

The Licence

The Oil & Gas Regulatory Authority, (the "Authority"), established under the Oil & Gas Regulatory Authority Ordinance, 2002 (Ordinance No. XVII of 2002) (hereinafter referred to as "the Ordinance"), in exercise of its powers conferred by Sections 22 (1) and 23(6) of the Ordinance and Rule 3(3) of Natural Gas Regulatory Authority (Licencing) Rules, 2002 (the "Licencing Rules") hereby grants to Foundation Power Company (Daharki) Limited having its registered office at Fauji Foundation Head office, Fauji Towers, 68-Tipu Road, Chaklala, Rawalpindi, Pakistan (the "Licensee") a Licence (the "Licence") to undertake the following regulated activity subject to the "Terms and Conditions Applicable to the Licensee" given hereinafter;

Transmission of Natural Gas

Construction and operation of pipelines alongwith ancillary/connected facilities for the purpose of transmission of low BTU natural gas from Mari gas field (Mari Deep reservoirs) gate to Foundation Power Company (Daharki) Limited's Plant at Daharki, Sindh Province, Pakistan exclusively for self-consumption by the Licensee.

Validity

The Licence shall be valid from June 1, 2007 (effective date) for a period of 27 years or till the expiry of the Gas Supply Agreement between Mari Gas Company Limited and the Licensee, whichever comes first, unless the Licence is revoked earlier under the provisions of the Ordinance and the Rules.

(Syed Hadi Hasnain)
Member (Gas)

(Rashid Farooq)
Vice Chairman/Member (Oil)

(Munir Ahmad)
Chairman

Terms and Conditions Applicable to the Licensee

1. Definitions

- 1.1. Words and expressions used in the Licence but not defined, unless the contrary intention appears, shall have the same meaning as are assigned to them in the Ordinance and the Rules.
- 1.2. The following words shall have the following meanings:
 - 1.2.1. "Gas Supply Agreement" means :
 - 1.2.1.1. Gas Supply Agreement between Mari Gas Company Limited and Foundation Power Company (Daharki) Limited for supply of 65 MMSCFD natural gas from Mari gas field (Mari Deep reservoirs) to the Foundation Power Plant at Daharki, Sindh; and
 - 1.2.1.2. Any extension or renewal of the aforesaid agreement or any new Gas Purchase and Sale Agreement between Mari Gas Company Limited and Licensee.
 - 1.2.2. "Licence" means this licence and any amendment, modification, extension or renewal thereof under the provisions of the Ordinance and the Rules;
 - 1.2.3. "Rules" means the rules made under the provisions of the Ordinance; and
 - 1.2.4. Any reference to a statute or a delegated legislation shall be deemed to mean and include its modification, amendment, replacement or substitution by a subsequent law.

2. Renewal, Modification, Revocation and Early Termination of Licence

- 2.1. On an application made by the Licensee to the Authority at least two years prior to the expiry date of the Licence, the Authority may renew the Licence on the terms and conditions, as deemed appropriate by the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 2.2. The terms and conditions of the Licence may be amended, varied, modified, extended or revoked by the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 2.3. On an application by the Licensee, for an early termination of the Licence with 2 (two) years prior notice, the Authority may terminate the Licence in accordance with the provisions of the Ordinance and the Rules.

3. Compliance with Laws/Ordinance/Rules

- 3.1 The Licensee shall ensure that it complies at all times with the applicable Laws of Pakistan and in particular with the provisions of the Ordinance and the Rules.
- 3.2 The breach of any provision of the Ordinance or the Rules shall be deemed to be a breach of the terms and conditions of the Licence and vice versa.

4. Gas Supply Agreement

- 4.1 The Licensee shall obtain prior approval of the Authority before execution of the "Gas Supply Agreement".

5. Gas Sale or Utilization of Transmission Capacity

- 5.1 The Licensee shall not sell gas to any person without obtaining a Licence from the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 5.2 The Licensee shall not provide its transmission capacity to any other person without obtaining prior approval of the Authority in accordance with the provisions of the Ordinance and the Rules.

6. Fee

- 6.1 The Licensee shall not be liable to pay annual fee, as long as, it is carrying out the regulated activity of transmission of natural gas exclusively for self consumption.

7. Maintenance of Record and Provision of Information

- 7.1. The Licensee shall keep complete and accurate record and data regarding the transmission of natural gas as may be required for the purpose of this Licence in appropriate manner. The Licensee shall provide to the Authority promptly such documents, records or information regarding the transmission of natural gas and the pipeline, as the Authority may require pursuant to the Ordinance, the Rules, and the Regulations made thereunder.

8. Miscellaneous

- 8.1 The Licensee shall conform to the requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997), as amended from time to time.
- 8.2 The Licensee shall locate, design, construct, operate and maintain its facilities in strict accordance with the technical and other standards prescribed by the Authority and in a manner so as not to endanger public health or safety.
- 8.3 The Licensee shall not abandon any facility or pipeline without the prior consent of the Authority.

8.4 If the pipeline is constructed or operated and maintained by a third party, that party must be holder of a valid licence for this purpose.

9. Assignment and Transfer

9.1. The Licensee shall not assign or transfer the Licence or any rights or obligations therein without having obtained the prior written approval of the Authority in accordance with the provisions of the Ordinance and the Rules.

10. Notices

10.1. All notices to be given under any statute or terms and conditions of this licence shall be given in writing and shall be deemed to have been properly served if delivered in person or sent by registered mail or transmitted by facsimile to the relevant party at the address set out below or at such other address as that party may from time to time specify in writing to the other:

Licensee: Chief Executive Officer,
Foundation Power Company (Daharki) Limited
Fauji Foundation Head office,
Fauji Towers, 68-Tipu Road,
Chaklala, Rawalpindi,
PAKISTAN.
Telephone No: 92-51-5951731
Facsimile No: 92-51-5951732

Authority: Registrar,
Oil and Gas Regulatory Authority
Tariq Chambers, Block # 2
Civic Center, G-6 Markaz
Islamabad, Pakistan.
Telephone Number: 92-51-9221715-18
Facsimile Number: 92-51-9221714

10.2. Any notice given under the provisions of Condition 10.1 shall be deemed to have been duly served and received:

10.2.1. at the actual time of delivery, if delivered personally;

10.2.2. ten (10) working days subsequent to the date of postage, if sent by registered mail; and

10.2.3. at the time of receipt, if transmitted by facsimile where there is confirmation of uninterrupted transmission by a transmission report and provided that the original of the notice is then delivered personally or sent by registered mail as soon as reasonably practicable.