

Islamic Republic of Pakistan

Islamabad, the 14th April, 2005
License No. NG-010/2005

The License

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 Section 22 (1) and 23(6) of the Ordinance and Rule 3(3) of Natural Gas Regulatory Authority (Licensing) Rules, 2002 (the "Licensing Rules") hereby grants to Central Power Generation Company Limited (CPGCL), having its registered office at Thermal Power Station Guddu, district Jaccobabad, Pakistan (the "Licensee") a License (the "License") to undertake the following regulated activity subject to the terms and conditions given hereinafter;

Transmission of Natural Gas

Construction and operation of pipelines along with ancillary connected facilities for the purpose of transmission of natural gas from (a) Mari gas field (b) Sui Northern Gas Pipelines Limited (SNGPL)'s compression station at Sui field and (c) Kandhkot gas field gate to Central Power Generation Company Limited's Thermal Power Station Guddu, district Jaccobabad, Sindh, Pakistan exclusively for self use.

Validity

The License shall be valid from 28th March, 2002 (effective date) for a period of 30 years or till the expiry of the Gas Purchase and Sale Agreements between Licensee and (a) Mari Gas Company Limited (MGCL) (b) Pakistan Petroleum Limited (PPL) (c) Tullow Pakistan (Developments) Limited and (d) SNGPL, whichever comes first, unless the License is revoked earlier under the provisions of the Ordinance and the Rules.

(M. H. Asif)
Member (Finance)

(Rashid Farooq)
Member (Oil)

(Jawaid Inam)
Member (Gas)/Vice Chairman

(Munir Ahmad)
Chairman

GENERAL CONDITIONS APPLICABLE

TO

THE LICENSEE

General Conditions Applicable to the Licensee

1. Definitions

- 1.1. Words and expressions used in the License 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 Purchase and Sale Agreements" means:
 - 1.2.1.1. Principal agreement dated 24th April, 1984 between Fauji Foundation (Subsequently replaced by MGCL) and Water and Power Development Authority (WAPDA) (Subsequently replaced by CPGCL), as amended by supplemental agreement dated 9th February, 2002, as amended from time to time, for supply of Mari gas to Guddu Thermal Power Station;
 - 1.2.1.2. Principal agreement dated 31st December, 1986 between PPL and WAPDA (Subsequently replaced by CPGCL), as amended by 1st and 2nd supplemental agreements dated 21st December, 1989 and 1st January, 1993, as amended from time to time, for supply of Kandhkot gas to Guddu Thermal Power Station;
 - 1.2.1.3. Principal agreement dated 26th March, 1999 between Tullow Pakistan (Developments) Limited and WAPDA (Subsequently replaced by CPGCL), as amended from time to time, for supply of Sara/Suri gas to Guddu Thermal Power Station;
 - 1.2.1.4. The agreement under execution between SNGPL and CPGCL for supply of Zamzama gas to Guddu Thermal Power Station; and
 - 1.2.1.5. Any extension or renewal of the above stated agreements or any new gas purchase and sale agreement.
 - 1.2.2. "Licence" means this licence and any amendment, modification, extension or renewal thereof under the provisions of the Ordinance and the Rules; and
 - 1.2.3. "Rules" means the rules made under the provisions of the Ordinance.
 - 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 of Conditions and Early Termination of License

- 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 or the terms and conditions thereof 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 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

- 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.

4. Gas Sale or Utilization of Transmission Capacity

- 4.1. 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.
- 4.2. 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.

5. Fee

- 5.1 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 use.

6. Maintenance of Record and Provision of Information

- 6.1. 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 upon its request such documents, records or information regarding the transmission of natural gas as the Authority may require pursuant to the Ordinance, the Rules, and the Regulations made thereunder.

7. Miscellaneous

- 7.1. The Licensee shall conform to the requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997), as amended from time to time.
- 7.2. 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.

- 7.3. The Licensee shall not abandon any facility or pipeline without the prior consent of the Authority.
- 7.4. The Licensee shall execute Gas Purchase and Sale Agreement/Contract for supply of Zamzama gas to Guddu Thermal Power Station with SNGPL , within 180 days of issuance of the Licence.

8. Assignment and Transfer

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

9. Notices

- 9.1. All notices to be given under any Condition 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,
Central Power Generation Company Limited GENCO-II
Thermal Power Station Guddu
District Jaccobabad, Pakistan
Telephone Number: 92-071-9310321, 9310323
Facsimile Number: 92-071-9310322

Authority: Registrar,
Oil and Gas Regulatory Authority
Tariq Chamber, Block # 2
Civic Center, G-6 Markaz
Islamabad, Pakistan
Telephone Number: 92-51-9221715-23
Facsimile Number: 92-51-9221714

- 9.2. Any notice given under the provisions of Condition 9.1 shall be deemed to have been duly served and received:
 - 9.2.1. at the actual time of delivery, if delivered personally;
 - 9.2.2. ten (10) working days subsequent to the date of postage, if sent by registered mail; and
 - 9.2.3. 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.