

BID INSTRUCTIONS

January 27, 2025

RE: GAIL Global (USA), Inc., Houston
Eagle Ford Shale Opportunity

GAIL Global (USA) Inc., (“GGUI” or the “Company”), a wholly owned subsidiary of GAIL (India) Limited, an India Company (“GAIL”), was incorporated in the USA in 2011 under Texas law having its registered office in the State of Texas. GAIL is India’s leading natural gas company under the administrative control of Ministry of Petroleum & Natural Gas, Government of India. GAIL owns diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, petrochemicals, city gas, E&P, etc.

On behalf of GGUI, Energy Advisors Group (“EAG”) invites you to submit an offer for all of GGUI’s non-operated oil and gas assets in Texas (the “Offering”, and such assets, the “Assets”) and has provided these instructions (“Bid Instructions”) to assist in submission of a conforming offer. The Assets are all operated by either Texas American Resources Company (“TARC”) or Ridgemar Energy Operating LLC (“Ridgemar”) in the Eagle Ford basin. The Assets that are operated by TARC are sometimes referred to herein as the “TARC Assets,” and the Assets that are operated by Ridgemar are sometimes referred to herein as the “Ridgemar Assets.”

These Bid Instructions are provided for the convenience of parties who have an interest in participating in the bidding process (hereinafter referred to as an “Interested Party” or “Bidder”) with GGUI and its Transaction Advisor (“TA”), EAG. Interested Parties are required to execute a Confidentiality Agreement (available at <https://www.energyadvisors.com/deals/45591>) to access the virtual data room. The Company will only consider Proposals that strictly adhere to these Bid Instructions.

Informational updates may be posted to the virtual data room at any time. Interested Parties are encouraged to review all of the provided information including the draft Purchase and Sale Agreement (the “PSA”) prior to submitting a Proposal.

- I. **Bidding Type:** This is an Open Tender following Single Stage-Two Bids system i.e. (i) Techno-Commercial Bid/Required Bidder Materials and (ii) Price Bid, to be received by the respective designated email addresses as mentioned below.
- II. **Bid Submission Date and Time:** Interested Parties are invited to submit their proposal (“Proposal” or “Bid”) by **1:00 P.M. CST (Houston time), Friday, February 14, 2025** to the designated email address mentioned below. Any Proposal received after such time for any reason will not be considered. Respective Bids i.e. (i) Techno-Commercial Bid/Required Bidder Materials and (ii) Price Bid must be in substantially the form of **Exhibit A & Exhibit B** attached hereto.
- III. **Effective Date:** Transaction effective date is **January 01, 2025**.
- IV. **Structure:** The transaction will be conducted as an asset sale.

V. Approvals: Proposals should not be subject to any conditional approvals. Interested Parties are encouraged to obtain all necessary approvals as required prior to submitting a Proposal. Proposals should describe all approvals that have been received and specify the applicable approving authority. Each Proposal should also specify the level of further approvals, if any are required, for entering into the PSA, and the expected timing for completion of such approvals. If no further approvals are required, the Proposal should indicate this.

VI. Submission of Proposals:

1. This is a single stage-two bid system, specifically (i) Techno-Commercial Bid/Required Bidder Materials for bidders’ qualifying criteria and (ii) Price Bid, to be received in the respective designated email address as mentioned below.
2. Each Proposal shall be separated into two components—the “Techno-Commercial Bid/Required Bidder Materials” and the “Price Bid”. The Techno-Commercial Bid/Required Bidder Materials and the Price Bid must be in the form of respective **Exhibits A & B**, signed by an authorized representative and submitted to the applicable email addresses set forth below:

Bids	E-mail id	Exhibit
Techno-Commercial Bid/ Required Bidder Materials	ggui_tech@gail.co.in	A
Price Bid	ggui_price@gail.co.in	B

Note:

- a) Techno-Commercial Bid/Required Bidder Materials and Price Bid submitted to the incorrect email address will not be considered.
 - b) Please ensure that Price Bid is not submitted to the email address of Techno-Commercial Bid/Required Bidder Materials. If the Price Bid is submitted to the email address of Techno-Commercial Bid/Required Bidder Materials email address, that Price Bid shall not be considered for evaluation.
 - c) In the event the parties send revised/multiple offers to the designated email address within the bid submission due date and time, only their latest offer shall be considered for evaluation.
 - d) For any queries and communication related to these Bid Instructions, please contact Richard Martin at EAG at RMartin@energyadvisors.com. Do not send informational inquiries to either of the above mentioned GGUI email addresses.
3. **Round One - Techno-Commercial Bid/Required Bidder Materials (Exhibit A)** shall include:
- i. Name of the Interested Party.
 - ii. Date and jurisdiction of organization of acquiring entity(-ies), and ultimate corporate parent.
 - iii. EIN or a completed IRS Form W-9.
 - iv. Office address and contact information including email and phone number of contact person.
 - v. Brief overview of the Interested Party.

- vi. A written description of all approvals obtained in connection with Proposal submission, a description of any further approvals required in connection with executing a PSA, and an anticipated timeframe for obtaining same.
- vii. A signed copy of these Bid Instructions by the Authorized Signatory of the company as an acceptance of all Terms & Conditions of this Bid Instruction Document.
- viii. Confirmation of acceptance of Zero Deviation conditions/clauses in **Exhibit - C**.
- ix. Confirmation from Partner/Owner/CEO/CFO with respect to financial capability that adequate funds are immediately available to consummate a transaction at Closing in **Exhibit - D**.

Please note that Non-submission of documents mentioned above shall potentially lead to rejection of the bid.

4. **Price Bid (Exhibit B)** shall include:

- i. Price Bid Validity (**Non- negotiable**) must be valid for a period of thirty (30) days from the bid due date.
- ii. The Price Bid may be submitted for the following:
 - a. TARC Assets or
 - b. Ridgemar Assets or
 - c. Both Assets (separately for TARC and Ridgemar Assets)
- iii. Price bid should be filled in with the applicable column on the attached **Exhibit B** and be submitted only at ggui_price@gail.co.in .

VII. Bid Evaluation Methodology: GGUI shall use the following process to evaluate all Proposals:

- 1. Techno-Commercial Bid/Required Bidder Materials received at the designated email address shall be evaluated first.
- 2. Price Bid shall be opened only for those Interested Parties whose Techno-Commercial Bid/Required Bidder Materials are found in order and acceptable as per the terms of this Bid Instruction.
- 3. The top five (5) ranked bids (based on highest price) will be determined separately for each asset category (i.e., the TARC Assets and the Ridgemar Assets) based upon their respective Price Bids.
- 4. These top five (5) ranked bids for each asset category shall be considered for next round i.e. Round Two.

VIII. Round Two (Improved Price Bid):

- i. The bidders who are considered for Round Two in each asset category shall be offered an opportunity to improve their Price Bid **within seven (7) Business days** from written notice. The “Business Day” means any day other than a Saturday, Sunday, or any other day on which commercial banks in the State of Texas are authorized or required by law or executive order to close.
- ii. Improved Price Bids should be submitted to ggui_price@gail.co.in.

- iii. **Price Bid Validity: Round Two** - Improved Price Bid must be valid for a period of **forty-five (45) days (Non-Negotiable)** from the date due for submission of the Improved Price Bid offer. The same may be extended with mutual consents to finalize all definitive agreements and secure necessary approvals for execution.
- iv. Bidders are required to submit the following along with the improved Price Bid:
 - Improved Price Bid in the attached format **Exhibit E**.
 - Document in support of “**Financing Capability**” as mentioned at paragraph **IX(v)**. Non-submission of these documents shall potentially lead to rejection of the bid.
 - Redline copy of PSA or acceptance of draft PSA.
- v. Bidder who emerges as **H-1 (highest price)** in each asset category shall be confirmed for further processing.

IX. Other Points:

- i. **Bid Security:** The H-1 bidder(s) in each asset category (i.e., the TARC Assets and the Ridgemar Assets) will be required to provide Bid Security of \$100,000 (Non-Negotiable) in a non-interest-bearing third-party escrow account within 7 Business Days from intimation by GGUI for taking the process forward. The Bid Security of selected H-1 bidder(s) shall be adjusted towards the Deposit Amount or refunded after receiving the Deposit Amount. In the event the selected party backs out during the process before execution of PSA, the Bid Security shall be subject to be forfeiture.
- ii. **Deposit Amount:** Selected H-1 party in each asset category shall be required to provide a deposit (the “Deposit Amount”) of ten percent (10%) of the unadjusted purchase price payable at the time of PSA execution. The Deposit Amount will be placed in a non-interest-bearing third-party escrow account. This amount shall be applied to the purchase price consideration at closing. In the event the selected party backs out in breach of the PSA, the Deposit Amount shall be subject to be forfeiture.
- iii. **Purchase and Sale Agreement:** An electronic version of the draft PSA is made available in the virtual data room. In Round Two, if a bidder proposes any changes to the draft PSA, a redline markup of the document should be submitted in Round Two along with improved Price Bid, containing the precise changes. No changes in Zero Deviation Clauses shall be accepted.
- iv. **Due Diligence:** Proposals should not be subject to further due diligence beyond the scope to be contemplated by the PSA.
- v. **Financing Capability:** At the time of submission of Techno Commercial bid - Bidder should provide confirmation from Partner/Owner/CEO/CFO with respect to financial capability that adequate funds are immediately available to consummate a transaction at Closing.

However, during **Round Two (Improved Price Bid Offer)**, Bidders are required to submit the following documents in support of Financial Capability:

- If financing is to be drawn from on-hand cash reserves or existing debt facilities, bid should clearly represent and provide support that adequate funds are immediately available to consummate a transaction at Closing as per draft PSA.
- If financing involves external source(s), then relevant financing commitment letters from such financial institutions/equity providers shall be provided.

Non-submission of documents mentioned above shall potentially lead to rejection of the bid.

X. Additional Terms:

- i. Nothing associated with this process constitutes any obligation by GGUI to sell any Assets, accept any Proposal, or to enter into any discussions, negotiations and/or a transaction. GGUI, at its sole discretion, may declare a Proposal accepted or rejected without ascribing any reason thereto. GGUI retains sole and complete discretion to enter into, or decline to enter into, discussions, negotiations and/or a transaction with any Interested Party or Interested Parties of its choosing. Except as specifically provided in the PSA, GGUI will be under no legal obligation or have any liability whatsoever with respect to a transaction or the bid process. Further, nothing associated with this process or any Proposal, Confidentiality Agreement, or any other written or oral communication not ultimately included in a definitive, fully executed and delivered PSA create an offer that can be accepted to form a binding contract and may not be relied on by any Interested Party as a basis for a contract by estoppel or otherwise or as a basis for taking any action, foregoing any opportunity, or incurring any costs. Except as to the Confidentiality Agreement and notwithstanding anything to the contrary contained herein, neither GGUI nor any Interested Party shall have any obligation or liability to the other unless and until a definitive PSA is executed and delivered by authorized representatives of GGUI and the Interested Party, and then only to the extent specifically provided for therein.
- ii. Each Interested Party shall bear its own costs associated with the submission of a Proposal and/or a transaction contemplated by any Proposal.
- iii. GGUI and EAG reserve the right to request from any Interested Party such further information that GGUI or EAG, in their discretion, may consider appropriate.
- iv. GGUI reserves the right to modify the procedures for the Offering at any time, to alter the dates of the Offering, or to withdraw from this process altogether without ascribing any reason thereto and without any liability to any Interested Party.
- v. The submission of a Proposal will signify an Interested Party's agreement with the terms and conditions set forth in these Bid Instructions.
- vi. If two or more parties submit identical total Price Bids in Improved Price Bid, then the bidder who quoted higher price in their initial price bid shall be selected for each asset category respectively.
- vii. Interested Parties shall comply with the provisions of GGUI's Fraud Prevention Policy-2023 (uploaded in VDR) under which the Interested Party must ensure that there is no fraudulent act committed by them while performing any business transaction with GGUI.
- viii. The Buyer(s) has to bear the Withholding Taxes, if applicable.
- ix. All the documents submitted by bidder should be in English language only.

ACCEPTED AND AGREED:

COMPANY NAME: _____

By: _____

Name: _____

Title: _____

Form of Bid

[See attached]

EXHIBIT A
(Techno-Commercial Bid/Required Bidder Materials)
(To be provided on Letter Head of the Interested Party)

Date :

The President,
GAIL Global (USA) Inc.
3200 Southwest Fwy
Ste 1090
Houston, TX 77027

Re: Techno-Commercial Bid/Required Bidder Materials - GAIL Global (USA) Inc. (“GGUI”) – 2025 Divestiture Process

Mr.

The terms, conditions, and descriptions of the Assets as well as the definitions contained in the bid instructions for the referenced sale process (the “Bid Instructions”) are incorporated by reference in this letter. Based entirely on our own investigation and without reliance on information provided by the Seller, EAG, or any other party, we hereby offer to purchase all right, title and interest of the Seller in the Assets. We hereby submit the following information/documents in line with Bid instructions:

- i. Name of the Interested Party.
- ii. Date and jurisdiction of organization of acquiring entity(-ies), and ultimate corporate parent.
- iii. EIN or a completed IRS Form W-9.
- iv. Office address and contact information including email and phone number of contact person.
- v. Brief overview of the Interested Party.
- vi. A written description of all approvals obtained in connection with Proposal submission, a description of any further approvals required in connection with executing a PSA, and an anticipated timeframe for obtaining same.
- vii. A signed copy of the Bid Instructions by the Authorized Signatory of the company as an acceptance of all Terms & Conditions of this Bid Instruction Document.
- viii. Confirmation of acceptance of Zero Deviation Conditions/clauses as defined in **Exhibit - C**.
- ix. Confirmation from Partner/Owner/CEO/CFO with respect to financial capability that adequate funds are immediately available to consummate a transaction at Closing in **Exhibit - D**.

This Techno-Commercial Bid/Required Bidder Materials shall remain valid until conclusion of this divestiture process of GGUI.

This offer to purchase will remain open for the duration required by the Bid Instructions, a signed copy of which has been provided to Seller. We understand that the Seller is not obligated with respect to any offer, and acknowledge and agree to the stipulations described in the Bid Instructions. The Techno-Commercial Bid/Required Bidder Materials (as defined in the Bid Instructions) have been provided to Seller in accordance with the Bid Instructions, on or before the date of this letter. We agree that under no circumstances, and at no time, will we infer or consider that a transaction has occurred, or will occur, unless and until we and the Seller have executed a definitive, written, approved and binding Purchase and Sale Agreement. Furthermore, the failure by Seller to execute said Agreement will not be the basis, in whole or in part, for any claim or lawsuit by us against Seller or any of its affiliates, or its or their respective directors, officers, employees, members, managers, or advisors.

Sincerely,

Signature: _____
Typed Name: _____
Title: _____
Company: _____
Phone: _____
Email: _____
Date: _____

EXHIBIT B

(Price Bid)

(To be provided on Letter Head of the Interested Party)

Date :

The President,
GAIL Global (USA) Inc.
3200 Southwest Fwy
Ste 1090
Houston, TX 77027

Re: Price Bid - GAIL Global (USA) Inc. ("GGUI") – 2025 Divestiture Process

Mr.

The terms, conditions and descriptions of the Assets as well as the definitions contained in the bid instructions for the referenced sale process (the "Bid Instructions") are incorporated by reference in this letter. Based entirely on our own investigation and without reliance on information provided by the Seller, EAG, or any other party, we hereby offer to purchase all right, title and interest of the Seller in the Assets.

(Amount in USD)

	TARC Assets	Ridgemar Assets
Purchase Price (up to 2 decimal places)		

This price bid is valid for thirty (30) days from the due date of Bid Submission as mentioned in the Bid Instruction

This offer to purchase will remain open for the duration required by the Bid Instructions, a signed copy of which has been provided to Seller. We understand that the Seller is not obligated with respect to any offer, and acknowledge and agree to the stipulations described in the Bid Instructions. The Price Bid (as defined in the Bid Instructions) have been provided to Seller in accordance with the Bid Instructions, on or before the date of this letter. We agree that under no circumstances, and at no time, will we infer or consider that a transaction has occurred, or will occur, unless and until we and the Seller have executed a definitive, written, approved and binding Purchase and Sale Agreement. Furthermore, the failure by Seller to execute said Agreement will not be the basis, in whole or in part, for any claim or lawsuit by us against Seller or any of its affiliates, or its or their respective directors, officers, employees, members, managers, or advisors.

Sincerely,

Signature: _____
Typed Name: _____
Title: _____
Company: _____
Phone: _____
Email: _____
Date: _____

EXHIBIT C

ZERO DEVIATIONS CONDITIONS/CLAUSES
(To be provided on Letter Head of the Interested Party)

We _____ confirm acceptance of the following **Non-Negotiable** terms of Bid Instructions as well as of draft Purchase and Sale agreement (the “PSA”).

1. Acceptance of Price Bid Validity (-ies) as per Bid Instructions
2. Acceptance of all Terms & Conditions of this Bid Instruction Document by signing and submitting signed copy of the Bid Instructions by the Authorized Signatory of the company.
3. Acceptance of submission of documents in support of Financial Capability as per Bid Instructions.
4. Acceptance of submission of Bid Security in case confirmed as H-1 Bidder, as per Bid Instructions.
5. Acceptance of submission of Deposit Amount at the time of execution of PSA, as per Bid Instructions.
6. Confirmation that total consideration shall be paid in lumpsum, at Closing, without any holdback.
7. Acceptance of following:
 - a. Claim threshold (De Minimis Title Defect Cost) on account of Title Defect Value towards each Title Defect Property, as defined in PSA, is \$100,000 (GGUI’s net share).
 - b. Claim threshold (De Minimis Environmental Defect Cost) on account of Environmental Defect Value towards each of the Asset affected by an Environmental Defect, as defined in PSA, is \$100,000 (GGUI’s net share)
8. Acceptance of Termination: GGUI may terminate the PSA if the sum of all downward adjustments to the Purchase Price at Closing exceeds ten percent (10%) of unadjusted Purchase Price, as mentioned in draft PSA.

Sincerely,

Signature: _____
Typed Name: _____
Title: _____
Company: _____
Phone: _____
Email: _____
Date: _____

EXHIBIT D
(Confirmation of Financial Capability)
(To be provided on Letter Head of the Interested Party)

Date :

The President,
GAIL Global (USA) Inc.
3200 Southwest Fwy
Ste 1090
Houston, TX 77027

**Re: Confirmation of financial capability for consummation of transaction - GAIL Global (USA) Inc.
("GGUI") – 2025 Divestiture Process**

Mr.

I/We _____ hereby confirm that adequate funds are immediately available or shall be arranged for consummating the transaction at Closing in terms of Bid Instructions.

Sincerely,

Signature: _____
Typed Name: _____
Title: _____
Company: _____
Phone: _____
Email: _____
Date: _____

EXHIBIT E (Improved Price Bid)
(Only to be used for Round Two)

(To be provided on Letter Head of the Interested Party)

LETTER

Date :
To
The President,
GAIL Global (USA) Inc.
3200 Southwest Fwy
Ste 1090
Houston, TX 77027

Re: Improved Price Bid - GAIL Global (USA) Inc. (“GGUI”) – 2025 Divestiture Process

Mr.

The terms, conditions and descriptions of the Assets as well as the definitions contained in the bid instructions for the referenced sale process (the “Bid Instructions”) are incorporated by reference in this letter. Based entirely on our own investigation and without reliance on information provided by the Seller, EAG, or any other party, we hereby offer to purchase all right, title and interest of the Seller in the Assets.

(Amount in USD)

	TARC Assets	Ridgemar Assets
Improved Purchase Price (up to 2 decimal places)		

This improved price bid is valid for **forty five (45) days** from the due date of Round Two Improved Price offer Submission which may be extended with mutual consents to finalize all definitive agreements and secure necessary approvals for execution.

This offer to purchase will remain open for the duration required by the Bid Instructions, a signed copy of which has been provided to Seller. We understand that the Seller is not obligated with respect to any offer, and acknowledge and agree to the stipulations described in the Bid Instructions. The Price Bid (as defined in the Bid Instructions) have been provided to Seller in accordance with the Bid Instructions, on or before the date of this letter. We agree that under no circumstances, and at no time, will we infer or consider that a transaction has occurred, or will occur, unless and until we and the Seller have executed a definitive, written, approved, and binding Purchase and Sale Agreement. Furthermore, the failure by Seller to execute said Agreement will not be the basis, in whole or in part, for any claim or lawsuit by us against Seller or any of its affiliates, or its or their respective directors, officers, employees, members, managers, or advisors.

Sincerely,

Signature: _____
Typed Name: _____
Title: _____
Company: _____
Phone: _____
Email: _____
Date: _____