

MODEL PETROLEUM EXPLORATION LICENCE

BLOCK NO.

(BLOCK NAME)

(ZONE-I, II or III)

BETWEEN

THE PRESIDENT

ISLAMIC REPUBLIC OF PAKISTAN

AND

XYZ

AND

GHPL

AND

[Provincial Holding Company]

(if applicable)

PETROLEUM EXPLORATION LICENCE NO. _____

FOR BLOCK NO.

Handwritten signature and date: 27/1/14

The President of Pakistan (hereinafter referred to as "the President") hereby grants under and in accordance with the provisions of the Pakistan Onshore Petroleum (Exploration and Production) Rules, 2013 ("Rules") and on the terms and conditions set forth or referred to herein, and _____, a company existing under the laws of [Pakistan], having its registered office at _____ (hereinafter referred to as "XYZ" which term and expression shall include its successors in interest and assigns); _____, a company existing under the laws of [Pakistan], having its registered office at _____ (hereinafter referred to as "ABC" which term and expression shall include its successors in interest and assigns); Government Holdings (Private) Limited, a company existing under the laws of Pakistan, having its registered office at _____ (hereinafter referred to as "GHPL" which term and expression shall include its successors in interest and assigns) and [Provincial Holding Company], a company existing under the laws of Pakistan, having its registered office at _____ (hereinafter referred to as "PHC" which term and expression shall include its successors in interest and assigns) (together hereinafter referred to as "the Licensee(s)") hereby accept an exploration licence, on the terms and conditions aforesaid and on further terms and conditions set forth herein as follows:

This licence is granted to the following company(ies), with working interest as stated herein:

Name(s) of Licensee(s)

XYZ
 ABC
 GHPL
 [PHC]

- This licence gives the Licensee(s) the exclusive right to perform activities in connection with the exploration for and exploitation of petroleum in the following areas:

Licence Area No.	Coordinate	Km ²
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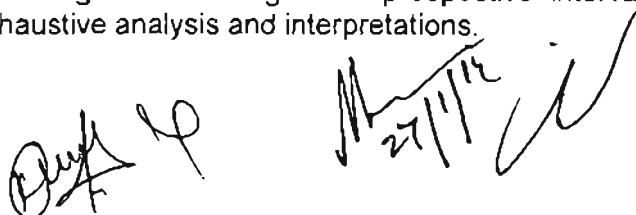
As shown in the attached Annexure-A

- The licence is valid for an initial period of 5 years, divided into two phases of three years and two years each effective on (hereinafter called the "Effective Date"). The Licensee(s) shall be entitled to two renewals of one year each of the licence, as provided in the Rules.
- The Licensee(s) shall undertake the Minimum Work to discharge the obligations, during the initial term provided for in Rule 21 (2) as follows:

Minimum Work		
Initial Term	Phase I	Contract Years 1,2 and 3:
	Phase II	Contract Year 4 and 5:

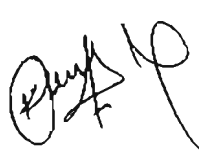
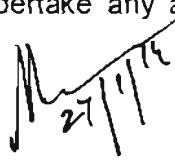
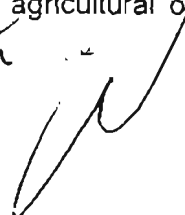
The above Work Units shall be accomplished at any time prior to the end of respective Phase of the Initial Term.

- The Licensee(s) shall undertake such coring and other tests and registrations as the Authority, may regard as necessary in order to estimate possible petroleum finds. Special care shall be given to coring in all prospective intervals. The sampling shall lead to exhaustive analysis and interpretations.



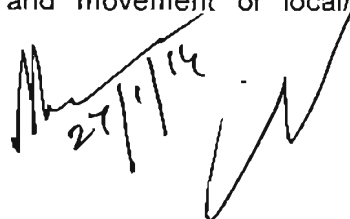
 [Signature] 27/1/12 [Signature]

- b. If the Licensee(s) should fail to complete the above mentioned work programme within the time limits specified, he shall pay liquidated damages to the Federal Government, as in accordance with Rule 28 of the Rules.
5. The Licensee(s) shall, not later than thirty days after this licence has been granted enter into a Concession Agreement including Joint Operating Agreement with the Federal Government. Any subsequent amendment, supplement, or exception from the Concession Agreement requires the Federal Government's prior written approval.
- 6.
- a) Discovery of all minerals necessary for the generation of Nuclear Energy shall be reported by licensees to Pakistan Atomic Energy Commission and Authority. Licensee(s) shall have no right to develop/exploit such minerals without prior approval of the Pakistan Atomic Energy Commission.
- b) The Licensee(s) will allow existing and future licence and lease holders for solid minerals being administered by a Provincial Government in any land which is comprised in or adjoins or is reached by the Area, all reasonable facilities for their access hereto. Exploration work will not be carried out over the area already granted under mining leases/prospecting licences for Mineral except with the prior approval of the Provincial Government and the companies concerned.
- c) The Licensee(s) will without delay report to the Provincial Government the discovery of any mineral ore, or within any of the Area in question which is administered by the Provincial Government but Licensee(s) shall not have a right to exploit these minerals/ores unless a formal mining concession has been granted by the Provincial Government to the Licensee(s).
- d) No operations will be carried out within Municipal limits. The Licensee(s) will inform the Authority about the programme and specific purpose of visit of its personnel and others to the license Area from time to time so that necessary security arrangements could be made. Protection of personnel employed must be co-ordinated with local civil administration prior to the commencement of work. All companies (local and foreign) will give advance information and details about the exploration programme in the Licence Area to local civil administration and Authority so as to alert the parties concerned to take necessary precautions to interalia safeguard vital installations such as microwave towers, irrigation regulators and other public and private buildings.
- e) The unskilled persons to be engaged as labour should be taken from the inhabitants of the area particularly where the work has to be carried out with preference to displaced landowners. Rest of the manpower will also be taken from the area if available. Locals of the area will be considered for grant of sub-contracts provided their terms are competitive.
- f) No employee of the licensee(s) shall indulge in illegal hunting/trapping of the wild animals, Violation of the rules shall make the NOC of the Provincial Government liable to cancellation in addition to imposition of penalties as provided for under the law.
- g) The Licensee(s) shall confine their activities to exploration only and no permanent structure would be constructed on the Area without the prior approval of Authority. The Licensee(s) will also not undertake any agricultural or other

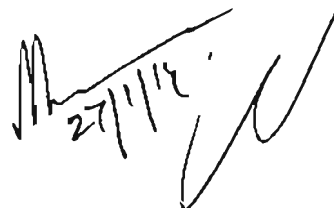
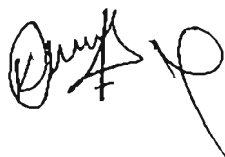
related activities nor interfere in the existing grazing or felling rights etc. of the local inhabitants. In case any loss is caused to public private property, the Licensees will be liable to pay adequate compensation.

- h) The Local Civil Administration in the Licence Area must be informed in case any matter needs to be cleared from the Home Department.
- i) The operation will in no way affect or abridge the rights of owners of private property and necessary procedure according to the relevant law would be imperative.
- j) The Licensee(s) will pay proper compensation to owners of land prior to commencement of exploration.
- k) The Licensee(s) will approach Survey of Pakistan for issuance of maps in accordance with the prescribed procedure. The individuals handling restricted maps will need security clearance.
- l) Flying over the area shall not be allowed without permission of the concerned security agencies.
- m) Visits will be properly conducted and restricted to the open area. Aerial survey/photography in the Licence Area will not be undertaken. In case it is essential, a separate clearance for the same will be obtained through Authority from security agencies. If allowed, the aerial survey/photography will invariably be carried out by Survey of Pakistan. Visits, trespassing or photography (aerial/ground) of sensitive areas, restricted areas key points and vital installations are prohibited. All movement of personnel and vehicles will be co-ordinated with concerned Formation Headquarters.
- n) All mapping information including sketches and photography to be prepared by the Licensee(s) concerning the Licence Area shall not be released to anyone except as permissible under the Concession Agreement and the relevant rules.
- o) No roads/tracks will be constructed/developed in the licence Area without prior clearance of security agencies. The tracks that may be allowed to develop should preferably be parallel to the border and constructed in consultation with the local Formation Headquarters. All such tracks should be rendered unserviceable by the licensee(s) when no longer required again in consultation with the local Formation Headquarters.
- p) The Licencee(s) will ensure that no border violation takes place.
- q) The Licencee(s) shall ensure that none of its employees, contractors or consultants discloses any information about the terrain of the area to any individual/agency without clearance from the General Headquarters (M.I. Directorate) through Authority.
- r) The Licensee(s) will ensure that all the foreigners involved in exploration are security cleared prior to their arrival in Pakistan. Foreigners working in the Licence Area will be cleared by the concerned security agencies and should be registered with FRO concerned under Foreigners Act and full particulars including photographs shall be supplied to the concerned Provincial Government. Instructions issued by the Ministry of Interior from time to time regarding work in the area, employment of foreign nationals and movement of local/foreign



nationals will be strictly followed. Expatriates of countries as specified from time to time by appropriate Pakistani authorities will not be employed. In addition a liaison Officer of the Ministry of Petroleum & Natural Resources will be detailed to look after the project and watch the activities. Foreigners will remain confined to the working area.

- s) The Licencee(s) may ensure that no activity is carried out within 4,000 meters of the International Border (Zero Line).
- t) No Global Positioning System shall be used except with the prior permission of the agencies concerned.
- u) The forest and mineral property will not be damaged and in case damage occurs during any survey, the licensees shall be responsible for it as per provisions of the Forest Act and other Rules applicable to that property.
- v) The Licensee(s) will not use forest road without permission. However, where the use of these roads is permitted, the Licensees will be responsible for proper maintenance of such roads.
- w) Licensee(s) will pay suitable rent if forest and other government land is utilized. There will be no prohibition in carrying out forest and mining working in the Licence Area by the concerned department or on its behalf.
- x) The local irrigation authorities will be informed in advance before any particular area is taken for exploration purposes. No irrigation structures including Canals, Head works, Small Dams, Flood Bunds and Tube wells etc. will be damaged during Joint Operations. Such operations will be undertaken at a reasonable distance from either side of the channels, main canals, from any important structures on canals, and in or around a barrage. It would not in any way interfere with, or cause hindrance to the works of concerned Provincial Departments and to the normal flow of irrigation supplies in the canals. If any operation is necessary at such locations, the same will be undertaken after consultation with and written approval of the concerned Department of the Provincial Government. The "No Objection Certificate" of the concerned Department, would not in any way, be interpreted to mean that canal supplies would be available for the purpose of prospecting activities.
- y) Canal Patrol Bank will not be used for running machinery along the channels. In case it is used when no alternate is available, the cost for its repairs will have to be deposited in advance. Special approval will have to be obtained where heavy machinery has to cross the channels either through existing bridges or across the channels. The limits of loading capacities on the regulators, bridges and the canals shall have to be observed at the time of transportation of any equipment required for exploration and drilling purposes. Repairs and replenishing cost of the effected sites will have to be deposited in advance by the Licensee(s).
- z) The data and test results shall not be exported outside Pakistan without prior clearance from Authority.
- aa) Licensees will deposit the advance rent as prescribed in Rule 29 of the Rules in any Federal Government treasury under the head of account No.C-03 – Miscellaneous Receipts, C038 – Other C-03808 – Receipts under the Mines and Oilfields and Mineral Development (Government Control) Act, 1948. A receipted



be adjusted in future on the basis of official rate of inflation as notified by the State Bank or by reference to an appropriate index as may be decided by the Federal Government so that the rent retains its value in real terms.

ab) Investment on social welfare schemes and training will be made in accordance with the provisions of the Petroleum Exploration and Production Policy 2012 and the guidelines issued by the Federal Government from time to time. The Licensee(s) will provide the manpower requirements(Category-wise) during different phases of operations to Authority for approval.

ac) Worker's safety, health and welfare laws as contained in Mines Act, 1923 and the rules and regulation made thereunder shall be followed.

ad) The Licensee(s) will strictly follow the environment protection and pollution control laws and guidelines as notified by the Federal Government from time to time.

7. The laws and Rules of the Federation shall govern all activities pursuant to this Licence.

In witness whereof the President has set his hand and seal and the Licensees have caused their common seals to be affixed hereon this _____ day _____ 20__.

Signed for and on behalf of
The President of Pakistan

Signed for and on behalf of
XYZ

By: _____

By: _____

Witness:

Witness:

1) _____

1) _____

2) _____

2) _____

Signed for and on behalf of
ABC

Signed for and on behalf of
GHPL

By: _____

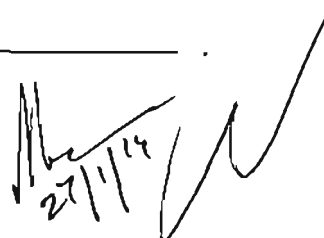
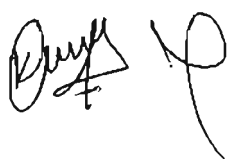
By: _____

Witness:

Witness:

1) _____

1) _____



2) _____

2) _____

Signed for and on behalf of
[PHC]

By:

Witness:

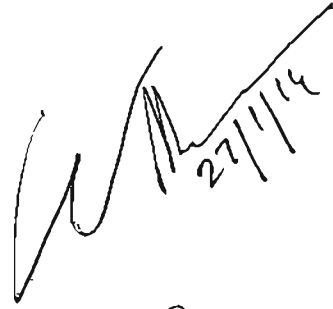
1) _____

2) _____

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Handwritten signature in black ink, consisting of a stylized 'P' followed by a signature.

Annexure-A

 27/1/14

