

Salient Features of the Offshore Model PSC 2019

CONTRACT FEATURES	Offshore MODEL PSC 2019
1. Exploration Period	Total Exploration Period 7 years for Onshore Blocks (Initial Exploration Period 4 years + Subsequent Exploration Period 3 years) Total Exploration Period 8 years for Offshore Blocks (Initial Exploration Period 5 years + Subsequent Exploration Period 3 years)
2. Mandatory work Program	Seismic + Drilling (For Onshore Only) Seismic Only (Both for Shallow and Deep Sea Blocks)
3. Biddable work Program	Shallow Water: Geology, Seismic, Drilling, Other Surveys. Deep Water: Geology, Seismic, Drilling, other Surveys.
4. Cost Recovery	55% for Oil /Gas /NGL /Condensate produced from Onshore and Shallow Sea Blocks per calendar year. 70% for Oil /Gas /NGL /Condensate produced from Deep Sea Blocks per calendar year.
5. Profit Split (Govt. Share)	<u>Shallow Sea Blocks</u> <u>Oil/Condensate/NGL:</u> Biddable from 55% to 80% on tranches from 12,500 to 100,000 bbl/day or above. <u>Gas:</u> Biddable from 55% to 80% on tranches from 75 to 600 mmscf/day or above. <u>Deep Sea Blocks</u> <u>Oil/Condensate/NGL:</u> Biddable from 50% to 75% on tranches from 5,000 to 100,000 bbl/day or above. <u>Gas:</u> Biddable from 50% to 75% on tranches from 75 to 600 mmscf/day or above.
6. Carried Interest	10% carried interest for Onshore and Govt. for Shallow Sea Blocks only.
7. Import duty on Equipment	No duty
8. Corporate Tax	Tax imposed for Onshore and Shallow Sea Blocks. No Tax imposed for Deep Sea Blocks.

just

[Signature]

[Signature]

[Signature]

<p>9. Fees and Bonus</p> <p>a) Commercial Discovery Oil & Gas in Contract Block</p> <p>b) Production Bonus</p> <p>c) Research & Development (above all Bonuses shall not be cost recoverable)</p> <p>d) Contract Service Fee (shall not be cost recoverable)</p>	<p>a) US\$ 3 Million</p> <p>b) US\$500,000 to US\$ 6,000,000 on the basis of Production.</p> <p>c) US cent 10 per bbl of profit Oil/NGL/Condensate and US cent 0.4 per MCF of profit Natural gas.</p> <p>d) US\$ 200,000 during exploration and development period on each anniversary of the Effective Date and US\$ 300,000 during production period on each Calendar Year.</p>
<p>10. Training</p> <p>Training of Bangladeshi Personnel (shall not be cost recoverable)</p>	<p>US\$ 150,000 during exploration and development period and US\$ 200,000 during production period on each Contract Year</p>
<p>11. Extension of Production Period</p>	<p>Production Period is 25 years. If commercial production still possible then provision of further 10 years extension.</p>
<p>12. Gas Price</p>	<p>Floor Price: US\$ 100 Ceiling Price : US\$ 215</p> <p>Onshore: 75% of Marker Price.</p> <p>Onshore (Western Zone): 90% of Marker Price.</p> <p>Shallow Sea: 100% of Marker Price.</p> <p>Deep Sea: 130% of Marker Price with escalation of 1.5% per year from the date of Commercial Production.</p>
<p>13. Gas Export</p>	<p>YES for Deep Offshore Blocks.</p> <p>Contractor has the option to sell Contractor's share of Natural Gas produced from Deep Offshore blocks, in the domestic market to a third party, at a negotiated price, subject to Petrobangla's right of first refusal; If no market exists then Export.</p>
<p>14. Third Party Gas Sales</p>	<p>Contractor has the option to sell Contractor's share of Natural Gas produced from Onshore and Offshore blocks, in the domestic market to a third party, at a negotiated price, subject to Petrobangla's right of first refusal;</p>
<p>15. Pipeline & Tariff</p>	<p>If the Contractor construct pipeline, Contractor shall receive cost recovery & tariff which will be proper value to secure a reasonable amount of Contractor's profit. Moreover, Contractor shall operate the pipeline until the expiration of the Production Period or the expiration of any sales contract(s).</p>

Yusuf *Shah* *MW*

[Signature]