

MODALITIES FOR THE POSSESSION, DEVELOPMENT AND USE OF THE CHINA BAY OIL TANK FARM BY CEYLON PETROLEUM CORPORATION ("CPC"), LANKA IOC PLC ("LIOC") AND TRINCO PETROLEUM TERMINAL (PVT) LIMITED ("JVC")

THIS AGREEMENT is made and entered into on this 06th day of January in the year 2022 at Colombo in the Democratic Socialist Republic of Sri Lanka by and between;

Sajith Ruchika Attygalle, Secretary to the Treasury for and on behalf of the Government of the Democratic Socialist Republic of Sri Lanka of the Ministry of Finance, the Secretariat, Colombo 01 (hereinafter referred to as "**GOSL**" which term or expression as herein used shall mean and include the said Sajith Ruchika Attygalle, his successors in office); of the First Part and;

Ceylon Petroleum Corporation, a body duly constituted by the Ceylon Petroleum Corporation Act No. 28 of 1961 and having its principal place of business at No. 609, Dr. Danister De Silva Mawatha, Colombo 09 in the said Republic (hereinafter referred to as "**CPC**" which term or expression as herein used shall mean and include the said Ceylon Petroleum Corporation, its successors and permitted assigns) of the Second Part and;

Lanka IOC PLC a company duly incorporated in the said Republic under the Companies Act No. 07 of 2007 bearing company registration no. PQ 179 and having its registered office at Level 20, West Tower, World Trade Centre, Echelon Square, Colombo 01 (hereinafter referred to as "**LIOC**", which term or expression as herein used shall mean and include the said Lanka IOC PLC, its successors and permitted assigns) of the Third Part; and

Trinco Petroleum Terminal (Pvt) Ltd a Joint Venture Company incorporated in the said Republic under the Companies Act No. 07 of 2007 bearing company registration no. PV 00250578 and having its registered office at No. 609, Dr. Danister De Silva Mawatha, Colombo 09, where CPC holds fifty one per cent (51%) and LIOC holds forty nine per cent (49%) of the issued shares of the Joint Venture Company (hereinafter referred to as "**JVC**"), which term or expression as herein used shall mean and include the said Trinco Petroleum Terminal (Pvt) Ltd, its successors and permitted assigns) of the Fourth Part; and

WHEREAS CPC is the party which made the agreed payment of Pound sterling 250,000 to the British Government on behalf of GOSL for the purchase of the tanks, building and equipment and had been in the possession of the Storage Facility referred to below, during the period from 1964 to 2003 and carried out the operation including relevant developments and maintenance during such period; and

WHEREAS following the agreement executed between GOSL, CPC and LIOC on 7th February 2003 (hereinafter referred to as the "**2003 Agreement**"), LIOC received possession of the China Bay Oil Tank Farm consisting of ninety nine (99) storage tanks deemed to be having a capacity of approximately 10,000 Metric Tons each, related land area and other ancillary facilities including premises, pipelines, pumps, loading/discharging facilities for petroleum products situated at the China Bay in the District of Trincomalee in the said Republic (hereinafter referred to as the "**Storage Facility**"), for a period of thirty five (35) years from 7th February 2003; and

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WHEREAS accordingly, LIOC has been in possession of the Storage Facility comprising the Upper Tank Farm with eighty five (85) oil storage tanks having a capacity of approximately 10,000 Metric Tons each and the Lower Tank Farm, from 7th February 2003, paying GOSL the lease rental stipulated in the 2003 Agreement and the payment stipulated in such agreement to be made to CPC in respect thereof; and

WHEREAS GOSL, CPC, LIOC and JVC have now agreed to the following:

(i) GOSL to execute State leases for the Lower Tank Farm, consisting of Lots 176, 180, 192 and part of 194 which includes the land area with permanent structures currently in possession with LIOC (staff quarters) in such Lot 194, all of which lots are marked and/or described in Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1**, along with existing permanent fixtures and allied infrastructure and facilities on the said land areas (including the tanks thereon, premises; pipelines; pumps on the said land; and loading/discharging facilities for petroleum products if any); and the rights of way to and from the Trincomalee oil jetty; in and over the road described in Lot 193 on the Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1** and Lot 263 (path) described on the Surveyor General's Plan No. FVP 18 Supplement No. 09 set out in **Annex 2**, to LIOC, for a period of Fifty (50) years, from the date hereof;

(ii) GOSL to execute State leases for twenty four (24) tanks in the Upper Tank Farm, which are physically contiguous and demarcated with mutual agreement between LIOC, CPC and GOSL, consisting of, the land described in Lot 264 in the Surveyor General's Plan No. FVP 18 Supplement No. 09 set out in **Annex 2** hereto, the twenty four (24) tanks thereon (including water tanks numbered 42, 43 and 44 used by Prima Ceylon (Private) Limited), part of Lot 194 described in Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1**, which includes the land area with the permanent structure currently in possession with CPC (CPC bungalow), along with existing permanent fixtures and allied infrastructure and facilities on the said land areas (including the tanks thereon, premises; pipelines; pumps on the said land; and loading/discharging facilities for petroleum products if any), and the rights of way to and from the Trincomalee oil jetty, in and over Lots 176 and 180, marked in Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1**; in and over the road described in Lot 193 on the Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1** and Lot 263 (path) described on the Surveyor General's Plan No. FVP 18 Supplement No. 09 set out in **Annex 2**, to CPC, for a period of Fifty (50) years, from the date hereof;

(iii) GOSL to execute a State lease for the remaining sixty one (61) tanks in the Upper Tank Farm, consisting of the land described in Lot 262 in the Surveyor General's Plan No. FVP 18 Supplement No. 09 set out in **Annex 2** hereto, the sixty one (61) tanks thereon (including water tank numbered 36 used to supply water to Sri Lanka Air Force), along with existing permanent fixtures and allied infrastructure and facilities on the said land (including sixty one (61) tanks thereon, premises and pipelines, pumps on the said land, and loading/discharging facilities for petroleum products if any), and the rights of way to and from the Trincomalee oil jetty, in and over Lots 176 and 180, marked in Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1**; in and over the road described in Lot 193 on the Surveyor General's Plan No. FVP 19 Supplement No. 14 set out in **Annex 1** and Lot 263 (path) described on the Surveyor General's Plan No. FVP 18 Supplement No. 09 set out in **Annex 2**, to the JVC, for a period of fifty (50) years, from the date hereof;

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all of which leases shall hereinafter be referred to as "**State Leases**", further to the execution of which, possession of the said twenty four (24) tanks and the said sixty one (61) tanks in the Upper Tank Farm shall be released to CPC and to the JVC, respectively, by LIOC.

NOW THIS AGREEMENT WITNESSETH that for and in consideration of each party hereto doing, observing, performing and complying with the covenants, terms, conditions and stipulations herein contained to be done, observed, performed and complied with by each respective party, the parties hereby agree as follows:

1. General Conditions

- 1.1 The State Leases shall be based on the terms and conditions contained in this agreement and, except for the State leases for Lots 176, 180 and parts of 194, referred to in paragraphs (i) and (ii) of the fourth recital above, shall be executed simultaneously along with this agreement by all the parties hereto. The finalized versions of the State Leases to be executed simultaneously with the execution of this agreement, are annexed hereto as **Annex 3, Annex 4 and Annex 5**. For the avoidance of doubt, all State Leases shall be substantially in the form annexed to this agreement. The cost of the survey shall be borne by CPC, LIOC and the JVC in equal shares.
- 1.2 The said State Leases granted to CPC, LIOC and the JVC shall permit CPC, LIOC and the JVC the right of way over any part of the Storage Facility (as mutually agreed between them based on the principle that what shall be mutually agreed between them shall cause minimum inconvenience to the respective lessees of the State Leases), for *inter alia*, laying of new pipelines and/or renovation of existing pipelines required for the development of the land and facilities granted in favour of each of the said parties under the respective State Leases, including to be utilized for access to the relevant premises leased by each and for passing of liquids & gasses inside the pipelines to and from the tanks leased out by each to and from the Trincomalee oil jetty.
- 1.3 Upon the execution of this agreement and the State Leases (including the State leases for Lots 176, 180 and parts of 194 referred to in paragraphs (i) and (ii) of the fourth recital above), possession of the sixty one (61) tanks in the Upper Tank Farm (including water tank numbered 36, used to supply water to Sri Lanka Air Force), shall be released to the JVC by LIOC and possession of the twenty four (24) tanks in the Upper Tank Farm shall be released to CPC by LIOC. JVC shall continue to supply water from the tank numbered 36 to the Sri Lanka Air Force. CPC shall continue to honour the obligations created by the GOSL in relation to the supply of water from the tanks numbered 42,43 and 44 used by Prima Ceylon (Private) Limited.
- 1.4 The lease rentals under the State Leases shall be paid by the lessees of the State Leases (hereinafter referred to as the "**Lessees**"), as per Clause 2 hereof without any additional financial commitment. In the event LIOC or the CPC rent the storage facility of the JVC for their use, the rental / storage fee shall be equivalent to the rate payable by the JVC to GOSL ensuring a level playing field for LIOC and the CPC.

- 1.5 GOSL shall have the right to direct the Lessees to not rent, hire, service, supply or sell to a customer or a naval ship or any other ship, vessel or aircraft who or which may store or use such products for military purposes inimical to the interests of India and Sri Lanka, such directions being given with reasonable advance notice. LIOC, CPC and the JVC shall comply with any such directives when given by the GOSL.
- 1.6 In the event GOSL may need any emergency supplies of products caused by any shortage due to war within or outside Sri Lanka, natural calamities or any other unforeseen disturbance disrupting the supply and distribution of petroleum products in Sri Lanka, LIOC may make them available to GOSL through an outright sale or alternatively on a time-exchange arrangement of such products. In the event of a time-exchange arrangement, GOSL shall make a return of the products within ninety (90) days or such other period as may be mutually agreed, ensuring the same quality and volume, upon terms to be mutually agreed by the parties.
- 1.7 No person other than CPC, LIOC or the JVC shall whether directly, indirectly or beneficially have an interest of any nature whatsoever in the Storage Facility in any manner howsoever including through usage/hiring/lease/supply of services or provision of debt (except the supply of water from tank numbers 36, 42, 43 and 44 in the Storage Facility to Sri Lanka Air Force and Prima Ceylon (Private) Ltd). Accordingly, the parties hereto shall not and cannot enter into any arrangement whatsoever with any person, with regard to the whole or a part of the Storage Facility except with the written consent of all the parties to this agreement.
- 1.8 Each party hereto undertakes not to participate in or permit for a period of ten (10) years from the date of this agreement, the development of facilities for the storage of hydrocarbons and commencement of any business competing with the business of the JVC, in the Trincomalee District, with any person directly or indirectly (including through a subsidiary), except with the written consent of CPC, LIOC and the JVC.
- 1.9 For the purposes of this agreement, "any person" shall mean a person other than CPC or LIOC or the JVC.
- 1.10 GOSL shall facilitate the carrying out of the respective businesses of CPC, LIOC and the JVC under this agreement, including by facilitating the grant of requisite approvals and incentives in terms of applicable law.
- 1.11 In respect of all matters dealt with under this agreement, CPC, LIOC and the JVC shall treat each other and be treated by GOSL on equal, fair and reasonable terms.

2. Payment Terms

- 2.1 Subject to Clause 2.2 and 2.3 hereof, LIOC, CPC and the JVC shall, holding the respective State Leases as specified in this agreement, pay to GOSL or its nominee, a yearly rental, at the rate of US\$ One Thousand (US\$ 1,000.00) per Storage Tank per annum and a proportionate sum out of a further sum of US\$ One Thousand (US\$ 1,000.00) per annum for ancillary facilities in the Storage Facility (which further sum shall be shared by CPC, LIOC

and the JVC in proportion to the number of tanks leased to each under the State Leases), (hereinafter referred as the "Annual Rental").

- 2.2 For the second year from the date of execution of the State Leases, the rental of the Storage Tank per annum referred to in Clause 2.1 above shall be increased on the basis of inflation in the USA between 2003 and 2021. The price index to be used for calculating the US inflation for this period shall be as set out in Clause 2.3 below and the inflation chart with the applicable percentage of increase is annexed hereto as **Annex 6**.
- 2.3 The Annual Rental shall be adjusted based on the rental of the Storage Tank per annum being revised automatically once in every five (5) years commencing from the second year from the date of execution of the State Leases, based on the cumulative rate of inflation considering the Core Personal Consumption Expenditures price index issued by the Bureau of Economic Analysis under the United States Department of Commerce, for the preceding five (5) years, provided however, any increase of the Annual Rental shall not exceed ten percent (10%) of the Annual Rental last paid to GOSL.

3. Development of the Storage Tanks

- 3.1 JVC shall refurbish the sixty one (61) tanks in the Upper Tank Farm in a phased manner whilst developing the related land area for the purposes of the JVC's business referred to in Clause 4.2 herein.
- 3.2 LIOC shall continue to develop the tanks leased to it under the State Leases in respect of the Lower Tank Farm and CPC shall develop the tanks leased to it under the State lease (in respect of the twenty four (24) tanks in the Upper Tank Farm), for their respective businesses.

4. Further Agreements

- 4.1 LIOC and CPC may use their tanks for storing, selling, safekeeping, blending and re-exporting petroleum products including Crude Oil, LPG, Lubricants, Gas Oil, Gasoline, Jet Fuel, Naphtha, Low Sulphur / High Sulphur (LSHS) Fuel Oil and any other petroleum related products as may be suitable to be stored in the tanks leased to each under their respective State Leases.
- 4.2 The JVC shall have the full and unfettered freedom to carry out the businesses morefully agreed between CPC and LIOC, subject to and in terms of applicable law. Such businesses may include, storage of petroleum and petroleum related products on behalf of CPC and LIOC, storage of products other than petroleum and petroleum related products, export of petroleum and petroleum related products or any other products stored by the JVC.
- 4.3 Subject to Clauses 1.7, 1.8 and 1.9 above and in accordance with Clause 1.2 above, LIOC, CPC, and the JVC shall have the full right to install, equip and affix all pipelines, pumps, fixtures, fittings, equipment, machinery, generators and all such other facilities deemed necessary for the purpose of their businesses, including the laying of pipelines from the Trincomalee oil jetty to the respective land areas leased by each. LIOC, CPC, and the JVC shall have full right and freedom to invest in the improvement of the facilities leased under

the State Leases, for efficient operational purposes by upgrading and/or rebuilding the whole or any part of the petroleum storage tanks allied infrastructure and facilities.

- 4.4 LIOC, CPC, and the JVC shall, be responsible for the maintenance, operation and safe usage of their respective facilities and tanks leased under the respective State Leases and adhere with the applicable international standards pertaining to the petroleum industry at all times in operation, for the safe usage of the Storage Facility.
- 4.5 LIOC, CPC and the JVC shall, operate its loading /discharging facilities in terms of rules and regulations of the Sri Lanka Ports Authority (hereinafter referred to as "SLPA" which term shall mean and include Sri Lanka Ports Authority, its successors and permitted assigns).
- 4.6 LIOC, CPC and the JVC shall, operate its vessel movements inward and outward also subject to the instructions of the SLPA and shall pay all harbour dues, port charges, duties on products stored and re-exported and such other levies or charges payable, to the relevant authorities. LIOC, CPC and the JVC shall, also pay to the relevant authorities all charges for utilities such as electricity and water incidental to the facilities and tanks held on lease by them under the respective State Leases.
- 4.7 LIOC, CPC and the JVC shall conform to all conditions imposed by the Central Environmental Authority of Sri Lanka, the Marine Pollution Prevention Authority, the Coast Conservation Department or such other authority and shall abide by all laws both local and international dealing with the environment, marine pollution and coast conservation.
- 4.8 LIOC, CPC and the JVC each warrant on its own behalf that vessels loading and discharging its products shall maintain a Pollution Liability Cover with a recognized Protection and Indemnity Club or an International Insurer for a minimum value that is mutually agreed between the parties hereto and as required by law, based on terms which are equal, fair and reasonable to LIOC, CPC and the JVC, and provide proof of same if requested by GOSL.
- 4.9 LIOC, CPC or the JVC shall not use the said premises leased to each under the State Leases for any unauthorized business or unlawful purpose and shall be bound to abide by all laws, regulations and by laws enacted or enacted from time to time by GOSL.

5. Insurance

- 5.1 LIOC, CPC and the JVC shall obtain and maintain throughout the validity of this agreement, a suitable insurance cover in relation to the respective facilities and tanks in the possession of each Lessee under the respective State Leases at their own cost for any loss or damage to any party occasioned due to any of the acts done under this agreement including any loss which may arise from any terrorist activity to their respective facilities and tanks, products stored in the storage tanks, any other equipment in the respective premises leased by each. It is hereby acknowledged that GOSL shall not be liable for any loss or damage to the Storage Facility.

6. Validity / Termination

- 6.1 This agreement entered into at the initiative of the Government of India and GOSL shall be valid for a period of Fifty (50) years commencing from the date hereof unless prior written notice of one year is provided by a party hereto, to terminate this agreement. It is acknowledged that any termination of this agreement and any consequent hand over of possession of any part of the Storage Facility shall require the concurrence of GOSL and the Government of India.
- 6.2 Any hand over of possession of the tanks leased to CPC or of the tanks leased to LIOC due to any reason whatsoever, shall be solely to the JVC; and GOSL shall execute a fresh State lease in favour of the JVC for the remaining period of the State leases executed with CPC or LIOC, on the same terms and conditions set out in the State leases executed with CPC or LIOC; or substitute the JVC as the lessee of the State leases granted to CPC or LIOC.
- 6.3 In the event of winding up and liquidation of the JVC as per the procedure agreed between CPC and LIOC, tanks leased to the JVC shall be handed over to CPC and LIOC in proportion to their shareholdings in the JVC, and GOSL shall execute fresh State leases in favour of CPC and LIOC for the remaining period of the State Lease executed with the JVC on the same terms and conditions set out in the State Lease executed with the JVC.
- 6.4 CPC, LIOC and the JVC must hand over the respective properties leased to them under the respective State Leases, including the storage tanks to GOSL or its nominee at the end of the period of the State Leases without any obligation on the part of GOSL to pay compensation for improvements made.

7. Arbitration

- 7.1 In the event of any doubt, difference, dispute, controversy or claim arising from, out of or in connection with this agreement, or on the interpretation thereof or on the rights, duties, obligation, or liabilities of any parties thereto or on the operation, breach, termination or invalidity thereof ("**Dispute**"), such dispute shall firstly be discussed among the parties to this agreement in a spirit of mutual co-operation.
- 7.2 If a Dispute is not settled mutually by the parties as aforesaid, within two weeks of such Dispute being raised by a party hereto, it shall be settled by arbitration in terms of the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC"). The Arbitral Tribunal shall be composed of three arbitrators. The claimant or claimants jointly shall appoint one arbitrator and the respondent or respondents jointly shall appoint the other arbitrator. The third arbitrator shall be appointed by the aforesaid two arbitrators. The chairperson of the arbitral tribunal shall be a resident of a country other than Sri Lanka or India. The seat of arbitration shall be Singapore and the language of the arbitration shall be English.

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8. Force Majeure

- 8.1 No failure or omission to carry out or observe any of the terms and/or conditions of this agreement or the State Leases shall give rise to any claim by parties hereto against the other parties hereto or be deemed to be a default or be deemed to be grounds for termination of this agreement or the State Leases, unless as expressly provided for herein, if such failure or omission is caused by or arises out of hostilities, blockage, revolution, insurrection, riot or public disorder, expropriation, requisition, confiscation or nationalization, sabotage, export or import restrictions by any Governmental instrumentality; closing of harbours, docks, canals or related facilities for shipping at the insistence of any Governmental instrumentality; fire, explosion, unusual flood, earthquake, storm, lightning, tide, curfew, terrorist activity, perils of the sea, accidents of navigation, breakdown or injury of vessels or accidents to harbours, docks, canals or related facilities for shipping or navigation; epidemic, plague, quarantine concerns, strikes or a combination of workmen lockouts or other labour disturbances, delays in importation of equipment or supplies into Sri Lanka resulting from any action or failures to act without legally justifiable cause by any Governmental institution of Sri Lanka, delay in the granting of any governmental approval upon due application therefor and diligent efforts to obtain such Government approval, failure without a legally justifiable cause of any such Governmental approval once granted to remain in full force and effect or to be renewed on substantially similar terms, or any other event, matter or thing, wherever occurring, which shall not be within the reasonable control of the party affected which the affected party could not prevent or overcome with reasonable diligence and foresight (hereinafter referred to as a "**Force Majeure Event**").
- 8.2 The party invoking a Force Majeure Event shall notify the other parties hereto within five (05) days in writing, by email or fax, or in any other means of digital/communication technology in place at the time, of the nature of the Force Majeure Event and the extent to which the Force Majeure Event suspends the affected party's obligation under this agreement and shall resume performance of its obligations as soon as possible once the Force Majeure Event no longer exists.
- 8.3 The parties hereto will consult each other and take all responsible steps to minimize any losses to any of the parties hereto resulting from a Force Majeure Event.

9. Notices

- 9.1 Any notice or other communication required or permitted to be given between the parties hereto shall be in writing in the English language duly addressed to the following address or e-mail address of the recipient or to such other address or e-mail address as it may have notified the sender:

To GoSL:

Atten: Secretary, Ministry of Energy
Address: No. 80, Sir Ernst de Silva Mawatha, Colombo 07
E-mail address: sec@energymin.gov.lk

To CPC:

Atten: Chairperson
Address: No. 609, Dr. Danister De Silva Mawatha, Colombo 09
E-mail address: chairmancpc@ceypetco.gov.lk

To LIOC:

Atten: Managing Director
Address: Level 20, West Tower, World Trade Centre, Echelon Square, Colombo 01
E-mail address: guptamanoj@lankaioec.com

To JVC:

Atten: Chairperson
Address: No. 609, Dr. Danister De Silva Mawatha, Colombo 09
E-mail address: chairmancpc@ceypetco.gov.lk

and shall be deemed duly given, in the case of a letter sent under registered cover or through courier, within two days of posting the letter under registered cover or handing over or collection of the letter by the courier service provider, in the case of an email, upon such email being sent.

10. Governing Law

10.1 This agreement shall be governed and construed in accordance with the laws of Sri Lanka.

11. Amendments

11.1 This agreement may be amended only with the written consent of the parties hereto.

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IN WITNESS WHEREOF the parties hereto have set their respective hands and seals hereunto and to four others of the same tenor and date on the date and place afore written.

S. R. Attygalle
S. R. Attygalle
Secretary to the Treasury and
Secretary to the Ministry of Finance
The Secretariat
Colombo 01
Sajith Ruchika Attygalle
Secretary to the Treasury for and on behalf of the Government of Sri Lanka

Witnesses;

1. Signature: *[Signature]*

Name :

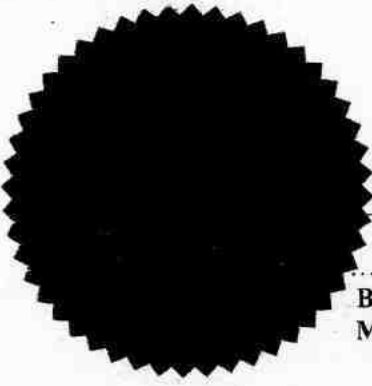
Designation : **K. D. R. Olga**
Secretary
Ministry of Energy
Address: **No 80, Sir Ernest De Silva Mawatha**
Colombo 07

2. Signature: *[Signature]*

Name : **P. A. Susantha Athula Kumara**
Director General
Designation **Department of Public Enterprises**
General Treasury
Address: **Colombo 01.**

The common seal of Ceylon Petroleum Corporation is hereto affixed in the presence of

[Signature]
.....
Sumith Wijesinghe
Chairman



[Signature]
.....
Buddika Madihahewa
Managing Director

Witnesses;

1. Signature: *[Signature]*

Name :

Designation : **K. D. R. Olga**
Secretary
Ministry of Energy
Address: **No 80, Sir Ernest De Silva Mawatha**
Colombo 07

2. Signature: *[Signature]*

Name :

Designation : **Hasitha Paragahagoda**
Legal Officer
Ministry of Energy
Address: **No 80, Sir Ernest De Silva Mawatha**
Colombo 07

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Manoj Gupta

Manoj Gupta
Managing Director
For and on behalf of Lanka IOC PLC

Manoj Gupta
Managing Director
Lanka IOC PLC
Level 20, West Tower,
World Trade Centre, Echeleon Square,
Colombo 01.

Witnesses;

1. Signature: *Girish Ranjan*
Name: GIRISH RANJAN
Designation: S.V.P. (RS & HR)
Address: LIOC, 20th Floor
WTC, Colombo-1

2. Signature: *S.A.A. Perera*
Name: S.A.A. Perera
Designation: Company Secretary
Address: Lanka IOC PLC
Level 20, WTC, Colombo-01.

TRINCO PETROLEUM TERMINAL (PVT) LTD
PV 00250578

Sumith Wijesinghe

Sumith Wijesinghe
Director
For and on behalf of Trinco Petroleum Terminal (Pvt) Ltd

Witnesses;

1. Signature: *K.D.R. Olga*
Name:
Designation: **K. D. R. Olga**
Secretary
Ministry of Energy
Address: **No 80, Sir Ernest De Silva Mawatha**
Colombo 07

2. Signature: *Hasitha Paragahoda*
Name:
Designation: **Hasitha Paragahoda**
Legal Officer
Address: **Ministry of Energy**
No 80, Sir Ernest De Silva Mawatha,
Colombo 07

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ANNEX 1

Surveyor General's Plan No. FVP 19 Supplement No. 14

ANNEX 2

Surveyor General's Plan No. FVP 18 Supplement No. 09

ANNEX 3

**Finalised version of the State Lease in favour of LIOC in relation to Lot 192
in Surveyor General's Plan No. FVP 19 Supplement No. 14**

ANNEX 4

**Finalised version of the State Lease in favour of CPC in relation to Lot 264
in Surveyor General's Plan No. FVP 18 Supplement No. 09**

ANNEX 5

**Finalised version of the State Lease in favour of the JVC in relation to Lot 262
in Surveyor General's Plan No. FVP 18 Supplement No. 09**

ANNEX 6

**The inflation chart with the applicable percentage of increase of the Annual Rental for the
calendar year immediately succeeding one year from the execution of the State Leases, as per
Clause 2.2**

Handwritten signatures and initials:
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Annex 1

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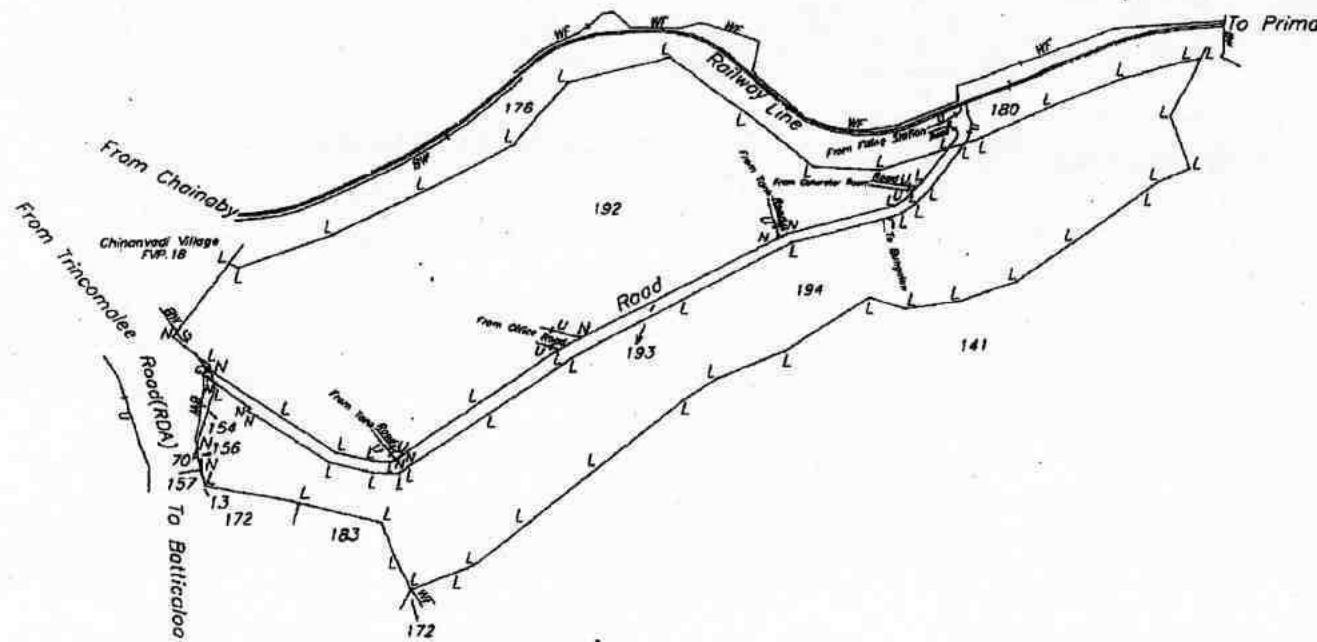


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 Sri Lanka Survey Department

මාපිටියේ අන්තර්ගතය Scale 1:4000
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 අන්තර්ගතයේ මාපිටියේ අන්තර්ගතය
 Scale applies to original only

මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය Section 1 of 1 sections
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය

672100 N
57150 E



සටහනේ අක්ෂර සහ රේඛා සටහනේ Legend
 L Landmark
 N Nail
 BW Boundary Wall
 G Gate
 WF Wire Fence
 U Undefined
 Road (RDA) Road (Road Development Authority)

මාපිටියේ අන්තර්ගතය 28/1
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 National Map Reference
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Field Book Nos
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Surveyed and Drawn by S. Vithanath
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Registered Government Surveyor

From 2021 December 30 මාපිටියේ අන්තර්ගතය To 2021 December මාපිටියේ අන්තර්ගතය
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Checked by Subramaniam Kathiskumar
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Supt. of Surveys
 2021-12-13

මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Approved By K.A.D.S. Gunasekera
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 Snr. Supt. of Surveys
 මාපිටියේ අන්තර්ගතය මාපිටියේ අන්තර්ගතය
 On behalf of the Surveyor General

671100 N

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වෙස්ට් ඉන්දියානු ග්‍රාමය

දකුණු පළාතේ මහලංකා විද්‍යා පිළිවෙල G.N. Division
 දකුණු පළාතේ මහලංකා විද්‍යා පිළිවෙල D.S. Division
 දකුණු පළාතේ මහලංකා විද්‍යා පිළිවෙල District
 පළාත මහලංකා Province

- Nedunkuda

- No 229A, Chalna Bay
 - Trincomalee Town & Gravets
 - Trincomalee
 - Eastern



**ශ්‍රී ලංකා මහලංකා විද්‍යා පිළිවෙල
 මහලංකා නිල මැසුමේ කාර්යාලය
 Sri Lanka Survey Department**

අංක 13 වන පිටුවේ මිලි මිටර් මාපයේ T.L. Page No
 45
 මෙහි අංක සටහන මට්ටම Plan No
 13
 මෙහි අංක කොටස මට්ටම Block No
 14
 මෙහි අංක කොටස මට්ටම Sup No
 13
 මෙහි අංක කොටස මට්ටම Inset No
 13
 මෙහි අංක කොටස මට්ටම Sheet No
 13

මෙහි අංක කොටස මට්ටම No :- TRU/DSO/2021/255

අරමුණ මෙහෙයුම Purpose :-

මෙහි අංක කොටස මට්ටම මෙහි අංක කොටස මට්ටම Client Requisition No :- The Divisional Secretary (Trincomalee Town & Gravets)'s No. DS/TC/SR/2021/65 dated 2021-11-13

ලොට් අංකය Lot No	මෙහි අංක කොටස මට්ටම Sublot (Ha - 3,671 Acres)					මෙහි අංක කොටස මට්ටම Name of Land	මෙහි අංක කොටස මට්ටම Present Land Use	මෙහි අංක කොටස මට්ටම Claimant	මෙහි අංක කොටස මට්ටම Reason for Survey	මෙහි අංක කොටස මට්ටම Details of Boundaries				මෙහි අංක කොටස මට්ටම Previous Lot References
	Ha	Dec	A	R	P (sqm)					උතුරු North	පුතුරු East	දකුණු South	මෙහි අංක කොටස මට්ටම West	
192	10.5476		26	1	9.8	Nedunkudakadu	Garden contains 15 oil tanks, fuel lines, permanent buildings, roads and paths.	State	Required for suitable action	Chinnavadi Village (FVPs) and Lots 176 and 180	Lots 176, 180 and 193	Lots 193 and 154 and Road (RDA)	Lots 193 and 154, Road (RDA) and Chinnavadi Village	Part of Lot 181
193	0.8218		2	0	4.9	Nedunkudakadu	Road	State						Part of Lot 181
194	8.8134		21	3	4.6	Nedunkudakadu	Garden and Forest contains roads, paths and two permanent buildings	State	Required for suitable action	Lots 193 and 180	Lot 141	Lots 172, 183, 141, 179 and 185	Lots 157, 156, 70, 154 and 193	Part of Lot 181 and Lot 182
Grand Total	20.2828									see lots 181, 182 page 40 (Extent amended from 20.2889ha to 20.2828ha after Re-survey and Re-digital computation)				

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මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Boundaries Pointed out by

D.P.Prasath Sanjeeva, Grama Niladhari of Kavattitoda, Division No.229 D, F.I.Sajan, Field Instructor, Trincomalee and Gajan Wijeloon, Engineering & Premises Manager, Ceylon Petroleum Corporation.

මෙහි අංක කොටස මට්ටම 21554
 මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Field Book No.3

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Boundaries Pointed out to

D.P.Prasath Sanjeeva, Grama Niladhari of Kavattitoda, Division No.229 D, F.I.Sajan, Field Instructor, Trincomalee and Gajan Wijeloon, Engineering & Premises Manager, Ceylon Petroleum Corporation.

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Surveyed and Drawn by

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 S.Vinothkanth

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Registered Government Surveyor

From - 2021 December 30 මෙහි අංක කොටස මට්ටම To - 2021 December 31 මෙහි අංක කොටස මට්ටම

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Checked by

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Subramaniam Kathiakumar

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Supt. of Surveys
 2021.12.13

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Approved By

Handwritten signature
 K.A.D.S.Gunasekera

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Snt. Supt. of Surveys

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 On behalf of the Surveyor General

මෙහි අංක කොටස මට්ටම
 මෙහි අංක කොටස මට්ටම
 Trincomalee

20.21.12.13

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විද්‍යා මිණිමේදයේ මාපිත අංකය
 විද්‍යා මිණිමේදයේ මාපිත අංකය
 විද්‍යා මිණිමේදයේ මාපිත අංකය
 විද්‍යා මිණිමේදයේ මාපිත අංකය



ශ්‍රී ලංකා විද්‍යා මිණිමේදය
 Sri Lanka Survey Department

මෙහි මාපිත අංකය 1:4000
 මෙහි මාපිත අංකය 1:4000
 මෙහි මාපිත අංකය 1:4000

විද්‍යා මිණිමේදයේ මාපිත අංකය	Section 1 of E section
විද්‍යා මිණිමේදයේ මාපිත අංකය	Thalbhoy
විද්‍යා මිණිමේදයේ මාපිත අංකය	No 227A, Challo P.S.
විද්‍යා මිණිමේදයේ මාපිත අංකය	Trincomalee Town & District
විද්‍යා මිණිමේදයේ මාපිත අංකය	Trincomalee
විද්‍යා මිණිමේදයේ මාපිත අංකය	District

විද්‍යා මිණිමේදයේ මාපිත අංකය Legend

L	Landmark
RL	Rock Landmark
U	Unfinished

විද්‍යා මිණිමේදයේ මාපිත අංකය
 National Map Reference
 2271, 2288, 2284
 Surveyed and drawn by
 K. Inthayari, K. Thangaraja, S. Venkatesh K.S.P.

Government Survey

From: 2021 November 20 To: 2021 December 20

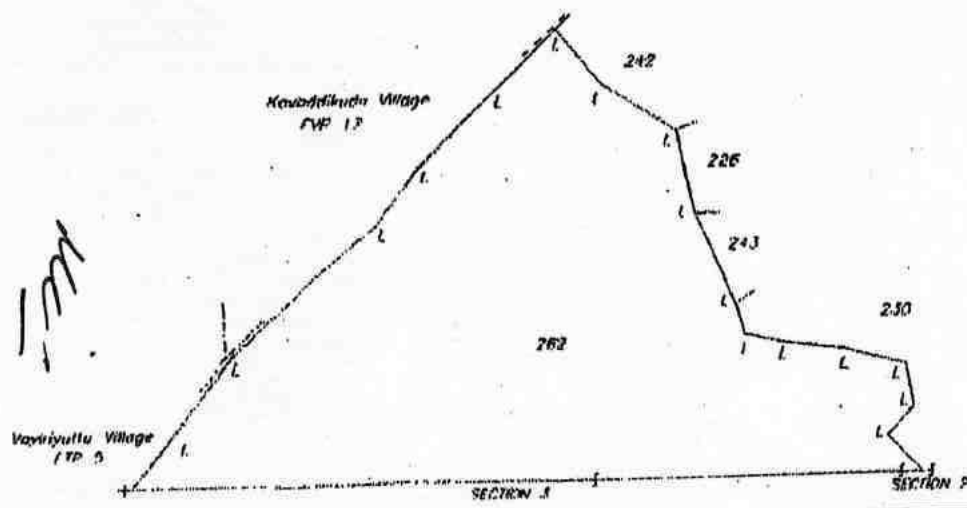
Checked by
 Subramaniam Kalitaraman

Supdt of Surveys
 2021-12-13

Approved By
 K.A.H.S. Gunasekera

Trincomalee
 S.A.L./M.E./L.S.

On behalf of the Surveyor General



ඉහළ පියවර සමාජයේ මාපිලි කිරීමේ අංකය: FVP 11
 ඉහළ පියවර සමාජයේ මාපිලි කිරීමේ අංකය: 11
 ඉහළ පියවර සමාජයේ මාපිලි කිරීමේ අංකය: 11
 ඉහළ පියවර සමාජයේ මාපිලි කිරීමේ අංකය: 11



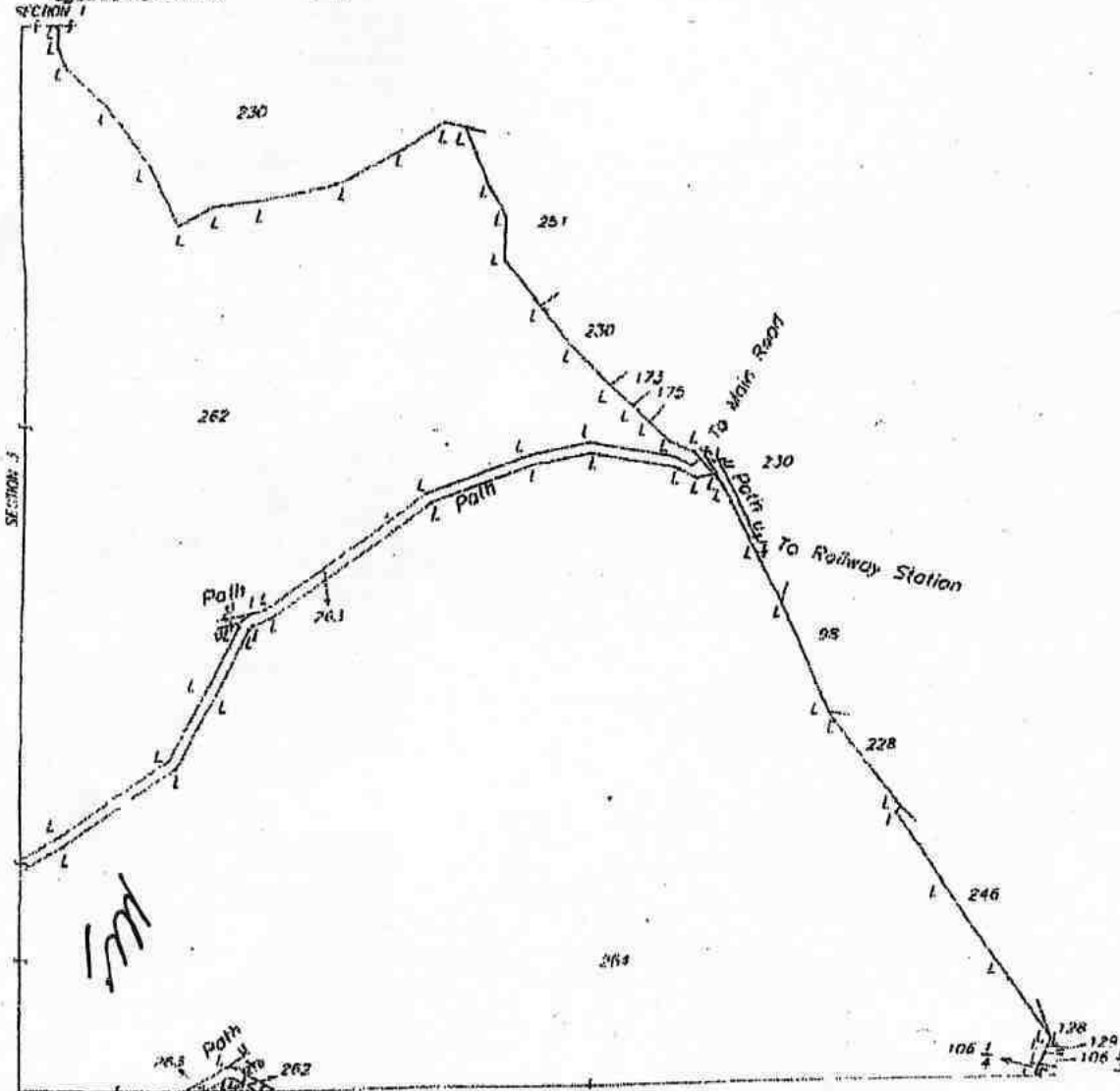
ශ්‍රී ලංකා මිණිවැටුම් දෙපාර්තමේන්තුව
 Sri Lanka Survey Department

මෙහි මාපිලි කිරීමේ අංකය: Scale 1:4000
 මෙහි මාපිලි කිරීමේ අංකය: Scale applies to reduced only

මෙහි මාපිලි කිරීමේ අංකය: Section 2 of 6 sheets
 මෙහි මාපිලි කිරීමේ අංකය: Trincomalee District
 මෙහි මාපිලි කිරීමේ අංකය: Trincomalee District
 මෙහි මාපිලි කිරීමේ අංකය: Trincomalee District

මෙහි මාපිලි කිරීමේ අංකය Legend

L Landmark
 LL Rock Landmark
 LL Undefined



මෙහි මාපිලි කිරීමේ අංකය: 23/1
 මෙහි මාපිලි කිරීමේ අංකය: National Map Reference
 මෙහි මාපිලි කිරීමේ අංකය: 2577, 2583, 2584
 මෙහි මාපිලි කිරීමේ අංකය: Field Book No
 මෙහි මාපිලි කිරීමේ අංකය: Kithyasiri K. Tharshila
 මෙහි මාපිලි කිරීමේ අංකය: K. S. Jayasinghe

මෙහි මාපිලි කිරීමේ අංකය: 2021 November 22 දිනට
 මෙහි මාපිලි කිරීමේ අංකය: 2021 December 22 දිනට
 මෙහි මාපිලි කිරීමේ අංකය: Kithyasiri K. Tharshila
 මෙහි මාපිලි කිරීමේ අංකය: 2021-12-23

මෙහි මාපිලි කිරීමේ අංකය: See Section 1
 මෙහි මාපිලි කිරීමේ අංකය: N.A.H. S. Gunasekera
 මෙහි මාපිලි කිරීමේ අංකය: Trincomalee District
 මෙහි මාපිලි කිරීමේ අංකය: Trincomalee District

Handwritten notes: 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200

අලුත් කළ යුතු සටහනේ අංකය (Plan No) :- FVP18
අලුත් කළ යුතු ප්ලාන් අංකය (Plan No) :- 0
අලුත් කළ යුතු ප්ලාන් අංකය (Plan No) :-
අලුත් කළ යුතු ප්ලාන් අංකය (Plan No) :- 17



ශ්‍රී ලංකා මිණිමැදුරේ දෙපාර්තමේන්තුව
இலங்கை நில அளவைத் திணைக்களம்
Sri Lanka Survey Department

මෙහි ඇති සියලුම මාපයන්
මෙහි ඇති සියලුම මාපයන්
මෙහි ඇති සියලුම මාපයන්
Scale applicable to original only

ප්ලාන් අංකය (Plan No) :- FVP18
ප්ලාන් අංකය (Plan No) :- 0
ප්ලාන් අංකය (Plan No) :-
ප්ලාන් අංකය (Plan No) :- 17

Vaynayattu Village
FIP 5

262

SECTION 1

SECTION 2

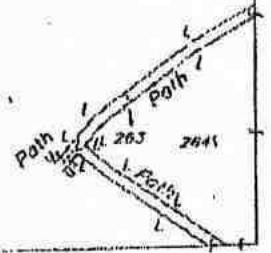
SECTION 3

සටහනේ විශේෂ ලකුණු
L - Landmark
RI - Brick Landmark
U - Undefined

සටහනේ විශේෂ ලකුණු
National Map Reference
Field Book Nos
Surveyed and Drawn by
Government Surveyors

From 2021 November 01 To 2021 December 31
Checked by
Subramaniam Subramaniam
Surveyor
2021-12-15

Approved By
Sr. Supt. of Surveys
On behalf of the Surveyor General



N
S

විද්‍යා මණ්ඩලයේ, මෙහි Plan No. ... PVP 18
 මෙහි මට්ටම පිළිවෙලින් මෙහි No. ... 11
 මෙහි මට්ටම මෙහි මට්ටම මෙහි No. ... 12
 මෙහි මට්ටම මෙහි මට්ටම



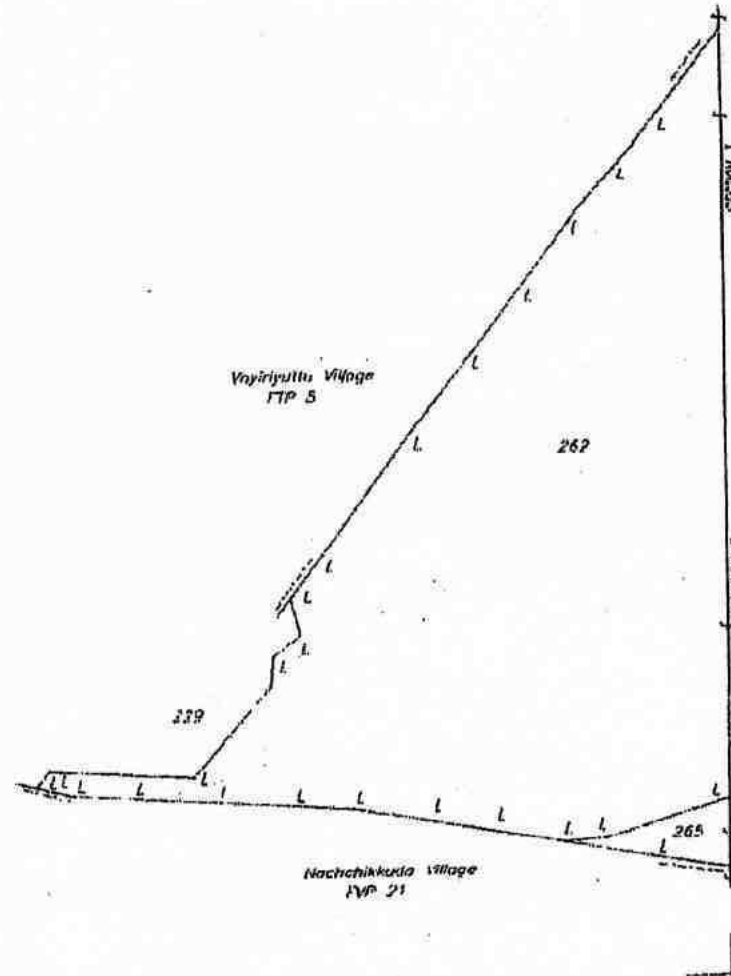
ශ්‍රී ලංකා මහජනරජයේ ඉංජිනේරු මණ්ඩලය
 இலங்கை நில அளவைத் திணைக்களம்
 Sri Lanka Survey Department

මෙහි මට්ටම, Scale 1 : 4000
 මෙහි මට්ටම මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම Legend

L Landmark
 RL Rock Landmark
 U Undefined



මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

මෙහි මට්ටම මෙහි මට්ටම
 මෙහි මට්ටම මෙහි මට්ටම

Handwritten initials: WU

Handwritten initials: AS

මෙහි ඇති සියලුම මාපිත අංකයන්: මෙහි Plan No: T.V.P. 111
 ආවේණික අංකය: මෙහි මාපිත අංකය: මෙහි Map No: 0
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: 17



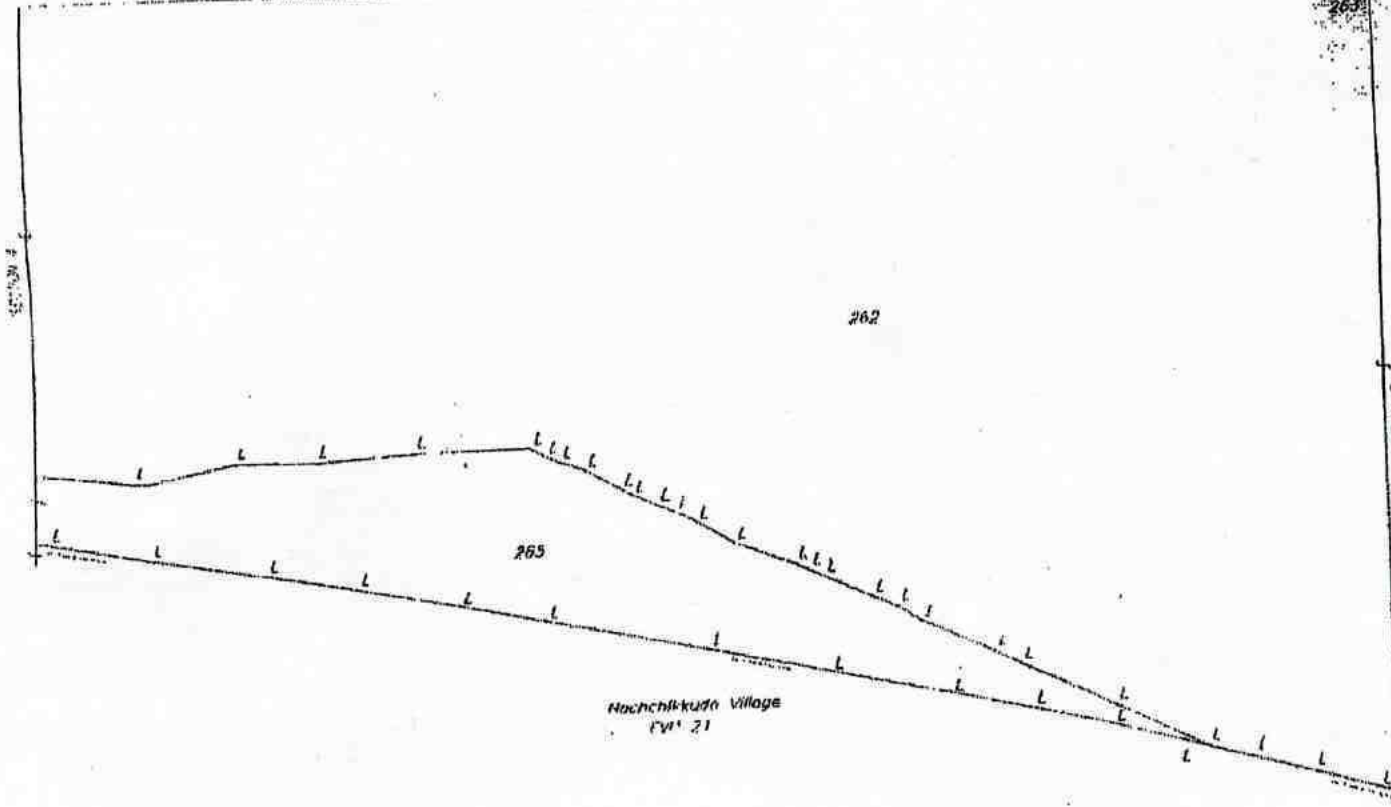
ශ්‍රී ලංකා මහජනරජයේ භූමි මාපිත දෙපාර්තමේන්තුව
 இலங்கை நில அளவைத் திணைக்களம்
 Sri Lanka Survey Department

මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: 1:4000
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

SECTION 1

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මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: 25/1
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: 2571, 2584, 2586
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...
 මෙහි මාපිත අංකය: මෙහි මාපිත අංකය: මෙහි Map No: ...

Handwritten notes and signatures in the bottom left corner, including 'H.C.' and other illegible marks.

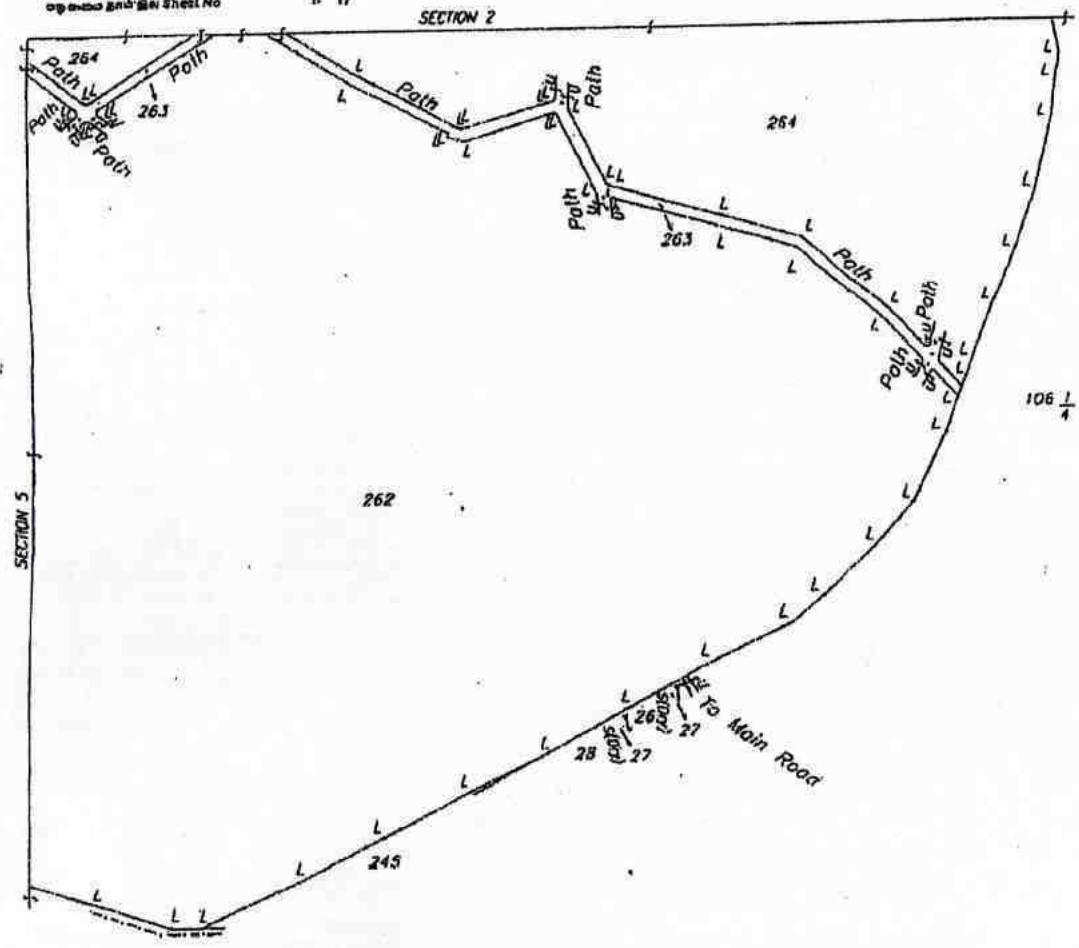
ව්‍යුහගත කෙරුණු ප්‍රස්ථාපයේ අංකය (Plan No) : FVP 18
 අවසන් අංකය වන ප්‍රස්ථාපයේ අංකය (Sup No) : 11
 අවසන් ව්‍යුහගත කෙරුණු ප්‍රස්ථාපයේ අංකය (Sheet No) : 17



ශ්‍රී ලංකා මහජන ජනරජයේ මහජන
 මැණිකාලයේ මහජන මැණිකාලයේ
Sri Lanka Survey Department

මෙහි මාපය (Scale) : 1 : 4000
 මෙහි මාපය පමණක් වලංගු වේ
 මෙහි මාපය පමණක් වලංගු වේ
 Scale applies to original only

මෙහි මාපය (Scale) : 1 : 4000
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 මෙහි මාපය පමණක් වලංගු වේ
 Scale applies to original only



Nachchikkuda Village
 FVP 21

මෙහි මාපය පමණක් වලංගු වේ

L Landmark
 RL Rock Landmark
 U Unlined

මෙහි මාපය පමණක් වලංගු වේ
 මෙහි මාපය පමණක් වලංගු වේ
 Scale applies to original only

From : 2021 November 05 මුද්‍රණය : 2021 December 05
 මෙහි මාපය පමණක් වලංගු වේ
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 Scale applies to original only

මෙහි මාපය පමණක් වලංගු වේ
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 Scale applies to original only

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 40
 40

STATE LANDS ORDINANCE, NO. 8 OF 1947

LEASE OF STATE LAND FOR THE PURPOSE OF DEVELOPING THE LOWER TANK FARM OF THE CHINA BAY OIL TANK FARM

I, **GOTABAYA RAJAPAKSA** President of the Government of Democratic Socialist Republic of Sri Lanka (hereinafter called "the lessor" which expression shall mean the said President and shall include his/her successors in office for the time being) acting herein under the provisions of section 2 of the State Lands Ordinance, No. 8 of 1947, and the regulations framed thereunder, do hereby lease the State land described in Schedule "A" hereto (hereinafter referred to as "the land") to **Lanka IOC PLC** a company incorporated in the Democratic Socialist Republic of Sri Lanka bearing registration No. PQ 179 and having its registered office at Level 20, West Tower, World Trade Centre, Echelon Square, Colombo 01 (hereinafter called the "lessee", which expression shall include its successors and permitted assignees) for a term of **fifty (50) years** commencing from the **Sixth day of January 2022** subject to the terms and conditions in Schedule "B".

SCHEDULE A

All allotment of State land called **Nedunkuda** Situated in the village of **Nedunkuda** in **No. 229A, Chaina Bay** Grama Niladhari Division in the **Trincomalee Town and Gravets** Divisional Secretary's Division of the **Trincomalee** District of the **Eastern** Province, and depicted as lot **192** in **FVP 19 Sup No. 14** in Field Sheet No. **19** caused to be prepared by the Surveyor-General and kept in his charge and computed to contain **Ten and Six thousand Four hundred Seventy Six of ten- thousandths of hectare (10. 6476 Ha.)** in extent and bounded as follows:-

North : Chinanvadi village (FVP 18) and Lots 176 and 180

East : Lots 176, 180 and 193

South : Lots 193 and 154 and Road (RDA)

West : Lots 193 and 154, Road (RDA) and Chinanvadi Village

(Plan/Diagram No. L/275)

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SCHEDULE B

1) The lessee shall pay a yearly rent in the following manner in advance to the lessor or its nominee, [Department of Treasury Operation] on **Sixth day of January** in each year, commencing from the date of execution of the lease, in the manner morefully set out in the agreement executed by the Government of Sri Lanka, Ceylon Petroleum Corporation ("CPC"), the lessee and Trinco Petroleum Terminal (Pvt) Ltd ("JVC") on **Sixth day of January 2022**, in relation to the modalities for the possession, development and use of the China Bay Oil Tank Farm by CPC, LIOC, and JVC ("**Modalities Agreement**"), namely,

- (a) subject to paragraphs (c) and (d) below, the yearly rental shall be calculated at the rate of **US\$ One Thousand (US\$ 1,000.00) per Storage Tank per annum** and a proportionate sum out of a further sum of United States Dollars One Thousand (US\$ 1,000.00) for ancillary facilities (which shall be shared by CPC, the lessee and the JVC in proportion to the number of Storage Tanks in their possession under the State leases granted to each) ("**Annual Rental**");
- (b) accordingly, the Annual Rental for the first year from the date of execution of the lease shall be **United States Dollars fourteen thousand one hundred and forty one (US\$ 14,141.00)**;
- (c) for the second year from the date of execution of the State Leases, the rental of the Storage Tank per annum referred to in paragraph (a) above shall be increased on the basis of inflation in the USA between 2003 and 2021. The price index to be used for calculating the US inflation for this period shall be as set out in paragraph (d) below and the inflation chart with the applicable percentage of increase is annexed to the Modalities Agreement as Annex 6;
- (d) the Annual Rental shall be adjusted based on the rental of the Storage Tank per annum being revised automatically once in every five (5) years commencing from the second year from the date of execution of the lease, based on the cumulative rate of inflation considering the Core Personal Consumption Expenditures price index issued by the Bureau of Economic Analysis under the United States Department of Commerce, for the preceding five (5) years, provided however, any increase of the Annual Rental shall not exceed ten percent (10%) of the Annual Rental last paid to GOSL. Accordingly, for the avoidance of doubt, the Annual rental for the second, third, fourth, fifth and sixth years shall be calculated as stated in paragraph (c) above and the Annual Rental for the seventh year shall be calculated in terms of this paragraph.

- 2) Without prejudice to the provisions contained in clause 19 of this Schedule, if the rent payable for any year is not paid in full on the date on which such rent falls due, the lessee shall pay interest at the rate of 10 percent per annum on such outstanding rent or any part thereof until such rent or part is paid in full.
- 3) The lessee shall pay all assessment rates and taxes whatsoever payable in respect of the land and all improvements thereto.
- 4) The lessee shall, within a period of five years from the date of commencement of this lease, at its own cost, and in accordance with the purpose stated in clause 8 of this Schedule and as morefully set out in the Modalities Agreement, develop the land to the satisfaction of the Land Commissioner General. Provided that, the period specified herein, may be extended when requested by the lessee to complete such development.
- 5) The lessee shall at all times during the term of this lease keep at its own expense the said land and all additions thereto including the oil storage tanks in good repair to the satisfaction of the Land Commissioner General.
- 6) The lessee shall permit the Land Commissioner General or any officer authorised by him in writing to enter upon the land at any time deemed reasonable in the daytime and inspect the development thereto, with prior written notice of 24 hours.
- 7) The lessee shall confine the operations of the land to the purpose set out in clause 8 of this Schedule and the Modalities Agreement. The Land Commissioner General or any other relevant authority shall monitor the purpose for which the land is leased.
- 8) The lessee shall not use the land, oil storage tanks thereon and the buildings thereon, or any part thereof for any purpose whatsoever other than for energy, hydrocarbon, petrochemicalsrelated projects including development, maintenance, utilisation of oil storage facilities on the landand projects connected or incidental theretoand existing businesses being carried out by the lessee on the land, including in relation to lubricants and greases.

For the avoidance of doubt, the lessee shall have the right to use and develop existing permanent fixtures, allied infrastructure and facilities on the land and/or to develop separate and independent permanent fixtures and allied infrastructure and facilities on the land, for the purposes referred to above.

- 9) The lessee may with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, sub-let, sub-lease, assign and dispose of its leasehold interest in the land or any part or portion thereof to a wholly owned subsidiary of the lessee.

- 10) The lessee shall not, without the prior written consent of the Divisional Secretary, or otherwise than in accordance with the conditions of such consent, fell, remove or sell or dispose of any earth, cabook, clay, gravel, sand, trees of timber value, forest produce from the land.
- 11) The lessee shall not, without first obtaining from the prescribed officer a grant or license in that behalf search for, dig for, or carry away any mineral, mineral product or mineral oil in or from the land.
- 12) The lessee shall be entitled with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, to mortgage the leasehold rights for obtaining financial assistance required for the development of the said land from licensed commercial banks or licensed specialised bank as defined in the Banking Act No. 30 of 1988 (as amended) or a statutorily established financial organisation situated within Sri Lanka. In the event the lessee mortgages the leasehold rights it shall immediately inform the lessor of such fact and furnish the lessor with all details pertaining to the said mortgage. Such mortgage shall be subject to restrictions placed on a party other than CPC, the lessee or the JVC from having any direct, indirect or beneficial interest of any nature whatsoever in respect of the China Bay Oil Tank Farm as morefully set out in the Modalities Agreement, unless CPC, the lessee and the JVC expressly agree in writing to waive such restriction. If the interest of the lessee herein is seized or sold in execution of a decree under debt recovery provisions in the law against the lessee or in the execution of powers vested in such licensed commercial bank or licensed specialised bank or financial institution by statute which has an interest in the land as set out above, the lessor may be entitled to terminate this lease agreement. However, the lessor will at the request in writing of such financial institution, execute a fresh lease agreement for the remaining period of this agreement on the same terms and conditions as this agreement pertaining to the said land to a person selected by such financial institution subject to the restriction above mentioned and approved by the lessor, which approval shall not be unreasonably withheld.
- 13) The lessee shall during the term of this lease keep at its own expense the landmarks that define the boundaries of the land in good repair.
- 14) The rights hereby conveyed to the lessee are subject to any right of way or other servitude existing over the land at the date of commencement of this lease and the rights morefully set out under clause 1.2 of the Modalities Agreement.
- 15) On the expiry or earlier termination of this lease under Clauses 12 and 19, the lessee shall surrender to the lessor the land with all buildings and oil storage tanks therein, and

additional, improvements and fixtures thereto in such repair and conditions as shall be in accordance with the covenants in this lease contained (due allowance being made for fair wear and tear).

- 16) The lessee shall not be entitled on such surrender as aforesaid to claim any payment of compensation for any improvements whatsoever effected to the land or buildings or on any other account whatsoever.
- 17) The lessee paying the annual rentals by the due dates as and when the same fall due as herein set out and observing and performing all and singular the covenants and obligations on the part of the lessee herein contained shall peacefully and quietly possess and enjoy the land and carry out and develop the land in accordance with and in conformity with the provisions hereof.
- 18) If there shall be any breach or non-observance of any of the lessee's covenants herein contained, the lessee shall be granted a period of three (3) months, as may be notified in writing by the Lessor to the Lessee, to rectify such breach or non-observance.
- 19) This lease may be terminated with three month's prior written notice of termination in the event the lessee fails to pay rent as morefully set out in this Schedule, subject to clause 18 of this Schedule and/or a Force Majeure Event, as morefully set out in the Modalities Agreement, which shall be applicable to this lease.
- 20) This lease shall be read together with provisions set out in the Modalities Agreement and any matters relating to the possession, development and use of the land and fixtures thereon, which are not covered in this lease shall be covered by provisions set out in the Modalities Agreement. In the event of any conflict between the conditions set out in this Schedule and the provisions set out in the Modalities Agreement, the provisions set out in the Modalities Agreement shall prevail.

.....
Signature of the Lessor

I CERTIFY under section 23(2) of the State Lands Ordinance, No. 8 of 1947, that the above Facsimile of the President's signature Was stamped hereon in my presence

At.....

This.....

Day of.....

Two thousand and.....

.....
Signature of the Lessee

.....
Secretary to the President

Witnesses to the Signature of the Lessee:

1.

2.

Signed at Colombo

This Sixth day of January Year Two Thousand and Twenty Two

STATE LANDS ORDINANCE, NO. 8 OF 1947

LEASE OF STATE LAND FOR THE PURPOSE OF DEVELOPING TWENTY-FOUR STORAGE TANKS AND PERTAINING LAND IN THE UPPER TANK FARM OF THE CHINA BAY OIL TANK FARM

I, **GOTABAYA RAJAPAKSA** President of the Government of Democratic Socialist Republic of Sri Lanka (hereinafter called "the lessor" which expression shall mean the said President and shall include his/her successors in office for the time being) acting herein under the provisions of section 2 of the State Lands Ordinance, No. 8 of 1947, and the regulations framed thereunder, do hereby lease the State land described in Schedule "A" hereto (hereinafter referred to as "the land") to the **Ceylon Petroleum Corporation**, a body duly constituted by the Ceylon Petroleum Corporation Act No. 28 of 1961 and having its principal place of business at No. 609, Dr. Danister De Silva Mawatha, Colombo 09 in the said Republic (hereinafter referred to as the "lessee" which term or expression as herein used shall mean and include the said Ceylon Petroleum Corporation, its successors and permitted assigns) for a term of **fifty (50) years** commencing from the **Sixth day of January 2022** subject to the terms and conditions in Schedule "B".

SCHEDULE A

All allotment of State land called **Chainanvadikadu** Situated in the village of **Chinanvadi** in **No. 229 A, Chaina Bay** Grama Niladhari Division in the **Trincomalee Town and Gravets** Divisional Secretary's Division of the **Trincomalee** District of the **Eastern** Province, and depicted as lot **264** in **FVP 18 Sup No. 9** in Field Sheet No.17 caused to be prepared by the Surveyor-General and kept in his charge and computed to contain **Fifty and one thousand thirty one of ten- thousandths of a hectare (50.1031Ha.)** in extent and bounded as follows:-

North : Lots 263, 230, 98 228 and 246

East : Lots 230, 98, 228, 246, 128, 129, 106 1/3 and 106 ¼

South : Lots 129, 106 1/3, 106 ¼ and 263

West : Lot 263

(Plan/Diagram No. **L/3/274**)

additional, improvements and fixtures thereto in such repair and conditions as shall be in accordance with the covenants in this lease contained (due allowance being made for fair wear and tear).

- 16) The lessee shall not be entitled on such surrender as aforesaid to claim any payment of compensation for any improvements whatsoever effected to the land or buildings or on any other account whatsoever.
- 17) The lessee paying the annual rentals by the due dates as and when the same fall due as herein set out and observing and performing all and singular the covenants and obligations on the part of the lessee herein contained shall peacefully and quietly possess and enjoy the land and carry out and develop the land in accordance with and in conformity with the provisions hereof.
- 18) If there shall be any breach or non-observance of any of the lessee's covenants herein contained, the lessee shall be granted a period of three (3) months, as may be notified in writing by the Lessor to the Lessee, to rectify such breach or non-observance.
- 19) This lease may be terminated with three month's prior written notice of termination in the event the lessee fails to pay rent as morefully set out in this Schedule, subject to clause 18 of this Schedule and/or a Force Majeure Event, as morefully set out in the Modalities Agreement, which shall be applicable to this lease.
- 20) This lease shall be read together with provisions set out in the Modalities Agreement and any matters relating to the possession, development and use of the land and fixtures thereon, which are not covered in this lease shall be covered by provisions set out in the Modalities Agreement. In the event of any conflict between the conditions set out in this Schedule and the provisions set out in the Modalities Agreement, the provisions set out in the Modalities Agreement shall prevail.

.....
Signature of the Lessor

I CERTIFY under section 23(2) of the State Lands Ordinance, No. 8 of 1947, that the above Facsimile of the President's signature Was stamped hereon in my presence

At.....

This.....

Day of.....

Two thousand and.....

.....
Signature of the Lessee

.....
Secretary to the President

Witnesses to the Signature of the Lessee:

1.

2.

Signed at Colombo

This Sixth day of January Year Two Thousand and Twenty Two

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SCHEDULE B

- 1) The lessee shall pay a yearly rent in the following manner in advance to the lessor or its nominee, [Department of Treasury Operation] on sixth day of January in each year, commencing from the date of execution of the lease, in the manner morefully set out in the agreement executed by the Government of Sri Lanka, the lessee, Lanka IOC PLC ("LIOC") and Trinco Petroleum Terminal (Pvt) Ltd ("JVC") on Sixth day of January 2022, in relation to the modalities for the possession, development and use of the China Bay Oil Tank Farm by the lessee, LIOC, and JVC ("**Modalities Agreement**"), namely,
 - (a) Subject to paragraphs (c) and (d) below, the yearly rental shall be calculated at the rate of US\$ One Thousand (US\$ 1,000.00) per Storage Tank per annum and a proportionate sum out of a further sum of US\$ One Thousand (US\$ 1,000.00) for ancillary facilities (which shall be shared by the lessee, LIOC and the JVC in proportion to the number of Storage Tanks in their possession under the State leases granted to each) ("**Annual Rental**");
 - (b) Accordingly, the Annual Rental for the first year from the date of execution of the lease shall be United States Dollars twenty four thousand two hundred and forty two (US\$ 24, 242.00);
 - (c) For the second year from the date of execution of the State Leases, the rental of the Storage Tank per annum referred to in paragraph (a) above shall be increased on the basis of inflation in the US between 2003 and 2021. The price index to be used for calculating the US inflation for this period shall be as set out in paragraph (d) below and the inflation chart with the applicable percentage of increase is annexed to the Modalities Agreement as Annex 6;
 - (d) The Annual Rental shall be adjusted based on the rental of the Storage Tank per annum being revised automatically once in every five (5) years commencing from the second year from the date of execution of the lease, based on the cumulative rate of inflation considering the Core Personal Consumption Expenditures price index issued by the Bureau of Economic Analysis under the United States Department of Commerce, for the preceding five (5) years, provided however, any increase of the Annual Rental shall not exceed ten percent (10%) of the Annual Rental last paid to GOSL. Accordingly, for the avoidance of doubt, the Annual rental for the second, third, fourth, fifth and sixth years shall be calculated as stated in paragraph (c) above and the Annual Rental for the seventh year shall be calculated in terms of this paragraph.
- 2) Without prejudice to the provisions contained in clause 19 of this Schedule, if the rent payable for any year is not paid in full on the date on which such rent falls due, the lessee shall pay

interest at the rate of 10 percent per annum on such outstanding rent or any part thereof until such rent or part is paid in full.

- 3) The lessee shall pay all assessment rates and taxes whatsoever payable in respect of the land and all improvements thereto.
- 4) The lessee shall, within a period of five years from the date of commencement of this lease, at its own cost, and in accordance with the purpose stated in clause 8 of this Schedule and as morefully set out in the Modalities Agreement, develop the land to the satisfaction of the Land Commissioner General. Provided that, the period specified herein, may be extended when requested by the lessee to complete such development.
- 5) The lessee shall at all times during the term of this lease keep at its own expense the said land and all additions thereto including the oil storage tanks in good repair to the satisfaction of the Land Commissioner General.
- 6) The lessee shall permit the Land Commissioner General or any officer authorised by him in writing to enter upon the land at any time deemed reasonable in the daytime and inspect the development thereto, with prior written notice of 24 hours.
- 7) The lessee shall confine the operations of the land to the purpose set out in clause 8 of this Schedule and the Modalities Agreement. The Land Commissioner General or any other relevant authority shall monitor the purpose for which the land is leased.
- 8) The lessee shall not use the land, oil storage tanks thereon and the buildings thereon, or any part thereof for any purpose whatsoever other than for energy, hydrocarbon, petrochemicals related projects and storing water, including development, maintenance, utilisation of oil storage facilities on the land and projects connected or incidental thereto.

For the avoidance of doubt, the lessee shall have the right to use and develop existing permanent fixtures, allied infrastructure and facilities on the land and/or to develop separate and independent permanent fixtures and allied infrastructure and facilities on the land, for the purposes referred to above.

- 9) The lessee may with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, sub-let, sub-lease, assign and dispose of its leasehold interest in the land or any part or portion thereof to a wholly owned subsidiary of the lessee.
- 10) The lessee shall not, without the prior written consent of the Divisional Secretary, or otherwise than in accordance with the conditions of such consent, fell, remove or sell or dispose of any earth, cabook, clay, gravel, sand, trees of timber value, forest produce from the land.
- 11) The lessee shall not, without first obtaining from the prescribed officer a grant or license in that behalf search for, dig for, or carry away any mineral, mineral product or mineral oil in or from the land.
- 12) The lessee shall be entitled with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, to mortgage the leasehold rights for obtaining

financial assistance required for the development of the said land from licensed commercial banks or licensed specialised bank as defined in the Banking Act No. 30 of 1988 (as amended) or a statutorily established financial organisation situated within Sri Lanka. In the event the lessee mortgages the leasehold rights it shall immediately inform the lessor of such fact and furnish the lessor with all details pertaining to the said mortgage. Such mortgage shall be subject to restrictions placed on a party other than the lessee, LIOC or the JVC from having any direct, indirect or beneficial interest of any nature whatsoever in respect of the China Bay Oil Tank Farm as morefully set out in the Modalities Agreement, unless the lessee, LIOC and the JVC expressly agree in writing to waive such restriction. If the interest of the lessee herein is seized or sold in execution of a decree under debt recovery provisions in the law against the lessee or in the execution of powers vested in such licensed commercial bank or licensed specialised bank or financial institution by statute which has an interest in the land as set out above, the lessor may be entitled to terminate this lease agreement. However, the lessor will at the request in writing of such financial institution, execute a fresh lease agreement for the remaining period of this agreement on the same terms and conditions as this agreement pertaining to the said land to a person selected by such financial institution subject to the restriction above mentioned and approved by the lessor, which approval shall not be unreasonably withheld.

- 13) The lessee shall during the term of this lease keep at its own expense the landmarks that define the boundaries of the land in good repair.
- 14) The rights hereby conveyed to the lessee are subject to any right of way or other servitude existing over the land at the date of commencement of this lease and the rights morefully set out under clause 1.2 of the Modalities Agreement.
- 15) On the expiry or earlier termination of this lease under Clauses 12 and 19, the lessee shall surrender to the lessor the land with all buildings and oil storage tanks therein, and additional, improvements and fixtures thereto in such repair and conditions as shall be in accordance with the covenants in this lease contained (due allowance being made for fair wear and tear).
- 16) The lessee shall not be entitled on such surrender as aforesaid to claim any payment of compensation for any improvements whatsoever effected to the land or buildings or on any other account whatsoever.
- 17) The lessee paying the annual rentals by the due dates as and when the same fall due as herein set out and observing and performing all and singular the covenants and obligations on the part of the lessee herein contained shall peacefully and quietly possess and enjoy the land and carry out and develop the land in accordance with and in conformity with the provisions hereof.
- 18) If there shall be any breach or non-observance of any of the lessee's covenants herein contained, the lessee shall be granted a period of three (3) months, as may be notified in writing by the Lessor to the Lessee, to rectify such breach or non-observance.

- 19) This lease may be terminated with three month's prior written notice of termination in the event the lessee fails to pay rent as morefully set out in this Schedule, subject to clause 18 of this Schedule and/or a Force Majeure Event, as morefully set out in the Modalities Agreement, which shall be applicable to this lease.
- 20) This lease shall be read together with provisions set out in the Modalities Agreement and any matters relating to the possession, development and use of the land and fixtures thereon, which are not covered in this lease shall be covered by provisions set out in the Modalities Agreement. In the event of any conflict between the conditions set out in this Schedule and the provisions set out in the Modalities Agreement, the provisions set out in the Modalities Agreement shall prevail.

.....

Signature of the Lessor

I CERTIFY under section 23(2) of the State Lands Ordinance, No. 8 of 1947, that the above Facsimile of the President's signature Was stamped hereon in my presence

At.....

This.....

Day of.....

Two thousand and.....

.....
Signature of the Lessee

.....
Secretary to the President

Witnesses to the Signature of the Lessee:

- 1.
- 2.

Signed at Colombo

This Sixth day of January Year Two Thousand and Twenty Two

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STATE LANDS ORDINANCE, NO. 8 OF 1947

LEASE OF STATE LAND FOR THE PURPOSE OF DEVELOPING SIXTY-ONE STORAGE TANKS AND PERTAINING LAND IN THE UPPER TANK FARM OF THE CHINA BAY OIL TANK FARM

I, **GOTABAYA RAJAPAKSA** President of the Government of Democratic Socialist Republic of Sri Lanka (hereinafter called "the lessor" which expression shall mean the said President and shall include his/her successors in office for the time being) acting herein under the provisions of section 2 of the State Lands Ordinance, No. 8 of 1947, and the regulations framed thereunder, do hereby lease the State land described in Schedule "A" hereto (hereinafter referred to as "the land") to **Trinco Petroleum Terminal (Pvt) Ltd** a company incorporated in the Democratic Socialist Republic of Sri Lanka bearing registration No. PV 00250578 and having its registered office at No. 609, Dr. Danister De Silva Mawatha, Colombo 09 (hereinafter called the "lessee", which expression shall include its successors and permitted assignees) for a term of **fifty (50) years** commencing from the **Sixth day of January 2022** subject to the terms and conditions in Schedule "B".

SCHEDULE A

All allotment of State land called **Chainanvadikadu** Situated in the village of **Chinanvadi** in No. **229A, Chaina Bay** Grama Niladhari Division in the **Trincomalee Town and Gravets** Divisional Secretary's Division of the **Trincomalee** District of the **Eastern** Province, and depicted as lot **262** in **FVP 18 Sup No. 9** in Field Sheet No. **17** caused to be prepared by the Surveyor-General and kept in his charge and computed to contain **Two hundred Sixty Four and Eight thousand Three Hundred Forty Five of ten- thousandths of a hectare (264.8345Ha.)** in extent and bounded as follows:-

North : Lots 229, Vayiriyuttu village (FTP 5), Kavaddikkuda village (FVP 17), Lots 242, 226, 243, 230, 251, 230, 173, 175 and 230

East : Lots 242, 226, 243, 230, 251, 230, 173, 175, 230 and 263

South : Lots 263, 106 $\frac{1}{4}$, 27, 26, 245, Nachchikkuda village (FVP 21), Lot 244 and Nachchikkuda village (FVP 21)

West : Lot 229, Vayiriyuttu village (FTP 5) and Kavaddikkuda village (FVP 17)

(Plan/Diagram No. L/3/273)

SCHEDULE B

1) The lessee shall pay a yearly rent in the following manner in advance to the lessor or its nominee, [Department of Treasury Operation] on **Sixth day of January** in each year, commencing from the date of execution of the lease, in the manner morefully set out in the agreement executed by the Government of Sri Lanka, Ceylon Petroleum Corporation ("CPC"), Lanka IOC PLC ("LIOC") and the lessee on **Sixth day of January 2022**, in relation to the modalities for the possession, development and use of the China Bay Oil Tank Farm by CPC, LIOC, and the lessee ("**Modalities Agreement**"), namely,

- (a) subject to paragraphs (c) and (d) below, the yearly rental shall be calculated at the rate of **US\$ One Thousand (US\$ 1,000.00) per Storage Tank per annum** and a proportionate sum out of a further sum of US\$ One Thousand (US\$ 1,000.00) for ancillary facilities (which shall be shared by CPC, LIOC and lessee in proportion to the number of Storage Tanks in their possession under the State leases granted to each) ("**Annual Rental**");
- (b) accordingly, the Annual Rental for the first year from the date of execution of the lease shall be **United States Dollars sixty one thousand six hundred and sixteen (US\$ 61,616.00)**;
- (c) for the second year from the date of execution of the State Leases, the rental of the Storage Tank per annum referred to in paragraph (a) above shall be increased on the basis of inflation in the USA between 2003 and 2021. The price index to be used for calculating the US inflation for this period shall be as set out in paragraph (d) below and the inflation chart with the applicable percentage of increase is annexed to the Modalities Agreement as Annex 6;
- (d) the Annual Rental shall be adjusted based on the rental of the Storage Tank per annum being revised automatically once in every five (5) years commencing from the second year from the date of execution of the lease, based on the cumulative rate of inflation considering the Core Personal Consumption Expenditures price index issued by the Bureau of Economic Analysis under the United States Department of Commerce, for the preceding five (5) years, provided however, any increase of the Annual Rental shall not exceed ten percent (10%) of the Annual Rental last paid to GOSL. Accordingly, for the avoidance of doubt, the Annual rental for the second, third, fourth, fifth and sixth years shall be calculated as stated in paragraph (c) above and the Annual Rental for the seventh year shall be calculated in terms of this paragraph.

2) Without prejudice to the provisions contained in clause 19 of this Schedule, if the rent payable for any year is not paid in full on the date on which such rent falls due, the lessee shall pay interest at the rate of 10 percent per annum on such outstanding rent or any part thereof until such rent or part is paid in full.

- 3) The lessee shall pay all assessment rates and taxes whatsoever payable in respect of the land and all improvements thereto.
- 4) The lessee shall, within a period of five years from the date of commencement of this lease, at its own cost, and in accordance with the purpose stated in clause 8 of this Schedule and as morefully set out in the Modalities Agreement, develop the land to the satisfaction of the Land Commissioner General. Provided that, the period specified herein, may be extended when requested by the lessee to complete such development.
- 5) The lessee shall at all times during the term of this lease keep at its own expense the said land and all additions thereto including the oil storage tanks in good repair to the satisfaction of the Land Commissioner General.
- 6) The lessee shall permit the Land Commissioner General or any officer authorised by him in writing to enter upon the land at any time deemed reasonable in the daytime and inspect the development thereto, with prior written notice of 24 hours.
- 7) The lessee shall confine the operations of the land to the purpose set out in clause 8 of this Schedule and the Modalities Agreement. The Land Commissioner General or any other relevant authority shall monitor the purpose for which the land is leased.
- 8) The lessee shall not use the land, oil storage tanks thereon and the buildings thereon, or any part thereof for any purpose whatsoever other than for energy, hydrocarbon, petrochemicals related projects and storage of any liquid item, including development, maintenance, utilisation of oil storage facilities on the land and projects connected or incidental thereto and any other projects that the lessee may lawfully undertake for its business.

For the avoidance of doubt, the lessee shall have the right to use and develop existing permanent fixtures, allied infrastructure and facilities on the land and/or to develop separate and independent permanent fixtures and allied infrastructure and facilities on the land, for the purposes referred to above.

- 9) The lessee may with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, sub-let, sub-lease, assign and dispose of its leasehold interest in the land or any part or portion thereof to a wholly owned subsidiary of the lessee.
- 10) The lessee shall not, without the prior written consent of the Divisional Secretary, or otherwise than in accordance with the conditions of such consent, fell, remove or sell or dispose of any earth, cabook, clay, gravel, sand, trees of timber value, forest produce from the land.
- 11) The lessee shall not, without first obtaining from the prescribed officer a grant or license in that behalf search for, dig for, or carry away any mineral, mineral product or mineral oil in or from the land.
- 12) The lessee shall be entitled with the prior written consent of the Land Commissioner General, who shall not unreasonably withhold such consent, to mortgage the leasehold rights for obtaining financial assistance required for the development of the said land from licensed commercial banks

or licensed specialised bank as defined in the Banking Act No. 30 of 1988 (as amended) or a statutorily established financial organisation situated within Sri Lanka. In the event the lessee mortgages the leasehold rights it shall immediately inform the lessor of such fact and furnish the lessor with all details pertaining to the said mortgage. Such mortgage shall be subject to restrictions placed on a party other than CPC, LIOC or the lessee from having any direct, indirect or beneficial interest of any nature whatsoever in respect of the China Bay Oil Tank Farms morefully set out in the Modalities Agreement, unless CPC, LIOC and the lessee expressly agree in writing to waive such restriction. If the interest of the lessee herein is seized or sold in execution of a decree under debt recovery provisions in the law against the lessee or in the execution of powers vested in such licensed commercial bank or licensed specialised bank or financial institution by statute which has an interest in the land as set out above, the lessor may be entitled to terminate this lease agreement. However, the lessor will at the request in writing of such financial institution, execute a fresh lease agreement for the remaining period of this agreement on the same terms and conditions as this agreement pertaining to the said land to a person selected by such financial institution subject to the restriction above mentioned and approved by the lessor, which approval shall not be unreasonably withheld.

- 13) The lessee shall during the term of this lease keep at its own expense the landmarks that define the boundaries of the land in good repair.
- 14) The rights hereby conveyed to the lessee are subject to any right of way or other servitude existing over the land at the date of commencement of this lease and the rights morefully set out under clause 1.2 of the Modalities Agreement.
- 15) On the expiry or earlier termination of this lease under Clauses 12 and 19, the lessee shall surrender to the lessor the land with all buildings and oil storage tanks therein, and additional, improvements and fixtures thereto in such repair and conditions as shall be in accordance with the covenants in this lease contained (due allowance being made for fair wear and tear).
- 16) The lessee shall not be entitled on such surrender as aforesaid to claim any payment of compensation for any improvements whatsoever effected to the land or buildings or on any other account whatsoever.
- 17) The lessee paying the annual rentals by the due dates as and when the same fall due as herein set out and observing and performing all and singular the covenants and obligations on the part of the lessee herein contained shall peacefully and quietly possess and enjoy the land and carry out and develop the land in accordance with and in conformity with the provisions hereof.
- 18) If there shall be any breach or non-observance of any of the lessee's covenants herein contained, the lessee shall be granted a period of three (3) months, as may be notified in writing by the Lessor to the Lessee, to rectify such breach or non-observance.
- 19) This lease may be terminated with three month's prior written notice of termination in the event the lessee fails to pay rent as morefully set out in this Schedule, subject to clause 18 of this

INFLATION CHART WITH THE APPLICABLE PERCENTAGE OF INCREASE OF THE ANNUAL RENTAL FOR THE CALENDER YEAR IMMEDIATELY SUCCEEDING ONE YEAR FROM THE EXECUTION OF THE STATE LEASES AS PER CLAUSE 2.2 OF THE MODALITIES AGREEMENT

Link: <https://fred.stlouisfed.org/series/DPCCRG3A086NBEA>

Annual PCE Core Price Index of the US since 2003

Year	PCE Core Index (Annual, not seasonally adjusted)	Rate (%)
2003	84.87	1.60
2004	86.54	1.97
2005	88.44	2.20
2006	90.56	2.40
2007	92.58	2.23
2008	94.39	1.96
2009	95.27	0.93
2010	96.65	1.45
2011	98.18	1.58
2012	100.00	1.85
2013	101.54	1.54
2014	103.19	1.62
2015	104.49	1.26
2016	106.14	1.58
2017	107.94	1.70
2018	110.10	2.00
2019	111.96	1.69
2020	113.55	1.42

cumulative rate of inflation based on annual PCE core price index 33.79%

Formula is:

$$[(\text{price index of 2020} / \text{price index of 2003}) - 1] \times 100$$

$$[(113.55 / 84.67) - 1] \times 100 = 33.79\%$$

Hence the increased rent will be USD.1338 per Tank effective from the 2nd year

Handwritten signature and initials

Schedule and/or a Force Majeure Event, as morefully set out in the Modalities Agreement, which shall be applicable to this lease.

- 20) This lease shall be read together with provisions set out in the Modalities Agreement and any matters relating to the possession, development and use of the land and fixtures thereon, which are not covered in this lease shall be covered by provisions set out in the Modalities Agreement. In the event of any conflict between the conditions set out in this Schedule and the provisions set out in the Modalities Agreement, the provisions set out in the Modalities Agreement shall prevail.

.....
Signature of the Lessor

I CERTIFY under section 23(2) of the State Lands Ordinance, No. 8 of 1947, that the above Facsimile of the President's signature Was stamped hereon in my presence

At.....

This.....

Day of.....

Two thousand and.....

.....
Signature of the Lessee

.....
Secretary to the President

Witnesses to the Signature of the Lessee:

1.

2.

Signed at Colombo

This Sixth day of January Year Two Thousand and Twenty Two