petronet LNG



Ltd. (PLL) promoted by four Central Public Sector Units, viz., GAIL, ONGC, IOC & BPCL, was set up and M/s GAIL had informed CoPT that the newly set up company, PLL, would implement the proposed project.

- (B) PLL being India's largest LNG re-gasification company is desirous of designing, engineering, procuring, constructing, developing, operating, maintaining, repairing and refurbishing a LNG Re-Gasification Terminal and related facilities, including a jetty for the use of the said LNG Re-Gasification Terminal, other marine facilities and carrying out the business of re-gasifying and selling gas and re-gasifying gas by tolling and executing other related ancillary activities and works within the port limits at Cochin Port.
- (C) Pursuant to previous discussions between the Parties hereto, CoPT has agreed to grant PLL a concession and related rights for the development, operation and maintenance of the LNG Port Project (as defined hereinafter).
- (D) CoPT allotted to PLL, 33.4015 hectares of land at Puthuvypeen area on lease, with lease period upto the date of expiry of 30 (thirty) years commencing from the Date of Award of Concession, for LNG Re-Gasification Project, subject to the terms and conditions of a Land Lease Agreement as per Appendix 2 to be executed in this regard by the Parties along with this Concession Agreement.
- (E) The Parties are desirous of setting out their respective understandings as regards their mutual rights and obligations as regards the development, operation and maintenance of the LNG Port Project and related grant of concession and connected rights.



NOW, THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires the following terms shall have the following meanings assigned/ascribed thereto: -

"Actual Project Cost" means the actual capital cost incurred by the Concessionaire on the LNG Port Project and/or the Project Facilities and Services as certified by the Statutory Auditor and if the same exceeds the Estimated Project Cost and/or does not form part of the Financing Plan submitted prior to Financial Close, the amount of the Estimated Project Cost or in the Financing Plan as the case may be increased by the amount(s) approved in writing by the Concessioneing Authority.

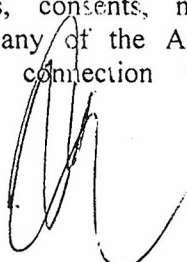
"Affiliate" means, with respect to any Party and/or with respect to the Applicant and/or with respect to any member of Consortium, any other Person directly or indirectly controlling, controlled by or under common control with such Party, Applicant and/or member of Consortium. For the purposes of this definition, the term "control" (including with correlative meaning, the terms "controlled by" and "under common control with") as applied to any Party or Applicant or a member of Consortium, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Party or Applicant or a member of Consortium whether through ownership of 50 (fifty) % or more of the voting securities, by contract, or otherwise.

"Agreement" means this agreement as of date hereof, including Appendices 1 through 12 as may be amended, supplemented or modified in accordance with the provisions hereof.

"Appendix" means the schedules, supplements or documents, appended to this Agreement.

"Applicable Laws" means all laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in India, including statutes, rules, regulations, directions, bye-laws, notifications, ordinances and judgments having force of law, or any final interpretation by a Court of Law having jurisdiction over the matter in question as may be in force and effect during the subsistence of this Agreement.

"Applicable Permits" means any and all permissions, clearances, licenses, authorizations, consents, no-objections, approvals and exemptions under or pursuant to any of the Applicable Laws or from any Government Authority required in connection with the LNG Port Project and for undertaking,




performing or discharging the obligations contemplated by this Agreement or any other Transaction Document.

"Board" means the Board of Trustees for the Port of Cochin.

"Book Value" means the aggregate written down value as on the date of issue of the Termination Notice in the books of the Concessionaire of: (i) the tangible assets (including capital works in progress) forming part of, fixed or attached to the ground, created, installed or provided by the Concessionaire and comprised in Project Facilities and Services, which in the reasonable judgement of an Expert are capable of being put to use/utilized by the Concessioneing Authority, and (ii) the moveable assets including LNG handling equipment belonging to the Concessionaire, which the Concessioneing Authority agrees to take over, in accordance with Indian Accounting Standards using depreciation rates as set forth in the (Indian) Companies Act, 1956, as applicable from time to time.

"Business Day" means any day on which the banks are normally open for business at Cochin and Delhi.

"Certificate of Substantial Completion" means the Certificate to be issued by the Independent Engineer as per para 2 (xiii) of Appendix 7.

"Change in Law" shall have the meaning set out under Article 13.1 of this Agreement.

"Completion Certificate" shall have the meaning assigned to it under Article 6.3.

"Concession" means the Concession granted by the Concessioneing Authority to the Concessionaire in accordance with the provisions of Article 2.1 of this Agreement for implementing the LNG Port Project and providing Project Facilities and Services.

"Concessioneing Authority Event of Default" shall have the meaning as set out under Article 15.1(b).

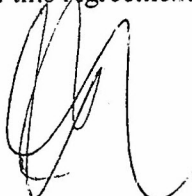
"Concessionaire Event of Default" shall have the meaning as set out under Article 15.1 (a).

"Concession Period" means the period of the Concession specified in Article 2.2 of this Agreement.

"Conditions Precedent" shall mean the conditions prescribed in Article 3 of this Agreement.

"Construction Phase" means the period from the Date of Award of Concession to the Date of Commercial Operation.

"Construction Works" means all works, equipments and things necessary to complete the LNG Port Project and provide the Project Facilities and Services in accordance with this Agreement.




"Construction Standards" means the construction standards set out in the Annexure to Appendix 4.

"Consultation Notice" has the meaning ascribed to it in Article 15.3.

"Contractor" means a Person with whom the Concessionaire has entered into/ may enter into a contract relating to the execution of any works and /or operation and maintenance of the Project Facilities and Services.

"Date of Award of Concession" means the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same.

"Date of Commercial Operation" means the date on which the Concessionaire receives the Completion Certificate in accordance with the provisions of this Agreement/ MPT Act-

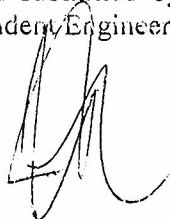
"Day" means the 24 (twenty four) hour period beginning and ending at 12:00 midnight Indian Standard Time.

"Debt Due" means the aggregate of the following sums representing the amounts advanced by the Lenders towards Actual Project Cost, expressed in Indian rupees as may be outstanding and payable to the Lenders under the Financing Documents on the Transfer Date:

- (a) the principal amount of the debt including any subordinated debt provided by the Lenders under the Financing Documents for financing the LNG Port Project ("**the Principal**") but excluding: (i) working capital loans; (ii) any part of the Principal that had fallen due for repayment one year prior to the Transfer Date, if the Transfer Date is related to expiry of the Concession Period or any part of the Principal that had fallen due after the Termination Notice, if the Transfer Date is related to termination prior to the expiry of the Concession Period; and (iii) any debt that has been rescheduled or refinanced, unless such repayment had been rescheduled or refinancing made with the prior consent of Concessioning Authority; and
- (b) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in sub-clause (a) above upto the Transfer Date but excluding: (i) any interest, fees or charges that had fallen due one year prior to the Transfer Date, and (ii) penal interest or charges, payable under the Financing Documents to any Lender.

"Deputy Conservator" means the Deputy Conservator of Cochin Port

"Designs and Drawings" means the designs and drawings, and other technical information submitted by the Concessionaire from time to time and reviewed by the Independent Engineer in accordance with the provisions of this Agreement.




"Dredging Charges" means the amounts payable by the Concessionaire to the Concessioneing Authority pursuant to Article 9.3 hereof.

"Encumbrance" means any encumbrance such as mortgage, charge, pledge, lien, hypothecation, security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations and shall include without limitation any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project, physical encumbrances and encroachments on the Project Site/ Project Facilities and Services.

"EPC Contract" means the contract entered into by the Concessionaire with one or more Contractors interalia for the purpose of design, engineering, procurement of equipment and materials (including by import thereof) and construction of the LNG Port Project in accordance with the provisions of this Agreement.

"Environmental Law" means any statute, rule, regulation, ordinance, code, guideline or policy having the force of law, in each case, applicable to the LNG Port Project now or hereafter in effect and any applicable judicial or administrative interpretation, pronouncement, order, decree or judgment, relating to the environment, health and safety.

"Equity" means the paid up share capital and internal accruals of the Concessionaire representing the equity component of the Actual Project Cost, as capitalized in the books of the Concessionaire and duly certified by the Statutory Auditors.

"Equity Documents" means collectively the documents evidencing subscription to Equity to the extent of equity component of cost of the LNG Port Project.

"Estimated Project Cost" means the sum of Rs.445 crores (Rupees Four hundred and Forty Five Crores only) being the cost of the LNG Port Project as estimated by the Concessionaire .

"Event of Default" shall have the meaning assigned to it under Article 15.1.

"Exclusivity Period" shall have the meaning ascribed to it in Article 12.2 (c).

"Expert" means any person, body or organization of repute with recognized technical/ professional expertise in respect of any field, matter or subject relevant for the purpose of this Agreement.

"Financial Assistance" means all funded and non-funded credit assistance including but not limited to loans, advances, lease assistance and guarantees required for the Project.

"Financial Close" means the date on which the Financing Documents providing for Financial Assistance by the Lenders, Equity Documents and the documents in respect of amount, if any, committed by the Concessionaire have become effective and the Concessionaire has access to such Financial Assistance.




"Financial Year" means any twelve month period commencing from 1st April and ending on 31st March.

"Financing Documents" means, collectively, the documents executed in favour of or entered into with the Lenders, by the Concessionaire in respect of the Financial Assistance relating to the financing (including any re-financing) of the actual cost of the Project and includes any document providing security for the Financial Assistance.

"Financing Plan" means the financing plan as envisaged under the Financing Documents for financing the cost to be incurred for implementing the Project submitted by the Concessionaire in accordance with Article 3.1(a)(v).

"Force Majeure Event" shall have the meaning ascribed to it in Article 14.1 of this Agreement.

"Gol" means the Government of India.

"Good Industry Practice" means the exercise of that degree of skill, diligence and prudence and those practices, methods, specifications and standards of equipment, safety and performance, as may change from time to time and which would reasonably and ordinarily be expected to be used by a skilled and experienced operator engaged in construction, operation and maintenance of facilities, equipment or systems of the type and size similar to the Project Facilities and Services.

"Government Authority" means Gol, any state government or any governmental department, commission, board, body, bureau, agency, authority, instrumentality, administrative body, at central, state, or local level, having jurisdiction over the Concessionaire, the Project Facilities and Services or any portion thereof, but shall not include the Concessioneing Authority.

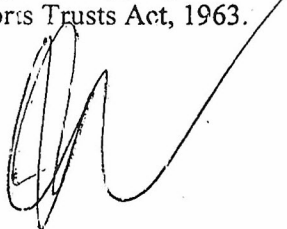
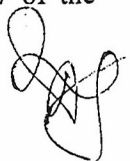
"Independent Engineer" means a Person appointed in accordance with Article 5.1 for supervision and monitoring of compliance by the Concessionaire with the Project Requirements, more particularly to undertake, perform, carry out the duties, responsibilities, services and activities set forth in Appendix 7.

"Indian Accounting Standards" means the Indian accounting standards issued by the Institute of Chartered Accountants of India.

"Insurance Cover" shall have the meaning ascribed to it in Article 12.1(c)(ii).

"ISPS Code" means the International Ship and Port Facility Security Code, being an internationally recognized set of maritime measures, to enhance security of ship and port facilities.

"Landing & Shipping Place" shall have the meaning given in Section 37 of the Major Ports Trusts Act, 1963.

"Landing & Shipping Place Declaration" means a declaration by the Collector of Customs declaring the Project Facilities and Services as a Landing and Shipping Place.

"Land Lease Agreement" means the lease agreement entered into between the Concessioneing Authority (Lessor) and the Concessionaire (Lessee) in relation to the Leased Premises described in the schedule annexed to the Land Lease Agreement on such terms as set forth therein and attached as Appendix 2 hereto and as amended from time to time.

"Leased Premises" means the land leased to the Concessionaire by the Concessioneing Authority as per the terms of the Land Lease Agreement in respect of LNG Re-Gasification Facilities.

"Lenders" means any Persons based in India or abroad providing Financial Assistance under the Financing Documents and includes a trustee for the holders of debentures/ or other debt instruments issued by the Concessionaire to finance the LNG Port Project and LNG Re-Gasification Project.

"Liquefied Natural Gas" or its abbreviation **"LNG"** means predominantly methane and certain other components in a liquid state, at or below its boiling point and at a pressure of approximately 1 (one) atmosphere.

"LNG Basin" means the region under sea water, connecting the common user outer channel at Cochin Port, to the Project Facilities and Services.

"LNG Port Project" means the design, finance, construction, operation, maintenance and marketing and providing of the Project Facilities and Services in accordance with the provisions of this Agreement.

"LNG Port Project Facilities" means and includes a jetty, approach trestle, other associated offshore works and ancillary facilities including berthing and mooring facilities, wharf, vessel transit area, and works within the Project Site capable and sufficient for handling LNG or not less than 2.5 MMTPA, as expanded from time to time.

"LNG Re-Gasification Facilities" means LNG re-gasification terminal facilities including LNG storage tanks, onshore facilities required for the import, re-gasification and dispatch of LNG and related activities within the Leased Premises.

"LNG Re-Gasification Project" means the design, finance, construction, operation and maintenance of the LNG Re-Gasification Facilities and all services rendered in relation thereto and carrying out the business of re-gasifying, marketing and selling of gas and re-gasifying gas by tolling and executing other ancillary activities and works within the Leased Premises.

"Management Control" means the power to elect or appoint more than 26% (Twenty Six percent) of the directors on the board of the Concessionaire.




"Material Adverse Effect" means material adverse effect on: (a) the ability of either Party to exercise any of their rights or perform/discharge any of their duties/obligations under and in accordance with the provisions of this Agreement and/or (b) the legality, validity, binding nature or enforceability of this Agreement.

"Milestone Dates" means the dates for completion of specified Project activities as contained in the Project Schedule.

"Month" means the calendar month as per the Gregorian calendar.

"MPT Act" means The Major Port Trusts Act, 1963 as amended, supplemented, re-enacted or replaced from time to time.

"Non-Political Event" means the Force Majeure Events set out in Article 14.2.

"C&M Contract" means the contract, if any, entered into by the Concessionaire for the operation and maintenance of the LNG Port Project in accordance with the provisions of this Agreement.

"Operations Phase" means the period from the Date of Commercial Operation to the expiry/termination of the Concession Period.

"Operations and Maintenance Standards" means the minimum standards of operations and maintenance set out in the Annexure to Appendix 4 with regards the Project Facilities and Services.

"Other Events" means the Force Majeure Events set out in Article 14.4.

"Party" means either the Concessioneing Authority or the Concessionaire as the context may require or admit and **"Parties"** means both Concessioneing Authority and Concessionaire.

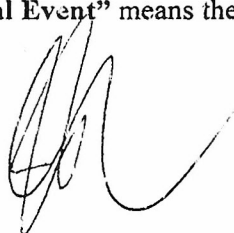
"Performance Standards" means the minimum standards of performance set out in Appendix 11 with regards the Project Facilities and Services.

"Performance Guarantee" shall mean the bank guarantee(s)/letter(s) of credit procured by the Concessionaire for the benefit of the Concessioneing Authority guaranteeing the performance of the obligations of the Concessionaire hereunder in the manner specified in Article 4.1.

"Person" means any individual, company, corporation, partnership, joint venture, trust, unincorporated organization, government or governmental authority or agency or any other legal entity.

"Pilotage Charges" means the charges payable by the Concessionaire for the pilotage services availed from the Concessioneing Authority.

"Political Event" means the Force Majeure Events set out in Article 14.3.




"Port Limits" means the limits of Coch'in Port as defined under Section 5 of the Indian Ports Act, 1908, as amended from time to time.

"Project" means comprehensively the LNG Port Project and the LNG Re-Gasification Project.

"Project Contracts" means collectively this Agreement, the EPC Contract, O&M Contract and any other material contract (other than the Financing Documents, the Substitution Agreement or any commercial agreement with the users) entered into or may hereafter be entered into by the Concessionaire in connection with the LNG Port Project and Project Facilities and Services.

"Project Facilities and Services" means the facilities and services as set out under the Project Requirements, to be provided /availed by the Concessionaire during the Concession Period, in accordance with this Agreement.

"Project Capacity" means the capacity of the Project Facilities and Services to handle LNG not less than 2.5 Million Tonnes per annum.

"Project Requirements" means the minimum requirements as to the construction, operation and maintenance of the LNG Port Project and provision of Project Facilities and Services set out in Appendix 4.

"Project Schedule" means the Appendix 5 hereto.

"Project Site" means the area demarcated in Appendix 1 including the waterfront, existing berth, land together with buildings, structures if any and easement rights thereto that may be given to the Concessionaire and all other assets comprised therein on which the Concessionaire is authorized to develop and operate the Project Facilities and Services as set forth in this Agreement.

"Provisional Certificate" shall have the meaning assigned to it under Article 6.7 (d).

"Punch List" shall have the meaning assigned to it under Article 6.7 (d).

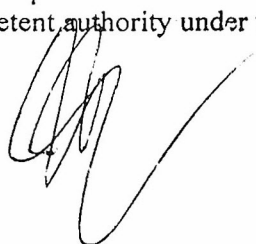
"Quarter" means a period of 3 (three) Months.

"Remedial Period" has the meaning ascribed to it in Article 15.4.

"Requisition" has the meaning ascribed to it in Article 16.3.

"Safety Standards" means the minimum standards of safety set out in the Annexure to Appendix 4 with regards the LNG Port Project/Project Facilities and Services.

"Scale of Rates" means the scale of rates alongwith the statement of conditions with respect thereto framed from time to time and notified by TAMP or such other competent authority under the provisions of MPT Act, as applicable.




"Scheduled Project Completion Date" means the date falling 42 Months from the Date of Award of Concession. (17-09-2009) - 16/03/13

"Selectee" has the meaning ascribed to it in Article 15.4(b).

"Statutory Auditors" means a firm of chartered accountants appointed in terms of Section 224 of the Companies Act, 1956 and acting as the statutory auditors of the Concessionaire.

"Substitution Agreement" means the agreement substantially in the form set out at Appendix 3.

"SBI PLR" means the prime lending rate of the State Bank of India prevailing as on the date of a payment due from which the computation of interest is required to be made under the Agreement.

"TAMP" means Tariff Authority for Major Ports established under the MPT Act.

"Termination Notice" means the termination notice issued pursuant to Article 16.1 hereof.

"Termination Period" shall have the meaning as set out under Article 16.1 hereof.

"Tests" shall have the meaning assigned to it under Article 6.7 (a) hereof.

"The Port" means Cochin Port.

"Transfer Date" means the date of expiry or termination as the case may be, of the Concession Period in accordance with the terms of this Agreement.

"Transaction Documents" means collectively the Project Contracts and the Financing Documents.

"Waterfront Royalty" means the amount payable by the Concessionaire to the Concessioning Authority, pursuant to Article 9.1 hereof.

1.2 Other References

In this Agreement:

"BS" means British Standard

"CISF" means Central Industrial Security Force.

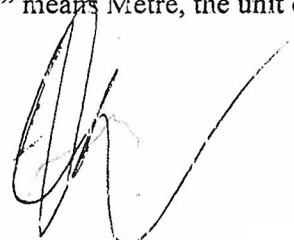
"cum" means Cubic metre, the unit of volume

"ha" means Hectare, the unit of area

"IS" means Indian Standard.

"km" means Kilometre, the unit of length.

"m" means Metre, the unit of length.




"mm" means Millimetre, the unit of length.

"MMTPA" means Million Metric Tonnes Per Annum, the unit of Terminal throughput/ capacity.

"MT" means Metric Tonne, the unit of weight.

"SEZ" means Special Economic Zone

"sqm" means Square Metre, the unit of area.

"VAT" means Value Added Tax.

1.3 Interpretations

This Agreement constitutes the entire understanding between the Parties regarding the LNG Port Project and supersedes all previous written and/or oral representations and/or arrangements regarding the Project.

In this Agreement unless the context otherwise requires:

- (a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- (b) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organisations or other entities (whether or not having a separate legal entity);
- (c) the table of contents and any headings in this Agreement are for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) the words "include" and "including" are to be construed without limitation;
- (e) references to "construction" include investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;
- (f) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (g) any reference to day shall mean a reference to a calendar day;
- (h) any reference to month shall mean a reference to a calendar month;
- (i) "Recital", "Article" and "Appendix" shall refer, except where the context otherwise requires, to Articles of and any Appendix to this Agreement. The Appendices to this Agreement shall form an integral part and parcel of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;




- (j) any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or novated at the time of such reference;
- (k) any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party or the Independent Engineer and/or a Statutory Auditor shall be valid and effectual only if it is in writing under the hands of duly authorized representative of such Party or the Independent Engineer and/or Statutory Auditor, as the case may be, in this behalf and not otherwise;
- (l) unless otherwise stated, any reference to any period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates;
- (m) unless otherwise specified, any interest to be calculated and payable under this Agreement shall accrue on a Monthly basis and from the respective due dates as provided for in this Agreement; and
- (n) any word or expression used in this Agreement, unless defined or construed in this Agreement, shall be construed as per the definition given in General Clauses Act, 1897 failing which it shall bear the ordinary English meaning.

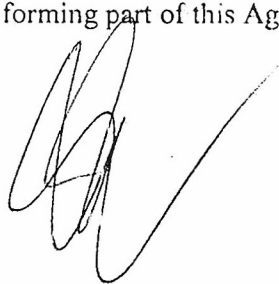
1.4 Measurements and Arithmetic Conventions

All measurements and calculations shall be in metric system and calculations done to 2 decimal places, with the third digit of 5 or above being rounded up and below 5 being rounded down.

1.5 Ambiguities and Discrepancies

In case of ambiguities or discrepancies within this Agreement, the following shall apply:

- (a) between two Articles of this Agreement, the provisions of specific Articles relevant to the issue under consideration shall prevail over those in other Articles;
- (b) between the dimension scaled from the Design and Drawings and its specific written dimension, the latter shall prevail;
- (c) between any value written in numerals and that in words, the latter shall prevail; and
- (d) between the provisions of this Agreement and any other documents forming part of this Agreement, the former shall prevail.




ARTICLE 2

CONCESSION AND PROJECT SITE

2.1 Concession

In consideration of the Concessionaire agreeing to pay to the Concessioneing Authority Waterfront Royalty and performing its obligations as set out in this Agreement, the Concessioneing Authority hereby grants to the Concessionaire, subject to the provisions of this Agreement, an exclusive license for designing, engineering, financing, constructing, equipping, operating, maintaining and replacing the LNG Port Project/ Project Facilities and Services.

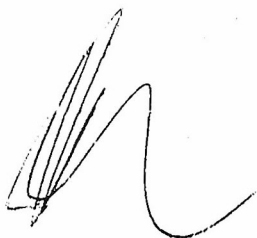
2.2 Concession Period -

The Concession hereby granted is for a period of 30 (thirty) years commencing from Date of Award of Concession or 25 (twenty-five) years from the date of commencement of LNG supply under long-term Sale and Purchase Agreement, whichever is later which shall however not extend beyond 31st December, 2039, during which the Concessionaire is authorized and obliged to implement the LNG Port Project and to provide Project Facilities and Services in accordance with the provisions hereof. Provided that: -

- (a) in the event of the Concession being extended by the Concessioneing Authority beyond the period provided for in Article 2.2 in accordance with the provisions of this Agreement, the Concession Period shall include the period by which the Concession is so extended, and
- (b) in the event of an early termination/determination of the Concession/ this Agreement by either Party in accordance with the provisions hereof, the Concession Period shall mean and be limited to the period commencing from the Date of Award of Concession and ending with the date of termination/determination of the Concession/this Agreement.

2.3 Acceptance of the Concession

The Concessionaire hereby accepts the Concession and agrees and undertakes to implement the LNG Port Project and to provide Project Facilities and Services in accordance with the provisions of this Agreement. Subject to and in accordance with the provisions of this Agreement and Applicable Laws and Applicable Permits, the Concessionaire shall at its costs, charges, expenses and risk including but not limited to foreign exchange variation risk if any, conceptualize, design, engineer, finance, construct, equip, operate, maintain and replace the LNG Port Project/ Project Facilities and Services.



2.4 Project Site

- (a) In consideration of the Concessionaire agreeing to perform and discharge its obligations as set forth in this Agreement, the Concessioneing Authority hereby grants to the Concessionaire, the exclusive right to enter upon, occupy and use the Project Site for the purpose of implementing the LNG Port Project and provision of Project Facilities and Services pursuant thereto in accordance with this Agreement.
- (b) The Concessionaire shall at its costs, charges and expenses make such development and improvements in the Project Site as may be necessary or appropriate for implementing the LNG Port Project and providing Project Facilities and Services, in accordance with the Agreement, Applicable Laws and Applicable Permits.

2.5 Use of Project Site

The Concessionaire shall not without the prior written consent or approval of the Concessioneing Authority use the Project Site for any purpose other than for the purposes of the LNG Port Project / the Project Facilities and Services and purposes incidental thereto as permitted under this Agreement or as may otherwise be approved by the Concessioneing Authority.

2.6 Information about Project Site

The information about the Project Site as set out in Appendix 1 is provided by the Concessioneing Authority in good faith and with due regard to the matters for which such information is required by the Concessionaire. The Concessioneing Authority agrees to provide to the Concessionaire, upon a reasonable request, any further information relating to the Project Site, which the Concessioneing Authority may now possess or may hereafter come to possess, as may be relevant to the implementation of the LNG Port Project. Subject to this, the Concessioneing Authority makes no representation and gives no warranty to the Concessionaire in respect of the condition of the Project Site.

2.7 Acceptance of the Project Site

The Concessionaire accepts possession of the Project Site on 'as is where is' basis and confirms having:

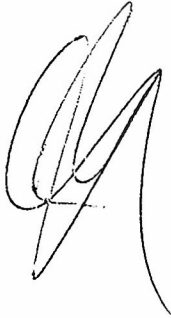
- (a) inspected the Project Site, including the berths and all structures thereat and its surroundings;
- (b) satisfied itself as to the nature of the climatic, hydrological and general physical conditions of the Project Site, the nature of the ground and subsoil, the form and nature of the Project Site, and the nature of the design, work and materials necessary for the performance of its obligations under this Agreement; and




- (c) obtained for itself all necessary information as to the risks, contingencies and all other circumstances which may influence or affect the Concessionaire and its rights and obligations under or pursuant to this Agreement.

2.8 Peaceful Occupation

The Concessions Authority warrants that the Concessionaire shall, subject to complying with the terms and conditions of this Agreement, remain in occupation of the Project Site during the Concession Period. In the event the Concessionaire is obstructed by any Person claiming any right, title or interest in or over the Project Site or any part thereof or in the event of any enforcement action including any attachment, distraint, appointment of receiver or liquidator being initiated by any Person claiming to have charge on the Project Site or any part thereof pursuant to Section 78 of the MPT Act, the Concessions Authority shall, if called upon by the Concessionaire, defend such claims and proceedings.

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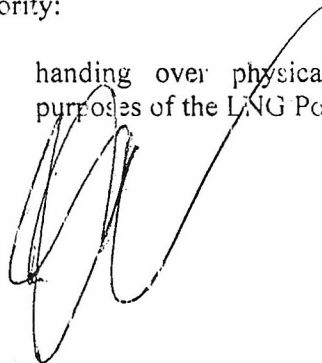
ARTICLE 3

CONDITIONS PRECEDENT

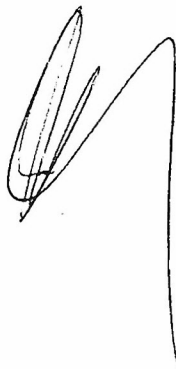
3.1 Conditions Precedent

The award of the Concession shall be subject to the satisfaction or waiver of the following conditions precedent (the "**Conditions Precedent**"):

- (a) The following Conditions Precedent shall be satisfied by the Concessionaire:
 - (i) Furnishing of the Performance Guarantee as stipulated in Article 4.1 hereof;
 - (ii) Furnishing of copies (certified as true copies by a director of the Concessionaire) of the constituent documents of the Concessionaire;
 - (iii) Furnishing of all resolutions adopted by the Board of Directors of the Concessionaire (certified as true copies by a director of the Concessionaire) authorizing the execution, delivery and performance by the Concessionaire of each of the Transaction Documents;
 - (iv) Furnishing a certificate from its principal officer/director on the shareholding pattern of the Concessionaire;
 - (v) Furnishing its Financing Plan and Financing Documents for the LNG Port Project and demonstrating Financial Close. Provided, Financial Close shall be deemed to be achieved if the only conditions pending for achieving Financial Close are those which are required to be fulfilled by the Concessions Authority under Article 3.1 (b) hereunder;
 - (vi) Furnishing to the Concessions Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability hereof; and
 - (vii) Obtaining Applicable Permits as may be required for commencement of Construction Works as set out in Appendix 8.
- (b) The following Conditions Precedent shall be satisfied by the Concessions Authority:
 - (i) handing over physical possession of the Project Site for the purposes of the LNG Port Project;




- 3.2 The aforesaid Conditions Precedent shall be complied with within 180 Days of the date of the Agreement. Each Party shall promptly inform the other Party in writing when the Conditions Precedent for which it is responsible have been satisfied.
- 3.3 Any of the Conditions Precedent set forth in Article 3.1(a) may be waived fully or partially by the Concessioneing Authority at any time in its sole discretion or the Concessioneing Authority may grant additional time for compliance with these conditions and the Concessionaire shall be bound to ensure compliance within such additional time as may be specified by the Concessioneing Authority. Any of the Conditions Precedent set forth in Article 3.1 (b) may be waived fully or partially by the Concessionaire at any time in its sole discretion.
- 3.4 If the Concessioneing Authority has fulfilled all the Conditions Precedent under Article 3.1(b) and has not waived or extended the time under Article 3.3 above, and if the Concessionaire has failed to fulfill the Conditions Precedent to be fulfilled by it under Article 3.1(a) (and which are within the power of the Concessionaire), the Concessionaire shall be liable to pay liquidated damages in a sum calculated at the rate of 0.1% (zero point one percent) of the Performance Guarantee for each Day's delay until fulfillment of the Conditions Precedent subject to a maximum of 5% (five percent) of the figure mentioned in the Performance Guarantee furnished by the Concessionaire. In such event, having regard to the quantum of damages, the time for the performance shall be deemed to have been extended by the number of days for which the liquidated damages is paid and if, after the extended period the Concessionaire is still not in a position to comply with the Conditions Precedent, then the agreement shall be liable to be terminated as provided for in Article 3.5 below;
- 3.5 In the event that the Conditions Precedents are not complied with within the time (including the extended time, if any) in terms of the aforesaid Articles 3.2 to 3.4. this Agreement shall be liable to be terminated.

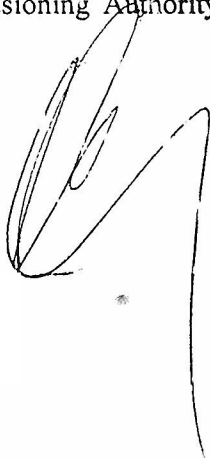


ARTICLE 4

PERFORMANCE GUARANTEE

4.1 Performance Guarantee

The Concessionaire shall for due performance of its obligations during the Construction Phase provide to Concessioneing Authority an unconditional and irrevocable bank guarantee, in favour of the Concessioneing Authority encashable and enforceable at Cochin substantially in the form set forth in Appendix 9 or an irrevocable revolving "letter of credit in the form acceptable to the Concessioneing Authority (the "Performance Guarantee"). The Performance Guarantee shall be for a sum of Rs.11,12,50,000/- (Rupees eleven crore twelve lakh and fifty thousand only) equalling 2.5 % (two point five percent) of the **Estimated Project Cost**. The Performance Guarantee, if in the form of a bank guarantee shall be valid for an initial period of 1 (one) year and shall be renewed 30 (thirty) Days prior to expiry of each year, for an additional term of 1 (one) year. It is clarified that the Concessionaire shall be liable to restore the Performance Guarantee to the full amount in case of part encashment of the same by the Concessioneing Authority. This shall be done within 30 (thirty) Days of any such part encashment. The Performance Guarantee, if in the form of a letter of credit shall be irrevocable and replenished from time to time such that an amount of Rs.11,12,50,000/- (Rupees eleven crore twelve lakh and fifty thousand only) is available in immediate cash to the Concessioneing Authority for the entire period of the Construction Phase. The Performance Guarantee furnished under this provision shall be valid until expiry of 6 (six) months from the Date of Commercial Operation. Failure of the Concessionaire to provide a valid Performance Guarantee and/or restore and maintain the Performance Guarantee in accordance with this Article shall entitle the Concessioneing Authority to forthwith terminate this Agreement. .

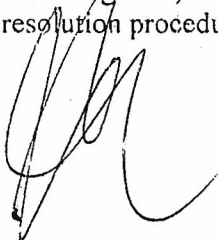



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ARTICLE 5

INDEPENDENT ENGINEER

5.1 Independent Engineer

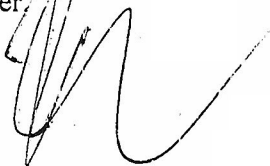
- (a) The Independent Engineer shall be selected through a tender process. The Concessions Authority shall in the procurement documents published by it, set out in reasonable detail the scope of work as indicated in Appendix 7 and shortlist bidders based on their technical capability. The Concessions Authority shall within 30 (thirty) Days of the date of this Agreement forward to the Concessionaire a list consisting of the names accompanied by their respective profile in brief of Persons so shortlisted. If within 15 (fifteen) Days of forwarding the list, the Concessions Authority does not receive any objection from the Concessionaire with reasons therefor, the Concessions Authority shall call for a financial bid from the shortlisted Persons and select the Independent Engineer ordinarily based on the lowest fee quote. Any objection raised by the Concessionaire shall be considered by the Concessions Authority and Persons against whom such objections are raised will at the discretion of the Concessions Authority which discretion shall be used with the highest degree of prudence and fairness, be disqualified prior to seeking a financial bid.
- (b) The Independent Engineer selected pursuant to the aforesaid process shall be appointed for a period commencing from the Date of Award of Concession to the date of expiry of 6 (six) Months from the Date of Commercial Operation. The scope of work of the Independent Engineer shall be substantially as set out in Appendix 7.
- (c) The costs and expenses of the Independent Engineer shall be borne by the Concessions Authority and the Concessionaire, equally.
- (d) If the Concessions Authority either on its own or on a report of the Concessionaire has reason to believe that the Independent Engineer is not discharging its duties in a fair, appropriate and diligent manner, the Concessions Authority may after giving the Independent Engineer due opportunity of being heard, terminate the appointment of the Independent Engineer and appoint another firm in its place in accordance with the preceding clause (a) above.
- (e) If either Party disputes any advice, instruction or decision of the Independent Engineer, the dispute shall be resolved in accordance with the dispute resolution procedure set out in Article 19.
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ARTICLE 6**PROJECT IMPLEMENTATION****6.1 Preparation of Designs and Drawings**

The Concessionaire shall at its cost, charges and expenses, prepare the Designs and Drawings in conformity with the Project Requirements.

6.2 Review of the Designs and Drawings

- (a) The Concessionaire shall submit the Designs and Drawings as set out in Appendix 6 for the review of the Independent Engineer. Simultaneously, the Concessionaire shall also provide the Concessioneing Authority with a set of the Designs and Drawings.
- (b) The Independent Engineer shall review the Designs and Drawings submitted by the Concessionaire and provide its comments/observations and suggestions on the same (including taking into account the comments/observations of the Concessioneing Authority in respect thereof as it may in its sole discretion deem fit) within 21 (twenty one) Days from the date of the receipt of such Designs and Drawings.
- (c) In the event that the Independent Engineer has observed that the Designs and Drawings are not in conformity with the Project Requirements, the Concessionaire shall promptly and without any undue delay revise and resubmit the Designs and Drawings or satisfy the Independent Engineer with regards its compliance.
- (d) If the Independent Engineer does not make any observation/comments with respect to the Designs and Drawings submitted to it by the Concessionaire within 21 (twenty one) Days of the submission, it shall be deemed that the Independent Engineer has no suggestions to make with respect to the Designs and Drawings and the Concessionaire shall be entitled to proceed with the LNG Port Project accordingly.
- (e) The Concessionaire shall not be entitled to any extension of time for completing construction or any other relief on account of delay caused due to providing any clarification or in resubmitting the Designs and Drawings. Provided however, the Concessioneing Authority at its sole discretion, may suitably extend the Construction Phase or provide other relief to compensate for any such delay not attributable to the Concessionaire.
- (f) The Concessionaire shall not change any Designs and Drawings reviewed by the Independent Engineer under this Agreement, without submitting such revised Designs and Drawings for the review of the Independent Engineer.



- (g) Notwithstanding the review by the Independent Engineer, the Concessionaire shall be solely responsible for any defect and/or deficiency in the Designs and Drawings relating to the LNG Port Project or any part thereof and accordingly the Concessionaire shall at all times remain responsible for its obligations under this Agreement.
- (h) Any review of the Designs and Drawings conducted by the Concessioneing Authority is solely for the Concessioneing Authority's own information and that by conducting such review, the Concessioneing Authority does not accept any responsibility for the same.
- (i) The Concessionaire shall in no way represent to any Person that, as a result of any review by the Independent Engineer, the Concessioneing Authority has accepted responsibility for the engineering or soundness of any work relating to the LNG Port Project/ the Project Facilities and Services or part thereof carried out by the Concessionaire and the Concessionaire shall, in accordance with the provisions of this Agreement, be solely responsible for the technical feasibility, operational capability and reliability of the LNG Port Project/ the Project Facilities and Services or any part thereof.

6.3 Construction Phase

- 6.3.1 Within two weeks of receipt of "Certificate of Substantial Completion" and intimation from the Concessionaire that the facilities are ready for declaration as a "Landing and Shipping Place" for LNG cargo, the Concessioneing Authority shall submit an application to the Customs Department for the declaration of the area as a "Landing and Shipping Place".
- 6.3.2 The Concessionaire shall promptly commence and complete the works, including installation of equipment in accordance with the Project Schedule and shall also obtain from the Independent Engineer a certificate as to completion of construction of Project Facilities and Services in accordance with the provisions of this Agreement ("Completion Certificate") not later than 42 Months from the date of commencement of the Concession Period.

6.4 Obligations of the Concessionaire

Without prejudice to the generality of Article 6.3 and in addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessionaire shall:

- (a) arrange for, in a timely manner all necessary financial and other resources required for construction and installation of the Project Facilities and Services;
- (b) engage professionally competent Persons for project management and construction and ensure that all works are carried out in compliance with the Construction Standards;




- (c) give written notice to the Concessioneing Authority within 7 (seven) Days of any material modification or change to any of the Financing Documents and/or any Equity Documents and shall simultaneously therewith also furnish copies of such modified/ amended documents to the Concessioneing Authority. Provided no such modification/amendment will be made if it in any manner whatsoever has the effect of imposing an additional financial obligation or increasing the financial obligation of the Concessioneing Authority in addition to that contemplated under the Financing Documents provided on Financial Close, without the prior written consent of the Concessioneing Authority. For avoidance of doubt, any such modifications /amendments made without the prior written consent of the Concessioneing Authority will not be enforceable against the Concessioneing Authority;
- (d) obtain Applicable Permits, comply with Applicable Laws and Applicable Permits and give priority to safety in its construction and planning activities in order to protect life, health, property and environment;
- (e) provide to the representative(s) of the Concessioneing Authority, at reasonable times and upon prior intimation, access to the Project Site to review progress in construction and to ascertain compliance with any of the requirements of this Agreement. Provided that non-inspection by the Concessioneing Authority of any works shall not, in relation to such works:(i) amount to any consent or approval by the Concessioneing Authority nor shall the same be deemed to be waiver of any of the rights of the Concessioneing Authority under this Agreement; and (ii) release or discharge the Concessionaire from its obligations or liabilities under this Agreement in respect of such work;
- (f) provide Monthly reports on the progress of Construction Works or such other relevant information as may be required by the Independent Engineer;
- (g) promptly carry out at its cost such further works as may be necessary to remove any defects or deficiencies observed by the Independent Engineer and ensure timely completion of construction of the LNG Port Project / the Project Facilities and Services in all respects in accordance with the provisions of this Agreement;
- (h) to ensure safe and timely construction and completion of the LNG Port Project/Project Facilities and Services, the Concessionaire may, at its cost, interrupt and divert/create barriers on the flow of water or on the road or port traffic, adjacent to the Project Site if such interruption and diversion is imperative for the efficient progress of Construction Works and conforms to Good Industry Practice; provided that such interruption and diversion shall be undertaken by the Concessionaire only with the prior written approval of the Independent Engineer which approval shall not be unreasonably withheld. For the avoidance of doubt, it is agreed that the Concessionaire shall at all times



be responsible for ensuring safe operation of Construction Works and shall remove the interruption or diversion within the period specified by the Independent Engineer; and

- (i) at its own cost, arrange through the Concessioning Authority or otherwise, the capital dredging for the LNG Basin.

6.5 Obligations of the Concessioning Authority

In addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessioning Authority shall:

- (a) in matters falling within its authority, grant, the Applicable Permits, approvals and consents as may be required by the Concessionaire and on a best efforts basis assist the Concessionaire in obtaining all other Applicable Permits as may be required by the Concessionaire;
- (b) make available all records of sub-soil investigations carried out on its behalf in the Project Site, if requested by the Concessionaire. It is clarified that the Concessionaire shall be solely responsible for determining the adequacy or otherwise of such investigations and will not in reliance of such records, be entitled to claim any relief under this Agreement;
- (c) upon satisfaction as to completion and receipt of Certificate of Substantial Completion / Completion Certificate issued by the Independent Engineer promptly obtain approval of the Collector of Customs, publish requisite notifications in the Official Gazette and declare the Project Facilities and Services as ready for operation in accordance with the provisions of Section 37 of the MPT Act;
- (d) upon written request from the Concessionaire, assist the Concessionaire, on a best effort basis, in obtaining immigration clearances, employment permits and residential premises for any foreign personnel engaged or employed by the Concessionaire in connection with the implementation of the LNG Port Project;
- (e) subject to the Concessionaire / Contractor complying with the requirements under the Applicable Laws including but not limited to payment of customs and any other duty, assist the Concessionaire or Contractor, on a best effort basis, to import into India all items of equipment and materials required for the LNG Port Project;
- (f) complete and commission direct road connectivity from the existing Goshree Island Development Authority (GIDA) road to the Leased Premises at Puthuvypeen, not later than 31st December, 2008 or Date of Award of Concession, whichever is later;
- (g) prior to the Date of Commercial Operation of LNG Port Project Facilities, carry out the required capital dredging of the common user outer channel at the




Port so as to provide the channel width and depth for manoeuvring LNG vessels of maximum 300m LOA, 46m beam and 12m draft, and

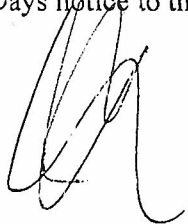
- (h) extend the Concession Period, in the event that default by the Concessioneing Authority in complying with the requirements in respect of: (a) direct road connectivity as detailed in sub-article 6.5 (f) and/or; (b) capital dredging of the common user outer channel as detailed in sub-article 6.5 (g), causes any delay in achieving the Date of Commercial Operation, such extension being equal in duration to the period by which the Date of Commercial Operation is delayed.

6.6 Suspension of Works

- (a) Upon recommendation of the Independent Engineer to this effect, the Concessioneing Authority may by notice require the Concessionaire to suspend forthwith the whole or any part of the Construction Works if, in the reasonable opinion of the Concessioneing Authority, such work is not in accordance with the Construction Standards / Safety Standards.
- (b) The Concessionaire shall, pursuant to the notice under the foregoing provision suspend the Construction Works or any part thereof for such time and in such manner as may be specified by the Concessioneing Authority and thereupon represent to the Concessioneing Authority / Independent Engineer, the remedial measures to remedy the defects notified. The Concessionaire may by notice require the Independent Engineer to inspect such remedial measures forthwith and make a report to the Concessioneing Authority recommending whether or not the suspension hereunder may be revoked. Any dispute as regards the suspension of works or the remedial measures proposed, if cannot resolved within 30 (thirty) Days of the suspension or proposal of the remedial measures, shall be submitted for dispute resolution in accordance with Article 19 hereof.

6.7 Issue of Completion Certificate

- (a) At least 60 (sixty) Days prior to the likely completion of the LNG Port Project, the Concessionaire shall notify the Independent Engineer of the date when it intends to commence commercial operations. The Independent Engineer shall then proceed to inspect the Construction Works with the intention of issuing the Completion Certificate and determine and notify to the Concessionaire the schedule and manner of the tests as are specified in Appendix 7 that it shall carry out to ensure that the LNG Port Project meets with the Construction Standards ("the Tests"). The date and time of each of the Tests shall be determined by the Independent Engineer in consultation with the Concessionaire, and notified to the Concessioneing Authority who may designate its representative to witness the Tests. The Concessionaire shall provide such assistance as the Independent Engineer may reasonably require for conducting the Tests. In the event of the Concessionaire and the Independent Engineer failing to mutually agree on the dates for conducting the Tests, the Concessionaire shall fix the dates by not less than 10 (ten) Days notice to the Independent Engineer;



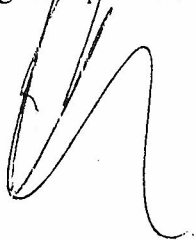


- (b) Upon completion of each Test, the Independent Engineer shall provide to the Concessionaire and the Concessioneing Authority copies of all Test data including detailed Test results;
- (c) Upon completion of Construction Works and the Independent Engineer determining all the Tests to be successful, it shall forthwith issue to the Concessionaire and the Concessioneing Authority a Completion Certificate substantially in the form set forth in Appendix 10;
- (d) The Independent Engineer may, at the request of the Concessionaire, issue a provisional certificate of completion substantially in the form set forth in Appendix 10 (the "Provisional Certificate") if the Tests are successful and the LNG Port Project can be safely and reliabiy placed in commercial operation though certain works or things forming part thereof are outstanding and not yet complete. The Provisional Certificate shall have appended thereto a list of outstanding items signed jointly by the Independent Engineer and the Concessionaire (the "Punch List") to be completed by the Concessionaire within a stipulated time. Provided, notwithstanding the foregoing, no such Provisional Certificate will be issued pending notifications in the Official Gazette by the Collector of Customs, in accordance with the provisions of Section 37 of the MPT Act for the Project Facilities and Services. All items in the Punch List shall be completed by the Concessionaire within 90 (ninety) Days of the date of issue of the Provisional Certificate or such other extended period that the Concessioneing Authority may in its sole discretion determine, failing which the Provisional Certificate shall lose its validity and the Concessioneing Authority shall be entitled to terminate this Agreement;

6.8 Operations during Construction Phase

The Concessionaire may, even during the Construction Phase, carry out operations subject to issuance of Certificate of Substantial Completion and requisite approvals in this regard and at its own cost and risk, provide services in relation to the LNG Port Project even before Completion Certificate is issued with respect to the construction works, for a maximum period of 8 (eight) Months from the date of issuance of Certificate of Substantial Completion. The Concessionaire shall pay Waterfront Royalty as set forth in Article 9.1 from the date when it commences operations.

6.9 Liquidated Damages

Subject to any of the provisions of this Agreement providing for extension of time for performance or excuse from performance, as the case may be, of any of the obligations of the Concessionaire under this Agreement, the Concessionaire shall pay to the Concessioneing Authority liquidated damages at the rate of 0.1% (zero point one percent) of the Performance Guarantee for every Day of delay in fulfilling the specified obligations on or before a Milestone Date including a delay

in obtaining the Completion Certificate or the Provisional Certificate on or before the Scheduled Project Completion Date. Provided such liquidated damages shall not in aggregate exceed 2.5% (two point five percent) of the Estimated Project Cost and unless the delay is in obtaining of the Completion Certificate or the Provisional Certificate, shall not be payable for less than 15 (fifteen) Days of delay from a Milestone Date, in fulfilling a specified obligation. The Parties agree that the liquidated damages as provided are a genuine pre-estimate of the damages the Concessioneing Authority is likely to suffer and are not by way of a penalty. In case the aggregate delay exceeds 180 (one hundred and eighty) Days or the aggregate liquidated damages paid and/or payable under this provision exceeds the specified limit of 2.5 % (two point five percent) of the Estimated Project Cost, the Concessioneing Authority shall be entitled to terminate this Agreement and the consequences of termination as laid down in Article 16.5 shall follow. The Concessioneing Authority may, at its discretion recover any amounts with respect to liquidated damages from the Performance Guarantee.



ARTICLE 7**OPERATIONS & MAINTENANCE****7.1 (a) Obligations of the Concessionaire**

In addition to any of its other obligations under this Agreement, the Concessionaire shall manage, operate, maintain and repair the Project Facilities and Services, entirely at its cost, charges, expenses and risk in accordance with the provisions of this Agreement. The Concessionaire's obligations under this Article 7.1 shall include but shall not be limited to the following:

(i) Berth and Terminal Operations:

The Concessionaire shall:

- (a) promptly commence operations upon the Project Facilities and Services being declared by the Concessioneing Authority as ready for operations;
- (b) make efforts to maximise cargo handled so as to achieve optimal utilization of the Project Facilities and Services;
- (c) ensure compliance of the Project Facilities and Services at least with the Project Requirements;
- (d) ensure compliance of the Project Facilities and Services at least with the Performance Standards;
- (e) ensure that the Project Facilities and Services shall adhere to the Operations and Maintenance Standards and Safety Standards and there is safe, smooth and uninterrupted flow of traffic under normal operating conditions;
- (f) minimise disruption to traffic in the event of accidents or other incidents affecting the safety and use of the Project Facilities and Services by providing a rapid and effective response and maintaining liaison with emergency services of the Concessioneing Authority or other agencies;
- (g) make available all necessary financial, technical, technological, managerial and other resources for operation, maintenance, repair and replacement of the Project Facilities and Services in a timely manner;



- (h) ensure maintenance of proper and accurate record/data relating to operations of the Project Facilities and Services ;
- (i) obtain, maintain and comply with Applicable Permits and comply with the Applicable Laws including those relating but not limited to dock side safety, health, environment and labour;
- (j) subject to the provisions of this Agreement, perform, undertake or provide, in connection with the LNG Port Project, all services which the Concessioning Authority is authorized to perform, undertake or provide under the provisions of the MPT Act; and
- (k) prevent, with the assistance of concerned law enforcement agencies, any encroachment or unauthorized use of the Project Facilities and Services.

(ii) Tugs and Marine Craft

- a) The Concessionaire shall provide, at its own cost, the required number of dedicated tugs for safe transit, manoeuvring, berthing and unberthing of LNG vessels.
- b) The procurement of tugs shall be made by the Concessionaire in consultation with the Concessioning Authority complying with the standards and instructions laid down by the Director General of Shipping, Government of India or any such other competent authority under the provisions of MPT Act as applicable.

(iii) Repairs and Maintenance

The Concessionaire shall, at its own cost:

- (a) repair as necessary and maintain the Project Facilities and Services or any part thereof in accordance with the Project Requirements and for this purpose carry out routine preventive measures and maintenance of the Project Facilities and Services including resurveying of pavement, repair structures and repair and refurbish equipments; and
- (b) maintain the Project Facilities and Services in accordance with the provisions of this Agreement and Good Industry Practice with the objective of providing adequate service standards and ensuring that the Project Facilities and




Services to be transferred to the Concessioneing Authority upon expiry of the Concession Period are in good condition, normal wear and tear excepted.

(iv) Replacement of Equipment

The Concessionaire shall at its cost, plan for replacement of the equipment well ahead of the time when the utility thereof is reasonably expected to expire and replace the equipment in accordance with Good Industry Practice so as to ensure that the Project Facilities and Services commensurate with the Project Requirements, at all times during the Concession Period.

(v) Repairs, Replacement or Restoration

The Concessionaire shall at its own costs, promptly and diligently repair, replace or restore any of the Project Facilities and Services or part thereof which may be lost, damaged, or destroyed for any reason whatsoever.

(vi) Removal / Replacement of Assets

Except as provided/authorized under this Agreement the Concessionaire shall not, without the prior written intimation to the Concessioneing Authority, remove or replace any assets comprised in the Project Facilities and Services. Such notice shall contain the exact details of the assets that the Concessionaire intends to remove and/or replace, its reasons for doing so and the likely period for replacement.

(vii) Payments to the Concessioneing Authority

The Concessionaire shall make/ensure payments to the Concessioneing Authority as per Article 9.

(viii) Access for Inspection

The Concessionaire shall be obliged to extend all co-operation to Experts appointed by the Concessioneing Authority for purposes of verifying that the Project/the Project Facilities and Services are operated and maintained in compliance with the Performance Standards and adhere to the Operations and Maintenance Standards and Safety Standards. Such verification shall be made annually. Additionally, the Concessionaire shall upon prior intimation by the Concessioneing Authority provide the authorized representatives of the Concessioneing Authority access to the Project Facilities and Services for inspection and review of operations and also to ascertain compliance with any of the requirements under this Agreement. Without prejudice to the generality of this provision, it is agreed by the Concessionaire shall in particular




extend all co-operation and information required by the Experts appointed by the Concessions Authority for conducting a safety audit and verifying that the LNG Port Project/Project Facilities and Services are in strict compliance with the Safety Standards.

(ix) Reports

The Concessionaire shall provide to the Concessions Authority, Quarterly reports on cargo traffic and discharge rate at berth in respect of Project Facilities and Services within 15 (fifteen) Days following the end of each Quarter, and any other information relating to operations which the Concessions Authority may require from time to time. If so desired by the Concessions Authority, the Concessionaire shall provide the reports in prescribed formats and in electronic form so as to provide online access to the Concessions Authority and its representatives.

(x) Computer System and Network

The Concessionaire shall install, operate and maintain such computer system and network (such as Electronic Data Interchange and Port Community System) and follow such protocol as the Concessions Authority may specify from time to time.

(xi) Security Arrangements

The Concessionaire may make his own arrangements for security in the Project Site and with respect to the LNG Port Project provided the Concessionaire shall abide by the security regulations/procedures prescribed by the Concessions Authority or a Government Authority from time to time. It shall also conform to and assist the Concessions Authority or any authority responsible therefor in conforming to the International Ship and Port facility Security Code ("ISPS Code") and such other codes/requirements of International Maritime Organization as may be applicable to India from time to time.

(xii) Employment of Personnel

The Concessionaire shall employ qualified and skilled personnel required to operate the Project Facilities and Services. The terms of employment may be as deemed fit by the Concessionaire and the Concessionaire shall comply with all Applicable Laws and bear all costs in this regard. Without prejudice to the generality of this provision, all requisite approvals for employment of personnel of foreign origin or nationality shall be obtained by the Concessionaire prior to engaging such personnel. Failure to obtain approval will not amount to a Force Majeure Event. All employees shall always remain the Concessionaire's responsibility.



All labour law compliances shall be that of the Concessionaire alone.

(b) Obligations of the Concessioneing Authority

In addition to any of its other obligations in this Agreement, the Concessioneing Authority shall arrange for and provide the following:

(i) Marine and Port Services

The Concessioneing Authority shall provide/ cause to be provided, to the Concessionaire, the following services:

- (a) scheduling the entry, berthing and sailing of the vessels, pilotage and towage on a priority basis subject to priority berthing norms and the sailing schedule as determined by the Deputy Conservator of the Port depending on individual ship characteristics and tidal conditions;
- (b) engaging and deploying pilots licensed by the Government of India or any other competent authority for such purpose as applicable, for pilotage operations on a 24-hour basis (subject to safe navigational conditions), at the LNG Port Project Facilities;
- (c) maintenance of the common user outer channel for manoeuvring LNG vessels of maximum 300m LOA, 46m beam and 12m draft. The Concessioneing Authority shall have the right to collect fees for common maintenance dredging services in relation to the common user outer channel ("Dredging Charges"); in accordance with Article 9.3;
- (d) waterside safety and safety of navigation;
- (e) maintenance of adequate depth at LNG Basin. The Concessioneing Authority shall have the right to collect cost of maintenance dredging in relation to the LNG Basin on deposit work terms, the departmental charges being 10% (ten percent) of the actual payment to the dredging contractor;
- (f) carry out capital or maintenance dredging operations, if any that may be required to ensure the draft to be provided or maintained at the levels agreed under this Agreement, with minimum inconvenience to or dislocation of the Project Facilities and Services;
- (g) provision and maintenance of all general port infrastructure other than those covered under the Concession, necessary for management, operation and maintenance of the Project Facilities and Services;




- (h) assist the Concessionaire in securing the assistance of CISF or the relevant Government Authority as may be necessary to prosecute any persons for any offence committed by them within the Project Site; and
- (i) evolve mutually acceptable mechanism for sharing of common costs by existing and future terminal operators.

(ii) Approvals

The Concessioneing Authority shall promptly grant approvals/consents sought by the Concessionaire as required under this Agreement subject to the Concessionaire having complied with all Applicable Laws/requirements in this regard.

(iii) Breach of Concessioneing Authority's Obligations

In the event of the Concessioneing Authority's failure / breach in providing the marine and port services in accordance with the preceding sub-article (i), the Concessionaire shall, without prejudice to any other right or remedy available to it, be compensated by the Concessioneing Authority for direct loss, if any, suffered by the Concessionaire on account of such failure / breach as certified by an independent Expert appointed by the Parties with mutual consent.

7.2

Utilities and Services

The LNG Port Project is implemented in the port based Special Economic Zone at Puthuvypeen. The rights and obligations in respect of utilities and services of the LNG Port Project will be as per the Co-Developer Agreement executed between CoPT and PLL in this regard.




ARTICLE 8

TARIFF

(DELETED BEING A CAPTIVE FACILITY)

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ARTICLE 9

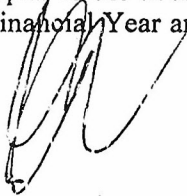
PAYMENTS TO THE CONCESSIONING AUTHORITY

9.1 Payments of Waterfront Royalty

- (a) The Concessionaire shall pay to the Concessioneing Authority, Waterfront Royalty per tonne of cargo unloaded at the LNG Port. Such Waterfront Royalty payments shall be based on the actual cargo throughputs achieved, which shall be determined on the basis of customs declarations, in the absence of which declaration given by ship surveyor appointed to certify the quantity of LNG cargo unloaded shall be considered.
- (b) Waterfront Royalty for LNG cargo shall be Rs.103.68 (Rupees one hundred three and sixty eight paise only) per tonne as on 01-04-2010.
- (c) The Waterfront Royalty for LNG cargo shall be subject to an escalation in every three years on the first of April by an amount equal to 20% (twenty percent) of the then existing Waterfront Royalty.
- (d) The Waterfront Royalty shall accrue from the date of commencement of operations of LNG Port Project Facilities. The payment of Waterfront Royalty shall commence from the Month following the Month in which the date of commencement of operations of LNG Port Project Facilities occurs.

Notwithstanding anything contained hereinabove, no Waterfront Royalty is payable for the first two ship loads of LNG cargo brought and unloaded to the LNG Port Project Facilities, for the pre-commissioning activities of the LNG Re-Gasification and allied facilities.

- (e) Waterfront Royalty for each Month shall be paid on or before the seventh Day of the immediately succeeding Month.
- (f) The Concessionaire shall submit for verification to the Concessioneing Authority, the required statutory documents to ascertain the cargo throughput achieved per vessels.
- (g) Waterfront Royalty amounts remaining unpaid on respective due dates would carry interest @ SBI PLR plus 2% (two percent) per annum from the due date till the date of payment or realization thereof.
- (h) As security for the payment of the Waterfront Royalty, the Concessionaire shall arrange bank guarantee(s) to be provided from one or more reputed scheduled bank(s) as acceptable to the Concessioneing Authority before the date of commencement of operations of LNG Port Project Facilities, in favour of the Concessioneing Authority. The value of the bank guarantee(s) for the period upto the end of the first Financial Year from the date of commencement of operations shall be equal to the average of the projected Monthly Waterfront Royalty for the first Financial Year and thereafter the value of the same shall be revised by




the end of expiry of 7 (seven) Days of each Financial Year to an amount equal to the average of previous year's Monthly Waterfront Royalty payments. The Concessionaire shall ensure that the aforesaid bank guarantee is kept renewed and valid throughout the term of this Concession Agreement. Failure to keep the guarantee renewed and valid as aforesaid shall tantamount to a material breach of the Concession Agreement.

9.2 Payment of Port Dues and Pilotage Charges

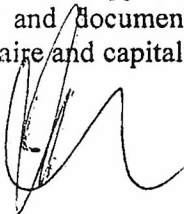
The Concessionaire or its authorised agent or the agent of the vessel, as the case may be, shall pay to the Concessioneing Authority: (a) Port Dues; and (b) Pilotage Charges as per Scale of Rates approved and notified from time to time by the Tariff Authority for Major Ports (TAMP) or any such other competent authority under the provisions of MPT Act as applicable, based on agreed scope of services to be provided for the LNG vessels. It is clarified that no berth hire charge is payable.

9.3 Payment of Dredging Charges

- a) The Concessionaire shall, for the use of common user outer channel by the LNG vessels, pay to the Concessioneing Authority during the term of this Concession Agreement, "Dredging Charges" as may be decided by TAMP or any such other competent authority under the provisions of MPT Act as applicable from time to time as a percentage of the cost incurred by the Concessioneing Authority for the annual maintenance dredging of the common user outer channel for 280 m width and depth of 14.5 m. The payment shall be made in advance on Quarterly basis with reference to the schedule of payment in the contract entered into by the Concessioneing Authority for annual maintenance dredging contract. The payment shall be deposited within 7 (seven) Business Days of issuing demand notice by the Concessioneing Authority.
- b) Dredging Charges amounts remaining unpaid on respective due dates shall carry interest @ SBI PLR plus 2% (two percent) per annum, from the due date till the date of payment or realisation thereof.

9.4 Certified Accounts

During the subsistence of this Agreement, the Concessionaire shall maintain all documents and supporting evidences for its financial statements including agreements and documents with respect to all capital and debt raised by the Concessionaire and capital expenses towards the LNG Port Project.




ARTICLE 10

ASSETS: OWNERSHIP AND PERMITTED CHARGE

10.1 Ownership of Assets

(a) Land and Water Area

The ownership of the Project Site shall always remain vested with the Concessioneing Authority. The rights of the Concessionaire in the Project Site shall only be that of a bare licensee of the Project Site and the Concessionaire shall neither assign, transfer, sublet, create any charge or Encumbrance, nor shall the Concessionaire create or permit creation of any third party rights whatsoever, on whole or any part of the Project Site. Further, any such rights of the Concessionaire shall always be subject to existing rights of way. It is expressly agreed that the Concessionaire's rights in the Project Site shall cease without the need for any action to be taken by the Concessioneing Authority upon the termination of this Agreement for any reason whatsoever.

(b) Assets created or provided by the Concessionaire


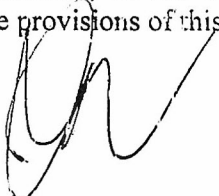
The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Concessionaire at the Project Site pursuant to this Agreement shall, until expiry of this Agreement or transfer to the Concessioneing Authority on Termination in accordance with this Agreement, be with the Concessionaire. However, such ownership of buildings etc. erected by the Concessionaire at the Project Site shall not be construed as and shall not confer any rights in the Project Site upon the Concessionaire, save as that of a bare licensee as provided for in this Agreement.

10.2 Permitted Charge on Assets

The Concessionaire shall be entitled to create a charge on its rights, title and interest in the assets referred to in Article 10.1(b) in favour of Lenders for securing the Financial Assistance provided or agreed to be provided by them under the Financing Documents. Provided, any such charge shall not be effective before Financial Close and shall not continue for a period exceeding the Concession Period.

Provided further, that such charge shall not be for the Project Site nor encumber the Project Site.

Provided further, in the event of termination of this Agreement, the said charge shall stand extinguished upon payment of compensation by the Concessioneing Authority to the Lenders, to the extent they are entitled to receive the same in accordance with the provisions of this Agreement.



ARTICLE 11

SHAREHOLDING

11.1 Ownership Structure

The Concessionaire, M/s. Petronet LNG Limited, is a limited liability company incorporated under the Indian Companies Act, 1956, having its registered office at World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi - 110 001.

Shareholding pattern of the company as on 12th March, 2009 is as detailed below:

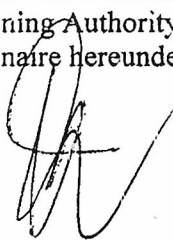
<u>Name</u>	<u>% shareholding</u>
1. M/s. GAIL (India) Limited (GAIL)	- 12.5
2. Oil and Natural Gas Corporation Limited (ONGC)	- 12.5
3. Indian Oil Corporation Limited (IOC)	- 12.5
4. Bharat Petroleum Corporation Limited (BPCL)	- 12.5
5. GDF International	- 10.0
6. Asian Development Bank	- 5.2
7. Public Shareholding	- <u>34.8</u>
Total	- <u>100.0</u>

11.2 Shareholding

The Concessionaire shall ensure that the promoting companies namely, M/s. GAIL (India) Limited (GAIL), Oil and Natural Gas Corporation Limited (ONGC), Indian Oil Corporation Limited (IOC) and Bharat Petroleum Corporation Limited (BPCL) shall maintain their equity holding such that the combined shareholding of the promoting companies shall not be below 26% (twenty six percent) of the Issued and Subscribed share capital of the Concessionaire and shall have the Management Control throughout the Concession Period. Any dilution in the said shareholding shall only be with the prior approval of the Concessioneing Authority.

Provided, nothing contained in this Article shall preclude or prevent pledge of shares in the Concessionaire in favour of Lenders as security for the Financial Assistance and enforcement thereof in accordance with this Agreement and/or the Financing Documents.

Provided further, notwithstanding the aforesaid, there shall be no change in Management Control of the Concessionaire, throughout the Concession Period, without a prior written consent of the Concessioneing Authority. It is clarified that such consent shall not be withheld unless for reasons of: (i) national security; (ii) restrictions to prevent anti-competitive and monopolistic practice; and (iii) the Person proposed for assuming such Management Control, in the reasonable opinion of the Concessioneing Authority, not possessing the ability to discharge the obligations of the Concessionaire hereunder.




11.3 Constituent Documents

The promoting companies of the Concessionaire namely, M/s. GAIL (India) Limited (GAIL), Oil and Natural Gas Corporation Limited (ONGC), Indian Oil Corporation Limited (IOC) and Bharat Petroleum Corporation Limited (BPCL), shall within 6 (six) Months from the Date of Award of Concession, provide an undertaking to the Concessioneing Authority stating that their combined shareholding in the Concessionaire shall not be below 26% (twenty six percent) of its Paid up/Subscribed share capital throughout the Concession Period and any dilution in the said share holding shall only be with the prior written approval of the Concessioneing Authority.

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ARTICLE 12**GENERAL RIGHTS, DUTIES AND OBLIGATIONS****12.1 Of the Concessionaire****(a) Applicable Permits**

The Concessionaire shall at all times during the Concession Period maintain and comply with the Applicable Permits.

(b) Taxes & duties

The Concessionaire shall during the Concession Period pay in a timely manner all taxes, duties, levies, VAT, cess and charges including but not limited to income tax, sales tax, excise duty, customs duty, service tax and octroi that may be levied, claimed or demanded from time to time by any Government Authority including any increase therein effected from time to time from any Government Authority, in respect of the LNG Port Project/ the Project Facilities and Services.

(c) Insurance**(i) Insurance Requirement**

The Concessionaire shall, at its cost and expense, purchase and maintain insurances as are prudent, including but not limited to the following:

- (a) builder's all risk insurance;
- (b) loss, damage or destruction of the Project Facilities and Services, at replacement value;
- (c) comprehensive third party liability insurance including injury or death to personnel of the Concessioning Authority and others who may enter the Project Site;
- (d) workmen's compensation insurance;
- (e) marine cum storage cum erection insurance; and
- (f) any other insurance that may be necessary to protect the Concessionaire, its employees and its assets and the Concessioning Authority, its employees and agents engaged in or connected to the LNG Port Project and the Project Site (against loss, damage or destruction at replacement value) including all Force Majeure Events that are insurable and not otherwise covered in items (a) to (e).



(ii) Insurance Cover & Insurance Companies

The Concessionaire shall insure all insurable assets comprised in the Project Facilities and Services and all insurable risks associated with the LNG Port Project to the extent advisable in accordance with Good Industry Practice ("**Insurance Cover**").

(iii) Evidence of Insurance Cover

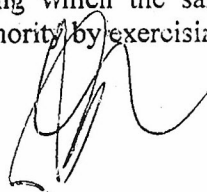
The Concessionaire shall, from time to time, provide to the Concessioneing Authority copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

(iv) Application of Insurance Proceeds

Subject to the provisions of the Financing Documents, all moneys received under insurance policies shall be promptly applied by the Concessionaire towards repair or renovation or restoration or substitution of the Project Facilities and Services or any part thereof which may have been damaged or destroyed and in respect of which the claim is lodged. The Concessionaire may designate the Lenders as the loss payees under the insurance policies/assign the insurance policies in their favour as security for the Financial Assistance. The Concessionaire shall carry out such repair or renovation or restoration or substitution to the extent possible in such manner that the Project Facilities and Services or any part thereof, shall, after such repair or renovation or restoration or substitution be as far as possible in the same condition as they were before such damage or destruction, normal wear and tear excepted.

(v) Validity of the Insurance Cover

The Concessionaire shall pay the premium payable on such insurance policy(ies) so as to keep the policy(ies) in force and valid throughout the Concession Period and furnish copies of the same to the Concessioneing Authority. Each insurance policy shall provide that the same shall not be cancelled or terminated unless 10 (ten) Days' clear notice of cancellation is provided to Concessioneing Authority in writing. If at any time the Concessionaire fails to purchase and maintain in full force and effect any and all of the insurances required under this Agreement, the Concessioneing Authority may at its option purchase and maintain such insurance and all sums incurred by the Concessioneing Authority therefor shall be reimbursed with interest @ SBI PLR plus 2% (two percent) per annum by the Concessionaire forthwith on demand, failing which the same shall be recovered by the Concessioneing Authority by exercising right of set off or otherwise.




(vi) Waiver of Subrogation

All insurance policies procured in terms of the provisions hereof shall include a waiver of any right of subrogation of the insurers there under against, inter alia, the Concessioneing Authority and its assigns and successors and their respective subsidiaries, affiliates, employees and of any right of the insurers of any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

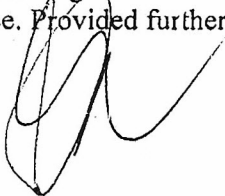
(d) Indemnification

The Concessionaire shall during the pendency of this Agreement and thereafter until all claims and demands in respect to the acts and omissions during the period of the Agreement as described hereunder are duly settled, indemnify and keep indemnified and otherwise save harmless, the Concessioneing Authority, its agents and employees, from and against all claims, demands made against and/or loss caused and/or damages suffered and/or cost, charges/expenses incurred to and/or penalty levied and/or any claim due to injury to or death of any person and/or loss or damage caused or suffered to property owned or belonging to the Concessioneing Authority, its agents and employees or third party as a result of any acts, deeds or thing done or omitted to be done by the Concessionaire or as a result of failure on the part of the Concessionaire to perform any of its obligations under this Agreement or on the Concessionaire committing breach of any of the terms and conditions of this Agreement or on the failure of the Concessionaire to perform any of its duties and/or obligations including statutory duties or as a consequence of any notice, action, suit or proceedings, given, initiated, filed or commenced by consignee or owner of goods or vessel owner/agent or its employees or any third party or Government Authority or as a result of any failure or negligence or default of the Concessionaire or its Contractor(s) sub-contractor(s), or employees, servants, agents of such Contractor(s) and/or sub-contractor(s) and/or invitees as the case may be, in connection with or arising out of this Agreement and/or arising out of or, in connection with the Concessionaire's use and occupation of the Project Site and/or construction, operation and maintenance of the Project Facilities and Services.

(e) Assignability

Except as otherwise provided in this Agreement, the Concessionaire shall not assign its rights, title or interest in this Agreement in favour of any Persons without prior written consent of the Concessioneing Authority.

Provided, the Concessionaire may assign its rights, interests and benefits under this Agreement to the Lenders, as security for the Financial Assistance. Provided further, nothing contained in this Article shall:




- (i) absolve the Concessionaire from its responsibilities to perform/dischage any of its obligations under and in accordance with the provisions of this Agreement; and
- (ii) authorize or be deemed to authorize the Lenders to operate the Project Facilities and Services themselves and any such assignment to operate shall be in terms of the Substitution Agreement.

(f) Engagement of Contractors

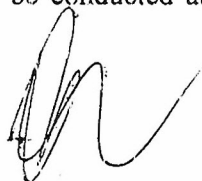
The Concessionaire may engage any Person possessing the requisite skill, expertise and capability for designing, engineering, procurement and construction of civil/ mechanical/ electrical engineering structures/ equipment, and/or operation and maintenance of the Project Facilities and Services.

Provided:

- (i) the Concessionaire shall at all times be solely responsible for all its obligations under this Agreement notwithstanding any such engagement and anything contained in any Project Contracts or any other agreement, and no default under any Project Contract or agreement shall excuse the Concessionaire from its obligations or liability hereunder and the Concessionaire shall at all times be solely responsible for non-performance or for any defect, deficiency or delay in the construction and erection and/or installation of the structures/equipment or any part thereof and for the operation and maintenance of the LNG Port Project/the Project Facilities and Services in accordance with the provisions of this Agreement;
- (ii) the Concessionaire should have obtained requisite security clearance for the Contractor the Concessionaire intends to engage;
- (iii) the Concessionaire shall ensure that the Project Contracts contain provisions that entitle the Concessioning Authority to step into such contract in its sole discretion in substitution of the Concessionaire in the event of termination or suspension of this Agreement; and
- (iv) any contract that it enters with an Affiliate in respect of the LNG Port Project shall be on an arms length basis.

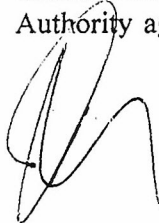
(g) Condition Survey

- (i) The Concessionaire agrees that at least 6 (six) Months prior to the expiry by efflux of time of the Concession Period, it shall, cause to be conducted at its cost by an Expert appointed by the Parties by




mutual consent, a condition survey and an inventory of the entire Project Facilities and Services. If, as a result of such survey, the Expert shall observe/notice that the Project Facilities and Services or any part thereof have/has not been operated and maintained in accordance with the requirements therefor under this Agreement (normal wear and tear excepted) the Concessionaire shall, at its cost and expenses, take all necessary steps to put the same in good working condition well before the Transfer Date. In the event the Concessionaire fails to comply with this provision, the Concessioneing Authority may itself cause the condition survey and inventory of the Project Facilities and Services to be conducted and remove any defect or deficiency. The Concessioneing Authority shall be promptly reimbursed by the Concessionaire for the costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in a good working condition.

- (ii) The Concessionaire shall as security for performance of its obligation in the preceding sub-article (i), provide/submit to the Concessioneing Authority a guarantee issued by a scheduled bank in India for a sum of Rs.13,35,00,000/- (Rupees Thirteen crore Thirty Five lakhs only) at least 2 (two) years prior to the expiry of the Concession Period. In the event of Concessionaire's failure to provide such guarantee, the same shall be deemed to be a Concessionaire Event of Default and the Concessioneing Authority shall accordingly be entitled to terminate this Agreement in accordance with Article 15.
- (h) The Concessionaire shall permit the Concessioneing Authority to utilize the berthing and other facilities in the Project Site, when they are not in use by the Concessionaire, as per mutually agreed terms and conditions. The Concessionaire shall also endeavour to enter into arrangements with other users in the area for sharing common utilities.
- (i) The Concessionaire agrees to contribute financially, to the extent of one-third of the project cost for the direct road connectivity from the existing Goshree Island Development Authority (GIDA) road to the Leased Premises at Puthuvyppeen, to be undertaken by the Concessioneing Authority. Provided however, it is to be expressly understood by the Parties that the obligation of the Concessionaire in this regard shall be on the basis of the actual project cost incurred as evidenced by the Concessioneing Authority, through appropriate documentation and such obligation of the Concessionaire to contribute shall in no event exceed a total amount of Rs.6,00,00,000/- (Rupees Six Crores). The amount shall be payable by the Concessionaire as per the completed milestones. The Concessioneing Authority agrees to complete and commission the road connectivity




not later than 31st December, 2008 or Date of Award of Concession, whichever is later .

12.2 Of the Concessioneing Authority

(a) Assistance in obtaining Approvals, Permits and Licenses

The Concessioneing Authority shall, at the written request of the Concessionaire, but without guarantees and/or without assuming any responsibility in that behalf, issue recommendatory letters and make best efforts to assist the Concessionaire in obtaining all the Applicable Permits including renewals thereof. Provided that, nothing contained in this Article shall relieve the Concessionaire of its obligations under this Agreement to obtain the Applicable Permits and to keep them in force and effect throughout the Concession Period.

(b) Taxes and Duties

Any levy or levies including increase therein of taxes, duties, cess and the like, on account of/in respect of Project Site payable to the State Government or any statutory authority shall be met and paid by the Concessioneing Authority.

(c) Competing Facilities

The Concessioneing Authority shall not operationalise any additional facility within Port Limits for handling LNG either on its own or through any other Person for a period of 10 (ten) years from the Scheduled Project Completion Date ("Exclusivity Period").

(d) General rights of inspection and verification

The Concessioneing Authority may during the pendency of the Agreement itself or by appointment of Experts verify the performance of obligations of the Concessionaire as set out in this Agreement.

12.3 Of the Concessioneing Authority and the Concessionaire

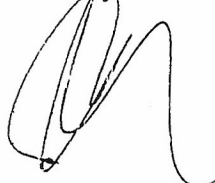
(a) Compliance with Laws and Regulations

The Parties shall perform their respective obligations under this Agreement in accordance with the Applicable Laws and Applicable Permits.

(b) Rights to Documents

(i) Concessioneing Authority's Documents

Documents and computer programs or copies thereof, if any, provided by the Concessioneing Authority to the Concessionaire,




shall always remain the property of the Concessioneing Authority. Such documents, computer programs and/or copies shall not be used by the Concessionaire for the purposes other than for the LNG Port Project. Such documents, computer programs and/or copies thereof shall, unless otherwise agreed upon by the Concessioneing Authority, be returned by the Concessionaire to the Concessioneing Authority on the Transfer Date.

(ii) Concessionaire's Documents

Documents and computer programs provided by the Concessionaire, or which are developed (and owned by the Concessionaire) for operation and/or maintenance of the LNG Port Project /the Project Facilities and Services shall be handed over by the Concessionaire to the Concessioneing Authority free of cost on the Transfer Date.

(iii) Confidentiality

All confidential information and documents (whether financial, technical or otherwise) provided by either Party to the other shall not, unless compelled by law or the process of a Government Authority, be disclosed to any Person without the consent of the other Party with the exception of providing such information to legal advisors/auditors of the concerned party on a need-to-know basis. This covenant shall survive the Concession Period.

(iv) Obligation to Cooperate

The Parties shall mutually co-operate with each other in order to achieve the objectives of this Agreement.

(v) Substitution Agreement

The Substitution Agreement envisaged by Appendix 3 hereunder, will/may be executed within 30 (thirty) Days' of notice by the Concessionaire to the Concessioneing Authority of the Lenders' readiness to execute the same.



ARTICLE 13

CHANGE IN LAW

13.1 Change in Law

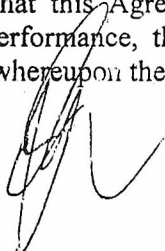

"Change in Law" means any of the following events which has a Material Adverse Effect:

- (a) adoption, promulgation, modification, reinterpretation or repeal after the date of this Agreement by any Government Authority of any statute, rule, ordinance, regulation or order, treaty, convention, directive, guideline, policy having force of law; or
- (b) the imposition by any Government Authority of any material condition (other than a condition which has been imposed as a consequence of a violation by the Concessionaire of any Applicable Permit) in connection with the issuance, renewal or modification of any Applicable Permits after the date of this Agreement which renders the performance by the Concessionaire of any of the terms of this Agreement impossible or unviable; or
- (c) any Applicable Permit previously granted, ceasing to remain in full force and effect for reasons other than breach/violation by or the negligence of the Concessionaire or if granted for a limited period, being renewed on terms different from those previously stipulated.

Provided any: (i) imposition of new taxes, duties, cess and the like and/or the increase in taxes, duties, cess and the like effected from time to time by any Government Authority, and/or (ii) imposition of standards and condition of operations, maintenance and safety arising out of a new or revised Environmental Law; and/or (iii) imposition of standards and terms of employment and working conditions of labourers and workmen; and/or (iii) any rules or regulations stipulated by TAMP or other regulatory authority, having jurisdiction over the LNG Port Project in respect of the standards of service shall not constitute a Change in Law.

13.2 The Concessionaire's Remedy

- (a) In the event of Change in Law the Concessionaire may propose to the Concessioning Authority modifications to the relevant terms of this Agreement which are reasonable and intended to mitigate the effect of the Change in Law. Thereupon, the Parties shall, in good faith, negotiate and agree upon suitable changes in the terms of this Agreement including extension of the Concession Period, so as to place the Concessionaire in substantially the same legal and financial position as it were prior to such Change in Law. Provided however, that if the resultant Material Adverse Effect is such that this Agreement is frustrated or is rendered illegal or impossible of performance, the Change in Law shall be deemed to be a Political Event, whereupon the provisions with respect thereto shall apply.

ARTICLE 14

FORCE MAJEURE

14.1 Force Majeure Event

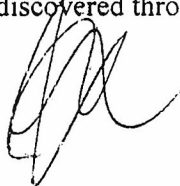
As used in this Agreement, Force Majeure Event means the occurrence of any of the Non-Political Events, the Political Events or the Other Events in India, set out in Articles 14.2, 14.3 and 14.4 respectively including the impact/ consequence thereof which :

- (a) is beyond the control of the Party claiming to be affected thereby (the "Affected Party");
- (b) prevents the Affected Party from performing or discharging its obligations under this Agreement; and
- (c) the Affected Party has been unable to overcome or prevent despite exercise of due care and diligence.

14.2 Non-Political Events

Any of the following events which prevent the Affected Party from performing any of its obligations for a continuous period of not less than 7 (seven) Days from the date of its occurrence, shall constitute a Non-Political Event:

- (a) act of God, epidemic, extremely adverse weather conditions, lightning, earthquake, cyclone, flood, volcanic eruption, chemical or radioactive contamination or ionizing radiation, fire or explosion (to the extent of contamination or radiation or fire or explosion originating from a source external to the Project Site and by reasons not attributable to the Concessionaire or the Contractor or any of the employees or agents of the Concessionaire or the Contractor);
- (b) strikes or boycotts (other than those involving the Concessionaire, Contractors or their respective employees/representatives, or attributable to any act or omission of any of them), and not being an Other Event set forth in Article 14.4, labour disruptions or any other industrial disturbances not arising on account of the acts or omissions of the Concessionaire or the Contractor;
- (c) any failure or delay of a Contractor caused by any of the Non-Political Events, for which no offsetting compensation is payable to the Concessionaire or on behalf of the Contractor;
- (d) the discovery of geological conditions, toxic contamination or archeological remains on the Project Site that could not reasonably have been expected to be discovered through a site inspection; or




- (e) any event or circumstance of a nature analogous to any of the foregoing.

14.3 Political Events

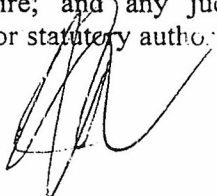
Any of the following events shall constitute Political Event:

- (a) Change in Law for which no relief is provided under the provisions of Article 13, resulting in Material Adverse Effect;
- (b) action of a Government Authority having Material Adverse Effect including but not limited to: (i) acts of expropriation, compulsory acquisition or takeover by any Government Authority of the LNG Port Project / Project Facilities and Services or any part thereof or of the Concessionaire's or the Contractor's rights under any of the Project Contracts, and (ii) any unlawful, unauthorized or without jurisdiction refusal to issue or to renew or the revocation of any Applicable Permits, in each case, for reasons other than the Concessionaire's or the Contractor's breach or failure in complying with the Project Requirements, Applicable Laws, Applicable Permits, any judgment or order of a Governmental Agency or of any contract by which the Concessionaire or the Contractor as the case may be is bound;
- (c) early determination of this Agreement by the Concessioneing Authority for reasons of national emergency, national security or the public interest;
- (d) any failure or delay of a Contractor caused by any of the aforementioned Political Events, for which no offsetting compensation is payable to the Concessionaire by or on behalf of the Contractor; or
- (e) any event or circumstance of a nature analogous to any of the foregoing.

14.4 Other Events

Any of the following events which prevents the Affected Party from performing any of its obligations under this Agreement for a continuous period of not less than 7 (seven) Days from the date of its occurrence, shall constitute the Other Event:

- (a) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commction or politically motivated sabotage;
- (b) industry wide or State wide strikes or industrial action;
- (c) any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire; and any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire




or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire other than relating to proceedings: (i) pursuant to failure of the Concessionaire to comply with any Applicable Law or Applicable Permit, or (ii) on account of breach of any Applicable Law or Applicable Permit or of any contract, or (iii) enforcement of this Agreement or (iv) with respect to exercise of any of its rights under this Agreement by the Concessioneing Authority; or

- (d) any event or circumstance of a nature analogous to any of the foregoing.

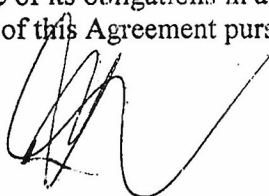
14.5 Notice of Force Majeure Event

- (a) The Affected Party shall give written notice to the other Party in writing of the occurrence of any of the Force Majeure Event (the "Notice") as soon as the same arises or as soon as reasonably practicable and in any event within 7 (seven) Days after the Affected Party knew, or ought reasonably to have known, of its occurrence and the adverse effect it has or is likely to have on the performance of its obligations under this Agreement.
- (b) The Notice shall inter-alia include full particulars of:
- (i) the nature, time of occurrence and extent of the Force Majeure Event with evidence in respect thereof;
 - (ii) the duration or estimated duration and the effect or probable effect which such Force Majeure Event has or will have on the Affected Party's ability to perform its obligations or any of them under this Agreement;
 - (iii) the measures which the Affected Party has taken or proposes to take, to alleviate the impact of the Force Majeure Event or to mitigate the damage; and
 - (iv) any other relevant information.
- (c) So long as the Affected Party continues to claim to be affected by a Force Majeure Event, it shall provide the other Party with periodic (fortnightly/Monthly) written reports containing the information called for by Article 14.5(b) and such other information as the other Party may reasonably request.

14.6 Period of Force Majeure

Period of Force Majeure shall mean the period from the time of occurrence specified in the Notice given by the Affected Party in respect of the Force Majeure Event until the earlier of:

- (a) expiry of the period during which the Affected Party is excused from performance of its obligations in accordance with Article 14.8; or
- (b) termination of this Agreement pursuant to Article 14.10 hereof.




14.7 Resumption of Performance

During the period of Force Majeure, the Affected Party shall in consultation with the other Party, make all reasonable efforts to limit or mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. The Affected Party shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption shall notify the other Party of the same in writing. The other Party shall afford all reasonable assistance to the Affected Party in this regard.

14.8 Performance Excused

The Affected Party, to the extent rendered unable to perform its obligations or part thereof under this Agreement as a consequence of the Force Majeure Event, shall be excused from performance of the obligations. Provided that, the excuse from performance shall be of no greater scope and of no longer duration than is reasonably warranted by the Force Majeure Event. Provided further, nothing contained herein shall absolve the Affected Party from any payment obligations accrued prior to the occurrence of the underlying Force Majeure Event.

14.9 Costs, Revised Timetable

(a) Costs

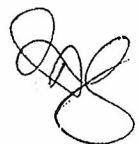
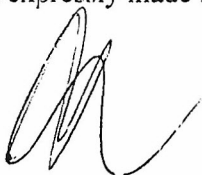
Each Party shall bear its costs, if any, incurred as a consequence of the Force Majeure Event.

(b) Extension of time/period

The Affected Party shall be granted by the other Party, extension of time specified in this Agreement for the performance of any obligation by such period not exceeding the period during which the relative performance was affected by the Force Majeure Event. Such extension may include extension of the Concession Period by the Concessions Authority in appropriate cases if permissible under Applicable Law.

14.10 Termination Due to Force Majeure Event

If the period of Force Majeure continues or is in the reasonable judgment of the Parties likely to continue beyond a period of 365 (three hundred and sixty five) Days, the Parties may mutually decide to terminate this Agreement or continue this Agreement on mutually agreed revised terms. If the Parties are unable to reach an agreement in this regard, the Affected Party shall after the expiry of the said period of 365 (three hundred and sixty five) Days be entitled to terminate the Agreement in which event, the provisions of Articles 16 and 17 shall, to the extent expressly made applicable, apply.



ARTICLE 15

EVENTS OF DEFAULT

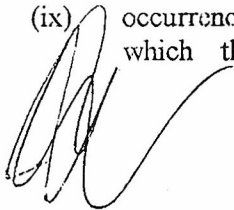

15.1 Events of Default

Event of Default means the Concessionaire Event of Default or the Concessioneing Authority Event of Default or both as the context may admit or require.

(a) The Concessionaire Event of Default

The Concessionaire Event of Default means any of the following events unless such an event has occurred as a consequence of the Concessioneing Authority Event of Default or a Force Majeure Event:

- (i) the Concessionaire's failure to perform or discharge any of its obligations in accordance with the provisions of this Agreement;
- (ii) construction at the Project Site is abandoned for a continuous period of more than 90 (ninety) Days during the Construction Phase;
- (iii) a delay of more than 180 (one hundred and eighty) Days from any Milestone Date in achieving any of the performance obligations set forth for the relevant Milestone Date or the Date of Commercial Operation is delayed for more than 180 (one hundred and eighty) Days from the Scheduled Project Completion Date;
- (iv) Delay in payment of Waterfront Royalty for 2 (two) consecutive Months or more than 5 (five) times in the aggregate during the Concession Period;
- (v) the Concessionaire's failure to perform or discharge any of its obligations under any other Project Contract, which has or is likely to affect the LNG Port Project/the Project Facilities and Services, materially;
- (vi) any representation made or warranties given by the Concessionaire under this Agreement is found to be false or misleading;
- (vii) the Concessionaire passing a resolution for voluntary winding up;
- (viii) appointment of a provisional liquidator, administrator, trustee or receiver of the whole or substantially whole of the undertaking of the Concessionaire by a court of competent jurisdiction in proceedings for winding up or any other legal proceedings;
- (ix) occurrence of default under the Financing Documents pursuant to which the Lenders exercise their rights to substitute the

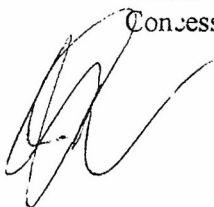



Concessionaire in accordance with the provisions of the Substitution Agreement;

- (x) levy of an execution or distraint on the Concessionaire's assets which has or is likely to have Material Adverse Effect and/or affect the LNG Port Project/Project Facilities and Services, materially and such execution or distraint remaining in force for a period exceeding 90 (ninety) Days;
- (xi) the Performance Guarantee is not maintained in terms of the provisions hereof;
- (xii) the Concessionaire abandons or expresses its intention to revoke/terminate this Agreement without being entitled to do so as is expressly provided in the Agreement;
- (xiii) a change in shareholding such that the beneficial interest of the promoting companies of the Concessionaire reduces below the limits set in Article 11.2 and/or Management Control of the Concessionaire has occurred in contravention of the provisions of Article 11 hereof;
- (xiv) amalgamation of the Concessionaire with any other company or reconstruction or transfer of the whole or part of the Concessionaire's undertaking [other than transfer of assets in the ordinary course of business] in contravention with the provisions of Article 11 hereof without the Concessioneing Authority's prior written approval. It is clarified that such approval shall not be withheld unless for reasons of: (i) national security; (ii) restrictions to prevent anti-competitive and monopolistic practice; and (iii) the amalgamated entity, reconstructed entity or the transferee as the case may be, in the reasonable opinion of the Concessioneing Authority, not possessing the ability to discharge the obligations of the Concessionaire under this Agreement.
- (xv) the Concessionaire engaging or knowingly allowing any of its employees, agents, Contractor or representative to engage in any activity prohibited under this Agreement and/or by law or which constitutes a breach of the Agreement or breach of or an offence under any law, in the course of any activity undertaken pursuant to this Agreement.

(b) **The Concessioneing Authority Event of Default**

- (i) the Concessioneing Authority's failure to perform or discharge its obligations in accordance with the provisions of this Agreement unless such failure has occurred as a consequence of any Concessionaire Event of Default or a Force Majeure Event.




- (ii) any representation made or warranties given by the Concessioneing Authority under this Agreement is found to be false or misleading.
- (iii) appointment of a provisional liquidator, administrator or receiver of the whole or part of the Project Site in any legal proceedings initiated against the Concessioneing Authority (unless such proceedings are initiated as a consequence of any Concessionaire Event of Default).
- (iv) levy of an execution or distraint on the Project Site in any proceedings against the Concessioneing Authority (unless such proceedings are initiated as a consequence of any Concessionaire Event of Default) which has or is likely to have Material Adverse Effect and such execution or distraint remaining in force for a period exceeding 90 (ninety) Days.

15.2 Parties Rights

- (a) Upon the occurrence of the Concessionaire Event of Default, the Concessioneing Authority shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.
- (b) Upon the occurrence of the Concessioneing Authority Event of Default, the Concessionaire shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.

Provided that before proceeding to terminate this Agreement, the Party entitled to do so shall give due consideration and shall have due regard to the nature of the underlying Event of Default, its implication on the performance of the respective obligations of Parties under this Agreement and the circumstances in which the same has occurred.

15.3 Consultation Notice

Either Party exercising its right under Article 15.2, shall issue to the other Party a notice in writing specifying in reasonable detail the underlying Event of Default(s) and proposing consultation amongst the Parties and the Lenders to consider possible measures of curing or otherwise dealing with the underlying Event of Default ("Consultation Notice").

15.4 Remedial Process

Following the issue of Consultation Notice by either Party, within a period not exceeding 90 (ninety) Days or such extended period as the Parties may agree ("Remedial Period") the Parties shall, in consultation with the Lenders, endeavour to arrive at an agreement as to the manner of rectifying or remedying the underlying Event of Default. Without prejudice to this, if the underlying event is a Concessionaire Event of Default, the Concessioneing Authority shall in




consultation with the Lenders endeavour to arrive at an agreement as to one or more of the following measures and/or such other measures as may be considered appropriate by them in the attendant circumstances:

- (a) the change of management or control/ownership of the Concessionaire;
- (b) the replacement of the Concessionaire by a new operator ("Selectee") proposed by the Lenders (in terms of the Substitution Agreement), and the specific terms and conditions of such replacement which shall include :
 - (i) the criteria for selection of the Selectee;
 - (ii) the transfer of rights and obligations of the Concessionaire surviving under this Agreement to the Selectee;
 - (iii) handing over/ transfer of the Project Site and the Project Facilities and Services to the Selectee;
 - (iv) acceptance by the Selectee of the outstanding obligations of the Concessionaire under the Financing Documents and preserving Lenders' charge on the Concessionaire's assets;
 - (v) acceptance by the Selectee of any amounts due to the Concessioneing Authority from the Concessionaire under this Agreement; and
 - (vi) payment of consideration for the Concessionaire's assets comprised in the Project Facilities and Services and the manner of appropriation thereof.

15.5 Obligations during Remedial Period

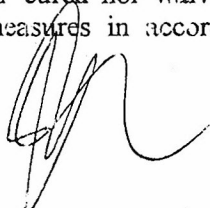
During the Remedial Period, the Parties shall continue to perform their respective obligations under this Agreement which can be performed, failing which the Party in breach shall compensate the other Party for any loss or damage occasioned or suffered on account of the underlying failure/breach.

15.6 Revocation of Consultation Notice

If during the Remedial Period the underlying Event of Default is cured or waived or the Parties and the Lenders agree upon any of the measures set out in Article 15.4, the Consultation Notice shall be withdrawn in writing by the Party who has issued the same.

15.7 Termination due to Events of Default

If before the expiry of the Remedial Period, the underlying Event of Default is neither cured nor waived nor the Parties and the Lenders have agreed upon any of the measures in accordance with Article 15.4, the Party who has issued the




Consultation Notice shall have the right to terminate this Agreement, in which event, the provisions of Article 16 and 17 shall, to the extent expressly made applicable, apply.

15.8 Concessioning Authority's Rights of Step-in

Upon a Termination Notice being issued due to a Concessionaire Event of Default, the Concessioning Authority may, at its discretion:

- (a) re-enter upon and take possession and control of Project Site/Project Facilities and Services forthwith;
- (b) prohibit the Concessionaire and any Person claiming through or under the Concessionaire from entering upon/dealing with the Project Site/Project Facilities and Services;
- (c) step in and succeed upon election by Concessioning Authority without the necessity of any further action by the Concessionaire, to the interests of the Concessionaire under such of the Project Contracts as the Concessioning Authority may in its discretion deem appropriate with effect from the date of communication of such election to the counter party to the relative Project Contracts.

Provided that, in such circumstances, the Concessioning Authority shall assume the obligations of the Concessionaire with respect to the Lenders during such Remedial Period out of the current revenues. Provided further, the Concessionaire acknowledges that any payments made by the Concessioning Authority during the Remedial Period shall be adjusted against compensation payable by the Concessioning Authority to the Concessionaire in terms of the provisions of this Agreement.



ARTICLE 16

TERMINATION OF THE CONCESSION/AGREEMENT

16.1 Termination Procedure

The Party entitled to terminate this Agreement either on account of a Force Majeure Event or on account of an Event of Default shall do so by issue of a notice in writing ("**Termination Notice**") to the other Party and simultaneously deliver a copy thereof to the Lenders. The Termination Notice shall be of not less than 90 (ninety) Days and not ordinarily be more than 180 (one hundred and eighty) Days, ("**Termination Period**") and at the expiry of the Termination Period, this Agreement shall stand terminated without any further notice.

16.2 Obligations during Termination Period

During Termination Period, the Parties shall subject where applicable to the provisions of this Article 16, continue to perform such of their respective obligations under this Agreement which are capable of being performed with the object, as far as possible, of ensuring continued availability of the Project Facilities and Services to the users, failing which the Party in breach shall compensate the other Party for any loss or damage occasioned or suffered on account of the underlying failure/breach.

16.3 Requisition

Except where the Termination Notice is issued prior to Financial Close being achieved by the Concessionaire, when the Concession has not come into effect the Concessionaire has no right hereunder and no compensation is payable by the Concessioneing Authority, upon issue or receipt as the case may be of Termination Notice, either as a consequence of a Force Majeure Event or as a consequence of an Event of Default, or otherwise 6 (six) months prior to the expiry of the Concession Period, the Concessioneing Authority shall by a notice in writing ("**Requisition**") call upon the Concessionaire to furnish the following information to enable the Concessioneing Authority to estimate the likely compensation payable by the Concessioneing Authority to the Concessionaire and/or to finalise the items of Concessionaire's assets comprised in the Project Facilities and Services to be handed over to/taken over by the Concessioneing Authority.

- (a) except in cases where no Financial Close has been achieved, the particulars of Debt Due supported by Lenders' certificate;
- (b) data or records regarding the operation and maintenance of the Project Facilities and Services;
- (c) specifications regarding the Concessionaire's assets comprised in the Project Facilities and Services; and
- (d) any other information or records regarding Concessionaire, its business, the LNG Port Project /Project Facilities and Services, assets and liabilities.




The Concessionaire shall within a period of 30 (thirty) Days of receipt of Requisition furnish the particulars called for by the Concessions Authority.

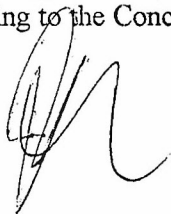
16.4 Condition Survey

- (a) The Concessionaire agrees that on the service of a Termination Notice or at least 6 (six) months prior to the expiry of the Concession Period, as the case may be, it shall conduct or cause to be conducted under the Concessions Authority's supervision, a condition survey of the Project Facilities and Services including the Project Site to ascertain the condition thereof, verifying compliance with the Concessionaire's obligations under this Agreement and to prepare an inventory of the assets comprised in the Project Facilities and Services. During this period, the designated key personnel of the Concessions Authority shall be associated with the operations of the Project Facilities and Services (except when the same is impossible due to a Force Majeure Event) in order to facilitate smooth take over of the same by the Concessions Authority on the Transfer Date.
- (b) If, as a result of the condition survey, the Concessions Authority shall observe/notice that the Project Site and/or the Project Facilities and Services or any part thereof have/has not been operated and maintained in accordance with the requirements therefor under this Agreement (normal wear and tear excepted) the Concessionaire shall, at its cost and expenses, take all necessary steps to put the same in good working conditions well before the Transfer Date.
- (c) In the event the Concessionaire fails to comply with the provisions of this Agreement, the Concessions Authority may itself cause the condition survey and inventory of the Project Facilities and Services to be conducted. The Concessions Authority shall be compensated by the Concessionaire for any costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in good working condition.

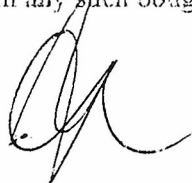
16.5 Consequences of Termination

Without prejudice to any other consequences or requirements under this Agreement or under any law:

- (a) the Concessionaire shall transfer all the assets and rights upon expiry of the Concession Period by efflux of time or termination of the Agreement due to a Force Majeure Event or on account of an Event of Default, in accordance with Article 18;
- (b) the Concessions Authority shall be entitled to encash any subsisting bank guarantee(s) provided by the Concessionaire against any amounts owing to the Concessions Authority by the Concessionaire.




Notwithstanding anything contained in this Agreement, the Concessioneing Authority shall not, as a consequence of termination or otherwise, have any obligation whatsoever to any third party including but not limited to obligations as to compensation for loss of employment, continuance or regularization of employment, absorption or re-employment on any ground, in relation to any person in the employment of or engaged by the Concessionaire in connection with the LNG Port Project, and the handback of the Project Site /Project Facilities & Services by the Concessicnaire to the Concessioneing Authority shall be free from any such obligation.

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ARTICLE 17**COMPENSATION****17.1 Compensation****(a) Termination due to Force Majeure Event**

- (i) If the termination is due to a Non Political Event, compensation payable to the Concessionaire shall be the Book Value LESS any amount due to the Concessioneing Authority by the Concessionaire under this Agreement LESS all insurance claims received or admitted.
- (ii) If the termination is due to a Other Event, compensation payable to the Concessionaire shall be the Book Value LESS any amount due to the Concessioneing Authority by the Concessionaire under this Agreement LESS all insurance claims received or admitted.
- (iii) If termination is due to a Political Event, compensation payable to the Concessionaire shall be the same as that stipulated for termination due to a Concessioneing Authority Event of Default under Article 17.1 (c).

Provided, no compensation shall be payable to the Concessionaire if the Concessionaire fails to maintain Insurance Cover as contemplated under Article 12 of this Agreement.

(b) Termination due to Concessionaire Event of Default


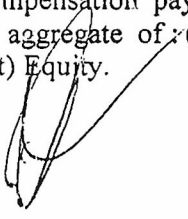
If the termination is after the Date of Commercial Operation, due to a Concessionaire Event of Default, the compensation payable by the Concessioneing Authority to the Concessionaire shall be the lowest of:

- (i) the Book Value;
- (ii) 90% (ninety percent) of Debt Due;
- (iii) the Actual Project Cost;

Provided, no compensation shall be payable to the Concessionaire if the Concessionaire fails to maintain Insurance Cover as contemplated under Article 12 of this Agreement.

(c) Termination due to Concessioneing Authority Event of Default

If the termination is due to a Concessioneing Authority Event of Default, the compensation payable by the Concessioneing Authority shall be equal to the aggregate of (i) Debt Due; and (ii) 150% (one hundred and fifty percent) Equity.



17.2 No Compensation on Expiry of Concession Period

In the event of expiry of Concession by efflux of time (the Concession having run its full course), the Concessionaire shall hand over/ transfer peaceful possession of the Project Site and the Project Facilities and Services free of cost and Encumbrance.

17.3 Transfer Fee and Charges

Transfer costs, stamp duties, notary fees and taxes, if applicable, for the transfer of the Project Facilities and Services consequent to the expiry or termination of this Agreement shall be borne by:

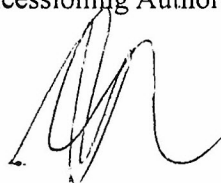
- (a) the Concessionaire in the event of expiry of Concession Period or termination due to a Concessionaire Event of Default;
- (b) the Concessioning Authority in the event of termination due to a Concessioning Authority Event of Default or Political Event; and
- (c) by both parties equally in case of termination due to Change in Law or Non Political Event or Other Event.

17.4 Payment of Compensation to Lenders

The Concessionaire hereby irrevocably authorises the Concessioning Authority to pay to the Lenders or at their instruction to any designated bank account in India the compensation payable to the Concessionaire. The Concessionaire confirms that upon such payment being made, the Concessioning Authority shall stand duly discharged of its obligations regarding payment of compensation under this Agreement and the charge created by the Concessionaire in favour of the Lenders on any of its assets taken over by the Concessioning Authority shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge. The Concessionaire further confirms that payment of compensation by Concessioning Authority in accordance with this Article 17.4 shall be a valid discharge to the Concessioning Authority in respect of Concessioning Authority's obligation regarding payment of compensation to the Concessionaire under this Agreement.

Provided notwithstanding anything inconsistent contained in this Agreement, the Concessionaire/the Lenders as the case may be shall be entitled to remove at its/ their cost all such moveables which are not taken over by the Concessioning Authority and to deal with the same in accordance with their respective rights under law.

Provided further, if there are no amounts outstanding under the Financing Documents and a certificate to that effect issued by the Lenders is furnished by the Concessionaire to the Concessioning Authority, the compensation shall be paid by the Concessioning Authority to the Concessionaire directly.




17.5 Delayed Payment of Compensation

If for any reasons, other than those attributable to the Concessionaire, the Concessioneing Authority fails to pay the compensation on the Transfer Date, the Concessioneing Authority shall be liable to pay interest @ SBI PLR plus 2% (two percent) per annum thereon from the Transfer Date till payment thereof. Provided, nothing contained in this Article shall be deemed to authorise any delay in payment of compensation in accordance with this Agreement.

17.6 Delayed Transfer of Assets

If for any reasons other than those attributable to the Concessioneing Authority the Concessionaire fails to transfer assets, rights and contracts on the Transfer Date in accordance with Article 16.5 read with Article 18, there shall be no suspension of the operation and maintenance of the Project Facilities and Services and the Concessionaire shall, as a trustee of the Concessioneing Authority:

- (a) continue to operate and maintain the Project Facilities and Services or such of them, as directed by Concessioneing Authority until completion of the relative transfer formalities; and
- (b) collect, account for and pay to the Concessioneing Authority, the charges for the Project Facilities and Services as per the Scale of Rates as notified by the TAMP or such other competent authority from time to time. In case, no charges are notified by the TAMP or such other competent authority, charges shall be levied based on the adhoc rate(s) authorized by the Concessioneing Authority, subject to regularizing it subsequently on its notification by the TAMP or such other competent authority.

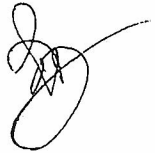
In the event of failure to do so, the Concessionaire shall be liable to pay to the Concessioneing Authority, for every Day of delay, liquidated damages computed at the rate of the average daily gross revenue from Waterfront Royalty, Port Dues, Pilotage and Dredging Charges earned by the Concessioneing Authority from the LNG Port Project during the 3 (three) years immediately preceding the Transfer Date. Parties confirm that this is a true and correct estimate of damages and not in the nature of a penalty. Provided nothing contained in this Article 17.6 shall be deemed or construed to authorise delay in completion of formalities of transfer of assets, rights and contracts by the Concessionaire to the Concessioneing Authority in accordance with the requirements thereof under this Agreement.

In case the transfer of assets by the Concessionaire to the Concessioneing Authority is delayed for reasons attributable to the Concessioneing Authority, the Concessionaire shall nonetheless continue to operate the Project Facilities and Services but as agent of the Concessioneing Authority. Provided however, the Concessionaire shall be liable to pay Waterfront Royalty in accordance with Article 9)1.




17.7 Remedies Cumulative

The exercise of right by either Party to terminate this Agreement as provided herein, shall not preclude such Party from availing any other rights or remedies that may be available to it under law. All remedies available to the Parties shall be cumulative and the exercise or failure thereof of one or more remedies by any Party shall not limit or preclude the exercise of or constitute a waiver of any other remedies by such Party.

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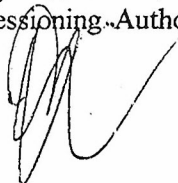
ARTICLE 18**TRANSFER ON EXPIRY OF THE CONCESSION PERIOD****18.1 General Scope of Transfer/Payment**

The Parties shall perform/discharge their respective obligations to be performed or discharged under the provisions of this Agreement on the Transfer Date in entirety. Without prejudice to the generality of this provision and the provisions of Article 16, the transactions to be consummated and the formalities to be completed by the Parties on the Transfer Date shall be as set out in Articles 18.2 and 18.3.

18.2 Concessionaire's Obligations

The Concessionaire shall:

- (a) hand over peaceful possession of the Project Site, the LNG Port Project and the Project Facilities and Services free of Encumbrance;
- (b) transfer all its rights, titles and interests in the assets comprised in the Project Facilities and Services which are required to be transferred to the Concessioning Authority in accordance with this Agreement and execute such deeds and documents as may be necessary for the purpose and complete all legal or other formalities required in this regard;
- (c) hand over to the Concessioning Authority all documents including as built drawings, manuals and records relating to operation and maintenance of the Project Facilities and Services;
- (d) transfer technology and up-to-date know-how relating to operation and maintenance of the Project Facilities and Services;
- (e) transfer or cause to be transferred to the Concessioning Authority any LNG Project Contracts which are: (i) valid and subsisting; (ii) capable of being transferred to the Concessioning Authority; and (iii) those the Concessioning Authority has chosen to take over, and cancel or cause to be cancelled such Project Contracts not transferred to the Concessioning Authority. For this purpose, the Concessionaire shall ensure that all Project Contracts are assignable in favor of the Concessioning Authority without any further action on part of the respective counterparties. The Concessionaire shall entirely at its cost, terminate all such Project Contracts which are not transferred/assigned and/or are not required to be transferred/assigned to the Concessioning Authority;
- (f) at its cost, transfer to the Concessioning Authority, all such Applicable Permits which the Concessioning Authority may require and which can be legally transferred. Provided, if the termination is on account of Concessioning Authority Event of Default the cost of such transfer shall be



borne/ reimbursed by the Concessioneing Authority; and

- (g) at its cost, remove within 90 (ninety) days from expiry of the Concession Period, from the Project Site, any moveable assets that are not taken over by or not to be transferred to the Concessioneing Authority in terms of the provisions of this Agreement.

18.3 Concessioneing Authority's Obligations

Except in the event of expiry of the Concession by efflux of time, the Concessioneing Authority shall pay compensation payable to the Concessionaire in accordance with Article 17.1 of this Agreement, to the Lenders, or deposit the same on the written instructions of the Lenders to any designated bank account in India, or to the Concessionaire, as the case may be. The Concessionaire confirms that upon such payment being made, the Concessioneing Authority shall stand duly discharged of its obligations regarding payment of compensation under this Agreement and the charge created by the Concessionaire in favour of the Lenders on any of the assets shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge.

The Concessionaire further confirms that payment of compensation by Concessioneing Authority in accordance with this Article 18.3 shall be a valid discharge to the Concessioneing Authority in respect of Concessioneing Authority's obligation regarding payment of compensation to the Concessionaire under this Agreement.

18.4 Risk

Until transfer in accordance with this Article 18, the Project Facilities and Services shall remain at the sole risk of the Concessionaire except for any loss or damage caused to or suffered by the Concessionaire due to any act or omission or negligence on the part of the Concessioneing Authority under this Agreement.



ARTICLE 19**DISPUTE RESOLUTION****19.1 Amicable Settlement**

If any dispute or difference or claims of any kind arises between the Concessioning Authority and the Concessionaire in connection with construction, interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, or the rights, duties or liabilities of any Party under this Agreement, whether before or after the termination of this Agreement, then the Parties shall meet together promptly, at the request of any Party, in an effort to resolve such dispute, difference or claim by discussion between them.

19.2 Assistance of Expert


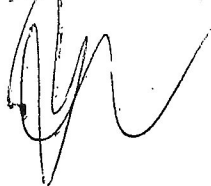
The Parties may, in appropriate cases agree to refer the matter to an Expert appointed by them with mutual consent. The cost of obtaining the service of the Expert shall be shared equally.

19.3 Arbitration**(a) Arbitrators**

Failing amicable settlement and/or settlement with the assistance of Expert appointed by the Parties by mutual consent, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. Unless the Parties mutually agree otherwise, within 30 (thirty) Days of invocation of the arbitration as mentioned below, the rules of arbitration prescribed by the International Centre for Alternative Dispute Resolution, New Delhi shall apply to the arbitration. The arbitration shall be by a panel of three Arbitrators, one to be appointed by each Party and the third, who shall act as presiding arbitrator, to be appointed by the two arbitrators appointed by the Parties. The arbitration shall be invoked by one party issuing to the other a notice in writing invoking the arbitration and appointing an Arbitrator. Upon receipt of the notice, the other Party shall appoint the second Arbitrator. The two Arbitrators so appointed shall appoint the third Arbitrator who shall act as the 'Presiding Arbitrator'. If the other Party fails to appoint a second Arbitrator within 30 (thirty) Days from the receipt of the request to do so, then the Arbitrator so appointed by the first party shall adjudicate the disputes as 'Sole Arbitrator'.

(b) Place of Arbitration

The place of arbitration shall be Kochi, India.



(c) **English Language**

The request for arbitration, the answer to the request, the terms of reference, any written submissions, any orders and rulings shall be in English and, if oral hearings take place, English shall be the language to be used in the hearings.

(d) **Procedure**

The procedure to be followed within the arbitration, including appointment of arbitrator/arbitral tribunal, the rules of evidence which are to apply shall be in accordance with the Arbitration and Conciliation Act, 1996.

(e) **Enforcement of Award**

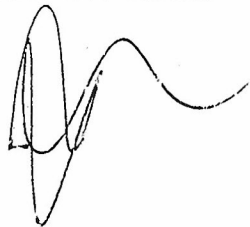
Any decision or award resulting from arbitration shall be final and binding upon the Parties. The Parties hereto agree that the arbitral award may be enforced against the Parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

(f) **Fees and Expenses**

The fees and expenses of the arbitrators and all other expenses of the arbitration shall be initially borne and paid equally by respective Parties subject to determination by the arbitrators. The arbitrators may provide in the arbitral award for the reimbursement to the successful party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by the Party.

(g) **Performance during Arbitration**

Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published, the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

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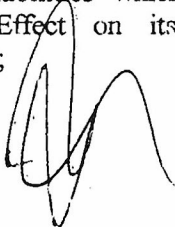
ARTICLE 20

REPRESENTATIONS AND WARRANTIES

20.1 Representations and Warranties of the Concessionaire

The Concessionaire represents and warrants to the Concessioneing Authority that:

- (a) it is duly organised, validly existing and in good standing under the laws of India and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- (d) this Agreement constitutes the legal, valid and binding obligation of the Concessionaire, enforceable against it in accordance with the terms hereof;
- (e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement;
- (f) it has the financial standing and capacity to undertake the LNG Port Project in accordance with the terms of this Agreement;
- (g) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its memorandum of association and articles of association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- (h) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement;
- (i) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a Material Adverse Effect on its ability to perform its obligations under this Agreement;

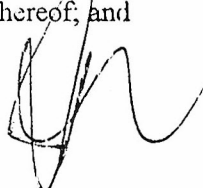


- (j) all its rights and interests in the LNG Port Project/Project Facilities and Services shall pass to and vest in the Concessioneing Authority on the Transfer Date free and clear of all liens, claims and Encumbrances, without any further act or deed on its part or that of the Concessioneing Authority, and that none of the LNG Port Project assets shall be acquired by it, subject to any agreement under which a security interest or other lien or Encumbrance is retained by any person, save and except as expressly provided in this Agreement;
- (k) no representation or warranty by it contained herein or in any other document furnished by it to the Concessioneing Authority or to any Government Authority in relation to Applicable Permits contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading;
- (l) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing the Concession or entering into this Agreement or for influencing or attempting to influence any officer or employee of the Concessioneing Authority in connection therewith;
- (m) agrees that the execution, delivery and performance by it of this Agreement and all other agreements, contracts, documents and writings relating to this Agreement constitute private and commercial acts and not public or governmental acts; and
- (n) consents generally in respect of the enforcement of any judgement against it in any proceedings in any jurisdiction to the giving of any relief or the issue of any process in connection with such proceedings.

20.2 Representations and Warranties of the Concessioneing Authority

The Concessioneing Authority represents and warrants to the Concessionaire that:

- (a) it is duly organised, validly existing and in good standing under the laws of India;
- (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- (d) this Agreement constitutes the legal, valid and binding obligation of the Concessioneing Authority, enforceable against it in accordance with the terms hereof; and




- (e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement.

20.3 Disclosure

In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any obligation of either Party under this Agreement.



ARTICLE 21

MISCELLANEOUS PROVISIONS

21.1 Datum

The datum to which all levels shall be referred for the purpose of the LNG Port Project is the Chart Datum (0.000) which is 0.582m below mean sea level.

21.2 Survival of Obligations

Any cause of action which may have occurred in favour of either Party or any right which is vested in either Party under any of the provisions of this Agreement during the Concession Period as the case may be as a result of any act, omission, deed, matter or thing done or omitted to be done by either Party before the expiry of the Concession Period by efflux of time or otherwise in accordance with the provisions of this Agreement shall survive the expiry of the Concession Period/ termination of this Agreement.

21.3 Articles to survive Termination

The provisions of Articles 16 to 21 shall, to the fullest extent necessary to give effect thereto, survive the Concession Period/the termination of this Agreement and the obligations of the Parties to be performed/discharged following the termination /early determination of this Agreement shall accordingly be performed /discharged by the Parties.

21.4 Joint Responsibility

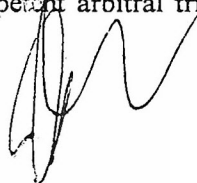
In the event that any damage is caused partly due to the negligence or default or omission on the part of the Concessioneing Authority and partly due to the negligence or default or omission on the part of the Concessionaire, each Party shall be liable to the other Party only in the proportion to its respective degree of negligence or default or omission, as the case may be.

21.5 Several Obligations

Nothing contained in this Agreement shall be construed to create an association, trust, partnership, agency or joint venture among the Parties and Parties shall be liable to perform their respective duties and discharge their respective liabilities or obligations in accordance with the provisions of this Agreement.

21.6 Severability

If for any reason whatsoever any provision or any part(s) of this Agreement is held or shall be declared to be void or illegal or invalid under present or future laws or regulations effective and applicable during the Concession Period, by any competent arbitral tribunal or court, and if such provisions shall be fully separable



and this Concession shall be constructed as if such provision or such part(s) of this Agreement never comprised part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such void or illegal or invalid provision or by its severance from this Agreement.

21.7 Notices

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term or related or breach of any term of this Agreement shall be in writing and shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

The Concessioneing Authority:

CHAIRMAN,
COCHIN PORT TRUST,
WILLINGDON ISLAND,
KOCHI-682009.

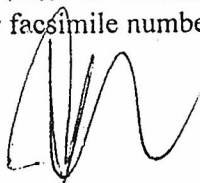
Fax No:0484-2668163/2666512

The Concessionaire:

The MANAGING DIRECTOR & CEO,
M/s. PETRONET LNG LIMITED,
WORLD TRADE CENTRE, 1ST FLOOR,
BABAR ROAD, BARAKHAMBA LANE,
NEW DELHI-110 001.

Fax No.011-23414271

or such other address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized international courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.




21.8 Waiver

No waiver of any term or condition or of the breach thereof by any Party shall be valid unless expressed in writing and signed by such Party and communicated by such Party to the other Party in accordance with the provisions of Article 21.7 of this Agreement. A waiver by any Party of any term or condition or breach thereof in a given case shall not be deemed or construed as a general waiver of such term or condition or the breach in the future or waiver of any other terms or conditions or breach of this Agreement.

21.9 Amendments, Modifications or Alterations.

No amendments, modifications or alterations of or any additions to the terms and conditions of this Agreement shall be valid unless the same be in writing and agreed to by the Parties.

21.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Republic of India and courts having territorial jurisdiction over the LNG Port Project shall have jurisdiction over all matters relating to or arising out of this Agreement.

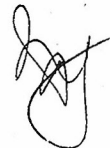
21.11 Entire Agreement

This Agreement and the Appendices together constitute a complete and exclusive statement of the terms of the agreement between the Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement unless specifically retained in this Agreement and the Appendices, by reference or otherwise, are abrogated and withdrawn.

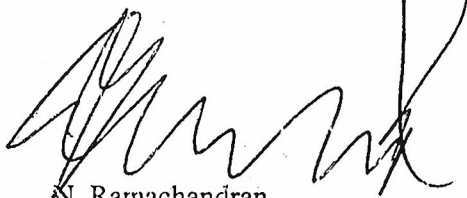
21.12 Counterparts

This Agreement shall be executed in two counterparts, each of which when executed and delivered, will be an original, and both counterparts together shall constitute one and the same instrument.





IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Agreement on the dates first hereinabove written



N. Ramachandran
CHAIRMAN
COCHIN PORT TRUST
For and on behalf of the
BOARD OF TRUSTEES OF
COCHIN PORT TRUST



Common Seal of the Concessioneing Authority
is affixed in the presence of Mr. N. Ramachandran
who has signed this Agreement in token thereof.



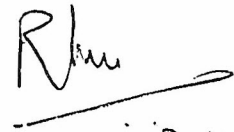
Signed and Delivered by the Concessionaire
by the hand of its authorized representative
Mr. Amitava Sengupta, Director (Finance &
Commercial) pursuant to Resolution dated
24th January, 2007 of its Board of Directors.

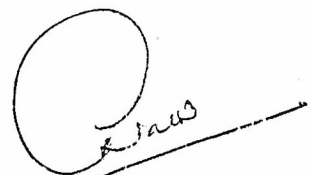


Common Seal of the Concessionaire

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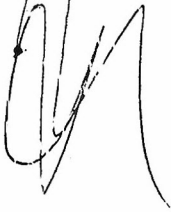
Witnesses:

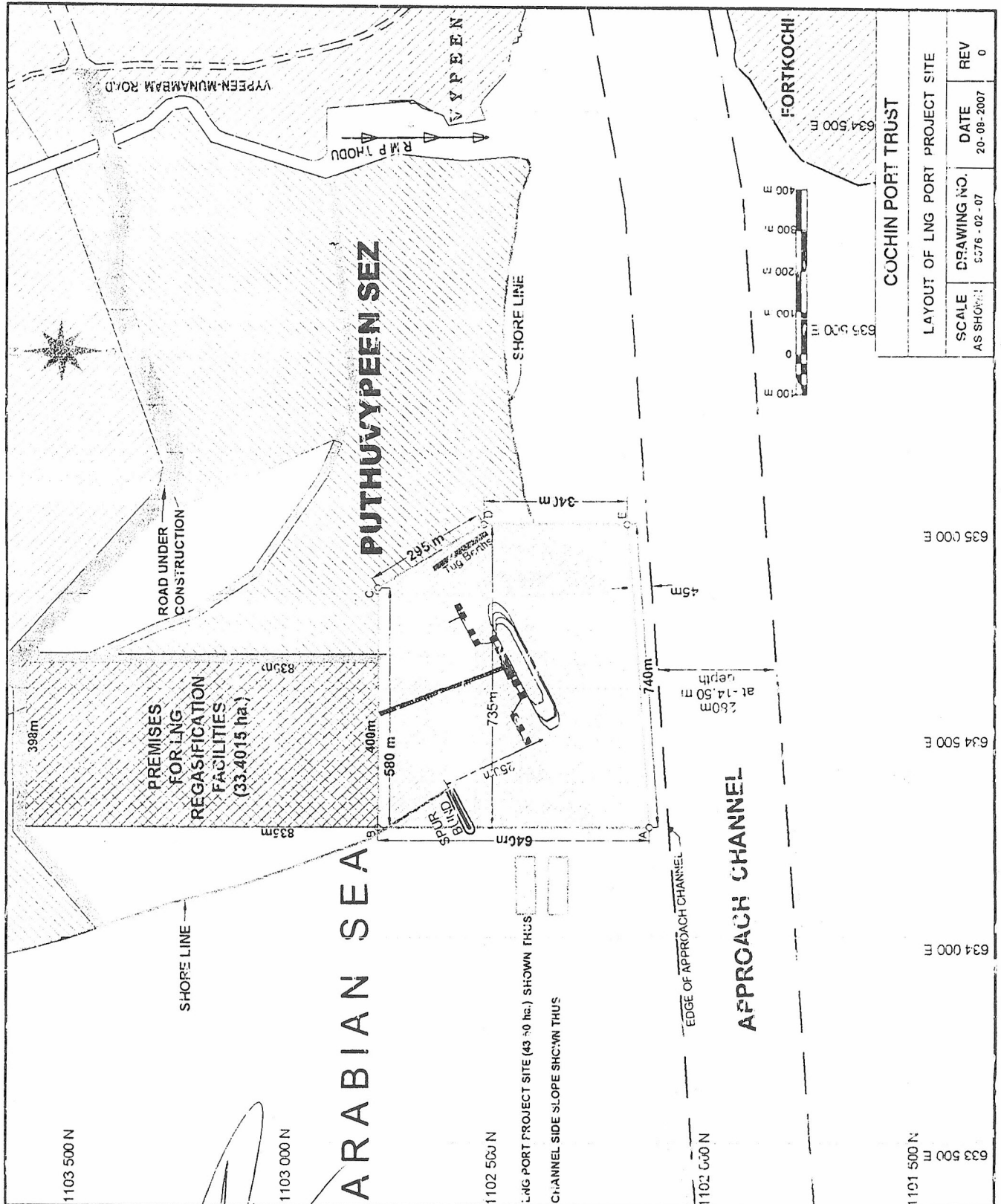
1. 
R.K. CARG
Sr. Vice-President (F)
& Co. Secy., PLL

2. 
K.G. NATH
RA & CAO
Cochin Port Trust

APPENDIX 1**PROJECT SITE**

The Project Site is the water frontage area admeasuring 43.5 hectares at Puthuvypeen in Cochin Port, as more particularly marked and shown in the attached drawing No.9576-02-07 Rev. 0 -- Layout of LNG Port Project Site attached. For the avoidance of any doubt, it is clarified that Project Site does not include the Leased Premises, that is, the land leased to the Concessionaire in relation to the LNG Re-Gasification Facilities.

A large, stylized handwritten signature in black ink, possibly reading 'M' or 'N'.A smaller, more complex handwritten signature in black ink, possibly reading 'JG'.



APPENDIX 2

LAND LEASE AGREEMENT

THIS AGREEMENT OF LEASE, made on the 12th day of March, Two thousand and nine (hereinafter called "the Lease Agreement")

BETWEEN

THE TRUSTEES OF THE COCHIN FORT TRUST, a Body corporate under the Major Port Trust Act, 1963 represented by its Secretary, Mr. Cyril C. George, son of Late Shri. C.O. Varkey aged 48 years residing at Willingdon Island Thoppumpady Village, Cochin Taluk, Ernakulam District, Kerala State (hereinafter called "the Lessor") on the one part

AND

M/s. Petronet LNG Limited, a company registered under the Companies Act, 1956 and having its registered office at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi-110001 (hereinafter called "the Lessee") of the other part,

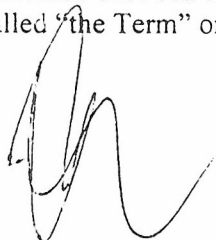
WHEREAS,

By the Concession Agreement dated 12th March, 2009 entered into between the Lessor as Concessioning Authority and the Lessee as the Concessionaire (hereinafter referred to as "the Concession Agreement") the Lessor has granted to the Lessee, the concession to implement the LNG Port Project in terms of the provisions set out thereunder.

AND WHEREAS to facilitate the LNG Port Project, the Lessee has to put up the LNG Re-Gasification Project in the land measuring 33.4015 hectares or thereabouts at Puthuvypeen and it has been agreed between the Lessor and the Lessee, that the Lessor shall grant to the Lessee the above land.

NOW THIS DEED WITNESSETH AS FOLLOWS:-

That the Lessor does in consideration of the payment made as stated hereunder and rent to be paid as herein referred and other terms and conditions on the part of the Lessee to be observed, hereby grants to the Lessee, a lease (hereinafter called "the Lease") of ALL THAT piece of land containing by admeasurement 33.4015 hectares or thereabouts, situated at Puthuvypeen, which piece of land is more particularly described in the schedule hereunder written and for greater clarity delineated with the boundaries thereof on the plan annexed hereto (hereinafter called "the Leased Premises") TO HOLD the same, for the LNG Re-gasification Project, upto the date of expiry of 30 (thirty) years commencing from the Date of Award of Concession under the Concession Agreement for the LNG Port Project executed between the Lessee (Concessionaire) and Lessor (Concessioning Authority) [hereinafter called "the Term" or "Lease Period"], subject to the following conditions: -




Definitions and Interpretation:

"Chief Engineer" means the Chief Engineer of Cochin Port Trust.

"Concession Agreement" means the Concession Agreement dated 12th March, 2009 for 'Setting up of LNG Port Project in the Puthuvypen SEZ at Cochin Port' executed between Cochin Port Trust and M/s. Petronet LNG Ltd.

"Date of Award of Concession" means the date defined in the Concession Agreement.

"Dy. Conservator" means Deputy Conservator of Cochin Port Trust.

"Dy. Secretary (Estate)" means Deputy Secretary (Estate) of Cochin Port Trust.

"Expert(s)" means an Engineer, Surveyor or other qualified person appointed by the Lessee and approved by the Lessor for the purposes specified in Article 2(c), 2 (f) and 5.

"Financial Assistance" means all funded and non-funded credit assistance including but not limited to loans, advances, lease assistance and guarantees required for the LNG Port Project and LNG Re-Gasification Project.

"Financing Documents" means, collectively, all the loan agreements, notes, indentures, letters of credit, guarantee documents, debenture instruments, share subscription agreements, subordinated debt agreements and other documents, as the same may be amended, supplemented or modified from time to time, executed in favour of or entered into with the Lenders, by the Concessionaire / Lessee in respect of the Financial Assistance and includes any document providing security for the Financial Assistance.

"Leased Premises" means all that piece and parcel of land having an extent of 32.3611 and 1.0404 hectares of land at Puthuvypen handed over to the Lessee on 12th June 2005 and 20th July 2007 respectively by the Lessor to Lessee in respect of the LNG Re-Gasification Facilities as per the plan annexed to this Lease Agreement as Annexure to Appendix 2

"Lenders" means any Persons based in India or abroad providing Financial Assistance under the Financing Documents and includes a trustee for the holders of debentures/ or other debt instruments issued by the Concessionaire/Lessee to finance the LNG Port Project and LNG Re-Gasification Project.

"LNG Port Project" means the design, finance, construction, operation, maintenance and marketing and providing of the Project Facilities and Services in accordance with the provisions of the Concession Agreement.

"LNG Re-Gasification Facilities" means LNG re-gasification terminal facilities including LNG storage tanks, onshore facilities required for the import, re-gasification and dispatch of LNG and related activities within the Leased Premises.




"Port Regulations" means all rules and regulations framed under the Major Port Trust Act, 1963 or any other law in force and such other directions or regulations under any statute notified by the Lessor from time to time.

"Scale of Rates" means the scale of rates alongwith the statement of conditions with respect thereto framed from time to time and notified by TAMP or such other competent authority under the provisions of MPT Act, as applicable.

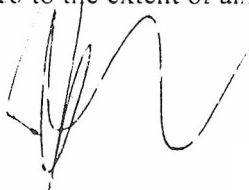
"Selectee" means a Person proposed by the Lender/Lender's Representative pursuant to the Substitution Agreement and approved by the Lessor for substituting the Lessee for the Residual Concession Period and Residual Lease Period, in accordance with the provisions of the Concession Agreement and the Land Lease Agreement.

"Substitution Agreement" means the agreement substantially in the form set out at Appendix 3 of the Concession Agreement.

"Term / Lease Period" means the period of lease for which the lease is granted by the Lessor to the Lessee.

Article-1.

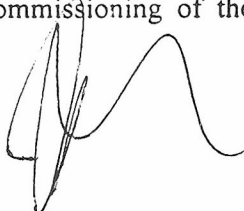
- (a) The Lessee shall pay the Lessor during the said Term yearly lease rent clear of all deductions corresponding to the base lease rent @ Rs.2,06,000/- (Rupees two lakhs six thousand only) per hectare per annum for the base date of 29-10-1999 with 5% annual cumulative increment in the lease rent during the block of 5 (five) years. As the said land area has been handed over to Lessee by the Lessor for the pre-construction activities before the Date of Award of Concession of the Concession Agreement, the yearly lease rent shall be payable by the Lessee during the term of pre-construction activities also based on the above rates. The date from which the lease rent payable for 32.3611 hectare of land originally handed over and 1.0404 hectare of land handed over subsequently, are 12th June 2005 and 20th July 2007 respectively.
- (b) The base lease rent will undergo upward revision after every block of 5 (five) years based on the Scale of Rates approved and notified from time to time by TAMP or any such other competent authority under the provisions of the MPT Act, as applicable.
- (c) The Lessee shall pay the Lessor one year's lease rent in advance. The subsequent payments of yearly lease rent shall be made in two half-yearly instalments, one, on or before the 30th day of September and the other, on the 31st day of March every year for the period April to September and October to March respectively and proportionately if the period in question is not a full half-year.
- (d) The Lessee has deposited with the Lessor as Security Deposit towards rent an amount of Rs. 4,98,85,140/- (Rupees Four crores ninety eight lakhs eighty five thousand one hundred and forty only) equivalent to 5 (five) year's current lease rent (the receipt of which the Lessor hereby acknowledges) adjustable in terms of the provisions (a) above, which will be replenished to the extent of annual enhancement in the lease rent.




- (e) If the Lessee defaults in payment of the rent at any time, necessary adjustments may be made by the Lessor from the amount in deposit and the Lessee shall make up the corresponding deficit in the deposit within 15 days of receipt of demand by the Lessor. The Lessee shall also pay towards security deposit referred to above, the differential amount in rent, consequent on the revision of base lease rent provided herein within 15 days of receipt of demand from the Lessor. The security deposit so paid shall be refundable without interest on the termination/expiry of the Lease.
- (f) The Lessee shall, from time to time and at all times during the said Term, pay and discharge all rates, taxes, charges, and assessments of every description now subsisting, including arrears if any, accrued before the date of commencement of the Term of the Lease [viz., the Date of Award of Concession under the Concession Agreement for the LNG Port Project executed between the Lessee (Concessionaire) and the Lessor (Concessional Authority)], or which may at any time hereafter during the said Term be imposed, charged or assessed upon the said premises hereby demised or the buildings to be erected thereon, whether it be payable by the Lessor or the Lessee.
- (g) The Lessee shall be bound to pay interest on all overdue payments from the date when the same becomes due at the rate as specified in the Scale of Rates for the time being in force and as revised, subject to a minimum of Rs.100/- (Rupees one hundred only), it being made clear that the liability for payment of interest shall not affect the other rights accruing to the Lessor on account of such defaults on the part of the Lessee.
- (h) If the Lessee makes default in payment of the lease rent, differential lease rent, sub-lease levy, charges for the utilities/ services/ facilities provided by the Lessor on chargeable basis, cargo and vessels related charges or any other dues to the Lessor and/or interest as provided hereinbefore, the Lessor shall be entitled to revoke this agreement and cancel the Lease forthwith. The Lessee shall thereupon forfeit all its rights thereunder and shall remain liable for any sum then due by the Lessee and also for any loss, which may be caused to the Lessor by reasons of such default.
- (i) The Lessee further agrees that the promoting companies of the Lessee namely, M/s. GAIL (India) Limited (GAIL), Oil and Natural Gas Corporation Limited (ONGC), Indian Oil Corporation Limited (IOC) and Bharat Petroleum Corporation Limited (BPCL), shall within 6 (six) Months from the Date of Award of Concession for the LNG Port Project, provide an undertaking to the Lessor stating that their combined shareholding in the Lessee Company shall not be below 26% of its Paid up/Subscribed share capital throughout the Lease Period of 30 (thirty) years and any dilution in the said share holding shall only be with the prior approval of the Lessor.

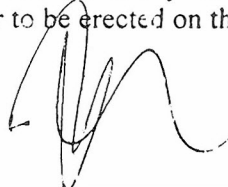
Article-2.

- (a) All plans for the development of leased property and construction of building(s)/ structure(s) /facility (ies) shall be got approved by the Chief Engineer of the Lessor, before the commencement of work. The plans shall also be got approved by the concerned statutory authority as required before the commencement of the work.
- (b) The Lessee shall obtain all statutory and mandatory clearances as may be required under law including environmental clearances from appropriate authorities, before execution/commissioning of the LNG Re-Gasification Project and from time to time



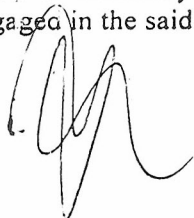

hereafter.

- (c) Foundation and the structural design of the tank(s) and other structures shall be certified by Expert(s) as approved by the Lessor and such certificates shall be produced to the Lessor prior to proceeding with construction.
- (d) Risk Analysis shall be conducted and Disaster Management Plan shall be submitted and got approved by Lessor before proceeding with the construction. A copy of the Environment Impact Assessment (EIA) study conducted shall be submitted to the Lessor before commencement of construction.
- (e) After setting out and on reaching different stages, the Chief Engineer, Dy. Conservator (with respect to safety compliances) and Dy. Secretary (Estate) of the Lessor shall be intimated, so as to enable them to verify whether the same is conforming to the lease conditions. The work shall be proceeded with, only after getting the clearance at each stage from Chief Engineer, Dy. Conservator (with respect to safety compliances) and Dy. Secretary (Estate).
- (f) Construction of the tank(s) including its foundation shall be done under the supervision of Expert(s) as approved by the Lessor, and on completion of the work but prior to commissioning, a certificate from such agency regarding the structural soundness of the tank(s) shall be produced to the Lessor for issuing the occupation certificate.
- (g) The Lessee shall use the said land for construction of building(s)/structure(s)/facility(ies) for the purpose of constructing, developing, operating and maintaining the LNG Re-Gasification Facilities, unless otherwise approved by the Lessor. The Lessee shall not make any unnecessary excavation or remove or appropriate any minerals, mineral substances of any description, sand or clay, from the said land. Any such materials obtained from the site should be placed or disposed off as directed by the Chief Engineer of the Lessor or his authorised representative.
- (h) Building(s)/structure(s)/facility(ies) erected on the Leased Premises shall not be occupied until a formal occupation certificate is issued by the Lessor.
- (i) If the Lessee has completed the construction of the building(s)/structure(s)/ facility(ies) as provided herein within the stipulated period:
 - i) The Lessee shall have the liberty to use the said land for purposes connected with its trade or business.
 - ii) It is made clear that the Lessee should utilise the maximum permissible area of the land leased for the construction of LNG Re-Gasification Facilities and the Lessor reserves the right to repossess without any claim to compensation whatsoever, the whole or part of the portion left unutilised and use the same in any manner deemed expedient by the Lessor. In case there is any dispute regarding the extent of land that should be utilised for the construction or the extent to be repossessed, the decision of the Board of the Lessor shall be final and binding.
- (j) The Lessee shall not at any time without the previous consent in writing of the Lessor erect or suffer to be erected on the said land any building(s)/structure(s)/ facility(ies) other




than and except the building(s)/structure(s)/ facility(ies) as approved by the Chief Engineer of the Lessor nor permit the same to be used for any purpose other than that specified above. In case Lessee fails to do so, the Lease shall be liable for termination.

- (k) If the Lessee does not comply with such terms and conditions in this Lease Agreement, the Lessor shall be at liberty to terminate the Lease and thereupon the Lessee shall remove the building(s)/structure(s)/ facility(ies) erected or other improvements made by it without any claim to compensation whatever and restore the premises to its original condition, within such time as directed by the Lessor. If the Lessee does not remove the building(s)/structure(s)/ facility(ies) or restore the premises to its original condition as required and within the time prescribed, the Lessor shall have the right to remove the said building(s)/structure(s)/ facility(ies) and restore the said premises to its original condition and the cost of such removal and restoration shall be realised from the sale of materials and the balance, if any, from the Lessee. In case there is any amount left from the sale price of the materials so removed, after realisation of the cost of removal and restoration referred to herein, the same may be utilised by the Lessor for recovery of any other amounts that may be due to the Lessor from the Lessee.
- (l) Should the Lessee fail to complete construction of building(s)/structure(s)/ facility(ies) and commence the commercial operations of LNG Re-Gasification Facilities on or before the date of expiry of 42 Months from the Date of Award of Concession of the Concession Agreement, the Lessor reserves the right to repossess the land. However, in exceptional cases where the Lessor is satisfied that the delay is for reasons beyond the control of the Lessee, the Lessor may grant extension of the construction period subject to payment of additional lease rent calculated at 50% of the normal lease rent for the extended period.
- (m) The Lessee shall observe and perform all Port Regulations/directions and follow all safety norms as may be prescribed by the competent/statutory authorities from time to time which are deemed to be a part of the Lease Agreement and shall be binding on the Lessee.
- (n) The Lease shall be governed by provisions of the Major Port Trusts Act, 1963, Indian Ports Act, 1908 and all directives issued by the Government of India from time to time. It shall be binding upon the Lessee to comply with all such directives issued by the Government of India and communicated by the Lessor.
- (o) The Lessee shall, at all times during the subsistence of the Lease, maintain the premises in good sanitary condition and repair and keep the building(s)/structure(s)/ facility(ies) erected on the said land in good and tenable condition.
- (p) The Lessee will pay for any damage done by it or its Employees/Workers or agents during the aforesaid period to any property of the Lessor on the said land or land adjacent thereto.
- (q) The Lessor shall not be responsible to the Lessee or any other person(s) for any loss or damage or injury to life or property arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in on the said land during the period of Lease. The Lessee shall also indemnify the Lessor against all loss or damage or injury to life or property of any one including third party or claims and costs thereof arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in the said land during the period of Lease.



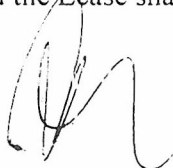

- (r) The Lessee shall provide to the representative(s) of the Lessor, at reasonable times and upon prior intimation, access to the Leased Premises, to ascertain compliance of the Lessee with the requirements of this Lease Agreement. Provided that, the representative(s) of the Lessor shall adhere to all safety and security regulations of the Lessee in respect of site access.

Article-3.

- (a) The Lessee shall not assign, transfer or sub-lease the demised land or the building(s)/structure(s)/ facility(ies) erected or to be erected thereon or any part thereof without the consent in writing of the Lessor. Upon assignment, transfer or sub-lease of the land demised or any part thereof or of the building(s)/structure(s)/ facility(ies) to be erected thereon or any part thereof with the consent of the Lessor in writing and at any rate within one month of the date of such assignment, transfer or sub-lease, the Lessee shall deliver a notice of such assignment, transfer or sub-lease to the Lessor setting forth the names and descriptions of the parties thereto and particulars and effect thereof.
- (b) The Lessee shall be liable to pay such charges, fees or levy as are prescribed from time to time on account of such assignment, transfer or sub-lease as the case may be. In the event of the Lessee effecting any such sub-lease, without the prior consent in writing of the Lessor for the same, it shall be open to the Lessor to approve of the same if a request therefor is made, provided, the Lessee pays the Lessor during the subsistence of such unauthorised assignment, transfer or sub-lease, additional amount as detailed below:
- (i) Where consent has already been granted by the Lessor for the sub-lease as above, and the delay is only in respect of the submission of the application for renewal of the same, the amount payable in the case of delay not exceeding two months, shall be equivalent to interest at 20% of the levy payable in respect of the sub-lease levy for the period of such delay and where it exceeds 2 months, at 40% of sub-lease levy for the total period of such delay.
- (ii) In the case of unauthorised sub-lease, the Lessee shall be liable to pay a penalty at the rate of three times the sub-lease levy.

Provided however that, the Lessor, if it is satisfied at its absolute discretion that such delay in filing the application for consent or renewal of consent for such sub-lease was for circumstances beyond the control of the Lessee, the Lessor may grant remission of a portion of the amount payable as above.

- (c) It is also made clear that the above provision shall not be construed as a waiver of any of the rights of the Lessor under the Lease Agreement including the right to terminate the Lease for unauthorised sub-letting, which the Lessor is entitled to enforce against the Lessee.
- (d) Any assignment, transfer or subletting without the prior approval of the authority which sanctioned the Lease shall make Lease liable for cancellation.




- (e) Notwithstanding anything contained in this Lease Agreement, the Lessee shall be entitled: (a) to create a charge on its rights, title and interest in the assets created by the Lessee in the Leased Premises; and (b) to assign its right, interest and benefits under this Lease Agreement, as security in favour of Lenders for securing the Financial Assistance provided or agreed to be provided by them under the Financing Documents.
- (i) Provided, any such charge shall not be effective before Financial Close and shall not continue for a period exceeding the Lease Period.
 - (ii) Provided further, that such charge shall not be for the Leased Premises nor encumber the Leased Premises.
 - (iii) In the event of occurrence of default by the Lessee under the Financing Documents, the Lenders shall be entitled to exercise their rights to substitute the Lessee by a new operator ("Selectee") in accordance with the provisions of the Substitution Agreement.
 - (iv) Provided further, in the event of termination of this Lease Agreement, the said charge shall stand extinguished upon payment of compensation by the Lessor to the Lenders, to the extent they are entitled to receive the same in accordance with the provisions of this Lease Agreement.

Article-4.

- (a) The Lessee shall be entitled to surrender the whole or a part of the land already leased before the expiration of the said Term of 30 years; provided, the Lessee shall give six Months notice or pay six Months rent in lieu thereof. In cases where the whole or a part of land is surrendered at the instance of the Lessor, the Lessee shall not be liable to give notice or rent in lieu thereof as above. Rent will, however, be payable for the period upto the date of surrender of the land.
- (b) The Lessee shall utilise the maximum permissible area of the Leased Premises for the construction of the structures and the Lessor reserves the right to re-possess without any liability for payment of compensation, the whole or part of the portion of the land left unutilised and use the same in any manner deemed expedient by the Lessor.

Article-5.

At the time of termination of the Lease on the expiry of the Term thereof, or an earlier termination thereof, as provided herein, if the Lessor requires any of the building(s)/structure(s)/ facility(ies) erected on the land for its own use or otherwise, the Lessor shall be entitled to take over the same by paying compensation in respect of the same to the Lessee on the basis of the following formula:

FORMULA PRESCRIBED FOR PAYMENT OF COMPENSATION

$$C_p = R_c [0.10 + 0.90 (L-A)/L]$$



Where,

C_p	=	Compensation payment
R_c	=	Replacement Cost of equivalent new building(s)/ structure(s)/ facility(ies) as on the date of termination as determined by an independent Expert
L	=	Assessed life
A	=	Age as on the date of termination.

Article-6.

- (a) AND THE Lessor hereby agrees that the Lessee observing all the aforesaid conditions, shall peacefully hold and enjoy the said land during the said Term without any interruption by the Lessor, provided that, upon any breach or non-observance by the Lessee or by a person claiming through or under the Lessee of any of the aforesaid covenants or conditions the Lessor may, notwithstanding the waiver of any previous cause or right of re-entry, enter upon the said premises and re-possess it, as if this Lease had not been granted and thereupon this demise shall absolutely determine and the Lessee shall be entitled within three calendar months from the date of such re-entry to remove all building(s)/structure(s)/ facility(ies) which at any time during the currency of this Lease shall have been erected or affixed by the Lessee upon the said land without any claim to any compensation whatsoever.
- (b) And the Lessor doth hereby further agree that before the expiration of the said Term of 30 years the Lessee shall be entitled to remove all or any building(s)/structure(s)/ facility(ies) which at any time during the currency of this Lease shall have been erected or fixed by the Lessee upon the said land without any claim to any compensation whatever, and surrender the Leased Premises to the Lessor on giving six months' notice of the same or six month's rent at the then prevailing rate, in lieu thereof.
- (c) It is distinctly agreed that the Lessee shall not claim or be entitled to any compensation whatever except as regards building(s)/structure(s)/ facility(ies) not removed by the Lessee from the said land in compliance with a request in writing by the Lessor.
- (d) It is also distinctly agreed that the Lessee shall deliver up the demised premises at the expiration or sooner determination of tenancy restored to its former condition unless otherwise agreed/ requested by the Lessor.
- (e) The Lessor shall be entitled to allow any public utility services such as electric posts, or cables, water supply, sewer lines, drains, sanitary lines or telegraph post or cables, to be taken through the said land and the Lessee shall not be entitled to any compensation in respect of the same, including compensation, if any, relating to the space occupied by such public utility services. Provided that, while allowing such




public utility services to be taken through the said land, only the minimum possible hindrance shall be caused to other structures in the said land.

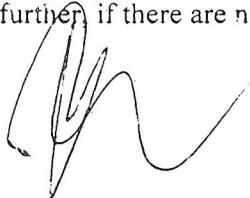
- (f) It is further agreed that if the Lessee does not remove the building(s)/structure(s)/ facility(ies) as allowed above or restore the demised premises to its original condition as required by above within the time prescribed in the said articles, the Lessor shall have the right to remove the said building(s)/structure(s)/ facility(ies) and restore the demised premises to its original condition and the cost of such removal and restoration shall be realised by the Lessor by the sale of materials recovered and the balance, if any, from the Lessee. In case there is any amount left from the sale price of the materials so removed, after realisation of the cost of removal and restoration preferred to herein, the same may be utilised by the Lessor for recovery of any other amounts that may due to the Lessor from the Lessee.
- (g) It is also agreed that the terms "the Lessor" and "the Lessee" herein used shall, unless inconsistent with the context will include in the case of the former, its successors in office and assigns and in the case of the latter, permitted assigns.

Article-7.

- (a) Notwithstanding anything contained hereinbefore, it is expressly agreed and understood that the Lessor shall be entitled to terminate the Lease at the risk and cost of the Lessee in the event of violation if any, of the provisions hereof by the Lessee (Lessee Default) which is not rectified within a period of 90 (ninety) days of a notice in this behalf by the Lessor. Provided further that the Lessor shall also provide a notice to the Lenders to cure the Lessee Default or select a Selectee (as defined in the Substitution Agreement) to substitute the Lessee in accordance with the Substitution Agreement. In the event, the default is not cured or the Selectee is not selected by the Lenders within 180 days of receipt of the notice, then the Lessor has a right to terminate the Lease Agreement.

Article-8.

- (a) The Lessee hereby irrevocably authorises the Lessor to pay to the Lenders or at their instruction to any designated bank account in India, the compensation payable to the Lessee. The Lessee confirms that upon such payment being made, the Lessor shall stand duly discharged of its obligations regarding payment of compensation under this Lease Agreement and the charge created by the Lessee in favour of the Lenders on any of its assets taken over by the Lessor shall stand satisfied and all such assets shall, on and from the date of termination of the Lease, be free from such charge. The Lessee further confirms that payment of compensation by Lessor in accordance with this Article 8 shall be a valid discharge to the Lessor in respect of Lessor's obligation regarding payment of compensation to the Lessee under this Lease Agreement.
- (b) Provided, notwithstanding anything inconsistent contained in this Lease Agreement, the Lessee/the Lenders as the case may be, shall be entitled to remove at its/ their cost all such movables which are not taken over by the Lessor and to deal with the same in accordance with their respective rights under law.
- (c) Provided further, if there are no amounts outstanding under the Financing Documents and a




certificate to that effect issued by the Lenders is furnished by the Lessee to the Lessor, the compensation shall be paid by the Lessor to the Lessee directly.

Article-9.

(a) The Schedule above referred to :

Registration District	: Ernakulam
Registration Sub District	: Narakkal
Taluk	: Kochi
Firka	: Elankunnappuzha
Village	: Puthuvype
Desom	: Puthuvype
Survey No.	: 347
Subdivision No.	: -
Area (in cents/acres/hectares)	: 33.4015 hectares
Limit	: Elankunnappuzha Panchayath
Tenure	: Lease

(b) DESCRIPTION OF BOUNDARIES

All the piece and parcel of land situated at PUTHUVYPEEN

South	: Arabian Sea
West	: Cochin Port's property
North	: Cochin Port's property
East	: Cochin Port's property

The plan above referred to is appended (Annexure).

Article-10.

Capitalised terms used in this Lease Agreement but not defined shall have the meaning as assigned to them respectively in the Concession Agreement executed between the Lessor and the Lessee on 12th March, 2009.




In witness whereof the common seal of the Cochin Port Trust Board has been affixed and the Secretary Mr. Cyril C. George, of the Cochin Port Trust Board, for and on behalf of the Trustees of the Port of Cochin has signed and the Lessee have by their duly constituted attorney Director (Finance & Commercial) Mr. Amitava Sengupta, executed those presents on the day and year first above written.

The common seal of the Cochin Port Trust Board has been affixed and the Secretary of the Cochin Port Trust Board for and on behalf of the Trustees of the Port of Cochin has signed in the presence of:

Witness(1)

(2)

The duly constituted attorney of the Lessee, in the presence of:

The common seal of the Lessee

Witness(1)

(2)

The document is computer printed.

Correction and interlineations: Nil

IN WITNESS WHEREOF THE LESSOR and the LESSEE have set their hands to this agreement on the day and year first above written.

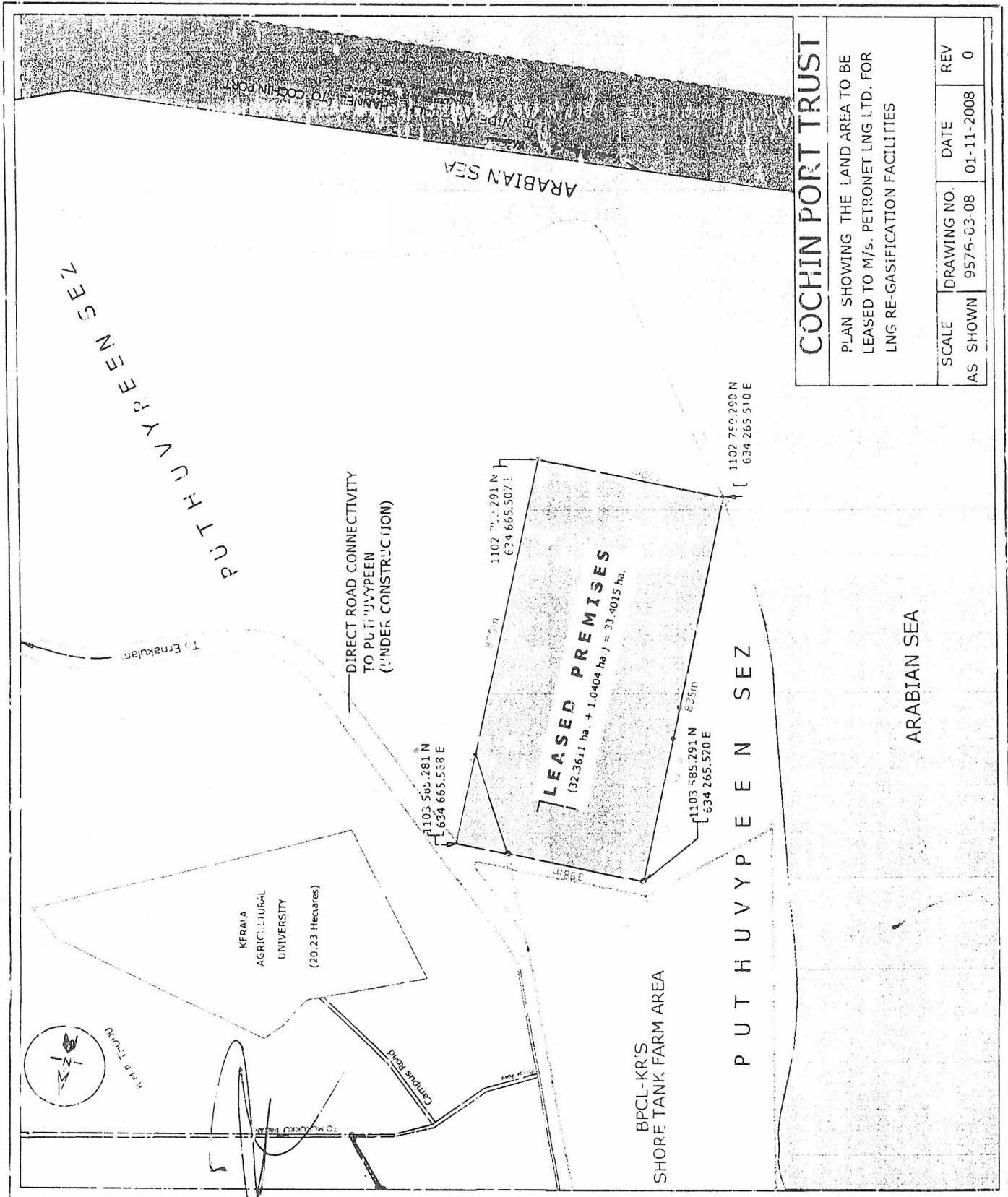
LESSEE



LESSOR



Annexure to Appendix 2



APPENDIX 3

SUBSTITUTION AGREEMENT

THIS SUBSTITUTION AGREEMENT is entered into on this the ----- day of ----- (Month) ---- (Year) at -----.

AMONGST,

COCHIN PORT TRUST, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at Willingdon Island, Kochi - 682 009, Kerala, (hereinafter referred to as "**CoPT**") which expression shall, unless repugnant to the context or meaning thereof include its administrators, successors or assigns,

AND

M/s. PETRONET LNG Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at World Trade Centre, 1st Floor, Bahar Road, Barakhamba Lane, New Delhi-110 001 (hereinafter referred to as "**PLL**") which expression shall unless repugnant to the context or meaning thereof include its successors and assigns,

AND

YYYY (Financial Institution/ Bank) having its Registered Office/Head Office at ----- (hereinafter referred to as "**the Lender**").

OR

ZZZZ (Financial Institution/Bank) having its Registered Office/Head Office at ----- acting for and on behalf of the Lenders listed in Schedule I hereto (hereinafter referred as "**the Lender's Representative**").

WHEREAS,

- a) By the Concession Agreement dated ----- entered into between CoPT and PLL (hereinafter referred to as "**the Concession Agreement**"), CoPT has granted to PLL, the Concession to implement the LNG Port Project in terms of the provisions set out thereunder;
- b) By the Land Lease Agreement dated ----- entered into between CoPT and PLL (hereinafter referred to as "**the Land Lease Agreement**"), CoPT has granted to PLL, a lease of land admeasuring 33.4015 hectares or thereabouts, at Puthuvypeen, to implement the LNG Re-Gasification Project in terms of the provisions set out thereunder;
- c) With a view to facilitate financing of the LNG Port Project and LNG Re-Gasification Project by the Lender, CoPT and PLL have agreed to enter into Substitution Agreement being these presents with the Lender/s/Lenders' Representative.

NOW, THEREFORE. THIS SUBSTITUTION AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Substitution Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereafter respectively assigned to them.

"**Substitution Agreement**" means this Agreement and includes any amendment or modification made to this Substitution Agreement in accordance with the provisions hereof.

"Financial Assistance" means the financial assistance set forth in Schedule A hereto, agreed to be provided by the Lender(s) to PLL for financing the LNG Port Project and LNG Re-Gasification Project.

"Financial Default" means occurrence of a material breach of the terms and conditions of the Financing Documents or a continuous default in servicing debt thereunder by PLL for a minimum period of 3 (three) months.

"Financing Documents" means, collectively, all the loan agreements, notes, indentures, letters of credit, guarantee documents, debenture instruments, share subscription agreements, subordinated debt agreements and other documents, as the same may be amended, supplemented or modified from time to time, executed in favour of or entered into with the Lenders, by PLL in respect of the Financial Assistance and includes any document providing security for the Financial Assistance.

"Lender(s)" means the financial institutions/banks whose name(s) and addresses are set out in Schedule A hereto and shall include the financial institutions/banks who may replace the same by way of a refinance/subrogation, as may be notified by the Lenders' Representative to PLL, from time to time.

"Residual Concession Period" means the period which shall be the remainder of the Concession Period computed from the date of issuance of Termination Notice in terms of Article 16.1 of the Concession Agreement.

"Residual Lease Period" means the period which shall be the remainder of the Lease Period computed from the date of issuance of Termination Notice in terms of the Land Lease Agreement.

"Selectee" means a Person proposed by the Lender/Lenders' Representative pursuant to this Substitution Agreement and approved by CoPT for substituting PLL for the Residual Concession Period and Residual Lease Period, in accordance with the provisions of the Concession Agreement and the Land Lease Agreement.

"Suspension Period" means the Termination Period as defined in Article 16.1 of the Concession Agreement at the end of which all formalities connected with substitution of PLL by the Selectee including handing over of Project Site/ Project Facilities and Services in accordance with this Substitution Agreement are completed and the substitution has become effective.

"Transaction Documents" means collectively the LNG Port Project Contracts, LNG Re-Gasification Project Contracts and the Financing Documents.

1.2 Capitalized terms used in this Agreement but not defined shall have the meaning assigned to them respectively in the Concession Agreement / Land Lease Agreement.

ARTICLE 2 ASSIGNMENT

2.1 Assignment of rights and title

PLL hereby agrees to assign its rights, title and interest in the Concession and the Lease to, and in favour of, the Lenders pursuant to and in accordance with the provisions of this

Substitution Agreement, the Concession Agreement and the Land Lease Agreement, by way of security in respect of financing by the Lenders under the Financing Documents.

ARTICLE 3 SUBSTITUTION OF PLL

3.1 Rights of substitution

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the Lenders shall be entitled to substitute PLL by a Selectee under and in accordance with the provisions of this Substitution Agreement, the Concession Agreement and the Land Lease Agreement.

3.1.2 CoPT hereby agrees to substitute PLL by endorsement on the Concession Agreement and the Land Lease Agreement in favour of the Selectee selected by the Lenders in accordance with this Substitution Agreement (For the avoidance of doubt, the Lenders shall not be entitled to operate and maintain the LNG Port Project/ LNG Re-Gasification Project).

3.2 Substitution upon occurrence of Financial Default

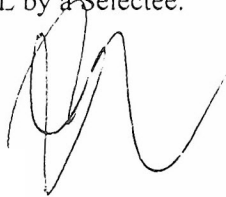
3.2.1 Upon occurrence of a Financial Default, the Lenders/Lenders' Representative may issue a notice to PLL (the "Notice of Financial Default") along with particulars thereof, and send a copy to CoPT for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon PLL for the purposes of this Substitution Agreement.

3.2.2 Upon issue of a Notice of Financial Default hereunder, the Lenders/Lenders' Representative may, without prejudice to any of its rights or remedies under this Substitution Agreement or the Financing Documents, substitute PLL by a Selectee in accordance with the provisions of this Substitution Agreement.

3.2.3 At any time after the Lenders/Lenders' Representative has issued a Notice of Financial Default, it may by notice require CoPT to suspend all the rights of PLL and undertake the operation and maintenance of the LNG Port Project, and upon receipt of such notice, CoPT shall suspend the rights of PLL. Provided, such suspension shall be revoked upon substitution of PLL by a Selectee, and in the event such substitution is not completed within 180 (one hundred and eighty) Days from the date of such suspension, CoPT may terminate the Concession Agreement and Land Lease Agreement forthwith by issuing a Termination Notice in accordance with the provisions of the Concession Agreement and Land Lease Agreement; provided that upon written request from the Lenders/Lenders' Representative and PLL, CoPT may extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.3 Substitution upon occurrence of PLL Default

3.3.1 Upon occurrence of a PLL default, CoPT shall by a notice inform the Lenders/Lenders' Representative of its intention to issue a Termination Notice and grant 15 (fifteen) Days time to the Lenders/Lenders' Representative to make a representation, stating the intention to substitute PLL by a Selectee.




3.3.2 In the event that the Lenders/Lenders' Representative makes a representation to CoPT within the period of 15 (fifteen) Days specified in Clause 3.3.1, stating that it intends to substitute PLL by a Selectee, the Lenders/Lenders' Representative shall be entitled to undertake and complete the substitution of PLL by a Selectee in accordance with the provisions of this Substitution Agreement within a period of 180 (one hundred and eighty) Days from the date of such representation, and CoPT shall either withhold termination and/or suspend the rights of PLL for the aforesaid period of 180 (one hundred and eighty) Days; provided that upon written request from the Lenders/Lenders' Representative and PLL, CoPT shall extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.4 Procedure for substitution

3.4.1 CoPT and PLL hereby agree that on or after the date of Notice of Financial Default or the date of representation to CoPT under Clause 3.3.2, as the case may be, the Lenders/Lenders' Representative may, without prejudice to any of the other rights or remedies of the Lenders, invite, negotiate and procure offers, either by private negotiations or public auction or tenders from potential Selectees for substituting PLL and taking on the rights and obligations under the Concession Agreement and the Land Lease Agreement.

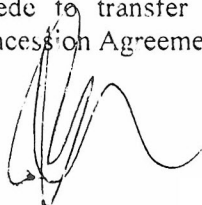
3.4.2 To be eligible for substitution in place of PLL under the Concession Agreement and the Land Lease Agreement, the Selectee shall be required to fulfil the following eligibility criteria:

- (i) the Selectee shall possess the net worth, experience, technical capability and managerial ability to perform and discharge all the residual duties, obligations and liabilities of PLL in respect of the Concession under the Concession Agreement and in respect of the Lease under the Land Lease Agreement; and
- (ii) the Selectee shall have the capability and shall unconditionally consent to assume the liability for the payment and discharge of dues, if any, of PLL to CoPT under the Concession Agreement and under the Land Lease Agreement, and also payment of amounts due to the Lender(s) under the Financing Documents, upon terms and conditions as agreed to between the Selectee and the Lenders.

Provided that the Lenders/Lenders' Representative may represent to CoPT that all or any of the criteria may be waived in the interest of the Project, and if CoPT determines that such waiver shall not have any material adverse effect on the Project, it may waive all or any of such eligibility criteria.

3.4.3 Upon selection of a Selectee, the Lenders/Lenders' Representative shall request CoPT to:

- (a) accede to transfer to the Selectee the rights and obligations of PLL under the Concession Agreement and the Land Lease Agreement; and




- (b) novate the Concession Agreement and Land Lease Agreement to the Selectee such that the Selectee replaces PLL and becomes entitled/obligated to all the rights and obligations of PLL, for the Residual Concession Period and Residual Lease Period.

3.4.4 If CoPT has any objection to the transfer of Concession and the Lease in favour of the Selectee in accordance with this Substitution Agreement, it shall within 7 (seven) Days from the date of proposal made by the Lenders/Lenders' Representative, give a reasoned order after hearing the Lenders/Lenders' Representative. If no such objection is raised by CoPT, the Selectee shall be deemed to have been accepted. CoPT thereupon shall novate the Concession Agreement and the Land Lease Agreement within 7 (seven) Days of its acceptance/deemed acceptance of the Selectee; provided that in the event of such objection by CoPT, the Lenders' Representative may propose another Selectee whereupon the procedure set forth in this Clause 3.4 shall be followed for substitution of such Selectee in place of PLL.

3.5 Selection to be binding

The decision of the Lenders/Lenders' Representative and CoPT in selection of the Selectee shall be final and binding on PLL. PLL irrevocably agrees and waives any right to challenge the actions of the Lenders' Representative or the Lenders or CoPT taken pursuant to this Substitution Agreement including the transfer/novation of the Concession Agreement and the Land Lease Agreement in favour of the Selectee. PLL agrees and confirms that it shall not have any right to seek revaluation of assets comprised in the LNG Port Project and the LNG Re-Gasification Project or PLL's shares. It is hereby acknowledged by the Parties that the rights of the Lenders/Lenders' Representative are irrevocable and shall not be contested in any proceedings before any court or CoPT and PLL shall have no right or remedy to prevent, obstruct or restrain CoPT or the Lenders/Lenders' Representative from effecting or causing the transfer by substitution and endorsement of the Concession and Lease as requested by the Lenders/Lenders' Representative.

ARTICLE 4 TRANSACTION DOCUMENTS

4.1 Substitution of Selectee in Transaction Documents

PLL shall ensure and procure that each Transaction Document contains provisions that entitle the Selectee to step into such Transaction Documents, in its discretion, in place and substitution of PLL in the event of such Selectee assumption of the liabilities and obligations of PLL under the Concession Agreement and the Land Lease Agreement.




ARTICLE 5
TERMINATION OF CONCESSION AGREEMENT AND
THE LAND LEASE AGREEMENT

5.1 Termination upon occurrence of Financial Default

At any time after issue of a Notice of Financial Default, the Lenders/Lenders' Representative may by a notice in writing require CoPT to terminate the Concession Agreement and the Land Lease Agreement forthwith, and upon receipt of such notice, CoPT shall terminate the Concession and Lease in accordance with the Concession Agreement and the Land Lease Agreement.

5.2 Termination when no Selectee is selected

In the event that no Selectee acceptable to CoPT is selected and recommended by the Lenders/Lenders' Representative within the period of 180 (one hundred and eighty) Days or any extension thereof as set forth in Clause 3.3.2, CoPT may terminate the Concession Agreement and the Land Lease Agreement forthwith in accordance with the provisions thereof.

5.3 Realisation of Debt Due

CoPT and PLL hereby acknowledge and agree that, without prejudice to their any other right or remedy, the Lenders are entitled to receive from PLL, without any further reference to or consent of PLL, the Debt Due upon termination of the Concession Agreement and the Land Lease Agreement.

ARTICLE 6
DURATION OF THE SUBSTITUTION AGREEMENT

6.1 Duration of the Substitution Agreement

6.1.1 This Substitution Agreement shall come into force from the date hereof and shall expire at the earliest to occur of the following events:

- (a) Termination of the Substitution Agreement; or
- (b) no sum remains to be advanced, or is outstanding to the Lenders, under the Financing Documents.

ARTICLE 7
INDEMNITY

7.1 General indemnity

7.1.1 PLL will indemnify, defend and hold CoPT and the Lenders/Lenders' Representative harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by PLL of any of its obligations under this Substitution Agreement or on account of failure of PLL to comply with Applicable Laws and Applicable Permits.




7.1.2 CoPT will indemnify, defend and hold PLL harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of CoPT to fulfil any of its obligations under this Substitution Agreement, materially and adversely affecting the performance of PLL's obligations under the Concession Agreement and Land Lease Agreement or this Substitution Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of its lawful functions by CoPT.

7.1.3 The Lenders/Lenders' Representative will indemnify, defend and hold PLL harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Lenders/Lenders' Representative to fulfill its obligations under this Substitution Agreement, materially and adversely affecting the performance of PLL's obligations under the Concession Agreement and the Land Lease Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Lenders/Lenders' Representative.

7.2 Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the "**Indemnified Party**"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "**Indemnifying Party**") within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same.

The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

ARTICLE 8 GENERAL

8.1 General

- (i) The Parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Substitution Agreement.
- (ii) Notices under this Substitution Agreement shall be sent to the Addresses first hereinabove mentioned. Any change in the Address of any Party shall be duly notified by registered post acknowledgement due and delivered to the other Parties.
- (iii) The expressions "CoPT", "PLL", "the Lender", "the Lenders' Representative" and "Selectee" herein used shall unless there be anything repugnant to the subject or context include the respective successors and assigns.
- (iv) This Substitution Agreement shall not be affected by reorganisation of any Lender, PLL, or CoPT, "Selectee" and the successor in the interest of the Lender, or CoPT shall have the benefit of this Substitution Agreement.
- (v) Failing amicable settlement and/or settlement with the assistance of Expert, the dispute or differences or claims as the case may be, shall be




finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by CoPT and the Lenders/Lender's Representative and the third to be appointed by the two arbitrators. If any Party entitled to do so, fails to appoint a second Arbitrator within 30 (thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.

- (vi) This Substitution Agreement and rights and obligations of the Parties hereunder shall remain in full force and effect pending the Award in any arbitration proceeding hereunder. The Courts having territorial jurisdiction over the Project alone shall have jurisdiction over all matters arising out of or relating to the arbitration agreement contained herein or proceedings arising out of or relating to the arbitration proceedings thereunder.
- (vii) The consultation, recommendation or approval of the Lenders' Representative under this Substitution Agreement shall always be deemed as consultation, recommendation or approval of every concerned Lender and each such Lender shall be bound by the same.
- (viii) This Substitution Agreement shall be in addition to and shall not be in derogation of the terms of the Financing Documents.
- (ix) PLL agrees and acknowledges that it shall not be necessary for the Lender(s) or the Lenders' Representative to enforce or exhaust any other remedy available to them before invoking the provisions of this Substitution Agreement.
- (x) No amendment, variation or modification to this Substitution Agreement shall be valid and effectual unless made in writing and executed by the duly authorised representatives of all the Parties hereto.
- (xi) All stamp duties or other imposts and charges as are applicable on this Substitution Agreement or on amendment of the Concession Agreement and the Land Lease Agreement or execution of fresh Concession Agreement and the Land Lease Agreement for the purpose of substitution as aforesaid, irrespective of the Lenders making such payment for the time being, shall be borne by and be to the account of PLL.
- (xii) The Parties hereby expressly agree that, for the purpose of giving full and proper effect to this Substitution Agreement, the Concession Agreement, Land Lease Agreement and this Substitution Agreement shall be read together and construed harmoniously. The terms of this Substitution Agreement shall prevail in the event of any inconsistency with the Concession Agreement and the Land Lease Agreement




SCHEDULE A.

PARTICULARS OF FINANCIAL ASSISTANCE.

Name and Address of the Lender	Nature and Amount of Financing Assistance

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS HEREUNTO
ON THE DAY, MONTH AND YEAR HEREINABOVE MENTIONED.

SIGNED AND DELIVERED ON BEHALF OF
M/S. PETRONET LNG LIMITED

BY : _____

Name :

Title :

SIGNED AND DELIVERED ON BEHALF OF
COCHIN PORT TRUST

BY : _____

Name :

Title :

SIGNED AND DELIVERED ON BEHALF OF
----- ON BEHALF OF THE
LENDERS SETFORTH IN SCHEDULE A

BY : _____

Name :

Title :




APPENDIX 4

PROJECT REQUIREMENTS

I. SUMMARY OF MARINE FACILITIES FOR LNG PORT PROJECT:

THE MARINE FACILITIES FOR THE PROPOSED LNG RECEIVING TERMINAL SHALL BROADLY CONSIST OF THE FOLLOWING:

A. JETTY, TRESTLE AND ACCESSORIES

1) APPROACH TRESTLE:

- a) Approx. Total Length: 310m
- b) Roadway width: 4.2m (Clear)
- c) Pipe way width: 5.0m

2) UNLOADING PLATFORM:

- a) Unloading platform shall be in two levels
- b) Lower deck approx. size: 43.5m X 18.5 m
- c) Upper deck approx. size: 25m X 10.5 m

3) BERTHING DOLPHINS (BD):

- a) Total Nos of BD: 04
- b) Approx. Deck size: 15m X 15 m
- c) Type of Fenders: Cell Type Rubber Fender
- d) Quick Release Mooring Hook (QRMH) per BD: 2 X 150 Tonnes S.W.L capacity

4) MOORING DOLPHINS (MD):

- a) Total Nos of MD: 06
- b) Approx. Deck size: 15m X 15 m
- c) Quick Release Mooring Hook (QRMH) per MD: 3 X 150 Tonnes S.W.L capacity

5) INTERCONNECTING WALKWAYS:

- a) Walkway bridges shall connect the Unloading Platform and different dolphins.

6) TUG BERTH

- a) Length of Tug Berth: 90 – 100 m
- b) Motorable Approach Road from plant to berth , Width: 4.2 m

7) **ACCESS GANGWAY TOWER**

8) **SHIP TO SHORE COMMUNICATION:**

- a) LNG Carrier/ Shore Communications
- b) ESD (Emergency Shutdown) system
- c) Mooring Line Tension Monitoring system

9) **Berthing Aid System:**

- a) This system will be designed to aid the vessel while berthing by using a dual laser system to supply information back to the vessel on vessel berthing angle, distance and speed of approach

B) **NORTHERN SPUR BUND:**

- a) Length of main trunk: 100m.
- b) Type of Spur Bund: Rubble mound

C) **DREDGING:**

- a) LNG Harbor basin to be dredged upto a depth of 14.5m below CD

D) **NAVIGATION AIDS:**

- a) Total 04 Nos. new Navigation Buoys to be provided.
- b) Total 11 Nos. existing Navigation Buoys to be relocated.

II. KEY PROJECT FACILITIES

(i) **Berth Length**

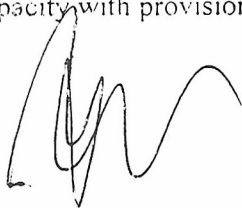
The LNG berth length shall be approximately 361.5 meters.

(ii) **Equipment**

The LNG berth shall be equipped with equipment such as unloading arms, mooring hooks, cell type fenders, berthing aid system, access gangway tower, ESD system, mooring line tension monitoring system, navigation aids etc with capacity to handle at least 2.5 MMTPA of LNG cargo.

(iii) **Others**

The personnel and other related marine facilities shall be capable of handling at least 2.5 MMTPA of LNG cargo in accordance with the Performance Standards set out in Appendix 11 and LNG carriers ranging from 65000 – 216000 m³ capacity with provision to increase up to 260000 m³ LNG carriers in future.




Annexure to Appendix 4**CONSTRUCTION STANDARDS, OPERATIONS AND MAINTENANCE
STANDARDS AND SAFETY STANDARDS****I. Construction Standards****A. General**

The Concessionaire shall execute the LNG Port Project by completing civil works as per the Project Requirements and provide appropriate equipment for cargo handling and other support facilities for proper and efficient functioning.

The Concessionaire shall carry out Construction Works, etc duly complying with the provisions of all relevant latest Indian Standards and in case certain item of works not covered by the Indian Standards, provisions of ISO/IEC/OISD standards, etc shall be complied.

The construction of civil works, facilities, erection & commissioning of lifting appliances, equipment and machinery and their layout shall ensure that during cargo operations these facilities meet the required provisions of the Dock Workers Safety Health & Welfare Act, 1986 and the relevant Regulations 1990.

The Concessionaire shall meet the requirements of Management Quality System (IS/ISO – 9001: 2000) and shall also obtain accreditation for operations at the terminal. In addition, the Concessionaire shall comply with all relevant statutory regulations, codes, practices and guidelines.

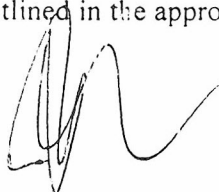
B. The Concessionaire in accordance with relevant standards shall provide the type and capacity of equipment required for handling the specified cargo/containers.

C. In addition to complying with the requirement of relevant specifications mentioned above, the Concessionaire shall also comply with the requirements of IMO Standards, MSIHC Rules 1989, IMDG Codes, OISD Standards & Guidelines, Petroleum Rules and Act, Explosives Act and statutory requirements.

D. Operations & Maintenance Standards:**Repairs, Maintenance and Replacement**

The Concessionaire at its own cost promptly and diligently maintain, replace or restore any of the LNG Project Facilities or part thereof which may be lost, damaged, destroyed or worn out.

The Concessionaire shall abide by the operations and maintenance plan as outlined in the approved Detailed Feasibility Report.



While carrying out the repairing, maintaining and replacing the LNG Project Facilities, the Concessionaire acknowledges and accepts that it is holding and maintaining the concession or assets, Project Facilities in trust for eventual transfer to the Concessioning Authority on termination of the agreement and therefore, will not do any act as a result of which the value of Project Facilities and Services is diminished.

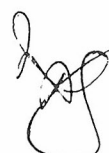
The Concessionaire shall, at all times during the Concession Period, at its own risk, cost, charges and expenses, performance and pay for maintenance repairs, renewals and replacement of various type of assets and equipment in the Concessionaire premises and/or the LNG Port Project or any parts thereof, whether due to use and operations or due to deterioration of materials and/or parts, so that on the expiry or termination of Concession, the same shall except normal wear and tear be in good working condition as it were at the time of commencement of the Concession.

While carrying out the repair, maintenance and replacement of the LNG Project Facilities, the Concessionaire shall carry out the work in accordance with the manufacturer's recommendations and the relevant latest Indian Standards or in its absence ISO/OISD Standards. In the event that the Concessionaire, by necessity or otherwise need to follow any other country standard, it shall be equal or superior to the standard specified above.

E. Safety Standards

The Concessionaire shall ensure compliance with the safety standards set out under Applicable Law/international conventions, as relevant, from time to time including those required under the following :

1. Dock Workers (Safety, Health and Welfare) Act, 1986 & Regulations framed thereunder of 1990.
2. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
3. The Petroleum Act, 1934 along with the Petroleum Rules, 2002.
4. OISD – Guidelines – 156 (Oil Industry Safety Directorate): Fire Protection Facilities for Port Oil Terminals.
5. The Explosives Act, 1884 alongwith The Explosive Substance Act, 1983 & The Explosive Rules, 1983
6. Guidelines by Fire Advisor, CCE & DG FASLI, Government of India
7. National Fire Codes (National Fire Protection Association -- USA)
8. Drill Manual for the Fire Services of India.

9. International Safety Guide for Oil Tankers & Terminals.
10. ISPS (International Ship & Port Facility Security) Code (2003 Edition)
11. MARPOL CONVENTION
12. International Maritime Dangerous Goods Code

F. It is not intended to specify herein all the relevant standards required to complete the LNG Port Project. Such of those standards considered more pertinent are listed hereunder.

G. LIST OF APPLICABLE CODES, STANDARDS AND GUIDELINES

1.0 INDIAN CODES AND STANDARDS

TAC Guidelines	Tariff Advisory Committee Guidelines
IS 4651 Parts I to V	Indian Standard of practice for planning & designing of Ports & Harbours
IS 1893-2002 (Part I)	Criteria for Earthquake Resistant Design of Structure
IS 875 (Part 3) (1987)	Code of Practice for Design Wind Loads
IS 2911: Part 1: Se: 2:1979	Code of practice for design and construction of pile foundations: Part 1 Concrete piles, Section 2 Bored cast in-situ piles
IS 2911: Part 4: 1985	Code of practice for design and construction of pile foundations: Part 4 Load test on piles
IS 4326: 1993	Code of Practice for Earth Quake Resistant design and construction of buildings.
OISD Standard 118 (2000)	Layout for Oil and Gas Installations
IS 456 (2000)	Code of Practice for Plain and Reinforced Concrete.
IS-300 (1984)	Code of Practice for general Construction in Steel.
IS-6403 (1981)	Code of Practice for determination of Bearing Capacity of Shallow Foundation
IS-8009 (Part 1) (1975)	Code of Practice for calculation of settlement of shallow foundations subject to symmetrical static vertical loads.




IS 2395: Part I and II	Code of Practice for Painting Concrete, Masonry and Plaster surface
IS 101	Method of Sampling and Test for Paint, Varnishes and Related Products
MINAS	Indian Standards for Effluent Disposal into the Sea

2.0 U.S.A. NATIONAL CODES AND STANDARDS

National Fire Protection Association (NFPA)

NFPA 59A	Standard for the Production, Storage and Handling of Liquefied Natural Gas LNG
NFPA 10	Portable Fire Extinguishers
NFPA 11	Standard Low Expansion Foam
NFPA 11A	Medium and High Expansion Foam System
NFPA 12	CO2 Extinguishing Systems
NFPA 15	Water Spray Fixed Systems

American Concrete Institute

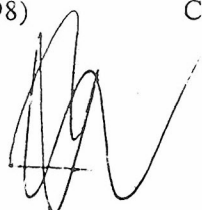
ACI 318-89 (2000)	Building Code Requirements for Reinforced Concrete
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American Petroleum Institute

API 6D 20th Edition (1995)	Specification for Valves
API 598 6th edition (2004)	Valve Inspection and Test
API 600 8th edition (2001)	Steel Gate Valves Flanged and Butt welding Ends
API 609 4th edition (2004)	Butterfly valves, Lug type and Water Type

American National Standards Institute

ANSI B1.1 (1989)	Verified Inch Screw Threads (UN and UNR Thread Form)
ANSI B1.201 (1992)	Pipe Threads, General Purpose (inch)
ANSI B16.1 (1998)	Cast Iron Pipe Flanges and Flanged Fittings




ANSI B31.3 (1993) Chemical Plant and Petroleum Refinery Piping

American Society for Testing and Materials (ASTM)

ASTM A53-C1 Specification for Welded and Seamless Galvanized Steel Pipe

ASTM A74-98 Cast Iron Soil Pipe and Fittings

Instrument Society of America (ISA)

ISA S5.1-84 approved (1992) Instrumentation Symbols and Identification

American Water Works Association (AWWA Standards)

C.203 (2002) Coal Tar Protective Coating and Lining for Steel Water Pipe

C.205 (2000) Cement Mortar Protective Lining and Coating for Steel Water Pipe in a large shop applied

C.207 (2001) Steel Pipe Flange for Water Works Service, 4" through 144"

National Electrical Manufacturers Association (NEMA)

NEMA SM.23 (1991) Steam Turbine for Mechanical Drive Service (Chapter 9.4.6 only for piping assembly)

Fluid Controls Institute (FCI)

FCI 70.2 edition (1991) Control Valve Seat Leakage

3.0 BRITISH NATIONAL STANDARDS

British National Institution

BS 6755 Part 2 (1987) Specification for Fire Type Testing Requirement

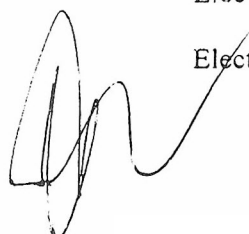
BS 4999 ES 5000 Electric motors

4.0 INTERNATIONAL ELECTROTECHNIC COMMITTEE

Generally the Publications of this Committee are applied for all Electro-technic equipment mainly the following :

Pub 34 Electric motors

Pub 79.0 Electrical equipment for hazardous area general rules




Pub 79-10	Classification of hazardous area
Pub 79-1	Flame proof electrical equipment
Pub 79-7	Increased safety equipment
Pub 79-2	Pressurized safety equipment
Pub 79-14	Electrical installation in gaseous explosive atmosphere
Pub 72-1 & 2	Electric motor
Pub 076	Power transformers
Pub 85	Evaluation and classification of electric insulation
Pub 502	Power cables 1kV to 30kV
Pub 529	Enclosure protection classification (IP)

5.0 OTHER INTERNATIONAL STANDARDS

EUROPEAN STANDARD EN 1473 (1977) Installation and equipment for liquefied nature gas. Design of onshore installations.

International Maritime Organisation (IMO)

OCIMF Oil Companies International Marine Forum-1980

SIGTTO Society of International Gas Tank & Terminal Operators.

OSHA Occupational Safety & Health Administration

AISI Specification for design, fabrication and erection of structural steel for buildings.

IEC 61511 Functional Safety – Safety Instrumented System for the Process Industries Sector (Part-1, Part-2, Part-3)




APPENDIX 5
PROJECT SCHEDULE

DESCRIPTION	SCHEDULE
Substantial completion of works and issue of Certificate of Substantial Completion / Date of Commercial Operation	40 (forty) Months from the Date of Award of Concession
Completion of works and issue of Completion Certificate / Scheduled Project Completion Date	42 (forty two) Months from the Date of Award of Concession 12-09-2009. 6/3/2013



APPENDIX 6**DESIGNS AND DRAWINGS**

The Concessionaire shall conduct geo-technical investigations, hydraulic and vessel manoeuvring studies, and prepare and submit a report before the detailed layout and designs are prepared/ carried out.

The design and construction of the various components in the proposed LNG Port Project shall be in accordance with the recognised engineering practice and shall conform to the relevant Indian Standards. In the absence of Indian Standards, relevant International Standards shall be followed. In the absence of both, Good Industry Practice shall be followed.

The Concessionaire shall supply the Designs and Drawings including calculations, in 2 (two) sets to the Independent Engineer for approval and 2 (two) sets to the Concessioneing Authority for review. The Designs and Drawings shall be sent in batches in chronological order of execution of work to facilitate scrutiny. The Designs and drawings, which shall be in metric/ SI unit, shall be bold and clear. References shall be given in general wherever required, for all Designs and Drawings.

The Concessionaire shall supply to the Concessioneing Authority 2 (two) sets of the finalised Designs and Drawings within 15 (fifteen) Days of the approval by the Independent Engineer thereof. The Concessionaire shall also supply to the Concessioneing Authority 1 (one) set of the 'As Built' Drawings within 30 (thirty) Days from the date of completion of LNG Port Project Facilities along with a soft copy.





APPENDIX 7

TERMS OF REFERENCE FOR INDEPENDENT ENGINEER

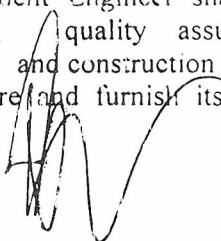
1. Role and functions of the Independent Engineer

The Independent Engineer is expected to play a positive and independent role in discharging its functions, thereby facilitating the smooth implementation of the LNG Port Project. The role and functions of the Independent Engineer shall include the following:

- (i) review of the Designs and Drawings;
- (ii) review, inspection and monitoring of Construction Works;
- (iii) rendering assistance in seeking of approval from collector of customs for the purpose of operationalising the facilities and services.
- (iv) conducting Tests on completion of construction and issuing Completion/ Provisional Certificate;
- (v) determining, as required under the Agreement, the period or any extension thereof, for performing any duty or obligation;
- (vi) assisting the Parties in resolution of disputes as regards the Designs and Drawings; and
- (vii) undertaking all other duties and functions as envisaged under the Agreement.

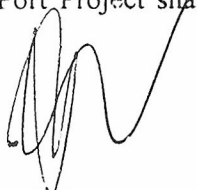
2. Review of Designs and Drawings

- (i) The Independent Engineer shall undertake a detailed review of the Designs & Drawings to be furnished by the Concessionaire along with supporting data, including, if relevant the geo technical and hydrological investigations, characteristics of materials from borrow areas and quarry sites, topographical surveys and traffic surveys. The Independent Engineer shall complete such review and send its comments in accordance with the Agreement. In particular, such comments shall specify the conformity or otherwise of such Designs & Drawings with the Project Requirements, Construction Standards and Safety Standards.
- (ii) The Independent Engineer shall review the detailed design, construction methodology, quality assurance procedures and the procurement, engineering and construction time schedule sent to it by the Concessionaire and furnish its comments. The Independent Engineer shall




take into account comments and suggestions of the Concessioning Authority, if any while furnishing the comments.

- (iii) The Independent Engineer shall review the Monthly progress reports as regards the Construction Works.
- (iv) The Independent Engineer shall inspect the Construction Works once every month, preferably after receipt of the monthly progress report from the Concessionaire, but before the 20th (twentieth) day of each month in any case, and make out a report of such inspection (the "Inspection Report") setting forth an overview of the status, progress, quality and safety of construction, including the work methodology adopted, the materials used and their sources, and conformity of Construction Works with the ~~with the~~ Construction Standards and Safety Standards. In a separate section of the Inspection Report, the Independent Engineer shall describe in reasonable detail the lapses, defects or deficiencies observed by it in the Construction Works.
- (v) The Independent Engineer may inspect the Construction Works more than once in a month if any lapses, defects or deficiencies require such inspections.
- (vi) For determining that the Construction Works conform to Construction Standards, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests on a sample basis, to be specified by the Independent Engineer in accordance with Good Industry Practice for quality assurance. The Independent Engineer shall issue necessary directions to the Concessionaire for ensuring that the tests are conducted in a fair and efficient manner, and shall monitor and review the results thereof.
- (vii) The tests shall be undertaken on a random sample basis and shall be in addition to, and independent of, the tests that may be carried out by the Concessionaire for its own quality assurance in accordance with Good Industry Practice.
- (viii) In the event that the Concessionaire carries out any remedial works for removal or rectification of any defects or deficiencies, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests to determine that such remedial works have brought the Construction Works into conformity with the Construction Standards.
- (ix) In the event that the Concessionaire fails to adhere to the Project Schedule and complete the Construction Works on the specified Milestone Dates, the Independent Engineer shall undertake a review of the progress of construction and identify potential delays, if any. If the Independent Engineer shall determine that completion of the LNG Port Project is not feasible within the time specified in the Agreement, it shall require the Concessionaire to indicate within 15 (fifteen) Days the steps proposed to be taken to expedite progress, and the period within which the LNG Port Project shall be completed. Upon receipt of a report from




the Concessionaire, the Independent Engineer shall review the same and send its comments to the Concessioneing Authority and the Concessionaire forthwith.

- (x) If at any time during the Construction Period, the Independent Engineer determines that it is not safe to carry on Construction Works for any reason whatsoever including if the Concessionaire has not made adequate arrangements for the safety of workers or other third parties or that any work is being carried out in a manner that threatens such safety, it shall make a recommendation to the Concessioneing Authority forthwith, identifying the whole or part of the Construction Works that should be suspended for ensuring safety in respect thereof.
- (xi) Upon remedial measures being taken by the Concessionaire for securing the safety of suspended works, the Independent Engineer shall inspect the safety measures for adequacy and recommend whether or not such suspension may be revoked by the Concessioneing Authority.
- (xii) If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine the extension of time for completion, to which the Concessionaire is reasonably entitled, and shall notify the Concessioneing Authority and the Concessionaire of the same.
- (xiii) Upon receipt of intimation from the Concessionaire on the substantial completion of the jetty, mooring system, fendering system, approach trestle and fire fighting system, that the facilities are ready for declaration as a "**Landing and Shipping Place**" for LNG cargo, the Independent Engineer shall inspect the LNG Port Project Facilities and on satisfying himself by the inspection, issue a "**Certificate of Substantial Completion**" to the extent required for the declaration as "**Landing and Shipping Place**", within two weeks.
- (xiv) The Independent Engineer shall assist the Concessioneing Authority in preparing the application to the Customs Department for the declaration of the area as a "**Landing and Shipping Place**".
- (xv) Upon submission of the application to the Customs Department for the declaration of the area as a "**Landing and Shipping Place**", the Independent Engineer shall follow up and obtain the declaration by the Customs Department.
- (xvi) The Independent Engineer shall carry out, or cause to be carried out, all the Tests specified in the Annexure hereto and issue a Completion Certificate or Provisional Certificate, as the case may be, in accordance with the provisions of the Agreement.




Annexure to Appendix 7**Tests**

Pre-Operating Tests (Site performance tests) for systematic checking of all marine equipments such as mooring hooks, access gangway, berthing aid system etc, instrumentation and related facilities for the purpose of allowing the LNG Port Project Facilities to be operated, for adjustment purposes under safe conditions prior to the berthing of first LNG carrier shall be carried out.

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APPENDIX 8

PERMITS AND CLEARANCES PROCURED BY THE CONCESSIONAIRE/
CONCESSIONING AUTHORITYA. Applicable Permits and Clearances obtained by the Concessionaire before
commencement of Construction Works.

Sl. No.	Nature of Approval	Received on
1.	Forests & Wild Life Department (Government of Kerala)	04.04.2000
2.	Directorate of Fisheries	11.04.2000
3.	NOC from Department of Explosives (PESO)	19.12.2005
4.	Ministry of Environment & Forests	13.03.2006

B. Applicable Permits and Clearances obtained/to be obtained by the
Concessioning Authority

Sl. No.	Nature of Approval	Received on
NIL		




APPENDIX 9

PERFORMANCE GUARANTEE

(PROFORMA OF BANK GUARANTEE)

THIS DEED OF GUARANTEE executed on this the --- day of --- at --- by ---

----- (Name of the Bank) having its Head/Registered office at -----

----- hereinafter referred to as "the Guarantor" which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns.

In favour of

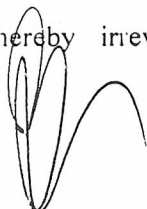
THE _____ TRUST, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at _____ (hereinafter referred to as "the Board" or "the Concessioneing Authority") which expression shall, unless repugnant to the context or meaning thereof include its administrators, successors or assigns.

WHEREAS

- a) In terms of the Concession Agreement dated ---between the Concessioneing Authority and the Concessioneaire, the Concessioneaire is required to furnish to the Board, a Performance Guarantee being an unconditional and irrevocable Bank Guarantee from a Scheduled Bank for a sum of Rs 11,12,50,000/- (Rupees eleven crores twelve lakhs and fifty thousand only) as security for due and punctual performance/discharge of its obligations under the Concession Agreement during the Construction Phase.
- b) At the request of the Concessioneaire, and for valid consideration the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance/discharge by the Concessioneaire of its obligations under the Concession Agreement during the Construction Phase.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby irrevocably and unconditionally guarantees the due

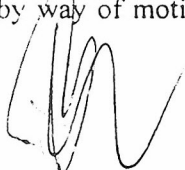



execution and punctual performance by M/s. _____ ("the Concessionaire") of all its obligations under the Concession Agreement during the Construction Phase.

3. The Guarantor shall, without demur or protest, pay to the Board sums not exceeding in aggregate Rs.11,12,50,000/- (Rupees eleven crore twelve lakh and fifty thousand only) within five (5) calendar Days of receipt of a written demand therefor from the Board stating that the Concessionaire has failed to meet its performance obligations under the Concession Agreement during the Construction Phase. The Guarantor shall not go into the veracity of any breach or failure on the part of the Concessionaire or validity of demand so made by the Board and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Concessionaire or any other Person before any court, tribunal, expert, arbitrator or similar proceedings. The Guarantor's obligations hereunder shall subsist until all such demands of the Board are duly met and discharged in accordance with the provisions hereof. Any such demand made on the Guarantor by the Board shall be conclusive, absolute and unequivocal as regards the amount due and payable by the Guarantor under this Agreement. The Concessioning Authority shall at all times at its sole discretion have the absolute and unconditional right to call upon the Guarantor to pay the amount under the Guarantee.
4. In order to give effect to this Guarantee, the Board shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Concession Agreement or other documents or by the extension of time for performance granted by the Board or postponement/non exercise/ delayed exercise of any of its rights by the Board or any indulgence shown by the Board to the Concessionaire and the Guarantor shall not be relieved from its obligations under this Guarantee on account of any such variation, extension, postponement, non exercise or delayed exercise by the Board of any of the Board's rights or any indulgence shown by the Board; provided nothing contained herein shall enlarge the Guarantor's obligation hereunder.
5. This Guarantee shall be unconditional and irrevocable and shall remain in full force and effect until Scheduled Project Completion Date and for a period of twelve months thereafter unless discharged/released earlier by the Board in accordance with the provisions of the Concession Agreement. The Guarantor's liability in aggregate shall be limited to a sum of Rs.11,12,50,000/- (Rupees eleven crore twelve lakh and fifty thousand only).
6. This Guarantee shall not be affected by any change in the constitution or winding up, insolvency, bankruptcy, dissolution or liquidation of the Concessionaire/ the Guarantor or any absorption, merger or amalgamation of the Concessionaire/ the Guarantor with any other Person.




7. Any payment made hereunder shall be made free and clear of, and without deduction for or on account of taxes, levies, imposts, duties, charges, fees deductions, or withholding of any nature whatsoever.
8. The Guarantor hereby irrevocably and unconditionally undertakes, agrees and acknowledges that its obligations as a Guarantor hereunder:
 - a. shall not be affected by the existence of or release or variation of any other guarantee or security for any of the obligations of the Concessionaire under the Concession Agreement;
 - b. shall not be affected by any failure by the Concessioneing Authority to perform any of its obligations under the Agreement;
 - c. shall not be affected by any failure or delay in payment of any fee or other amount payable to the Guarantor in respect hereof;
 - d. shall not be affected by any exercise or non-exercise of any right, remedy, power or privilege of any person under or in respect of any payment obligations of the Concessionaire under the Concession Agreement;
 - e. shall not be affected by any failure, omission or delay on the Concessioneing Authority's part to enforce, assert or to exercise any right, power or remedy conferred on the Concessioneing Authority in this Guarantee;
 - f. shall not be affected by any act, omission, matter or thing which, but for this clause would reduce, release or prejudice the Guarantor from any of the obligations under this Guarantee or prejudice or diminish the obligations in whole or in part.
9. The obligations, covenants, agreements and duties herein shall not be subject to any counterclaims, cross claims, set offs, deductions, withholdings, diminutions, abatements, recoupments, suspensions, deferments, reductions or defence for any reason whatsoever and the Guarantor, shall have no right to terminate this Guarantee or to be released, relieved or discharged from any of its obligations, covenants, agreements and duties hereunder for any reason whatsoever.
10. The Guarantor has power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under _____.
11. This Guarantee shall be governed by and construed in accordance with the laws of India. The Guarantor hereby irrevocably submits to the exclusive jurisdiction of the Court of _____ for the purposes of any suit, action, or other proceeding arising out of this Guarantee, or the subject matter hereof, brought by the Concessioneing Authority or its successors or assigns. To the extent permitted by Applicable Law, the Guarantor or its successors or assigns hereby waive, and shall not assert, by way of motion, as defence, or otherwise, in any such suit, action, or

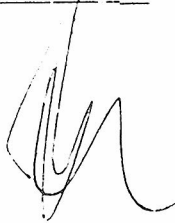



proceeding any claim that such suit, action, or proceedings is brought in an inconvenient forum, or that the value of such suit, action, or proceeding is improper, or that the subject matter hereof may not be enforced in or by such court.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS
HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE
WRITTEN.

SIGNED AND DELIVERED by

_____ Bank by the
hand of Shri _____ its
_____ and authorized official.



APPENDIX 10
CERTIFICATES

I. COMPLETION CERTIFICATE

1. I, [●] (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Agreement dated [●], for the [●] Project on build, operate and transfer (BOT) basis, through [(Name of Concessionaire)], hereby certify that the Tests specified in Article [●] and Schedule-[●] of the Agreement have been successfully undertaken to determine compliance of the Project with the provisions of the Agreement, and I am satisfied that the LNG Port Project can be safely and reliably placed in commercial service of the users thereof.
2. It is certified that, in terms of the aforesaid Agreement, all works forming part of the LNG Port Project have been completed, and the LNG Port Project is hereby declared fit for entry into commercial operation on this the [●] day of [●] 20[●].

SIGNED, SEALED AND DELIVERED
For and on behalf of
the INDEPENDENT ENGINEER by

(Signature)

(Name)

(Designation)

(Address)



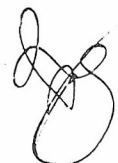
II. PROVISIONAL CERTIFICATE

1. I, [[●] (Name of the Independent Engineer)], acting as Independent Engineer, under and in accordance with the Agreement dated [●], for the LNG Port Project on build, operate and transfer (BOT) basis through [● (Name of Concessionaire)], hereby certify that the Tests specified in Article [●] and Schedule-[●] of the Agreement have been undertaken to determine compliance of the LNG Port Project with the provisions of the Agreement.

2. Construction Works that were found to be incomplete and/or deficient have been specified in the Punch List appended to the Provisional Certificate, and the Concessionaire has agreed and accepted that it shall complete and/or rectify all such works in the time and manner set forth in the Agreement. [Some of the incomplete works have been delayed as a result of reasons attributable to the Concessioning Authority or due to Force Majeure and the Provisional Certificate cannot be withheld on this account. Though the remaining incomplete works have been delayed as a result of reasons attributable to the Concessionaire,] I am satisfied that having regard to the nature and extent of such incomplete works, it would not be prudent to withhold commercial operation of the LNG Port Project, pending completion thereof.

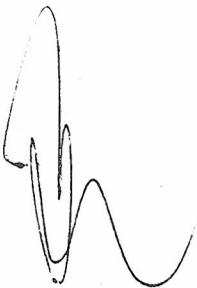
3. In view of the foregoing, I am satisfied that the LNG Port Project can be safely and reliably placed in commercial service of the users thereof, and in terms of the Agreement, the LNG Port Project is hereby provisionally declared fit for entry into commercial operation on this the [●] day of [●] 20[●].

ACCEPTED, SIGNED, SEALED AND DELIVERED For and on behalf of CONCESSIONAIRE by:	SIGNED, SEALED AND DELIVERED For and on behalf of INDEPENDENT ENGINEER by:
(Signature)	(Signature)
(Name and Designation)	(Name and Designation)
(Address)	(Address)

APPENDIX 11**PERFORMANCE STANDARDS**

The Concessionaire shall execute the LNG Port Project and all of its obligations with due care and diligence in a professional manner complying with the relevant construction standards, operation and maintenance standards and safety standards, and in accordance with Good Industry Practice such that besides complying with every requirement and obligation set forth in the Project Contracts and Applicable Laws, the Concessionaire shall also ensure that the LNG Port Project is fit for the intended Project Requirements as described in the Project Contracts.

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APPENDIX 12

LIST OF MOVABLE ASSETS OF LNG PORT PROJECT FACILITY

Sl No.	Description
i	Lighting on Jetty
ii	Buoys near jetty and channel
iii	Mooring Hooks
iv	Fenders with frame
v	Gangway
vi	Fire & Gas Detection System
vii	Berth Aid System
viii	Mooring Load Monitoring System & Quick Release System
ix	Environment Monitoring System
x	Lighting System
xi	Closed Circuit
xii	P.A. System
xiii	Unloading Arms
xiv	Process Piping
xv	Fire Fighting System

* * * *





Petronet LNG Limited

Regd. Off. : World Trade Centre, First Floor, Babar Road,
Barakhamba Lane, New Delhi - 110 001 (INDIA)
Tel. : 23413616, 23411411 Fax : 23414271

Extract of Minutes of 70th Board Meeting of PLL held on 24th January, 2007

ITEM NO. PLL/728/2007: LNG PORT TERMINAL CONCESSION
AGREEMENT AND LEASE AGREEMENT FOR KOCHI TERMINAL

XXX

XXX

XXX

XXX

Board thereafter passed the following resolutions:-

“RESOLVED THAT the approval of the Board be and is hereby accorded to enter into and execute the Concession Agreement and Land Lease Agreement with Board of Trustees, Cochin Port, and also other related agreements and documents for development of LNG Port and Regasification facilities at Puthvypeen, Kochi.”

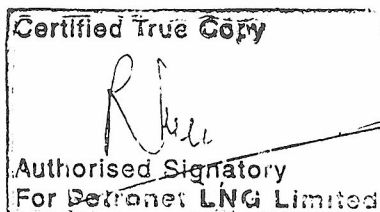
“RESOLVED FURTHER THAT MD&CEO or his authorized representative be and is hereby authorized to negotiate, finalize and execute the Concession Agreement, Lease Agreement and other related documents, if necessary, under the common seal of the Company.”

XXX

XXX

XXX

XXX





Petronet LNG Limited


Regd. Off. : World Trade Centre, First Floor, Babar Road,
Barakhamba Lane, New Delhi - 110 001 (INDIA)
Tel. : 23413616, 23411411 Fax : 23414271

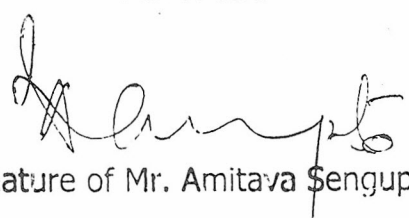
6th March, 2009.

AUTHORIZATION


I, Prosad Dasgupta, Managing Director and Chief Executive Officer of M/s PETRONET LNG LIMITED (PLL), a company incorporated under the Companies Act 1956 and having its registered office at 1st Floor, World Trade Centre, Babar Road, Barakhamba Lane New Delhi-1, pursuant to the resolution passed by the Board of Directors of PLL in its 70th meeting held on 24th January, 2007, do hereby authorize Mr. Amitava Sengupta, Director (Finance & Commercial) of PLL, to do all acts, deeds and things for execution and registration of the Concession Agreement and Land Lease Agreement between the Board of Trustees of Cochin Port Trust and also other related agreements and documents for the LNG Port Project and LNG Re-gasification Facilities at Puthuvypeen SEZ, Kochi, Kerala.

The acts, deeds and things done by Mr. Amitava Sengupta regarding the above shall be binding on PLL.


Prosad Dasgupta
MD & CEO


Signature of Mr. Amitava Sengupta

attested


Prosad Dasgupta
MD & CEO