

M/s. Det Norske Veritas
103, Belview,
No. 7, Haudin Road,
Off. Ulsoor Road,
Bangalore – 560 042.

Kind Attn : Mr. Chandrashekhar Kumaraswamy

Letter of Intent

Sub : **Providing validation services for CDM Projects**.

- Ref : 1) Tender ref. HSE/02/2006 dated 18.8.2006.
2) Technical bid ref. Your offer dated 1.9.2006
3) Price bid ref. Your offer dated 1.9.06

Dear Sir,

This has reference to our tender no. HSE.02.2006 dated 18.08.2006 and your offer ref nil dated 14.9.06 in two part bids, including all correspondences as referred above & till Dec, 11, 2006. We are pleased to place LOI for providing validation services for CDM, projects.

You are requested to initiate all activities required to execute validation services for CDM projects of BPCL as per the scope of work as mentioned in the tender. Individual CDM proposal will be advised by BPCL separately as per BPCL's requirement.

Payment Terms : -

Payment terms shall be made as per the payment format after completion of each activity and submission of bills within 30 days.

Sl. No.	Activity	DNV	
		Rate (INR) for large scale project	Rate (INR) for small scale project
1	Provision of queries by validator, on completion of 30 days international stakeholder consultation period and review of project design documents (PDD), including review and submission of methodology amendments and new methodology.	60000	60000
2	Site visit for review of documents and preparation of draft validation report (DVR)	145000	105000
3	Preparation of final validation report (FVR) and recommendation (inclusive of response to the comments received from stakeholders /RIT/EB)	145000	105000
4	Submission of validation opinion alongwith final PDD to the CDM EB towards registration of project	45000	35000
5	After registration of project with UNFCCC.	45000	35000
6	Total Rs (Figures) Large Scale	440000	
	Small Scale		340000

The prices shall be inclusive of all expenses and taxes. In case any project does not proceed to the next activity stage, the payment will be made on pro-rata basis. It is estimated/presumed that each activity mentioned from 1 to 5 is 20% of total activity. The prices will be valid throughout the contract period i.e. till 2012.

CDM opportunities :

All projects eligible for CDM benefits with starting date since January 2000 and projects those would be taken up in future till 31st December, 2012, would be taken up for processing at the sole discretion of BPCL. These rates would be valid till 31/12/2012.

Secrecy Agreement :

BPCL will provide the necessary access to its operational sites and offices to the validation agency and provide data, information as necessary to CDM project validation 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, and corrigendum will be applicable to this contract.

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.,


05/11/07

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