

HSE.CDM

24.7.06

M/s. Ernst & Young
18th Floor Express Towers, Nariman Point,
Mumbai – 400 021.

Kind Attn : Mr. Chaitanya Kalia

Letter of Intent

Sub : **Providing consultancy services to BPCL on CDM projects.**

- Ref: 1) Tender ref. HSE/01/2006 dated 12.4.2006.
2) Technical bid ref. Your offer dated 28.4.2006
3) Price bid ref. Your offer dated 28.04.06
4) Minutes of Meeting with your Company on 16th May, 2005.
5) E mail dated 12.7.06.

Dear Sir,

This has reference to our tender no. HSE.01.2006 dated 12.04.2006 and your offer ref nil dated 28.4.06 in two part bids, including all correspondences as referred above. We are pleased to place LOI for providing consultancy services for CDM, projects.

You are requested to initiate all activities required to execute CDM projects of BPCL as per the scope of work as mentioned in the tender e.g. project identification, PCN , PDD etc. as detailed in Part A/Part B in the tender :

Payment Terms :-

PART A : PRE-FEASIBILITY STUDY FEE OF POTENTIAL PROJECTS.					
Item No.	Scope of work	Quantity	Unit	Unit Rate (Rs.)	Amt. (Rs.)
1	Scrutiny of all projects, past/ongoing and future, both under-Refinery and Marketing for the entire period eligible for consideration and identifying viability in terms of its qualifying as CDM proposal with a view to finally getting CER credits.	Number of projects shall be decided during a meeting with BPCL	Per study of a project	Rs. 28000/- (Rs. Twenty Eight thousand only)	To be at actual based on short – listed projects

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OK

.....2/-

PART B – SHORTLISTED POTENTIAL PROJECTS : FEES FOR PROCESSING, HOST COUNTRY APPROVAL, UNFCCC REGISTRATION, SELLING ETC.

Item No.	Scope of work	Quantity	Unit	Unit Rate (Rs.)	Amt. (Rs.)
1 (i)	For projects where approved baseline and monitoring methodologies are available	Total number of CERs shall be as approved by UNFCCC.	Per CER number / year	2.75% per CER number/year	To be at actual on approval by UNFCCC
1 (ii)	For projects where approved Baseline and Monitoring methodologies are not available & new methodologies are developed and approved	Total number of CERs shall be as approved by UNFCCC.	Per CER number / year	4.5% per CER number /year	To be at actual on approval by UNFCCC

Validity of Payment terms :-

Payment terms shall be valid for all CDM projects commencing from Jan' 2000, till Dec 2012 and also for entire credit periods of all projects registered till Dec 2012. Scope of work has been detailed in Tender. Payment for Part – A shall be released on submission of pre-feasibility study report, while payment against/for Part B of tender i.e. processing approvals/registration/selling CER, will be paid after receipt of payment from the CER credit certificate buyer/s.

CDM opportunities :

All projects eligible for CDM benefits with starting date since January 2000 and projects those would be taken up in future till 2012, would be taken up for processing.



.....3/-



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Secrecy Agreement :

BPCL will provide the necessary access to its operational sites and offices to the Consultants and provide data, information as necessary to CDM project identification under a non-disclosure agreement. Format for non-disclosure agreement will be forwarded shortly.

On acceptance of this Letter of Intent, an memorandum of agreement shall be executed on the prescribed format sent to you alongwith tender document. All other terms and conditions mentioned in the above tender will be applicable.

The letter of intent is being sent to you in duplicate. You are requested to return one copy of the same duly signed and stamped in token of your acceptance. Detailed agreement follows shortly.

Thanking you,

Yours faithfully,

FOR BHARAT PETROLEUM CORPORATION LTD.,

H. B. Kakade
24/7/86

**H. B. KAKADE
SR. MGR. (HSE)**

Received and accepted



26-7-86
(C. KALIA)

Sr. Manager

Ernst & Young Pvt. Ltd.