

DRAFT

**CRUDE OIL STORAGE LEASING/ RENTING AGREEMENT
(For Cavern B Capacity 760 TMT (5.586 MILLION BBLs) AT ISPRL, Mangalore)
A Similar agreement shall be signed for Cavern at Vishakhapatnam site**

THIS AGREEMENT is entered into on this day ofMonth 2024 by and between Indian Strategic Petroleum Reserves Limited (Corporate Identity No. 463023OL2004GOI126973), a company registered under the Companies Act, 1956 having its registered office at 301, World Trade Center, Babar Road, New Delhi - 110001 (hereinafter called "ISPRL" for the sake of brevity and which expression shall unless excluded by or repugnant to the context be deemed to include its successors or permitted assigns) represented by its official of the ONE PART.

And

Second Party Lessee/ Tenant referred as XXXX

Indian Strategic Petroleum Reserves Limited (ISPRL) is a Special Purpose Vehicle (SPV) created by Government of India and a wholly owned subsidiary of OIIB for building and operating the Strategic Crude Oil Reserves under Ministry of Petroleum and Natural Gas, New Delhi.

This Crude Oil storage leasing/ renting Agreement (the "Agreement") is entered into effective as of the xxxx (the 'Effective Date'), by and between ISPRL and XXXX. Each of ISPRL and XXXX may also be referred to individually as a "Party" or collectively as "Parties."

In accordance with the terms and conditions set forth in this Agreement, ISPRL agrees to make available storage capacity of 760 TMT (5.586 Million bbls) (the "Leased Capacity") at ISPRL's storage facilities located in ISPRL Mangalore Cavern B (the "Leased Facilities"). The Leased Capacity will be used by XXXX for storage of their crude Oil excluding dead stock. XXXX shall make its own arrangements for receiving of crude in the cavern B of ISPRL from MRPL SPM facilities. ISPRL shall arrange to take delivery of such crude oil into Cavern B and keep the crude oil in its custody and arrange to transfer the same to XXXXXXXX Refinery tanks/SPM as and when required by the XXXXXXXX.

ISPRL is leasing/renting 760 TMT (5.586 Million bbls) capacity of Cavern B in Mangalore to XXXX as per the terms mentioned below:-

1. Lease/ Rental rate and associated charges

- 1.1 XXXX shall be paying rental charges at the rate of XXXX Cents/bbl/month (GST & Other taxes extra as applicable) for 5.586 Million bbls of storage capacity of ISPRL Cavern B at Mangalore as per terms of EO/Tender with contractual period of two years reckoned from and extendable by one more year. Rental charges shall be paid in advance within fifteen (15) days of each month based on invoice raised by ISPRL on 1st working day of the month.

- 1.2 XXXX shall be filling the cavern B of Mangalore with any grade of crude oil suitable to Indian Refiners. The API of crude oil to be stored should not be less than 24 API and Pour Point of the crude should not be more than 12 deg C.
- 1.3 **SPM:** The receipt and dispatch of crude shall be from the SPM facility (SPM and sub-sea pipeline up to LFP is 17.5 KM and is owned by MRPL) at Mangalore. Pipeline from LFP to ISPRC Cavern B is owned by ISPRC.
- 1.4 Pumping out charges from ISPRC Cavern B to XXXX Refinery through pipeline will be 0.045 USD/bbl (taxes extra as applicable) and the same will be payable by XXXX to ISPRC. Pumping out Charges from ISPRC Cavern B to SPM will be 0.045 USD/bbl (taxes extra as applicable).
- 1.5 For pumping in crude from SPM to ISPRC Cavern B, 0.02 USD/bbl (taxes extra as applicable) charges will be payable by XXXX.
- 1.6 Pumping in/ out charges shall be invoiced on 1st working day of the subsequent month for previous month's transactions.

2. Quantification of Crude

- 2.1 Crude received in Cavern B will be finalized on the basis of reconciliation with BL (Bill of Lading) quantity/Tanker gauging-Mangalore port/ CTMS /stock in cavern through TFMS. Stock in cavern B as measured by TFMS shall be used for determining receipt qty. Any difference between in BOL quantities and quantities as measured by TFMS shall be on account of Lessee/Tenant. Pumping in charges will be charged on the basis of CTMS.

For pumping out Crude oil from Cavern B to Vessel at SPM, measurement shall be based on ISPRC Custody Transfer Meter.

For pumping out Crude oil from Cavern B to Refinery: The quantity receipt finalization of crude from Cavern B to refinery tanks will rely on Refinery tank gauges as these tanks are calibrated and certified by Legal Metrology. These gauges will be jointly witnessed and certified by MRPL, ISPRC, and third-party surveyor.

- 2.2 The crude oil receipt quantity to & from Cavern B in BBL and MT will be jointly assessed by XXXX and ISPRC and also certified jointly by Independent Surveyor.

Storage of crude in caverns: Any normal operating loss/gain during storage, pumping in and pumping out shall be on lessee /Tenant account. In case of any abnormal loss attributable to structural damage (leaks /seepages), the same shall be claimed from Insurance company by lessee/Tenant against their insurance policy of Crude oil.

Existing Dead Stock Quantity in Cavern B: A joint survey by ISPRC, Lessee/ Tenant, and a third-party surveyor will be conducted to verify and certify the existing dead stock in Cavern B based on level transmitters (Tank Farm Management System TFMS Cavern B. The crude oil in line content will be also accounted in stock.

Lessee/ Tenant will return Cavern-B to ISPRC with the established 'Dead Stock quantity at the conclusion of the hiring agreement.

3. ISPRL Drawdown during an Oil Shortage Event

3.1 In the event of any oil shortage or anticipated oil shortage in India as notified in writing to ISPRL by the Ministry of Petroleum and Natural Gas, Government of India (known as an "Oil Shortage Event"), ISPRL shall promptly provide such written notification to Lessee of the occurrence of the Oil Shortage Event. ISPRL shall arrange to remit charges for crude equivalent to prevailing landed crude price in the cavern

3.2 During such Oil Shortage Event, ISPRL shall have the right to drawdown on the Strategic Quantity.

4. Modalities of Payment Terms

4.1 **For Indian Bidder:** The invoices shall be raised by ISPRL in INR on the first working day of every month for advance rental for the month. Prior to taking first fill of crude in the cavern, vendor shall release one month rent to ISPRL. Thereafter, payments shall be made in advance within fifteen (15) days from the invoice date.

For Foreign Bidder : The invoices shall be raised by ISPRL in USD on the first working day of every month for advance rental for the month. Prior to taking first fill of crude in the cavern, vendor shall release one month rent to ISPRL. Thereafter, payments shall be made in advance within fifteen (15) days from the invoice date.

4.2 Invoice for Pumping out charges for total crude oil quantity pumped by ISPRL during the month will be raised on first working day of subsequent month.

4.3 The conversion from USD to INR shall be on the basis of FBIL Rate applicable on the last working day of the previous month.

4.4 The payment of Lease/ Rent and Pumping out charges by XXXX shall be made within fifteen (15) days from the date of invoice (Date of invoice = Day 0). An interest shall be payable @ SBI PLR rate on delayed payments beyond fifteen days.

4.5 Surveyor fees for assessing crude receipts and dispatches will be equally shared by XXXX and ISPRL.

4.6 All Port charges of whatsoever nature including rates, tolls and dues of every description, as may be applicable from time to time, related to Shipping Services and port access, including but not limited to the Vessel entering, berthing at, leaving or otherwise, will be payable by XXXX.

All payments are net of all applicable taxes which may be due by the reason of renting/ leasing of cavern by ISPRL. Unless required by law to withhold or deduct any part of the amount payable to ISPRL, lessor shall ensure that ISPRL receive the rental amount in full. If any part of the rental payable to ISPRL is required by law to be withheld or deducted, lessor shall prepare and file all documents with the relevant authority as may be necessary to enable ISPRL to claim the amount or withheld or deducted from the relevant authority as per rule.

5. Schedule of filling and lifting Crude oil

The schedule of filling and lifting crude oil shall be conveyed by XXXX to Head Site, ISPRL-Mangalore in advance. The date of start of leasing/renting shall be from XXXXX.

6. Term of Agreement

This Agreement shall be effective from the date of signing of the agreement. Leasing/ renting of 760 TMT (5.586 Million bbls) Capacity in Cavern B of ISPRL Mangalore shall commence on XXXX and shall continue for two years, with one year extension with mutual consent. At the conclusion of the hiring agreement, ISPRL and XXXX will ensure that XXXX's crude is fully pumped out to XXXX Refinery in line with Annexure A of the Agreement.

7. Indemnification

ISPRL agrees to indemnify and hold harmless XXXX from and against all claims of whatever nature arising from any negligence or willful misconduct of ISPRL, or ISPRL's contractors, licensees, agents or employees, or arising from any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring during the Term or arising from any accident, injury or damage where such accident damage or injury results from negligence or willful misconduct on the part of ISPRL or its contractors, licensees, agents or employees.

XXXX agrees to indemnify and hold ISPRL harmless from and against all claims of whatever nature arising from any negligence or willful misconduct of XXXX, or XXXX's contractors, licensees, agents or employees, or arising from any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring during the Term or arising from any accident, injury or damage where such accident damage or injury results from negligence or willful misconduct on the part of XXXX or its contractors, licensees, agents or employees.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES.

8. Insurance

XXXX shall insure its crude oil stored in leased/ rented capacity of Cavern B of ISPRL Mangalore.

9. Arrangements and Encumbrances

XXXX agrees that it will not assign, mortgage or encumber this Agreement or sublet the said premise, nor shall XXXX suffer any lien or encumbrance to be placed on the property of ISPRL by operation of law or otherwise, without the written consent of ISPRL first obtained.

Upon receipt of crude oil at ISPRL Cavern-B, Title to XXXX's Product will not pass to ISPRL

Except as expressly provided in this agreement, ISPRL makes no representations or warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose.

10. Waiver and Assignment

No amendments or modifications of any of the terms or provisions of this Agreement shall be binding on the other Party unless in writing and signed by both Parties. No waiver by any Party of any one or

more defaults of the other Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

11. Confidentiality

The parties shall during the contract period of the agreement & thereafter, maintain secret and confidential and shall not disclose to any third party or person any proprietary information or any other information considered secret & confidential by any of the parties, which is disclosed at any time during or for the purpose of negotiation or implementation of the agreement. The parties shall take reasonable measures to ensure that their employees comply with the confidentiality obligations set forth in the agreement.

12. Arbitration

In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/Organizations(excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for its resolution through AMRCD as mentioned in DPE OM No. 05/0003/2019-FTS-10937 dated 14thDecember, 2022 and the decision of AMRCD on the said dispute will be binding on both the parties.

“Any/all disputes, difference or claim arising out of or relating to this tender, including its formation, interpretation, termination or validity, shall be exclusively settled by arbitration in accordance with the Arbitration and Conciliation act 1996 or any further amendments thereof. The arbitration shall be conducted in India and the language of arbitration will be English. The award passed by the arbitral tribunal shall be final and binding on both parties and can be executed in Indian courts only.”

13. Force Majeure

- i. The term “Force Majeure” as employed herein shall mean events beyond the control of two parties including but not limited to act of God, revolt, riot, labor strike, fire, flood, war, typhoon and Acts and Regulations of Government of India directly affecting the performance of contract.
- ii. In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under the Contract, other than the obligation to make payments due and payable under this Contract in which case the obligation shall be suspended, the relative obligation of the party affected by such Force Majeure shall upon notification to the other party be suspended for the period of delay which is caused by such Force Majeure event.
- iii. Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within seventy-two (72) hours of the alleged beginning and ending thereof giving full particulars and satisfactory evidence in support of its claim.
- iv. The party who has given such notice shall be excused from the performance or timely performance of its obligations under the Contract, for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented hindered or delayed, provided the party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its performance of the Contract and to fulfill its obligation under the Contract.

- v. Delay or non-performance by a party hereto caused by the occurrence of any event of Force Majeure shall not;
 - a. Constitute a default or breach of the Contract,
 - OR
 - b. Give rise to any claim for damages or additional cost or expense occasioned thereby, if such delay or non-performance is caused by the occurrence of an event of Force Majeure.

14. Entire Agreement and Severability

This Agreement forms the entire agreement between ISPRL and XXXX related to the subject matter contemplated herein. This Agreement, and any modification, may be executed and delivered in counterparts including any facsimile transmissions thereof, each of which shall be deemed an original. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining lawful obligations that arise under this Agreement

IN WITNESS WHEREOF the parties to this Agreement have signed this Agreement on the day and year mentioned herein above.

SIGNED AND DELIVERED by the within named INDIAN STRATEGIC PETROLEUM RESERVES LIMITED, represented by ISPRL	SIGNED AND DELIVERED by the within named , represented b XXXX

Witness

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Witness

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