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with drawn

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DOE/OFE/NGR

December 9, 2005

Mr. Robert Corbin
Office of Oil & Gas Global Security and Supply
Fossil Energy
U.S. Department of Energy
Docket Room 3E-042
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

05-115-LNG

Re: *BG LNG Services, LLC*
FE Docket No. 04-39-LNG

Dear Ms. Kornfeld:

Pursuant to Part 590 of the regulations of the Department of Energy ("DOE"), 10 C.F.R. Pt. 590 (2005), please find enclosed the application of BG LNG Services, LLC ("BGLS") to amend its long-term authorization to import liquefied natural gas pursuant to Section 3 of the Natural Gas Act, as amended. Also please find enclosed a check for \$50 made payable to the Treasury of the United States as required by 10 C.F.R. § 590.207.


Pursuant to 10 C.F.R. §§ 590.202(e) and 1004.11, BGLS hereby notifies DOE that the LNG Sale and Purchase Agreement between (BGLS and Marathon LNG Marketing LLC) (the "Agreement"), which is the subject of this application, contains highly sensitive commercial information that is exempt from public disclosure. The Agreement, which is attached to the application as Exhibit B, contains certain commercially sensitive terms the disclosure of which would place BGLS at a commercial disadvantage.

Accordingly, pursuant to our conversation on December 1, 2005, BGLS is providing one original copy of the application clearly marked "Contains Confidential Information—Do Not Release" and 15 copies with the confidential information redacted from the Agreement. Those copies are clearly marked "Privileged Information Removed For Confidential Treatment." Notwithstanding the filing of a redacted copy of the application, BGLS reserves its right, pursuant to 10 C.F.R. § 1004.11(c), to be notified prior to any disclosure of the confidential information and to be allowed an opportunity to submit its views with respect to

such disclosure. BGLS further requests that you return the unredacted copy of the Agreement following your office's action on the application.

Please file stamp the enclosed extra copies of this application and return them to our messenger. Thank you for your attention to this matter.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John S. Decker", written over a horizontal line.

John S. Decker
Attorney for BG LNG Services, LLC

PRIVILEGED MATERIAL REMOVED FOR CONFIDENTIAL TREATMENT

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

BG LNG Services, LLC

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)
)

FE Docket No. 04-39-LNG

**APPLICATION TO AMEND
LONG-TERM LNG IMPORT AUTHORIZATION OF
BG LNG SERVICES, LLC**

Jason Klein
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December 9, 2005

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II. BACKGROUND

BGLS is a limited liability company organized under the laws of the State of Delaware, having its principal place of business at 5444 Westheimer, Suite 1775, Houston, Texas 77056. BGLS is a wholly-owned subsidiary of BG Group plc, which has its principal place of business at 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT, England. Pursuant to the authorization previously granted to BGLS by the OFE, BGLS engages in the business of importing LNG purchased from Marathon LNG pursuant to a LNG Sale and Purchase Agreement Term Sheet (the "Term Sheet") dated October 13, 1999.⁴ Marathon LNG, a subsidiary of Marathon Oil Company, is a marketer of LNG.

On March 26, 2004, BGLS filed an application with the OFE for authorization to import up to 58 billion cubic feet (Bcf) per year of LNG over a 17 year term pursuant to terms of the Term Sheet between BGLS and Marathon LNG. On April 19, 2004, in DOE/FE Order No. 1977, the OFE approved BGLS's application and granted it long-term authorization to import up to the equivalent of 58 Bcf of LNG per year at any LNG receiving facility in the United States and its territories. In its original application, BGLS stated that while the Term Sheet was a binding agreement, BGLS was in the process of negotiating a more fully-termed agreement with

⁴ BGLS also imports LNG pursuant to the following authorizations: DOE/FE Order No. 1975 (April 16, 2004), DOE/FE Order No. 1947 (February 18, 2004), DOE/FE Order No. 1932 (December 30, 2003), and DOE/FE Order No. 1926 (December 8, 2003).

Marathon LNG, with the terms of any substitute agreement intended to supersede the Term Sheet. BGLS and Marathon LNG have since negotiated and executed the LNG Sale and Purchase Agreement and are submitting such agreement as a substitute to the Term Sheet for approval by the OFE.

III. AMENDMENT TO AUTHORIZATION REQUESTED

BGLS is seeking to amend its long-term import authorization granted by the OFE in DOE/FE Docket No. 1977 on April 19, 2004 to replace the Term Sheet upon which the order was granted with a LNG Sale and Purchase Agreement. BGLS, in its original application, stated that the parties intended the Term Sheet to be a binding agreement until such time a more complete agreement could be reached. BGLS and Marathon LNG have executed the Agreement as a substitute to the Term Sheet, and are submitting this application to replace the Term Sheet upon which the import authorization was granted with the Agreement.

Pursuant to the terms of the Agreement, BGLS will purchase LNG from Marathon LNG for importation into the United States. Upon importation, BGLS will sell the LNG and the natural gas resulting from vaporization of the LNG to various third parties in the regular course of business. Subject to the terms of the Agreement, Marathon LNG will acquire the LNG from various international sources. The point of entry for the importation of LNG into the United States will primarily be the LNG terminalling, storage and vaporization facility located on Elba Island, in the vicinity of Savannah, Georgia (the "LNG Terminal"). Under the terms of the Agreement, BGLS may designate alternative import destinations for the LNG.

The term of the Agreement runs from the date of execution, June 3, 2005, to March 31, 2021. Marathon LNG has the option to extend the term up to December 1, 2023 upon at least three years prior written notice to BGLS. BGLS will purchase LNG from Marathon LNG in an

amount up to the annual contract quantity of 58 Bcf of LNG or LNG equivalent. Marathon LNG has the option to request, upon at least 85 days prior notice before the commencement of a contract year, an increase in the annual contract quantity by a quantity of LNG up to the volume of one full cargo, so that scheduling the maximum annual contract quantity will coincide with the scheduling of full cargos.⁵ This provision could increase the annual contract quantity by a maximum of 145,000 cubic meters, a near negligible amount. BGLS will take title to the LNG at the inlet flange of the unloading pipe at the LNG Terminal or any designated alternative destination.

Marathon LNG, a marketer of LNG, will acquire the LNG subject to the terms of the Agreement from various international sources. The Agreement requires BGLS to take or pay for any LNG provided by Marathon LNG under the Agreement.

The price BGLS will pay Marathon LNG for the LNG it purchases under the Agreement is a formula based on published price indices for natural gas, and varies depending upon the amount of time by which Marathon LNG's delivery confirmation for firm quantities of LNG precedes the actual delivery of LNG to BGLS. BGLS will pay a price for LNG delivered pursuant to either (i) the first *Inside FERC's Gas Market Report* for the Market Center Spot-Gas Prices, South Louisiana Henry Hub Index published each month; (ii) the first *Inside FERC's Gas Market Report* for the Prices of spot gas delivered to pipelines, SNG Louisiana Index published each month; or (iii) the *Gas Daily* absolute range Louisiana Onshore-South, Sonat spot prices. Because the contract price for LNG under the Agreement is linked to published price indices, the price of LNG supplied during the term of this Agreement will remain competitive.

⁵ Such increases in the annual contract quantity are effective for the year for which notice is given only. They are not cumulative.

**IV.
ENVIRONMENTAL IMPACT**

BGLS intends to continue to use existing facilities for importing LNG as requested herein. This application therefore neither contemplates nor requires the construction of new facilities. Consequently, granting this application will not involve a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act.⁶ Accordingly, neither an environmental impact statement, nor an environmental assessment, is required.

**V.
THE PUBLIC INTEREST**

Section 3 of the NGA provides that an import or export of natural gas must be authorized unless there is a finding that it “will not be consistent with the public interest.”⁷ Under Section 3(c), the importation of LNG “is deemed to be consistent with the public interest and must be granted without modification or delay.”⁸ The amendment to its import authorization sought by BGLS herein meets the Section 3(c) criterion and, therefore, is consistent with the public interest.

**VI.
REQUEST FOR WAIVER OF 10 C.F.R. § 590.201(B)**

BGLS requests waiver of the requirement that applications for import authorization be filed at least 90 days in advance of the proposed import. Pursuant to section 590.201(b) of DOE’s regulations, 10 C.F.R. §590.201(b) (2005), good cause exists to permit the proposed importation to commence promptly upon the issuance of the authorization requested herein. As noted above, BGLS has already received long-term authorization to import into the United States

⁶ 42 U.S.C. § 431, *et seq.* (2000).

⁷ 15 U.S.C. § 717b(a) (2000).

⁸ *Sonat Energy Services Co.*, Order Granting Long-Term Authorization to Import Liquefied Natural Gas From Trinidad and Tobago, DOE/FE Order No. 1549, FE Docket No. 99-93-LNG (Dec. 8, 1999).

up to 58 Bcf equivalent of LNG per year under the terms of the Term Sheet. This application does not alter the quantity to be imported, it merely substitutes the document which controls the terms of the importation between BGLS and Marathon. BGLS requests that the amendment to its long-term import authorization requested herein become effective upon the issuance of an order by DOE, or in any event, no later than January 9, 2006.

VII. REPORTING REQUIREMENTS

BGLS, in its original application, proposed the following reporting requirements, all of which are still followed by BGLS and will not be affected by the proposed amendment to the original application:

- A. Within two weeks after deliveries begin, BGLS must provide written notification to OFE of the date on which the first import of LNG occurred pursuant to the authorization requested herein.
- B. With respect to the LNG imports authorized in this docket, BGLS will file within 30 days following each calendar quarter, reports indicating, by month: (1) the country of origin; (2) total monthly volumes of LNG imported; (3) the monthly volumes taken by each of BGLS's customers; (4) the name of the seller(s), (5) the point(s) of entry; (6) the name(s) of the LNG tankers used; (7) the estimated or actual duration of agreements; (8) the geographic market(s) served; (9) the average landed cost per MMBtu at the point of import; and (10) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.
- C. The first quarterly report required by paragraph B will be due within 30 days following the first complete calendar quarter that follows the commencement of deliveries under this authorization.

VIII.
CORPORATE POWER OF COMPANY

The opinion of counsel, required by 10 C.F.R. § 590.202(c) (2004), showing that the proposed importation of LNG is within the corporate powers of BGLS, is attached as Exhibit A.

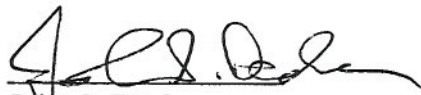
IX.
RELATED REGULATORY PROCEEDINGS

Neither BGLS's request for an amendment of its long-term import authorization, nor any matter related thereto, is being considered by any other part of DOE, including the Federal Energy Regulatory Commission, or any other federal agency or department.

X.
CONCLUSION

WHEREFORE, for the foregoing reasons, BGLS respectfully requests that OFE grant the instant application to amend its long-term import authorization and accept the LNG Sale and Purchase Agreement as a substitute for the Term Sheet upon which BGLS' original long-term import authorization was granted. BGLS submits that a grant of such authorization would be consistent with the public interest.

Respectfully Submitted,



John S. Decker
Attorney for BG LNG Services, LLC

Dated: December 9, 2005

Exhibit A
Corporate Power of Attorney



October 6, 2005

Mr. Robert Corbin
Office of Oil & Gas Global Security and Supply
Office of Fossil Energy (FE-34)
U.S. Department of Energy
Room 3E-033
1000 Independence, Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Corbin:

This opinion is furnished in accordance with the requirements of 10 C.F.R. § 590.202(c) (2005), in conjunction with the application of BG LNG Services, LLC for an order requesting a long-term authorization to import liquefied natural gas into the United States pursuant to Section 3 of the Natural Gas Act, as amended.

I am counsel for BG LNG Services, LLC, in the above-referenced matter, and as such, I am familiar with the Articles of Incorporation, By-laws and corporate records of BG LNG Services, LLC. I have examined these and other relevant documents and am of the opinion that the proposed importation of liquefied natural gas by BG LNG Services, LLC is within the corporate powers of BG LNG Services, LLC.

This opinion is submitted solely for the purpose of this matter, and may not be relied upon by the Office of Fossil Energy, or by any other governmental entity, or any person, for any other purpose.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jason T. Klein'.

Jason T. Klein
Attorney for BG LNG Services, LLC

Dated: October 6, 2005

BG LNG SERVICES, LLC
5444 Westheimer
Suite 1700
Houston, Texas 77056
Tel (713) 599-3741
Fax (713) 599-3781

VERIFICATION


The State of Texas)
)
County of Harris)

Jason T. Klein, declares before me on this date, and says that he is counsel of BG LNG Services, LLC, the applicant in this document; that he is authorized to verify the foregoing document pursuant to 10 C.F.R. § 590.103 (2005); that he has examined the statements contained therein and that all such statements are true and correct to the best of his knowledge, information and belief; and that he is a duly authorized representative of BG LNG Services, LLC; and that to the best of his knowledge, neither this nor any related matter is being considered by any other part of the Department of Energy, including the Federal Energy Regulatory Commission, or any other federal agency or department.



Jason T. Klein

SUBSCRIBED and SWORN TO before me, a Notary Public, this day: October 6, 2005



Notary Public in and for the
State of Texas



My Commission Expires: June 20, 2009

Exhibit B

**LNG Sale and Purchase Agreement between BG LNG Services, LLC and
Marathon LNG Marketing LLC**

**PRIVILEGED INFORMATION REMOVED
FOR CONFIDENTIAL TREATMENT**

LNG SALE AND PURCHASE AGREEMENT

by and between

MARATHON LNG MARKETING LLC
as Seller

and

BG LNG SERVICES, LLC
as Buyer

June 3, 2005

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Exhibit 10.2 Alternate Scheduling Terms

Exhibit 19 Minimum Insurance Requirements

Exhibit A Annual Program First Scheduling Year

LNG SALE AND PURCHASE AGREEMENT

This LNG Sale and Purchase Agreement (the "Agreement") is made and entered into as of the 3rd day of June, 2005 (the "Effective Date") by and between BG LNG SERVICES, LLC, a Delaware limited liability company ("Buyer"), and MARATHON LNG MARKETING LLC, a Delaware limited liability company ("Seller"). Buyer and Seller may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Southern LNG Inc., a Delaware corporation ("Southern LNG"), and El Paso Merchant Energy and Gas, L.P. ("EPME") executed a Service Agreement dated December 1, 2001 (together with the prior Service Agreement between Southern LNG and SES, the "Prior Service Agreement"), which was substituted by a new Service Agreement between Southern LNG and Buyer, on December 19, 2003 (the "Service Agreement"), pursuant to which Southern LNG provides, on a firm basis, terminalling, storage and vaporization services for LNG tendered by or for the account of Buyer at Southern LNG's marine terminalling, storage and regasification facility located on Elba Island in the vicinity of Savannah, Georgia (the "LNG Terminal");

WHEREAS, Enron Americas LNG Company ("Enron LNG") and Sonat Energy Services, a Delaware corporation ("SES"), executed a letter agreement, dated October 13, 1999 (the "Letter Agreement"), which contained in Exhibit A thereto binding terms and conditions for the sale by Enron LNG and the purchase by SES of liquefied natural gas for storage and vaporization by SES at the LNG Terminal pursuant to the Prior Service Agreement (the "Term Sheet");

WHEREAS, Enron LNG subsequently assigned the Letter Agreement to Seller, and SES assigned the Letter Agreement to EPME;

WHEREAS, Seller and EPME executed an Amendment Letter dated November 6, 2003 ("Amendment Letter"), pursuant to which EPME and Seller amended the Letter Agreement and the Term Sheet;

WHEREAS, EPME subsequently assigned the Letter Agreement and the Amendment Letter to Buyer;

WHEREAS, the Term Sheet contemplates that Buyer and Seller will enter into a definitive agreement pursuant to which Seller will sell and Buyer will purchase liquefied natural gas consistent with the terms and conditions set forth in the Term Sheet, and Buyer and Seller desire to execute this Agreement to satisfy such requirement and supersede and replace the Term Sheet and Amendment Letter in their entirety; and

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to Buyer certain quantities of liquefied natural gas under the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and stipulations set forth herein, the Parties hereby agree as follows:

Article 1. Definitions

Section 1.1 Interpretation. Unless the context of this Agreement otherwise requires, the following rules of interpretation shall apply with respect to this Agreement:

- (a) references to this Agreement or any other agreement, deed, instrument, license, Law, code or other document of any description shall be construed as a reference to this Agreement or such other agreement, deed, instrument, license, Law, code or other document as the same may have been or may be amended, varied, supplemented, modified, superseded, restated or novated from time to time;
- (b) references to any person shall include such person's successors and assigns;
- (c) words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality);
- (d) references to a particular clause, paragraph, sub-paragraph, Article, Section or Exhibit shall be a reference to that clause, paragraph, sub-paragraph, Article, Section or Exhibit in or to this Agreement;
- (e) the headings are inserted for convenience only and are to be ignored for the purposes of construction;
- (f) terms defined in the Exhibits hereto shall have the meanings ascribed thereto in the Exhibits when used elsewhere in this Agreement;
- (g) the words "include" and "including" are to be construed without limitation; and
- (h) references in the singular shall include references in the plural and vice versa.

Section 1.2 Definitions. The following terms shall have the meanings specified in this Section 1.2 when used with initial capitalization (unless otherwise specified in this Section 1.2):

"AAA" means the American Arbitration Association.

“AAA Rules” means the Commercial Arbitration Rules of the AAA.

“Actual Unloading Time” has the meaning specified in Section 8.9(a).

“Additional Charges and Surcharges” means the variable costs expressed in cents per MMBtu (excluding Fuel Gas, penalties and imbalance charges and any other amounts assessed against Buyer for failure to comply with the terms of the Service Agreement or Southern LNG’s FERC Gas Tariff) paid by Buyer or its Affiliates to Southern LNG under the Service Agreement, including, but not limited to, the Electric Power Cost Adjustment and ACA Surcharge in accordance with Southern LNG’s FERC Gas Tariff.

“Affiliate” means, with respect to any Party, an individual or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, another individual or entity. The term “controls” (including the terms “controlled by” and “under common control with”) refers to the possession, direct or indirect, of the power or authority to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, the ownership directly or indirectly of fifty percent (50%) or more of the shares or voting rights in a company, partnership or other legal entity shall be deemed to be control of such company, partnership or legal entity.

“Allowed Unloading Time” has the meaning specified in Section 8.9(b).

“Alternative Destination” means an alternative destination permitted in accordance with Article 9.

“Alternate Scheduling Notice” has the meaning specified in Section 10.2(a).

“Alternate Scheduling Terms” has the meaning specified in Section 10.2(a).

“Annual Contract Quantity” or “ACQ” has the meaning specified in Section 4.2.

“Annual Program” has the meaning specified in the Scheduling Terms.

“Arrival Notice” has the meaning specified in Section 8.6(h).

“Arrival Window” has the meaning specified in the Scheduling Terms with respect to deliveries at the LNG Terminal.

“Base Interest Rate” means the London Interbank Offered Rate (Libor) per annum offered to prime banks in the London Interbank market for deposits in Dollars for a three (3) Month period, as published in the Wall Street Journal for the date when payment is due. Interest shall be calculated on the basis of a three hundred and sixty (360) day year, shall accrue daily and shall be paid on the date when payment of the amount due is made. In the event that the London Interbank Offered Rate is no longer available for any reason, then a comparable rate shall be determined by the Parties using rates then in effect and shall be used in place of Libor.

“Base Measuring Conditions” means fourteen and seventy-three one hundredths pounds per square inch absolute (14.73 psia) and sixty degrees Fahrenheit (60° F.). Conversion of pressure and temperature bases will be applied according to AGA Report No. 3 (ANSI/API 2530), as revised September 1985 and as such report may hereafter be further revised).

“Bcf” means one billion (1,000,000,000) Scf.

“Berth” means the area at the LNG Terminal where the LNG Tanker unloads the LNG for receipt by Buyer or its Affiliates or in the case of an Alternative Destination, the area at the LNG receiving facility at such Alternative Destination where the LNG Tanker unloads the LNG for receipt by Buyer or its Affiliates.

“Btu” means British thermal unit, which is equal to the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine degrees Fahrenheit (59°F.) to sixty degrees Fahrenheit (60°F.) at a constant pressure of fourteen and six hundred ninety-six thousandths pounds per square inch absolute (14.696 psia).

“Business Day” shall mean every Day (other than Saturdays, Sundays, or public holidays) on which commercial banks are ordinarily open for business in the relevant country.

“Buyer” has the meaning specified in the preamble to this Agreement.

“Buyer Event of Default” has the meaning specified in Section 17.2.

“Buyer Group” has the meaning specified in Section 20.1(d).

“Buyer’s Related Facilities” has the meaning specified in Section 15.2(c).

“Calendar Year” means a period of twelve (12) consecutive Months running from January 1 through December 31.

“Claim” means claims, losses, demands, damages, liabilities, costs and expenses.

“Completion of Unloading” has the meaning specified in Section 8.8(a)(i).

“Confidential Information” has the meaning specified in Section 23.1.

“Contract Year” means the period from October 1 in any Calendar Year through September 30 in the following Calendar Year; *provided, however, that*

- (i) the first Contract Year shall commence on the Effective Date and end on the following September 30, and
- (ii) the final Contract Year shall commence on October 1 immediately preceding the end of the term of this Agreement and end on the last Day of the term of this Agreement.

“CPI” means Consumer Price Index—All Urban Consumers, U.S. All Items, as published by the United States Department of Labor, Bureau of Labor Statistics.

“Cubic Foot” means a measure of the volume equal to the volume of a cube whose edge is one (1) foot. For purposes of reference, one foot equals three thousand and forty-eight ten thousandths (0.3048) meter and one Cubic Foot equals 0.0283168 Cubic Meter.

“Cubic Meter” means a measure of volume equal to the volume of a cube whose edge is one (1) meter.

“Day” means a twenty-four (24) hour period beginning at 12:00 a.m. on any calendar day and ending at 12:00 a.m. on the following calendar day.

“Delivery Failure Quantity” has the meaning specified in Section 16.1(a).

“Delivered Quantity” means, with respect to any cargo, the total quantity of LNG (in MMBtu) delivered to the LNG Terminal, net of Return Gas with respect to such quantity, as determined in accordance with Southern LNG’s FERC Gas Tariff.

“Delivery Month” has the meaning specified in Section 11.1.

“Delivery Point” means

- (i) with respect to LNG delivered to the LNG Terminal, the point, whether one or more, at which a flange at the outlet of the unloading piping of the LNG Tanker joins a flange at the entry of the receiving LNG pipeline at the LNG Terminal, and
- (ii) with respect to LNG delivered to an Alternative Destination, the point, whether one or more, at which a flange at the outlet of the unloading piping of the LNG Tanker joins a flange at the entry of the receiving LNG pipeline at the LNG unloading facilities located at such Alternative Destination.

“Dispute” has the meaning specified in Section 21.1(a).

“Dollars” or “\$” means the lawful currency of the United States.

“Effective Date” has the meaning specified in the preamble to this Agreement.

“Enron LNG” has the meaning specified in the recitals to this Agreement.

“EPME” has the meaning specified in the recitals to this Agreement

“Estimated Time of Arrival” or “ETA” has the meaning specified in Section 8.6.

“Extension Notice” has the meaning specified in Article 3.

“FERC” means the U.S. Federal Energy Regulatory Commission.

“FERC Gas Tariff” means an effective tariff of a regulated jurisdictional company on file with the FERC, including service agreements, rate schedules and general terms and conditions of service.

“Firm Delivery Confirmation” has the meaning specified in Section 4.1(b).

“Firm Delivery Quantities” has the meaning specified in Section 4.1(c).

“Force Majeure” has the meaning specified in Section 15.2.

“Fuel Gas” means, with respect to a given period, an amount (in MMBtu) equal to the total quantity of Gas retained by Southern LNG from Buyer under the Service Agreement during such period to cover Gas required for operations at the LNG Terminal, including Gas used as fuel for compression, liquefaction, vaporization, power generation and Gas otherwise lost and unaccounted for, all as determined pursuant to Southern LNG’s FERC Gas Tariff. Buyer shall provide Seller with copies of all supporting documentation received from Southern LNG in regards to Fuel Gas and Gas returned to the LNG Tanker.

“Gas” means any hydrocarbon or mixture of hydrocarbons consisting predominantly of methane, and including other hydrocarbons and non-hydrocarbons, in a gaseous state.

“Gross Heating Value” means the quantity of heat, expressed in British Thermal Units, produced by the complete combustion in air of one (1) cubic foot of anhydrous gas, at a temperature of sixty (60) degrees Fahrenheit and an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch, with the air at the same temperature and pressure as the gas, after cooling the products of the combustion to the initial temperature of the gas and air and after condensation of the water formed by combustion;

“Government Entity” means

- (i) any legislative, judicial, regulatory or executive body (including any agency, bureau, department, commission or office) of the government of any sovereign state or any political subdivision thereof, or
- (ii) any entity, excluding Southern LNG, with the authority to regulate or otherwise control ingress to or egress from the Unloading Port, where such authority is granted by an entity described in clause (i) above.

“Independent Surveyor” has the meaning specified in Section 6.3.

“Injection Services” means nitrogen injection, air stabilization or any other services provided by Southern LNG at the LNG Terminal in order to cause the heat content of LNG, when regasified, to comply with Southern LNG's FERC Gas Tariff.

“Laws” means all applicable laws, treaties, conventions, statutes, rules, regulations, decrees, ordinances, licenses, permits, compliance requirements, decisions, orders, directives, policies that are enforceable through regulatory and/or judicial processes, including Southern LNG's FERC Gas Tariff.

“Letter Agreement” has the meaning specified in the recitals to this Agreement.

“LNG” means liquefied Gas.

“LNG Sales Agreement” has the meaning specified in the Scheduling Terms.

“LNG Tanker” means an ocean-going vessel, meeting the requirements of Section 8.2, suitable for transporting LNG, which is used for the transportation of LNG delivered from Seller to Buyer under this Agreement.

“LNG Terminal” has the meaning specified in the recitals to this Agreement.

“Mcf” means one thousand (1,000) Scf.

“MMBtu” means one million (1,000,000) Btu.

“Month” means a calendar month according to the Gregorian calendar.

“Multi-Party Arbitration” has the meaning specified in Section 21.2(a).

“Ninety-Day Schedule” has the meaning specified in the Scheduling Terms.

“Nominees” has the meaning specified in Section 21.1(b).

“Notice of Readiness” has the meaning specified in Section 8.7.

“Other Dispute” means a Dispute arising out of or in connection with any LNG Sales Agreement other than this Agreement.

“Party” has the meaning specified in the preamble to this Agreement.

“Person” shall mean any individual, partnership, corporation, limited liability company, unlimited liability company, association, firm, foundation, joint stock company, trust, joint venture, unincorporated organization, governmental entity (or any department, agency, or political subdivision thereof) or any other entity (in each case whether or not incorporated and whether or not having a separate legal identity).

“Prior Service Agreement” has the meaning specified in the recitals to this Agreement.

“Quality Specifications” has the meaning specified in Section 5.1(a).

“Reasonable and Prudent Operator” means a person acting in good faith with the intention of performing its contractual obligations and who, in so doing and in the conduct of its undertaking, exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable Laws engaged in the same type of undertaking under the same or similar circumstances and conditions.

“Related Agreements” has the meaning specified in Section 21.1(d)(i).

“Requested Roundup Quantity” has the meaning specified in Section 4.2(b).

“Return Gas” means, with respect to a given period, the total quantity of Gas (in MMBtu) returned to LNG Tankers during such period to replace LNG discharged in connection with the unloading of such LNG Tankers.

“Scheduling Terms” has the meaning specified in Section 10.1(a).

“Scheduling Year” has the meaning specified in the Scheduling Terms.

“Seller” has the meaning specified in the preamble to this Agreement.

“Seller Event of Default” has the meaning specified in Section 17.1.

“Seller Group” has the meaning specified in Section 20.1(a).

“Seller Scheduling Dispute” has the meaning specified in Section 21.2(a).

“Seller’s Related Facilities” has the meaning specified in Section 15.2(c).

“Seller’s Requested Quantity” has the meaning specified in the Scheduling Terms, or the Alternate Scheduling Terms, as applicable.

“Seller’s Total Delivered Quantity” means, with respect to a Month, the aggregate of the Delivered Quantities of LNG (in MMBtu) with respect to cargoes for which the scheduled Delivery Month is such Month.

“Service Agreement” has the meaning specified in the recitals to this Agreement.

“SES” has the meaning specified in the recitals to this Agreement.

“SNG” means Southern Natural Gas Company, a Delaware corporation.

“Southern LNG” has the meaning specified in the recitals to this Agreement; provided, however, that with respect to a cargo which is sent to an Alternative Destination pursuant to Article 9, references in this Agreement to “Southern LNG” shall be deemed to be references to the operator of the LNG terminal at such Alternative Destination.

“Standard Cubic Foot” or “Scf” means the quantity of dry Gas occupying a volume of one (1) Cubic Foot at the Base Measuring Conditions.

“Supply Facilities” means the Gas production facilities, pipelines and utilities, Gas treatment, liquefaction and related facilities, LNG storage facilities and loading port facilities, located at the site identified in the notice provided pursuant to Section 4.1(d), where Seller will load or arrange for the loading of LNG enabling Seller to fulfil its obligations to make deliveries

of LNG in accordance with this Agreement, and including all modifications, alterations or additions thereto as may be made from time to time.

“Term” has the meaning specified in Article 3.

“Term Sheet” has the meaning specified in the recitals to this Agreement

“Terminalling Costs” has the meaning specified in Section 11.2(a).

“Third Party Scheduler” has the meaning specified in the Scheduling Terms.

“Third Party Scheduling Dispute” has the meaning specified in Section 21.2(a)(ii).

“United States” means the United States of America.

“Unloading Port” means the port where the Delivery Point is located.

Section 1.3 Volumes.

Any reference to a volume of LNG expressed in Cubic Feet shall be deemed to be a reference to the volume of LNG that is equivalent to the stated volume if the LNG were vaporized and the resulting Gas measured under the Base Measuring Conditions. Any reference to a volume of LNG in Cubic Meters shall be deemed to be a reference to the volume of LNG in its liquid state.

Article 2. Sale And Purchase

Seller agrees to sell and Buyer agrees to take and pay for, or pay for if not taken, LNG upon the terms and conditions stated in this Agreement.

Article 3. Term

The term of this Agreement (the “Term”) shall commence on the Effective Date and shall continue until March 31, 2021, unless earlier terminated in accordance with the provisions of this Agreement; *provided, however*, that Seller may extend this Agreement by written notice (the “Extension Notice”) delivered to Buyer not later than March 31, 2018. In such case, all terms of this Agreement shall continue in full force and this Agreement shall terminate on the date set forth for termination in the Extension Notice, which date must be any date on or after March 31, 2021 and on or before December 1, 2023.

Article 4. Quantities

Section 4.1 Quantity

(a) Seller shall be entitled to deliver and sell to Buyer and Buyer shall receive and purchase, in each Contract Year a quantity of LNG (in Mcf) up to the Annual Contract Quantity that (i) is requested by Seller to be scheduled as part of the Annual Program and (ii) is a Firm Delivery Quantity pursuant to Section 4.1(b).

Section 4.2 Annual Contract Quantity.

(a) The Annual Contract Quantity ("ACQ") shall mean, in any Contract Year, a quantity of LNG equal to fifty-eight million (58,000,000) Mcf of LNG or a pro rata portion thereof in any Contract Year less than three hundred sixty-five (365) days; *provided, however,* that the ACQ for a Contract Year may be adjusted pursuant to Section 4.2(b).

(b) Seller may request at least eighty-five (85) Days prior to the commencement of such Contract Year, to increase the ACQ by a quantity of LNG up to the

volume of one (1) full cargo of LNG in order to permit Seller to schedule the full amount of the otherwise applicable Annual Contract Quantity and also schedule a whole number of full cargoes to be included in the Annual Program for such Contract Year (a "Requested Roundup Quantity"). Buyer shall be entitled to either accept or reject such request in its sole discretion. If Buyer accepts such request, then the ACQ shall be increased by the Requested Roundup Quantity and the ACQ for the following Contract Year shall be decreased by the Requested Roundup Quantity. If Buyer denies Seller's request, the ACQ for the Contract Year immediately following the Contract Year for which such request was made shall be increased by the portion of the ACQ that could not be delivered as a result of such denial.

Section 4.3 Take or Pay. Should Buyer fail to take any Firm Delivery Quantities, Buyer shall pay Seller an amount equal to the volume not taken, with such volume deemed to be the Expected Delivery Quantity less any portion of the cargo actually taken, times the applicable price for such quantities for the Month that delivery was scheduled to have occurred

Section 4.4 Failure to Schedule Annual Program Quantity. Notwithstanding anything to the contrary contained in the Scheduling Terms, if, for any Contract Year, Buyer does not schedule sufficient Arrival Windows to deliver the quantity of LNG requested by Seller to be scheduled in such Contract Year (up to the Annual Contract Quantity) for reasons that are not attributable to Seller or Force Majeure, Buyer shall compensate Seller for this scheduling inefficiency.

Article 5. Quality

Section 5.1 Acceptance and Rejection.

(a) Seller shall notify Buyer pursuant to Section 8.11 (a) of the quality of the LNG loaded at the Loading Port. Buyer will examine or use reasonable efforts to cause Southern LNG (or the operator at the Alternative Destination) to examine promptly the results of the inspection and tests described in Article 6 to determine whether Buyer accepts or rejects Seller's delivery of LNG. Buyer shall have the right to reject any delivery that does not comply in all respects with the specifications set forth in Southern LNG's FERC Gas Tariff, as may be amended from time to time or comparable specifications in effect at an Alternative Destination ("Quality Specifications");

(b) In the event that Seller becomes aware prior to loading of a cargo that the LNG in question will not conform to the Quality Specifications, Seller shall notify Buyer of such non-conformity and, if requested by Seller, Buyer shall use reasonable efforts to notify Seller, within the time specified by Seller, of whether it will accept or reject such cargo; *provided, however,* that if Buyer fails to so notify Seller, such failure shall not be considered acceptance of Seller's request to take such cargo. At the time Buyer notifies Seller of its willingness to accept

such cargo, Buyer shall provide Seller a good faith estimate of the costs described in Section 5.2, which estimate shall not limit or otherwise affect Buyer's right to compensation under Section 5.2.

(c) Neither Buyer nor Southern LNG (or the operator at the Alternative Destination) shall have any duty or obligation to install any additional equipment or modify any existing equipment in order to facilitate acceptance of LNG that does not conform to the Quality Specifications.

Section 5.2 Results of Acceptance.

Section 5.3 Results of Rejection. If Buyer rejects a delivery of LNG:

Article 6. Testing and Measurement

Section 6.1 Testing and Measurement. All LNG delivered by Seller to Buyer hereunder shall be tested and measured in accordance with Southern LNG's FERC Gas Tariff (or in the case of deliveries to Alternative Destinations, in accordance with the applicable standards and procedures at such terminal). Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, suitable gauging devices for the LNG tanks of the LNG Tanker, as well as density, pressure and temperature measuring devices and all other measurement or testing devices that are necessary to perform the measurement and testing required at the LNG Tanker. Seller shall perform all obligations of Customer under Southern LNG's FERC Gas Tariff (or in the case of deliveries to an Alternative Destination, in accordance with the applicable standards and procedures at such terminal) with respect to testing and measurement of any cargo delivered hereunder and, subject to the provisions of Article 9 with respect to deliveries to Alternative Destinations, shall be responsible for all costs associated therewith. Buyer shall deliver to Seller within 24 hours of completion of discharge a certificate, authenticated by an Independent Surveyor, reporting the results of the tests conducted pursuant to this Section 6.1.

Section 6.2 Testing by Seller. Seller shall, at its own expense, test all of the LNG it seeks to deliver hereunder to determine if such LNG meets the Quality Specifications. Each such test shall be conducted according to the standards and procedures described in Southern LNG's FERC Gas Tariff. In addition, Southern LNG and Buyer shall have the right to test such LNG at the Delivery Point according to the standards and procedures described in Southern LNG's FERC Gas Tariff to determine if such LNG meets the Quality Specifications.

Section 6.3 Independent Surveyor. The Parties shall, from time to time, mutually agree upon an independent surveyor (the "Independent Surveyor"). Neither Party shall unreasonably withhold consent to appointment of an Independent Surveyor proposed by the other Party. All measurements, gauging and testing provided for in this Article 6 shall be witnessed and verified by the Independent Surveyor. Prior to effecting such measurements, gauging and testing, the Party responsible for such operations shall notify the designated representative(s) of the other Party and the Independent Surveyor, allowing such representative(s) and such Independent Surveyor a reasonable opportunity to be present for all operations and computations; provided, however, that the absence of such representative(s) and/or such Independent Surveyor after notification and reasonable opportunity to attend shall not prevent any operation or computation from being performed. The results of the Independent Surveyor's verifications shall be made available promptly to each Party. All records of measurements and the computation results shall be preserved by the Party responsible for effecting such measurements and held available to the other Party for a period of not less than one (1) year after such measurements and computations have been completed, or if longer until any dispute between the Parties relating in any way to such measurements and computations has been finally resolved (by agreement or pursuant to the dispute resolution procedures hereof). The fees and charges of the Independent Surveyor required under this Section 6.3 shall be borne equally by Seller and Buyer.

Article 7. Title and Risk of Loss

Section 7.1 Title. Title to the LNG sold and purchased under this Agreement will transfer from Seller to Buyer at the Delivery Point or another point to be mutually agreed upon.

Section 7.2 Risk of Loss. The risk of loss of the LNG and any liabilities resulting therefrom will remain with Seller until delivery of the LNG by Seller at the Delivery Point.

Section 7.3 DOE Import Authority. Buyer shall be the importer of record for all LNG imported into the United States pursuant to this Agreement and shall be responsible for obtaining import authority from the United States Department of Energy. Seller will reimburse Buyer for all documented customs fees paid by Buyer related to Seller's cargoes.

Article 8. Transportation and Unloading

Section 8.1 Seller's Responsibility for Shipping and Unloading.

(a) Seller shall be responsible for arranging, and shall pay all costs (including shipping costs, tug costs, port charges and insurance costs) associated with the transportation of LNG to the LNG Terminal and, subject to the provisions of Article 9, to Alternative Destinations.

(b) Seller shall inform Buyer, as soon as practicable but in no event later than the time a cargo is confirmed pursuant to Section 4.1 (no later than thirty (30) Days prior to the beginning of the relevant Arrival Window in the case of any vessel that has not been utilized to deliver LNG hereunder later than one year prior to the beginning of such Arrival Window; provided, however, that if the LNG Tanker scheduled to deliver a cargo becomes unavailable for operational reasons, Seller shall be entitled to arrange a replacement and provide Buyer with as much notice as is practical in the circumstances), of the identity of any LNG Tanker that Seller intends to use to deliver LNG to Buyer under this Agreement in lieu of any LNG Tanker specified pursuant to the Scheduling Terms and shall provide all necessary details concerning the dimensions, specifications, operating characteristics and requirements of such LNG Tanker.

Section 8.2 LNG Tanker Requirements.

(a) The LNG Tankers at all times shall be maintained and safely operated, compatible with the Unloading Port facilities and compliant with Southern LNG's FERC Gas Tariff as it may be amended from time to time. The provisions of this Agreement applicable to LNG Tankers shall apply whether any LNG Tanker is owned and operated by Seller, or owned and/or operated by a third party (including Affiliates of Seller). All LNG Tankers used by Seller shall, at a minimum and without limitation, at all times comply with the following:

(i) be designed, equipped and manned so as safely to permit the unloading of a full cargo of LNG, from the port side of such LNG Tanker, during a period of less than eighteen (18) hours at an average pressure of forty pounds per square inch gauge (40 psig), such eighteen (18) hours not to include time for connection and cooldown of LNG unloading rms, pipes and other transfer equipment;

(ii) be equipped with communications equipment that is in compliance with all applicable Laws or other requirements and that permits the LNG Tanker to be in communication with land stations and the control rooms of Southern LNG;

(iii) be equipped with adequate facilities for mooring, unmooring and handling LNG at the Delivery Point and related port navigation;

(iv) be in compliance with all applicable Laws and other requirements of the country of vessel registry and the United States that relate to seaworthiness, design, safety, environmental protection, navigation, operation and similar technical and operational matters as with respect to such LNG Tanker that may be in effect from time to time;

(v) be manned with a qualified and competent crew, including the master and enough crew members fluent in written and spoken English to coordinate with personnel at the Unloading Port and a master, chief engineer, chief mate and cargo engineer (and such other officers having responsibilities associated with the preparation of the LNG Tanker for the discharge and unloading of LNG) who are all experienced in LNG Tanker operations;

(vi) be maintained in class with either the American Bureau of Shipping, Lloyds Register of Shipping, Nippon KK or Det Norske Veritas or any other classification society that is mutually agreeable to the Parties;

(vii) be adequately covered by marine insurance policies

(A) in amounts and at levels customarily maintained by first class operators and meeting the minimum insurance requirements set forth in Exhibit 18, and

(B) if requested by Southern LNG or the terminal operator at an Alternative Destination, provide to Southern LNG and such other operator with a satisfactory certificate of such insurance prior to berthing of such LNG Tanker;

(viii) be capable of carrying a cargo of at least seventy thousand (70,000) Cubic Meters of LNG but no more than one hundred forty-three thousand (145,000) Cubic Meters of LNG; *provided* that LNG Tankers outside of this range may be used provided that they are compatible with the LNG Terminal and Southern LNG's FERC Gas Tariff;

(ix) be able to berth safely at, and compatible in all respects with, the LNG Terminal; and

(x) in the event that:

(A) LNG Tankers are required by any Government Entity to unload at the LNG Terminal from the starboard side of such LNG Tankers, and

(B) the LNG Terminal provides facilities for unloading of LNG Tankers on the starboard side,

then each such LNG Tanker must be designed, equipped and manned so as safely to permit the unloading of a full cargo of LNG from the starboard side of such LNG Tanker, during a period of less than eighteen (18) hours at an average pressure of forty pounds per square inch gauge (40 psig), such eighteen (18) hours not to include time for connection and cooldown of LNG unloading arms, pipes and other transfer equipment.

Section 8.3 LNG Tanker Inspection.

(a) Before the berthing and commencement of unloading of any LNG Tanker at the Unloading Port, Buyer shall have the right to conduct an inspection of the LNG Tanker for the purpose of determining Seller's compliance with Section 8.2, which Seller shall facilitate by providing Buyer, Southern LNG and their respective agents reasonable access to the LNG Tanker and such information regarding its condition and operation as is reasonably requested by Buyer, Southern LNG, the operator of any Alternative Destination or their respective agents. If:

(i) such inspection reveals that the LNG Tanker fails to comply with the Section 8.2 standards to the extent that a Reasonable and Prudent Operator would not permit such LNG Tanker to berth, or if berthed to unload, and

(ii) Buyer has confirmation in writing that Southern LNG will not permit such LNG Tanker to berth, or if berthed to unload,

then Buyer shall have the right to reject the LNG Tanker.

(b) Rejection of an LNG Tanker pursuant to this Section 8.3 shall be deemed failure by Seller to deliver the Expected Delivery Quantity of the cargo scheduled for delivery on such LNG Tanker.

Section 8.4 LNG Terminal Facility Inspection.

(a) Before the berthing and commencement of unloading of any LNG Tanker at the LNG Terminal, Buyer shall exercise reasonable efforts to enable Seller to conduct an inspection of the LNG Terminal for the purpose of determining Buyer's compliance with Section 22.4(d). If such inspection reveals that Buyer has materially failed to comply with Section 22.4(d) to the extent that a Reasonable and Prudent Operator of an LNG Tanker would not permit such LNG Tanker to berth, or if berthed, to unload, and Seller has confirmation in writing that the master of such LNG Tanker will not permit such LNG Tanker to berth, then Seller shall have the right to refuse to unload at such facilities.

(b) A refusal to unload by Seller pursuant to this Section 8.4 shall not be deemed failure by Seller to deliver the Expected Delivery Quantity of the cargo scheduled for delivery on such LNG Tanker.

Section 8.5 Unloading Port Obligations.

(a) Seller shall cause each of the LNG Tankers that utilize the Unloading Port to observe and comply with all applicable Laws.

(b) Any tugs, pilots, escort vessels or other vessels attending the LNG Tanker while at the Unloading Port shall be employed by and at the sole risk and expense of Seller.

(c) Seller shall, at no cost or expense to Buyer, obtain and maintain, or cause to be obtained and maintained, all approvals (including all port approvals, marine permits, U.S. Coast Guard Certificate of Compliance and other technical and operational authorizations) required from Government Entities for each LNG Tanker to enter and travel in the territorial waters of the United States, to enter the Unloading Port, to berth and unload its cargo, to depart from the Unloading Port, and to leave the territorial waters of the United States.

(d) Seller shall be responsible for the payment of:

(i) all amounts due for supplies and services requested by masters of LNG Tankers delivering LNG under this Agreement, and

(ii) all port charges, including costs of dockage and wharfage, port service charges, line handling fees, harbor dues, inspection and customs fees, telephone and postage fees and charges, tonnage taxes and other similar costs incurred in connection with the delivery of LNG by such LNG Tankers to the Delivery Point.

(e) Buyer shall exercise reasonable efforts to cause Southern LNG to act as a Reasonable and Prudent Operator with respect to all matters where Southern LNG's performance is necessary for the performance by Buyer under this Agreement, including but not limited to:

(i) providing reasonable assistance to Seller in coordinating delivery of equipment, supplies and services for LNG Tankers berthing at the LNG Terminal;

(ii) providing, maintaining, and operating or causing to be provided, maintained and operated at the LNG Terminal a berth and receiving facilities in conformance with the Southern LNG FERC Gas Tariff;

(iii) assisting Seller, as requested, in fulfilling its responsibilities under Section 8.5(b);

(iv) pursuing and maintaining all permits, authorizations and approvals that are necessary for Southern LNG to operate the LNG Terminal pursuant to Southern LNG's FERC Gas Tariff;

(v) operating the LNG Terminal on a cost-efficient basis (taking into consideration Southern LNG's service obligations and the requirements of long-term reliability) and in a reliable manner and exercising commercially reasonable efforts to remedy any damages to, breakdown of, or other reason for the failure of the LNG Terminal for any reason; and

(vi) returning Gas to the LNG Tanker during discharge of each cargo of LNG in the manner set forth in the Southern LNG FERC Gas Tariff.

Section 8.6 Notices of Estimated Time of Arrival. Seller shall provide, or cause each LNG Tanker delivering a cargo of LNG to Buyer to provide, to each of Buyer and Southern LNG the series of notices regarding the delivery of such cargo of LNG set forth below (or if such LNG Tanker is traveling to an Alternative Destination, such LNG Tanker will provide such notices reasonably required by the operator at such Alternative Destination to addresses which have been given to Seller at the time the Alternative Destination has been designated by Buyer), with each such notice specifying the name of such LNG Tanker, the total quantity of LNG (in Cubic Meters) to be delivered to Buyer by such LNG Tanker, any operational deficiencies in the LNG Tanker that may affect its performance at the Delivery Point, and the estimated date and time of the arrival (the "Estimated Time of Arrival" or "ETA") of such LNG Tanker at the Delivery Point, and Seller shall cause to be sent to Buyer and Southern LNG further notification if the estimated time of arrival changes by more than 6 hours (or more than 2 hours within 24 hours of the ETA):

(a) first notice twenty-four (24) hours before such LNG Tanker departs the port of loading, following receipt of which Buyer shall notify Seller whether Southern LNG is able to schedule the arrival of Seller's LNG Tanker at the date and hour stated in Seller's notice;

(b) a second notice when such LNG Tanker departs the port of loading;

(c) a third notice for receipt ninety-six (96) hours before the ETA;

(d) a fourth notice for receipt seventy-two (72) hours before the ETA;

(e) a fifth notice for receipt forty-eight (48) hours before the ETA;

(f) a sixth notice for receipt twenty-four (24) hours before the ETA;

(g) a seventh notice for receipt five (5) hours before the ETA;

(h) an eighth notice (the "Arrival Notice") when such LNG Tanker has arrived at the location where a pilot is first required to be on board the LNG Tanker, as established in accordance with the port regulations of the Unloading Port, and received all approvals required under applicable Laws to enter the channel of the Savannah River (exclusive of any approvals that could not be obtained due to the actions or omissions of Buyer, the actions or omissions of Southern LNG or the presence at the Berth or in the channel of the Savannah River of another LNG Tanker) (or in the case of deliveries to an Alternative Destination, to proceed to the Berth at the Alternative Destination); *provided, however*, that if such Arrival Notice is issued prior to the Arrival Window established for such LNG Tanker in the current Ninety-Day Schedule, the Arrival Notice shall be deemed effective as of 6:00 a.m. local time at the Unloading Port during the first twenty-four (24) hour period of the Arrival Window established for such LNG Tanker; and

(i) a ninth notice when such LNG Tanker enters the channel of the Savannah River.

Section 8.7 Notice of Readiness. Following the arrival of each LNG Tanker at the Berth and its receipt of all necessary clearances to discharge LNG, Seller shall cause the master

of such LNG Tanker to provide its notice of readiness (the "Notice of Readiness"). At any time after the LNG Tanker has delivered its Notice of Readiness, Buyer shall be entitled to send a representative of Buyer and/or Southern LNG to board such vessel and act as an observer with respect to all activities occurring after the delivery of such Notice of Readiness until the completion of unloading of the LNG Tanker.

Section 8.8

Section 8.9

Section 8.10

Section 8.11 Cooperation between Seller and Buyer

(a) Within twenty-four (24) hours after departure of the LNG Tanker from the Loading Port, Seller shall notify Buyer of the following characteristics of the LNG comprising its cargo, as determined by Seller pursuant to Article 6 at the time of loading:

- (i) the Gross Heating Value per unit;
- (ii) the molecular percentage (or other measure of composition); and
- (iii) the volume in Cubic Meters of the LNG loaded onboard the LNG

Tanker.

(b) After Notice of Arrival has been given and Southern LNG has given clearance for the LNG Tanker to proceed to the Berth, Seller shall cause the LNG Tanker to be berthed safely, expeditiously, and in accordance with all Unloading Port rules and regulations, at the Berth designated by Buyer, and Buyer shall cooperate, or cause Southern LNG to cooperate, with the LNG Tanker being so berthed.

(c) Buyer and Seller shall use all reasonable endeavors to avoid any conflict with other LNG vessels in berthing the LNG Tanker at the Unloading Port. Notwithstanding the foregoing, the Parties acknowledge that Southern LNG shall determine the berthing sequence of the LNG Tanker and all other vessels at the Unloading Port in order best to ensure compliance with the overall unloading schedule of Buyer's Facilities. Buyer shall use reasonable endeavors to cause Southern LNG to accept as soon as possible the LNG Tanker after it arrives at the Unloading Port.

(d) Seller and Buyer shall commence unloading or cause unloading to be commenced as soon as practicable after the completion of berthing and shall complete unloading or cause unloading to be completed safely, effectively, expeditiously and in accordance with all Unloading Port rules and regulations.

(e) After the completion of unloading, Seller shall cause the LNG Tanker to depart from the Berth safely, expeditiously and in accordance with all Unloading Port rules and regulations, and Buyer shall cooperate, or cause Southern LNG to cooperate, with such safe and expeditious departure of the LNG Tanker from the Berth.

(f) If any problem occurs or is foreseen to occur which will or may cause delay to the LNG Tanker in berthing or unloading, Seller and Buyer shall discuss such problem in good faith and use all reasonable endeavors to minimize or to avoid the delay. Buyer and Seller shall cooperate with each other to find counter-measures to minimize or avoid the occurrence of any similar delay in the future.

Article 9. Alternative Destinations

Section 9.1 Designation of Alternative Destinations.

(a) Buyer shall have the right to request that a cargo be directed to an Alternative Destination if there is a temporary operational constraint at the LNG Terminal that would prevent Buyer from taking delivery of the designated cargo. Seller, subject to receipt of any required consent of Seller's supplier, shall accommodate such request, provided that Buyer meets the requirements of this Article 9. Seller shall use reasonable efforts to promptly obtain any required consent of Seller's supplier.

(b) Buyer shall be responsible for all incremental costs incurred and for making all arrangements that are necessary for the cargo to be unloaded at the Alternative Destination. It is agreed that for purposes of invoicing, Seller shall be entitled to be paid based on the assumption that the Expected Delivery Quantity of that cargo was delivered to the LNG Terminal in the Month of the end of the Arrival Window for that cargo, plus any incremental costs, losses or liabilities incurred or assumed in connection with Delivery at the Alternative Destination. In addition, Buyer shall be responsible for any adjustments to the Annual Program that might be required by Seller to accommodate the request to deliver a cargo to an Alternative Destination.

(c) For any cargo that Buyer requests Seller to deliver to an Alternative Destination, Seller will provide Buyer with a non-binding estimate of:

(i) the incremental costs associated with transporting such cargo to such Alternative Destination, and

(ii) the impact such delivery will have on the timing of Seller's future scheduled deliveries to Buyer.

(d) Seller shall deliver any cargoes requested by Buyer pursuant to Section 9.1(a) above to such Alternative Destination if all necessary consents from Seller's supplier are obtained and such delivery does not materially interfere with the other requirements for the LNG Tanker designated in the relevant Firm Delivery Confirmation, Ninety-Day Schedule or Annual Program. Seller shall notify Buyer if such delivery will materially interfere with the other requirements for such LNG Tanker, in which case Buyer may elect, in its sole discretion, to arrange its own shipping for such cargo from the Supply Facilities to the Alternative Destination, provided it can obtain the consents of all affected parties.

Section 9.2 Impact of Delivery at Alternative Destinations. The Expected Delivery Quantity of any cargo delivered to an Alternative Destination shall be deemed to have been delivered to the LNG Terminal for the purposes of Buyer's obligations in Section 4.3.

Article 10. LNG Delivery Schedule

Section 10.1 Scheduling Terms.

(a) The Annual Program for the delivery of LNG by Seller shall be established pursuant to the Scheduling Terms attached hereto as Exhibit 10.1 (the "Scheduling Terms"). The Arrival Windows that Seller shall be entitled to utilize each Scheduling Year for the delivery of LNG shall be determined pursuant to the Scheduling Terms.

(b) In each Scheduling Year, any proposed Annual Program submitted by Seller to Buyer pursuant to Section 2.3(a) of the Scheduling Terms, or any Annual Program developed by Buyer pursuant to Section 2.3(b) of the Scheduling Terms with respect to such Scheduling Year, shall schedule for delivery during such Scheduling Year a quantity of LNG equal to the lesser of (a) the ACQ for the Contract Year corresponding to such Scheduling Year, or (b) Seller's Requested Quantity for such Scheduling Year.

Section 10.2 Alternate Scheduling Terms.

The Annual Program for the delivery of LNG by Seller during each Contract Year commencing 90 Days or more after delivery of the Alternate Scheduling Notice shall be established pursuant to the provisions of Exhibit 10.2 (the "Alternate Scheduling Terms"). The Arrival Windows that Seller shall be entitled to utilize for the delivery of LNG during each Contract Year subsequent to delivery of the Alternate Scheduling Notice shall be determined pursuant to the Alternate Scheduling Terms.

Article 11. Price

Section 11.2

(a)

Article 12. [Reserved]

Article 13. Duties And Taxes

Notwithstanding the provisions of Section 7.3, all customs, taxes, excises, fees, duties, levies, charges and other assessments payable on or with respect to the sale or delivery of LNG sold and purchased under this Agreement, its exportation from the country of origin and the importation of LNG into the United States that arise at or prior to the Delivery Point, shall be the responsibility of Seller.

Article 14. Billing And Payment

Section 14.1 Monthly Invoices.

(a) On or before the tenth (10th) Day of each Month following the first Month of this Agreement, Seller shall forward to Buyer a monthly statement, calculated in accordance with Article 11, indicating the total amount due to Seller in such Month under this Agreement with respect to deliveries of LNG completed in the previous Month and Buyer shall forward to Seller a monthly statement, calculated in accordance with Article 11, indicating the total amount due to Buyer in such Month under this Agreement, including the amount due with respect to the Terminalling Costs. Buyer shall provide reasonable documentation for all components of the calculations of price, quantity and Terminalling Costs, including copies of all invoices provided to Buyer by Southern LNG under the Service Agreement.

(b) Either Party may, without liability to the other, withhold sums in respect of payments that would otherwise be made to the extent that Laws require such withholding. The withholding Party shall notify the other Party as soon as reasonably practicable after becoming aware of the legal requirement to withhold sums from payments and shall pay to the other Party such amount as will result in the other Party receiving the full invoiced amount after such reduction or withholding and promptly pay to the relevant authorities the amount deducted or withheld. In the event that either Party is obliged to withhold any amounts from the other Party's invoices and pay such amounts to a competent taxing authority then such withholding Party shall furnish the other Party with proof of payment of such sums paid together with tax receipts for such sums paid over. The invoicing Party shall be responsible for, indemnify,

defend and hold harmless the withholding Party against any claims arising in connection with such withholding or failure to withhold that arise due to the actions of the invoicing Party.

(c) The Party having a net amount due to the other Party, as reflected in the monthly statements, shall pay such net amount due on the later of the twenty-fifth (25th) Day of such Month or fifteen (15) Days after receipt of the other Party's monthly statement.

(d) Through independent consultants and subject to appropriate confidentiality obligations, either Party, upon sixty (60) Days' notice shall have the right to examine and audit the books and records of the other Party once in any twelve (12) Month period to the extent necessary to administer this Agreement. Such audits must be commenced within twenty-four (24) Months of receiving a statement, invoice, charge, measurement statement, payment or computation made under this Agreement which contains the information being audited and such audit will take place at the principal office of the Party whose information is being audited. Any error will be corrected retroactively.

(e) When calculating the unit prices to be paid per MMBtu of LNG under this Agreement, all Dollar amounts will be rounded to four (4) decimal places.

(f) Payment shall be timely made only if immediately available funds are received by the other Party's designated bank on the Day that payment is due, or if such Day is not a Business Day, the first Business Day after the day payment is due.

Section 14.2 Annual Invoices. Within thirty (30) Days following issuance of the Annual Program for any Contract Year, Seller shall forward to Buyer a statement, calculated in accordance with Section 4.4, indicating the Scheduling Deficiency Payment due to Seller for such Contract Year, if any and Buyer shall pay within fifteen (15) Days of receipt of such invoice.

Section 14.3 Interest on Late Payments. Interest on past due amounts shall accrue from the due date to the date payment is actually made at the Base Interest Rate plus two hundred (200) basis points compounded monthly.

Section 14.4 Disputed Invoice or Statement. Any Party may dispute the amount to be paid under any invoice or statement by delivering written notice of such dispute to the other Party within ninety (90) Days of such Party's receipt of such invoice or statement. Any such notice shall give reasons for such dispute and be accompanied by available documentation. Buyer and Seller shall attempt to reach agreement with respect to any disputed amount within thirty (30) Days following receipt of such notice. If the Parties fail to agree within such thirty (30) Day period, the matter may be referred by either Party for resolution under Article 21. In the event of a dispute with respect to an invoice or statement delivered hereunder, the Party required to make payment thereunder shall make payment of the amount not in dispute in the manner and on or before the date specified for such payment and shall promptly notify the other Party of the reasons for such dispute. Promptly after the resolution of a dispute with respect to any invoice or statement, the amount of any overpayment or underpayment shall be paid by Buyer or Seller (as the case may be) to the other Party together with interest thereon at the Base Interest Rate plus two hundred (200) basis points compounded monthly.

Section 14.5 Payment. Buyer shall pay, or cause to be paid, in Dollars, in immediately available funds all amounts which become due and payable by Buyer pursuant to Section 14.1(c) or Section 14.2 to a bank account or accounts designated by and in accordance with instructions issued by Seller. Seller shall pay, or cause to be paid, in Dollars, in immediately available funds all amounts which become due and payable by Seller pursuant to Section 14.1(c) to a bank account or accounts designated by and in accordance with instructions issued by Buyer. The paying Party shall not be responsible for a designated bank's disbursement of amounts remitted to such bank, and a deposit in immediately available funds of the full amount of each invoice with such bank to the proper account shall constitute full discharge and satisfaction of the obligations to pay such invoice under this Agreement.

Article 15. Force Majeure

Section 15.1 Performance Excused. A Party shall be excused for failure to carry out its obligations under this Agreement to the extent that and for the period during which it is rendered unable to carry out such obligations by reason of Force Majeure.

Section 15.2 Force Majeure Defined.

(a) "Force Majeure" shall mean, with respect to either Party, any event or circumstance beyond the reasonable control of such Party and its Affiliates, each such party having acted as a Reasonable and Prudent Operator, and which results in or causes the failure of such Party to perform any one or more of its obligations under this Agreement. Notwithstanding the foregoing, Force Majeure shall include, but not be limited to, the following events and circumstances to the extent that such prevent a Party's performance hereunder:

Section 15.6 Sale of LNG. For LNG scheduled to be delivered to Buyer but not taken by Buyer due to a Buyer invoked Force Majeure event, Seller may sell such LNG to any third party elsewhere without penalty.

Section 15.7 Effect on Payment Obligations.

Section 15.8 Apportionment of Available Capacity.

Article 16. Seller's Liabilities

Section 16.1 Seller's Failure to Deliver.

- (a) Each of the following shall constitute a "Delivery Failure Quantity":

Section 16.2 Limitations on Seller's Liability.

Article 17. Default and Termination

Section 17.1 Termination by Buyer. Buyer may terminate this Agreement by providing notice to Seller as set forth herein immediately upon the occurrence of any of the following events (each such event a "Seller Event of Default"):

Section 17.2 Termination by Seller. Seller may terminate this Agreement by providing notice to Buyer as set forth herein immediately upon the occurrence of any of the following events (each such event a “Buyer Event of Default”):

Section 17.3 Termination for Force Majeure.

Section 17.4 Limitation of Remedies Upon Termination. Any termination of this

Article 19. Insurance

From and after the Effective Date, Seller will be obligated to obtain and maintain all policies of insurance as required by Exhibit 19.

Article 20. [Reserved]

Article 21. Dispute Resolution

Section 21.1 Arbitration.

(a) Any dispute, claim or controversy (a "Dispute") arising out of or in connection with this Agreement shall be settled exclusively and finally by arbitration conducted by three (3) arbitrators in accordance with the AAA Rules in effect at the time of such proceeding, except as modified herein.

(b) Buyer and Seller shall each nominate one (1) arbitrator in accordance with the AAA Rules (such arbitrators, the "Nominees"). The Nominees shall then agree within thirty

(30) Days from the date on which the second (2nd) Nominee was nominated on a third (3rd) arbitrator to serve as chairperson of the tribunal. If the Nominees are unable to select a third (3rd) arbitrator within such period, the AAA shall appoint such third (3rd) arbitrator within thirty (30) Days of the written request by either Party.

(c) Any arbitration proceeding pursuant to this Article 21 shall be conducted and any award shall be rendered in New York, New York in the English language.

(d) Consolidation.

(i) The Parties are committed to the prompt and efficient resolution of Disputes arising under this Agreement,

Accordingly, if two (2) or more Disputes arise under this Agreement,

then any such Disputes for which a party to any such agreement seeks an arbitral resolution may be consolidated in a single arbitral proceeding, as follows:

(ii) If one or more arbitrations are already pending with respect to a Dispute under any of the Related Agreements, then either Buyer or Seller may request that any new Dispute or Disputes arising under any of the Related Agreements be consolidated into any such prior arbitration. If more than one arbitration already is pending, then Buyer and Seller shall, within twenty (20) Days of a request to consolidate the new Dispute, select one (1) of the pending arbitrations, into which the new Dispute shall be consolidated. If Buyer and Seller are unable to select the arbitration within such twenty (20) Day period, then the AAA shall select the arbitration within twenty (20) Days of a written request by Buyer or Seller. The new Dispute shall be so consolidated, provided that the arbitral tribunal for the arbitration so selected determines that:

(A) the new Dispute presents significant issues of law or fact common with those in the pending arbitration,

(B) no Party would be unduly prejudiced, and

(C) consolidation under these circumstances would not result in undue delay for the pending arbitration.

Any such order of consolidation issued by the arbitral tribunal shall be final and binding upon Buyer and Seller. Buyer and Seller waive any right they may have to appeal or to seek interpretation, revision or annulment of such order under the AAA Rules or in any court. In any such consolidated arbitration, each group of (i) Buyer

(ii) Seller shall each be treated as a single party to the arbitration. The arbitral tribunal for the arbitration into which a new dispute is consolidated shall serve as the arbitral tribunal for the consolidated arbitration. The Parties agree that upon such an order of consolidation, they will promptly dismiss any arbitration brought under this Article 21, the subject of which has been consolidated into a separate arbitral proceeding under this Article 21.

Section 21.2 Multi-Party Arbitration.

(a) In the event that:

(i) any Dispute between Buyer and Seller arises out of or relates to (A) the interpretation or application of the Scheduling Terms, or (B) the scheduling of cargoes for delivery by Seller to the LNG Terminal (a "Seller Scheduling Dispute"), and

(ii) any Dispute between Buyer and a Third Party Scheduler arises out of or relates to (A) the interpretation or application of the scheduling terms between such parties, or (B) the scheduling of cargoes for delivery by such Third Party Scheduler to the LNG Terminal (a "Third Party Scheduling Dispute")

then, subject to Section 21.3, such Seller Scheduling Dispute and such Third Party Scheduling Dispute may be consolidated by Buyer in a single arbitration to which all parties to such Seller Scheduling Dispute and such Third Party Scheduling Dispute shall be parties (a "Multi-Party Arbitration"); provided, however, that Third Party Scheduling Disputes to be consolidated pursuant to this Section 21.2(a) must arise under an LNG Sales Agreement containing scheduling terms that are not materially different from the Scheduling Terms under this Agreement. At the request of Buyer, and subject to Section 21.3, such Seller Scheduling Dispute and all such Third Party Scheduling Disputes shall be consolidated into a single Multi-Party Arbitration, and Seller covenants to dismiss any arbitration(s) that it may have brought, the subject of which is any Dispute that has been consolidated into such Multi-Party Arbitration, and to bring any and all claims or counterclaims with regard to such Seller Scheduling Dispute and such Third Party Scheduling Dispute in such Multi-Party Arbitration as long as Buyer's request for consolidation is made at least thirty (30) Days prior to the commencement of the hearing(s) in the arbitration(s) with respect to the Seller Scheduling Dispute.

(b) In addition to the consolidation provisions set forth in Section 21.2(a) and subject to Section 21.3, any Party may assert in a single Multi-Party Arbitration any Dispute arising under or related to this Agreement and any Other Dispute, if:

(i) the subject matter of the Dispute and such Other Dispute involve common questions of law and fact, and

(ii) the independent resolution of the Dispute and such Other Dispute could result in conflicting awards or obligations.

(c) In addition to the consolidation provisions set forth in Section 21.2(a) and subject to Section 21.3, any party may move to consolidate into a single Multi-Party Arbitration any Dispute arising under this or related to this Agreement that is currently pending in arbitration and any Other Dispute, if:

(i) (A) the subject matter of such Dispute and such Other Dispute involve common questions of law and fact or (B) the independent resolution of the Dispute and such Other Dispute could result in conflicting awards or obligations, and

(ii) the request for consolidation is made at least thirty (30) Days prior to the commencement of the hearing(s) in such pending arbitration.

(d) In the event that consolidation of two (2) or more pending arbitrations is sought pursuant to this Section 21.2, and any party to such an arbitration objects to such consolidation, within thirty (30) Days of the date that the request for consolidation is received by such objecting party, the parties to such arbitrations shall have fifteen (15) Days from the date of receipt of notice of the first objection to consolidation to agree on an expert to determine whether such consolidation is appropriate. If the parties are unable to timely agree on such expert within such fifteen (15) Day period, then the parties shall have an additional fifteen (15) Days to agree on and submit to the AAA a list of at least three (3) independent experts, and the AAA shall appoint an expert from such list. If the parties are unable to timely agree on such a list, then at the request of any party, the AAA shall appoint the expert, who shall be an experienced international arbitrator. The Parties agree that in the event of a determination by the selected expert that a Multi-Party Arbitration is appropriate, they will move expeditiously to dismiss any arbitration that has been brought under Section 21.1, the subject of which is any Dispute which has been consolidated into such Multi-Party Arbitration, and to bring any and all claims or counterclaims with regard to such Dispute(s) in such Multi-Party Arbitration.

(e) In the event that a Party requests consolidation pursuant to this Section 21.2 of any arbitration proceeding commenced pursuant to Section 21.1, more than thirty (30) Days after the arbitrators have been selected for such pending arbitration, the Party requesting such consolidation shall reimburse the other Party for all expenses, including arbitrator's fees and administrative fees incurred by the other Party in connection with such proceedings prior to the termination of such proceedings pursuant to Section 21.2. In all other cases, the costs of such prior arbitration shall be allocated pursuant to Section 21.4.

Section 21.3 Procedures for Multi-Party Arbitration.

(a) The Parties agree that any Multi-Party Arbitration conducted pursuant to the terms hereof shall be finally settled under the AAA Rules by three (3) arbitrators, except to the extent that the provisions of this Article 21 may be in conflict with such AAA Rules. The parties to the Multi-Party Arbitration shall have fifteen (15) Days from the receipt of a determination that a Multi-Party Arbitration is appropriate to agree on a panel of three (3) arbitrators for the Multi-Party Arbitration. During such period the parties may confer with each other regarding prospective arbitrators; however, there shall be no ex-parte communications between any party and any arbitrator. Following the expiration of such fifteen (15) Day period, the parties shall submit their agreed nominees to the AAA for confirmation; or if the parties have failed to agree on a panel, then each party shall independently nominate directly to the AAA (without copying the other parties) three (3) arbitrator-nominees, such nomination to be made within fifteen (15) Days of the expiration of the original fifteen (15) Day period. Following the submission of such nominations to the AAA, there shall be no communications between the parties with regard to the arbitrator-nominees. If a party fails to timely nominate three (3) arbitrator-nominees within fifteen (15) Days, the AAA shall nominate arbitrator-nominees for such party. The AAA shall circulate to the parties a list of the names of the arbitrator-nominees without indicating the source of such names. Within fifteen (15) Days of the receipt of such list, each party shall strike two arbitrator-nominees, rank the remainder of the arbitrator-nominees,

and return the list to the AAA. At no time shall there be any ex-parte communication between any of the arbitrator-nominees and any of the parties, nor shall the arbitrator nominees be informed at any time which party nominated them. The AAA shall select from the arbitrator-nominees remaining on the list the two highest ranked arbitrators who are able to serve. Following confirmation of such arbitrators, the AAA shall appoint a third arbitrator to serve as chair of the tribunal. Such arbitrator shall be admitted to practice in a common law country and shall not be an arbitrator-nominee whose name was stricken by any party. In any Multi-Party Arbitration, any group of Affiliates shall be treated as a single party. Any Multi-Party Arbitration shall be held and any Multi-Party Arbitration award shall be issued in New York, New York. The language of the Arbitration shall be English.

(b) Notwithstanding Sections 21.2 and 21.3(a), Seller shall not be required to withdraw or to dismiss any arbitral proceeding or submit any Dispute for resolution pursuant to Section 21.3(a), unless all parties to such Multi-Party Arbitration agree or have agreed to the Multi-Party Arbitration and that the arbitral tribunal in such Multi-Party Arbitration shall apply Sections 21.3(a), 21.4 and 21.5, *mutatis mutandis*, to each Other Dispute and Third Party Scheduling Dispute to be resolved in such Multi-Party Arbitration.

Section 21.4 Decisions and Awards; Costs.

(a) Any decision of or award by an arbitral tribunal pursuant to this Article 21 shall be reduced to writing and shall include the findings of fact and conclusions of Law upon which it is based. The award shall be final and binding upon the Parties and judgment for execution and enforcement of any award may be entered by any court of competent jurisdiction.

(b) The Parties hereby waive any rights of application or appeal to any national or state court or tribunal to the fullest extent permitted by law in connection with any question of law arising in the course of the arbitration or with respect to the merits of any award made, except for actions relating to enforcement of the arbitration agreement or an arbitral award and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

(c) The costs of arbitration, including reasonable attorneys' fees shall be allocated to each party involved in such proceedings as determined by the arbitral tribunal. The decision or award shall include interest from the date of any breach or other violation of an agreement between the parties at an interest rate specified in such agreement, or if no such interest rate is provided in such agreement for such breach of violation, at an interest rate specified by the arbitral tribunal. Unless otherwise agreed by the Parties, all payments made pursuant to the arbitration decision or award shall be made in United States Dollars free of any deduction or withholding for taxes. Each Party hereby irrevocably waives any challenge to the enforcement of an arbitration decision or award issued in accordance with the provisions of this Article 21; *provided, however*, that any Party may challenge the enforcement of the decision or award on any of the grounds stated in the Federal Arbitration Act. The Parties hereby further irrevocably waive any claim against each other for incidental, consequential, multiple, special or punitive damages.

Article 22. Representations and Warranties

Section 22.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer that as of the Effective Date:

(a) Seller is duly organized and validly existing under the Laws of the jurisdiction of its organization, with full power, authority and capability to enter into this Agreement and to perform all acts contemplated herein;

(b) this Agreement is a valid and binding agreement of Seller; and

(c) the execution, delivery and performance of this Agreement, and the performance of all acts contemplated herein by Seller, do not constitute any of the following:

(i) contravention of any provisions of any document relating to the incorporation or constitution of Seller;

(ii) breach of or default under any material contract binding upon Seller; or

(iii) violation of any applicable Laws.

Section 22.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that as of the Effective Date:

(a) Buyer is duly organized and validly existing under the Laws of the jurisdiction of its organization, with full power, authority and capability to enter into this Agreement and to perform all acts contemplated herein;

(b) this Agreement is a valid and binding agreement of Buyer; and

(c) the execution, delivery and performance of this Agreement, and the performance of all acts contemplated herein by Buyer, do not constitute any of the following:

(i) contravention of any provisions of any document relating to the incorporation or constitution of Buyer;

(ii) breach of or default under any material contract binding upon Buyer; or

(iii) violation of any applicable Laws.

Section 22.3 Seller's Covenants.

(a) Seller shall have good and marketable title to all LNG delivered to Buyer under this Agreement, as of the date delivered, and all LNG delivered hereunder shall be free and clear of all liens, security interests, charges, assessments, adverse claims and other encumbrances of every form and nature.

(b) Seller shall exercise reasonable efforts to maintain in effect throughout the term of this Agreement those approvals, authorizations and permits issued by any Government Entity that are necessary for Seller's performance of this Agreement.

Article 23. Confidentiality

Section 23.1 Confidentiality.

(a) Each Party shall maintain in strict confidence and protect the confidentiality of all the provisions and contents of this Agreement and of all information, reports, data, software or other material, whether written or oral, in electronic or magnetic format, and the contents thereof and any reports, digests or summaries created or derived from any of the foregoing that is provided by one Party to the other Party ("Confidential Information"), and shall not disclose any such Confidential Information to any third party without the prior written consent of the other Party; provided, however, that each Party shall be entitled to use the Confidential Information for any and all lawful purposes relating to its business, operations and activities, including the financing and auditing thereof and shall be entitled (without prior written consent of the other Party) to disclose Confidential Information to its respective Affiliates and to officers, directors and employees of such Affiliates, provided that such Party shall procure that such Affiliate and its officers, directors and employees do not disclose further, such Confidential Information.

(b) Notwithstanding the previous subsection, each Party may disclose Confidential Information to the extent that such Confidential Information:

- (i) was public prior to its delivery to such Party;
- (ii) was obtained from a third party with no known duty to maintain its confidentiality;

(iii) is required to be disclosed by Laws (including the Employment Rights Act 1999 (Eng.) (as amended by the Public Interest Disclosure Act 1998 (Eng.)) or judicial or administrative or arbitral process or by any governmental authority or by the rules of any recognized stock exchange on which the shares of a Party (or its Affiliates) are traded;

(iv) is provided to professional advisors, agents, auditors or representatives of the Party as is reasonable under the circumstances; provided, however, that the Party receiving such Confidential Information shall require such persons, other than legal counsel, to undertake in writing to keep such Confidential Information confidential and shall use reasonable efforts to ensure compliance with such undertaking;

(v) is provided to lenders or potential lenders to either Party; provided, however, that the Party, lenders or potential lenders receiving such Confidential Information shall require such persons to undertake in writing to keep such Confidential Information confidential and shall use reasonable efforts to ensure compliance with such undertaking;

(vi) is provided by Seller to Buyer pursuant to Article 3 of the Scheduling Terms; or

(vii) is provided to a person in connection with discussions relating to the transfer of all or a portion of a Party's business or assets, provided that such receiving person agree in writing to abide by the provisions of this Article 23.

Section 23.2 Remedies. The Parties agree that:

(a) damages would not be an adequate remedy for any breach of the provisions of this Article 23;

(b) either Party shall be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the provisions of this Article by the other Party or a third party; and

(c) no proof of special damages shall be necessary for the enforcement of this Article.

Section 23.3 Survival. The provisions of this Article 23 shall survive the termination or expiration of this Agreement for a period of two (2) years.

Article 24. Notices

Section 24.1 Notices.

(a) Unless otherwise provided in this Agreement, any notice to be given hereunder shall be in writing (which shall include e-mail and facsimile), except that notices given from LNG Tankers at sea may be given by radio. Written notices may be delivered

(i) by hand (including by express courier) against written receipt,

(ii) by first class mail postage prepaid,

(iii) by facsimile copy with telephone confirmation thereof, or

(iv) electronically as an electronic mail, provided that such electronic mail notice is identified as a notice hereunder in such in the electronic mail

provided, that in case of notice given under (iv) above the recipient shall promptly acknowledge receipt and if acknowledgement is not received within twenty-four (24) hours the message shall be resent or confirmed by telephone.

(b) The Parties shall maintain radio channels, frequencies and procedures for all notices and communications between LNG Tankers, the LNG Terminal and the authorities for the Unloading Port.

(c) A notice shall be deemed to have been served:

(i) when delivered by hand at the appropriate address for the receiving party,

(ii) when received by facsimile copy or electronic mail,

(iii) if sent by first class mail postage prepaid, when received, or

(iv) if given by radio (in the case of communication contemplated by this Agreement to be given or received by LNG Tankers), when receipt of such radio transmission has been acknowledged by the receiving Party.

In proving service by first class mail, it shall be sufficient to prove that the letter containing the notice was properly addressed and stamped and posted. The names and addresses for the service of notices referred to in this Section are:

For notices to Buyer, to:

BG LNG Services, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056
Facsimile: +1-713-599-3781
Attn: President

For notices to Buyer pursuant to Articles 3, 15, 17, 21 or 25, with a copy to:

BG LNG Services, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056
Facsimile: +1-713-599-3781
Attn: VP, Legal

For notices to Southern LNG, to:

Southern LNG Inc.
AmSouth – Sonat Tower
1900 5th Avenue North
P.O. Box 2563
Birmingham, Alabama 35203
Attention: General Counsel
Facsimile: 1-205-327-2253

For notices to Seller, to:

Marathon LNG Marketing LLC
5555 San Felipe
Houston, TX 77056
Attention: President
Facsimile: +1 713 296-4515

Either Party may change its notice address, telephone number or facsimile number by notice to the other Party in the manner specified above. Both Parties agree to promptly notify the other Party of a change in address, telephone number or facsimile number.

Article 25. Assignment

Section 25.1 Assignment.

(a) Except as provided in clauses (b), (c) and (d) below, neither Party shall assign any or all of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

(b) Seller shall have the right to collaterally assign any or all of its rights under this Agreement, without the consent of Buyer, in order to obtain financing or to utilize risk management products.

(c) Each of the Parties shall have the right to assign all of its rights and obligations under this Agreement, without the consent of the other Party, either to an Affiliate or to a third party in connection with a merger, corporate reorganization or transfer of all or substantially all of its assets.

(d) Notwithstanding the foregoing provisions of this Section 25.1, no assignment of this Agreement by Buyer or Seller, whether with or without the consent of the other Party, shall relieve the assigning Party of any of its obligations hereunder.

Article 26. Miscellaneous

Section 26.1 Governing Law. The interpretation and performance of this Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the law thereof regarding the conflict of laws (other than Section 5-1401 of the General Obligations Law). The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

Section 26.2 Compliance with Laws. Each Party shall, in the performance of this Agreement, comply with all applicable Laws in effect on the date this Agreement was entered into, and as they may be amended from time to time. Notwithstanding anything to the contrary, this Agreement shall not be interpreted or applied so as to require either Party to do, or to refrain from doing, anything that would constitute a violation of any applicable Laws, including, the Foreign Corrupt Practices Act of 1977.

Section 26.3 Language. The language of this Agreement and all other documentation and notices relating to this Agreement shall be the English language.

Section 26.4 Amendment. This Agreement may only be amended, modified or supplemented by a written instrument signed by both Parties.

Section 26.5 Waiver. Neither Party shall be deemed to have waived any right under this Agreement, unless such Party shall have delivered to the other Party a written waiver signed by an authorized officer of such waiving Party. No delay or omission in the exercise of any power or remedy shall be construed to be a waiver of any default or an acquiescence therein.

Section 26.7 Third Party Beneficiaries. This Agreement shall not be construed as creating any rights or benefits in any person or entity, other than the Parties hereto and their respective successors and permitted assigns.

Section 26.8 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture, to impose a trust or partnership duty, obligation or liability on or with regard to either Party, to create any principal/agent relationship between the Parties, or to create any duty, standard of care or liability to any person or entity not a Party hereto.

Section 26.9 Severability. The provisions of this Agreement are severable, and if any portion of this Agreement is deemed legally invalid or unenforceable, the remainder of this Agreement shall survive and remain in full force and effect.

Section 26.10 Consequential Loss or Damage. Notwithstanding anything contained in this Agreement but without prejudice to the express remedies set forth herein (including Section 5.2(a)), neither Party shall be liable to the other Party in contract, tort (including negligence) or otherwise for or in respect of any special, punitive, incidental, indirect or consequential loss or damage, including any loss of profits or business interruption, suffered or incurred by the other Party resulting from any act or omission in the course of or in connection with the performance of this Agreement; provided, however, that this limitation shall not prohibit a Party from recovering contribution for any liabilities to third parties that arise as a result of the other Party's tortious conduct or failure to fulfill its obligations hereunder.

Section 26.11 Tortious Liability. With respect to breaches of this Contract (and acts or omissions which constitute breaches), the relationship between Buyer and Seller is contractual and neither Party shall have any claim against the other in tort with respect to such acts or omissions.

Section 26.12 Survival. Notwithstanding anything to the contrary herein, the provisions set forth under Article 21, Article 23 (to the extent set forth in Section 23.3), Article 24 and Sections 11.2(b), 17.4, 26.1, 26.2, 26.3, 26.5, 26.6, 26.7, 26.8, 26.9, 26.10, 26.11 and 26.12 shall continue and survive the termination of this Agreement.

Section 26.13 Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which collectively shall be deemed one and the same instrument.

Section 26.14 Rates and Indexes.

(a) If (i) a publication which contains a rate or index used in this Agreement ceases to be published for any reason or (ii) such a rate or index should cease to exist for any reason, the Parties shall select a comparable rate or index to be used in place of such rate or index that maintains the intent and economic effect of the original rate or index. If the Parties fail to agree on a rate or index, the issue shall proceed to arbitration in accordance with Article 21 and the panel shall select the published rate or index, or a combination of rates or indices, that most nearly preserves the original economic balance established by the Parties.

(b) If any rate or index used in this Agreement is not published for a particular date, but the publication containing such rate or index continues to be published and the rate or index itself continues to exist, then the Parties shall use the rate or index in effect for the date such rate or index was most recently published as the rate or index for such date.

(c) If an incorrect value is published for any rate or index used in this Agreement and such error is corrected and published within one (1) year of the date of the publication of such incorrect rate or index, then such corrected rate or index will be substituted for the incorrect rate or index and any calculations involving such rate or index will be recalculated and Buyer and Seller will take any necessary actions based upon these revised calculations.

IN WITNESS HEREOF, each of the Parties has caused this LNG Sale and Purchase Agreement to be executed in more than one copy, each of which shall be deemed to be an original as of the day and year first above written.

MARATHON LNG MARKETING LLC

By: William H. Hastings DHR

Name: WILLIAM H. HASTINGS

Title: PRESIDENT

BG LNG SERVICES, LLC

By: Elizabeth Spomer M

Name: Elizabeth Spomer

Title: Vice-President

EXHIBIT 10.1

SCHEDULING TERMS

Paragraph 1. Definitions

Clause 1.1 Interpretation and Definitions. References to a particular clause, paragraph, or sub-paragraph in this Exhibit 10.1 shall, except where the context otherwise requires, be a reference to that clause, paragraph, or sub-paragraph in this Exhibit. Capitalized terms used in this Exhibit 10.1 and not otherwise defined herein shall have the meanings given to such terms in this Agreement. The following terms shall have the meanings specified in this Clause 1.1 when used with initial capitalization in this Exhibit 10.1 (unless otherwise specified in this Clause 1.1):

“71 Class” means those LNG Tankers that have a total LNG capacity equal to or greater than seventy thousand (70,000) Cubic Meters, but less than eighty-five thousand (85,000) Cubic Meters.

“87 Class” means those LNG Tankers that have a total LNG capacity equal to or greater than eighty-five thousand (85,000) Cubic Meters, but less than one hundred twenty thousand (120,000) Cubic Meters.

“125 Class” means those LNG Tankers that have a total LNG capacity equal to or greater than one hundred twenty thousand (120,000) Cubic Meters, but less than one hundred thirty-five thousand (135,000) Cubic Meters.

“137 Class” means those LNG Tankers that have a total LNG capacity equal to or greater than one hundred thirty-five thousand (135,000) Cubic Meters.

“Annual Program” means, with respect to any Scheduling Year, the schedule established pursuant to the procedures specified herein incorporating the information specified in Clause 2.3 for the delivery of LNG by the Scheduling Parties to Buyer at the LNG Terminal during such Scheduling Year.

“Arrival Window” means, with respect to a given cargo of LNG scheduled for delivery pursuant to any LNG Sales Agreement, the forty-eight (48) hour period beginning at 6:00 a.m. during which such cargo is scheduled to arrive at the berth of the LNG Terminal.

“Constrained Period” has the meaning specified in Clause 5.2(b).

“Default Principles” has the meaning set forth in Clause 3.2.

“Default Principles Scheduling Quantity” means, with respect to any Scheduling Year, the lesser of (a) the Scheduling Quantity for such Scheduling Year, or (b) the Total Requested Quantity for such Scheduling Year.

“Delivery Pattern” means the sequence of Arrival Windows and associated LNG Tankers that results from the scheduled use of each nominated or default LNG Tanker throughout the Scheduling Year.

“First Annual Program” means the Annual Program for the First Scheduling Year.

“Firm Arrival Window” means, with respect to any Scheduling Year, any Arrival Window that is scheduled in the Annual Program for such Scheduling Year in which any Scheduling Party has a firm delivery commitment to Buyer to deliver the cargo scheduled to be delivered in such Arrival Window when the Annual Program is established for such Scheduling Year.

“Firm Scheduling Party” means, with respect to any Scheduling Year, a Scheduling Party whose quantities of LNG are included partially or entirely in the Total Firm Quantity for such Scheduling Year.

“First Scheduling Year” means the period beginning on the Effective Date and ending on the first September 30th following the Effective Date.

“LNG Sales Agreement” means this Agreement or any other agreement between Buyer or its Affiliates and any other person with respect to the sale of LNG to Buyer or its Affiliates at the LNG Terminal.

“LNG Tanker Classes” means, collectively, the 71 Class, the 87 Class, the 125 Class, and the 137 Class.

“Maximum Scheduling Quantity” means, with respect to any Scheduling Year, either, (i) in the event Buyer establishes the Annual Program for such Scheduling Year, the Default Principles Scheduling Quantity, or (ii) in all other events, the Scheduling Quantity for such Scheduling Year.

“Maximum Tank Inventory Level” means, with respect to each Arrival Window, a Tank Inventory Level at the beginning of such Arrival Window that does not exceed (a) a quantity of LNG (in Cubic Meters) equivalent to four (4) Bcf of natural gas, minus (b) the Tanker Capacity of the LNG Tanker scheduled to deliver a cargo in such Arrival Window.

“Minimum Tank Inventory Level” means, with respect to any Day during the Scheduling Year, a Tank Inventory Level equal to a quantity of LNG (in Cubic Meters) equivalent to 200,000 million cubic feet.

“Ninety-Day Schedule” means a three-Month forward plan of Arrival Windows for the delivery of LNG by the Scheduling Parties to Buyer at the LNG Terminal.

“Proposed Annual Program” has the meaning specified in Clause 2.3(a).

“Proposed Annual Program Deadline Date” has the meaning specified in Clause 2.3(a).

“Scheduling Party” means (i) Seller; (ii) any other person that has the right to deliver at least six (6) cargoes of LNG per Scheduling Year to the LNG Terminal pursuant to an LNG Sales Agreement with a term of at least three (3) consecutive years; or (iii) Buyer or its Affiliates, to the extent that the parties described in clauses (i) and (ii) above request to deliver less than 162.8 Bcf, and/or to the extent that the available capacity at the terminal exceeds 162.8 Bcf, and “Scheduling Parties” means, collectively, each of the persons described herein.

“Scheduling Principles” has the meaning specified in Clause 3.1.

“Scheduling Quantity” has the meaning specified in Clause 2.2(a).

“Scheduling Year” means (i) the First Scheduling Year, (ii) each period thereafter from October 1 in one calendar year to September 30 in the following calendar year that falls entirely within the term of this Agreement, and (iii) the period of time from the last October 1 prior to the end of the term of this Agreement until the end of such term.

“Seller's Requested Quantity” has the meaning specified in Clause 2.2(a).

“Tanker Capacity” means, with respect to any LNG Tanker and any Scheduling Year, the nameplate capacity of such LNG Tanker (in Cubic Meters of LNG) multiplied by the Tanker Capacity Adjustment Factor for such Scheduling Year.

“Tank Inventory Level” means the LNG tank inventory level (in Cubic Meters of LNG) at the LNG Terminal excluding Tank Heel.

“Third Party Requested Quantity” means, with respect to deliveries of LNG by a given Third Party Scheduler during a given Scheduling Year, the total amount of LNG (in Cubic Meters) proposed to be scheduled for delivery to the LNG Terminal during such Scheduling Year by such Third Party Scheduler.

“Third Party Scheduler” means any Scheduling Party other than Seller.

“Total Firm Quantity” means, with respect to any Scheduling Year, the total quantity of LNG (in Cubic Meters) scheduled to be delivered in all the Firm Arrival Windows in such Scheduling Year by Seller and all Third Party Schedulers other than Seller.

“Total Requested Quantity” means, with respect to any Scheduling Year, an amount of LNG (in Cubic Meters) equal to the sum of (a) Seller's Requested Quantity for such Scheduling Year, plus (b) the aggregate of all Third Party Requested Quantities for such Scheduling Year.

Paragraph 2. Scheduling of Annual Programs

Clause 2.1 First Scheduling Year. The Parties have agreed upon an Annual Program for the First Scheduling Year, which is attached hereto as Exhibit A.

Clause 2.2 Exchange of Information.

(a) No later than one hundred five (105) days prior to the beginning of each Scheduling Year, Buyer shall provide to Seller a written notice setting forth the maximum quantity of LNG (in Cubic Meters) that Buyer has determined, in its sole discretion, can be scheduled for delivery in the Annual Program for such Scheduling Year by all Scheduling Parties (the “Scheduling Quantity”). No later than eighty-five (85) days prior to the beginning of each Scheduling Year after the First Scheduling Year, Seller shall provide to Buyer written notice of the total quantity of LNG that Seller requests to schedule for delivery to the LNG Terminal in such Scheduling Year, up to a maximum quantity equal to the Annual Contract Quantity (“Seller's Requested Quantity”) and Seller's good faith estimate of the following information: (i) the size, cargo capacity, and service speed of LNG Tankers it anticipates using to accomplish such deliveries; (ii) the loading port for each cargo of LNG, if known at such time, and the estimated heating value of LNG loaded at such facility; (iii) an explanation of any general operational and/or shipping considerations it anticipates will impact its ability to make deliveries during such Scheduling Year, including scheduled maintenance and downtime (including drydocking) for its LNG Tankers and scheduled maintenance and downtime at any applicable LNG loading port, LNG liquefaction facility, or related facility; (iv) a proposed schedule of Arrival Windows for deliveries of LNG to the LNG Terminal by Seller for such Scheduling Year, including an identification of each proposed Firm Arrival Window in which Seller proposes to deliver a cargo; and (v) any other information reasonably requested by Buyer. In addition, Seller may request that Arrival Windows allocated to Seller in the Annual Program be distributed unevenly throughout the Scheduling Year if (i) Seller's Requested Quantity is less than the Annual Contract Quantity for such Scheduling Year, and (ii) no two (2) Arrival Windows allocated to Seller in a resulting Annual Program that provides for such requested uneven distribution would be any closer together than the interval that would have otherwise existed between such Arrival Windows if (A) Seller's Requested Quantity for such Scheduling Year was equal to the Annual Contract Quantity for such Scheduling Year, and (B) all Arrival Windows allocated to Seller for such Scheduling Year were evenly distributed throughout such Scheduling Year.

(b) The information provided by Seller pursuant to Clause 2.2(a) shall comply with the following:

- (i) Seller shall nominate LNG Tankers from no more than two (2) LNG Tanker Classes for each Scheduling Year;
- (ii) Seller shall nominate only LNG Tankers that are in the 125 and 137 LNG Tanker Classes;
- (iii) in the event that Seller fails to nominate one or more LNG Tankers in accordance with this Clause 2.2(b), Seller will be deemed to have collectively nominated the LNG Tankers that it nominated, or were deemed to have been nominated, for the immediately preceding Scheduling Year.

(c) No later than eighty (80) days prior to the beginning of any Scheduling Year, Buyer shall provide to Seller the following information, or notice that no information has been received from Third Party Schedulers: (i) the size, cargo capacity, and service speed of the LNG Tankers that the Third Party Scheduler anticipates using to deliver such Third Party Requested Quantity to the LNG Terminal; (ii) the loading port(s) for each cargo proposed to be delivered by the Third Party Scheduler; (iii) an explanation of any general operational and/or shipping considerations anticipated to impact the Third Party Scheduler's ability to make deliveries during such Scheduling Year, including scheduled maintenance and downtime (including drydocking) for its LNG Tankers and scheduled maintenance and downtime at any applicable LNG loading port, LNG liquefaction facility, or related facility; and (iv) a proposed schedule of Arrival Windows for deliveries of LNG submitted to Buyer by such Third Party Scheduler. In the event that a Third Party Scheduler provides updated information to Buyer for any information previously provided to Seller pursuant to this Clause 2.2(c), Buyer shall promptly provide such updated information to Seller.

(d) Each Party shall regularly provide the other Party updates of the information exchanged pursuant to this Clause 2.2 in order to assist in preparing the Annual Programs and the Ninety-Day Schedules.

Clause 2.3 Timetable and Procedure for Setting Annual Program.

(a) If Seller delivers to Buyer, no later than seventy-five (75) days prior to the beginning of any Scheduling Year, a proposed Annual Program (a "Proposed Annual Program") for such Scheduling Year that has been agreed to in writing by each of the Scheduling Parties, Buyer shall adopt such Proposed Annual Program as the Annual Program for such Scheduling Year unless Buyer, no later than sixty-five (65) days prior to the beginning of such Scheduling Year, notifies Seller that such Proposed Annual Program either (i) does not comply with the Scheduling Principles, or (ii) does not include all of the information required by Clause 2.4, identifying the deficiencies in such Proposed Annual Program. Seller shall be entitled to submit a revised Proposed Annual Program that corrects such deficiencies no later than fifty-five (55) days prior to the beginning of the Scheduling Year (the "Proposed Annual Program Deadline Date").

(b) In the event that Buyer does not receive a Proposed Annual Program that complies with Clause 2.3(a) on or prior to the Proposed Annual Program Deadline Date, Buyer

shall unilaterally establish the Annual Program. Any Annual Program established by Buyer shall comply with the Default Principles and the Scheduling Principles, and take into account information provided by Seller pursuant to Clause 2.2. In establishing the Annual Program, Buyer shall (i) use reasonable efforts to ensure that such Annual Program reflects the Scheduling Principles, the Default Principles, and use reasonable efforts to accommodate the requests of the Scheduling Parties to the extent feasible, and (ii) consult with Seller on Buyer's progress in developing such Annual Program. Buyer shall deliver such Annual Program to Seller no later than forty (40) days prior to the beginning of the Scheduling Year to which it applies.

Clause 2.4 Contents of Annual Program. Each Annual Program shall contain the following information with respect to each Scheduling Party:

- (a) the dates for each Arrival Window for each cargo of LNG scheduled to be delivered by each Scheduling Party;
- (b) an identification of each Firm Arrival Window;
- (c) the LNG Tanker Class scheduled to carry each cargo;
- (d) the volume of LNG (in Cubic Meters) scheduled to be delivered by the LNG Tanker in each Arrival Window.

Paragraph 3. Principles

Clause 3.1 Scheduling Principles. Unless both Buyer and Seller agree in writing to the contrary, each Annual Program must comply with the following principles (the "Scheduling Principles"):

- (a) The total quantity of LNG scheduled for delivery in each Annual Program for any Scheduling Year shall be the Default Principles Scheduling Quantity.
- (b) Each Annual Program shall provide for Arrival Windows for all Scheduling Parties that shall comply with all of the following requirements for each Scheduling Year:
 - (i) Assuming that (A) each and every cargo scheduled for delivery in a Firm Arrival Window in such Scheduling Year will be delivered during the first twenty-four (24) hour period of such Firm Arrival Window, and (B) no other cargoes will be delivered during such Scheduling Year, and taking into consideration the date of the last Firm Arrival Window in the previous Scheduling Year (as such last Firm Arrival Window is scheduled in the Ninety-Day Schedule in effect when Seller is required to provide the information set forth in Clause 2.2(a)) and the Tank Inventory Level on the date of such last Firm Arrival Window (assuming that each and every cargo scheduled to be delivered in Firm Arrival Windows during such previous Scheduling Year will be delivered during the first twenty-four (24) hour period of the Arrival Window for such cargo and no other cargoes will be delivered in such previous Scheduling Year), such Annual Program must permit the LNG Terminal to maintain both (1) on each Day

of the applicable Scheduling Year, a daily send-out rate that is equal to or greater than the Firm Daily Rate for such Day, and (2) a Tank Inventory Level with respect to each Arrival Window that is, as of the beginning of such Arrival Window, (x) equal to or greater than the Minimum Tank Inventory Level, and (y) equal to or less than the Maximum Tank Inventory Level; and

- (ii) Assuming that each and every cargo scheduled for delivery during such Scheduling Year will be delivered during the first twenty-four (24) hour period of the Arrival Window for each such cargo, and taking into consideration the date of the last Arrival Window in the previous Scheduling Year (as such last Arrival Window is scheduled in the Ninety-Day Schedule in effect when Seller is required to provide the information set forth in Clause 2.2(a)) and the Tank Inventory Level on the date of such last Arrival Window (assuming that each and every cargo scheduled to be delivered in such previous Scheduling Year will be delivered during the first twenty-four (24) hour period of the Arrival Window for each such cargo), such Annual Program must permit the LNG Terminal to maintain both (1) on each Day of the applicable Scheduling Year, a daily send-out rate that is equal to or less than the Maximum Scheduling Daily Rate for such Day, and (2) a Tank Inventory Level with respect to each Arrival Window during the applicable Scheduling Year that is, as of the beginning of each Arrival Window, (x) equal to or greater than the Minimum Tank Inventory Level, and (y) equal to or less than the Maximum Tank Inventory Level;

(c) Each Annual Program shall take into account the Tanker Capacity of each LNG Tanker scheduled to deliver a cargo to the LNG Terminal;

(d) Each Annual Program shall take into account the physical and operational constraints of the Savannah River and Port of Savannah and the regulatory and administrative constraints imposed by any Government Entity;

(e) Each Annual Program shall be developed with the assumption that each LNG Tanker scheduled for an Arrival Window will deliver its total Tanker Capacity.

Clause 3.2 Default Principles. In the event that Buyer is responsible for developing an Annual Program pursuant to Clause 2.3(b), then, in addition to the Scheduling Principles, Buyer will also apply each of the following principles (the "Default Principles"):

(a) Each Annual Program must produce a reasonably uniform, evenly distributed, continuous Delivery Pattern of Arrival Windows; provided, however, such Delivery Pattern need not be uniform, evenly distributed, and continuous if (i) Seller has so requested pursuant to Clause 2.2(a) and (ii) in Buyer's reasonable discretion, such a non-uniform, unevenly distributed, and discontinuous Delivery Pattern does not interfere with the establishment of a reasonably uniform, evenly distributed, continuous Delivery Pattern of Arrival Windows for any Third Party Scheduler;

(b) Arrival Windows that do not fall within the Delivery Pattern established under Clause 2.2(a) but are necessary to accomplish delivery of Seller's Requested Quantity shall be evenly distributed throughout the Scheduling Year;

(c) If any Scheduling Party nominates LNG Tankers for the applicable Scheduling Year from two (2) different LNG Tanker Classes, then the LNG Tanker(s) shall be as provided by Seller in Clause 2.2(a) provided, however, to the extent reasonably practicable, Arrival Windows for each LNG Tanker nominated by Seller shall be distributed evenly throughout the Scheduling Year unless (i) Seller requests otherwise, and (ii) in Buyer's reasonable discretion, such uneven distribution of Arrival Windows for Seller's LNG Tanker does not interfere with the even distribution of Arrival Windows for any LNG Tanker nominated by a Third Party Scheduler.

(d) Unless Seller otherwise agrees, such Annual Program shall be developed based upon the following requirements for LNG Tankers nominated by Third Party Schedulers:

- (i) all such Third Party Schedulers shall be required to nominate collectively (A) LNG Tankers from no more than two (2) LNG Tanker Classes in the aggregate, and (B) LNG Tankers that are in the LNG Tanker Classes;
- (ii) such Third Party Schedulers shall not nominate any LNG Tanker in the 71 Class;
- (iii) in the event such Third Party Schedulers collectively nominate only one LNG Tanker, such LNG Tanker must be in the 125 Class or the 137 Class;and
- (iv) if such Third Party Schedulers collectively fail to nominate LNG Tankers in any subsequent Scheduling Year, such Third Party Schedulers will be deemed to have nominated collectively the LNG Tankers that they nominated, or were deemed to have nominated, for the immediately preceding Scheduling Year.

Clause 3.3 Conflicting Principles. In the event Buyer develops the Annual Program pursuant to Clause 2.3 (b) and Buyer is unable to produce an Annual Program that is consistent with all of the Scheduling Principles and the Default Principles, Buyer may establish an Annual Program that complies with as many of the Scheduling Principles and Default Principles as practicable; provided, however, that such Annual Program shall comply, in all events, with the principles set forth in Clause 3.1(a) and in Clause 3.1(b).

Paragraph 4. Ninety-Day Schedules

Clause 4.1 Ninety-Day Schedule.

(a) Each Month, beginning with the first Month following the Effective Date, if Seller delivers to Buyer, no later than the fifteen (15th) calendar Day of the applicable Month, a proposed schedule for the three-Month period beginning on the first Day of the next calendar Month (and any changes to the Annual Program beyond such three-Month period made

necessary by such proposed schedule) that has been agreed to in writing by each of the Scheduling Parties, Buyer shall adopt such proposed schedule as the Ninety-Day Schedule for such period unless Buyer determines, in Buyer's reasonable discretion, that such proposed schedule or changes to the Annual Program (i) do not comply with the Scheduling Principles or (ii) would have a material adverse effect on Buyer. If Buyer determines that such proposed schedule or changes to the Annual Program do not comply with the Scheduling Principles or would have a material adverse effect on Buyer, Buyer shall, within three (3) Business Days after receiving such proposed schedule, notify Seller of the deficiencies in such proposed schedule and allow Seller to submit a revised proposed schedule within two (2) Business Days after receiving Buyer's response.

(b) In the event that Seller does not deliver a schedule that complies with Clause 4.1(a) on or before the deadline specified therein, the schedule of Arrival Windows for the Ninety-Day Schedule for the applicable period shall be as set forth in the Annual Program (as such Annual Program may have been previously revised pursuant to Clause 4.1(c)).

(c) In the event Buyer adopts a Ninety-Day Schedule and other changes to the Annual Program pursuant to Clause 4.1(a), the Annual Program shall be revised, to the extent necessary, to reflect such Ninety-Day Schedule and such other changes and Buyer shall deliver to Seller such Ninety-Day Schedule and such revised Annual Program no later than the fifteenth (15th) Day of the applicable Month or, in the event Seller has re-submitted a revised proposed schedule pursuant to Clause 4.1(a), within two (2) Business Days after Buyer's receipt of such revised proposed schedule.

Paragraph 5. Schedule Adjustments

Clause 5.1. Adjustments Made by Ninety-Day Schedules. Adjustments to the Arrival Windows set forth in the Annual Program for any Scheduling Year may be made in any Ninety-Day Schedule established during such Scheduling Year pursuant to the procedures set forth in Clause 4.1 for developing such Ninety-Day Schedule.

Clause 5.2. Other Adjustments in the Annual Program or Ninety-Day Schedule. All adjustments to any Ninety-Day Schedule or the Annual Program (other than as provided in Clause 5.1) shall be made pursuant to the following:

(a) If, for any period of time, Buyer is wholly unable to take delivery of LNG scheduled for delivery under the Annual Program and the Ninety-Day Schedule then in effect during such period for a reason that would constitute an event of Force Majeure affecting Buyer, the Arrival Windows established during such period shall be cancelled and the Scheduling Parties shall resume deliveries after such period in accordance with the Annual Program and Ninety-Day Schedule then in effect without adjustment for the cargoes that could not be delivered during such period.

(b) If, for any period of time, (i) Buyer is partially constrained from taking delivery of all LNG scheduled to be delivered during such period ("Constrained Period") for any reason that constitutes an event Force Majeure affecting Buyer and, (ii) as a result of such constraints, Buyer is unable to receive some, but not all, of the LNG scheduled for delivery during such Constrained

Period, Buyer shall, to the extent practicable, cancel such Arrival Windows to the extent necessary to ensure that such lost Arrival Windows are distributed equitably to all Scheduling Parties. Such equitable distribution shall be based upon (x) the total volume of LNG originally scheduled for delivery by each such Scheduling Party during such Constrained Period, (y) the total volume of LNG originally scheduled for delivery by all such Scheduling Parties during such Constrained Period, and (z) the total volume of LNG each Scheduling Party was not able to deliver in prior Constrained Periods, if any, due to the operation of this Clause 5.2(b). After such Constrained Period has ended, the Scheduling Parties shall resume deliveries in accordance with the Annual Program and Ninety-Day Schedule then in effect without adjustment for the cargoes that could not be delivered during such Constrained Period.

Paragraph 6. Limitation of Liability

Clause 6.1 No Liability Related to Other Scheduling Parties. Nothing in this Exhibit 10.1 shall be construed as resulting in either Party incurring any liability with respect to the acts or omissions of a Third Party Scheduler.

EXHIBIT 10.2

ALTERNATE SCHEDULING TERMS

Paragraph 1. Definitions

Clause 1.1 Interpretation and Definitions. References to a particular clause, paragraph or sub-paragraph in this Exhibit 10.2 shall, except where the context otherwise requires, be a reference to that clause, paragraph or sub-paragraph in this Exhibit. Capitalized terms used in this Exhibit 10.2 and not otherwise defined herein shall have the meanings given to such terms in this Agreement. The following terms shall have the meanings specified in this Clause 1.1 when used with initial capitalization in this Exhibit 10.2 (unless otherwise specified in this Clause 1.1):

“Annual Program” means, with respect to any Contract Year, the schedule established pursuant to the procedures specified herein incorporating the information specified in Clause 2.1 for the delivery of LNG by the Scheduling Parties to Buyer at the LNG Terminal during such Scheduling Year.

“Arrival Window” means, with respect to a given cargo of LNG scheduled for delivery pursuant to any LNG Sales Agreement, the forty-eight (48) hour period beginning at 6:00 a.m. during which such cargo is scheduled to arrive at the berth of the LNG Terminal.

“Constrained Period” has the meaning specified in Clause 4.2(b).

“LNG Sales Agreement” means this Agreement or any other agreement between Buyer or its Affiliates and any other person with respect to the sale of LNG to Buyer or its Affiliates at the LNG Terminal.

“Ninety-Day Schedule” has the meaning specified in Clause 3.1(b).

“Scheduling Party” means (i) Seller; (ii) any other person that has the right to deliver at least six (6) cargoes of LNG per Scheduling Year to the LNG Terminal pursuant to an LNG Sales Agreement with a term of at least three (3) consecutive years; or (iii) Buyer or its Affiliates to the extent that such party has capacity rights at the Terminal in excess of the capacity committed to the parties described in clauses (i) and (ii) above, and “Scheduling Parties” means, collectively, each of the persons described herein.

“Seller’s Requested Quantity” has the meaning specified in Clause 2.1(a).

“Third Party Scheduler” means any Scheduling Party other than Seller.

“Thirty-Day Schedule” has the meaning specified in Clause 3.1(b).

Paragraph 2. Scheduling of Annual Programs

Clause 2.1 Exchange of Information

(a) No later than eighty-five (85) Days prior to the beginning of each Contract Year, Seller shall provide to Buyer written notice of the total quantity of LNG that Seller requests to schedule for delivery to the LNG Terminal in such Scheduling Year, up to a maximum quantity equal to the Annual Contract Quantity ("Seller's Requested Quantity") and Seller's good faith estimate of the following information: (i) the size, cargo capacity, and service speed of LNG Tankers it anticipates using to accomplish such deliveries; (ii) the loading port for each cargo of LNG, if known at such time; (iii) a proposed schedule of Arrival Windows; (iv) an explanation of any general operational and/or shipping considerations it anticipates will impact its ability to make deliveries during such Contract Year, including scheduled maintenance and downtime (including drydocking) for its LNG Tankers and scheduled maintenance and downtime at any applicable LNG loading port, LNG liquefaction facility, or related facility; (v) Seller's good faith estimate of the expected energy content (in MMBtus) of the LNG to be loaded on each of the nominated LNG Tankers; and (vi) any other information reasonably requested by Buyer.

(b) With respect to any Contract Year, Buyer shall provide to Seller the following information: (i) the size, cargo capacity, and service speed of the LNG Tankers that each other Scheduling Party anticipates using to deliver LNG to the LNG Terminal; (ii) the loading port(s) for each cargo proposed to be delivered by each other Scheduling Party; (iii) a proposed schedule of Arrival Windows; and (iv) an explanation of any general operational and/or shipping considerations anticipated to impact such other Scheduling Party's ability to make deliveries during such Contract Year, including scheduled maintenance and downtime (including drydocking) for each other Scheduling Party's LNG Tankers and scheduled maintenance and downtime at any applicable LNG loading port, LNG liquefaction facility, or related facility.

(c) Each Party shall regularly provide the other Party updates of the information exchanged pursuant to this Clause 2.1 in order to assist in preparing the Annual Programs and the Ninety-Day Schedules.

Clause 2.2 Timetable and Procedure for Setting Annual Program

Following the exchange of information pursuant to Clause 2.1, Buyer will provide Seller with its proposed schedule of Arrival Windows for deliveries of Seller's Requested Quantity to the LNG Terminal by Seller during such Contract Year no later than 75 Days prior to the beginning of each Contract Year. Seller and Buyer shall consult together with the intent of reaching agreement not later than 65 Days prior to the beginning of the relevant Contract Year on a delivery program, taking into consideration the above information and any updates thereof.

(a) The proposed schedule of Arrival Windows shall be designed to ensure that Seller's Requested Quantity shall be supplied in such Contract Year and Buyer shall use reasonable efforts to accommodate the requests of the Scheduling Parties to the extent feasible.

(b) The proposed schedule of Arrival Windows will allow the delivery of Seller's Requested Quantity and conform to a pattern that will result in Arrival Windows being distributed on a uniform, ratable basis throughout the Contract Year.

(c) If Seller and Buyer have not agreed on a schedule for Arrival Windows for any Contract Year forty (40) Days before the start of that Contract Year, Buyer shall issue the Annual Program that complies with the requirements of this Clause 2.2 and pays due regard to the delivery pattern shown in the previous Contract Years, and to the extent reasonably practicable, the information exchanged pursuant to Clause 2.1.

Clause 3.1 Ninety-Day Schedule.

(a) Not later than the 15th Day of each Month in each Contract Year, after discussion with each Scheduling Party and taking into account, to the extent reasonably practicable, any updated information exchanged by the Parties pursuant to Clause 2.1 above, Buyer shall deliver to Seller a forward plan of Arrival Windows for the three-Month period commencing on the first Day of the following Month, which follows the applicable Annual Program and any three-Month forward plan then in effect as closely as practicable.

Within five (5) Days of receipt of such proposed three-Month schedule, Seller shall notify Buyer of its acceptance of such schedule or its requested modifications to such schedule. If Seller requests any modifications within such five-Day period, Buyer shall use reasonable efforts to accommodate Seller's requested modifications and shall reissue such schedule within five (5) Days of receipt of such request either (i) with such requested modifications or (ii) with the schedule of Arrival Windows for the Ninety-Day Schedule for the applicable period matching the Annual Program (as such Annual Program may have been previously revised pursuant to Clause 3.1).

(b) The proposed three-Month schedule as accepted by Seller, or as modified and reissued by Buyer, shall be the "Ninety-Day Schedule," and the initial Month of such three-Month schedule shall be the "Thirty-Day Schedule." Buyer shall also provide Seller with the Arrival Windows and any other relevant information pertaining to other Scheduling Parties.

(c) In the event that a Ninety-Day Schedule has not been delivered by the 25th Day of any Month, the Ninety-Day Schedule and Thirty-Day Schedule applicable to the following Month shall be the schedule for such following Month reflected in the last timely delivered Ninety-Day Schedule that included such following Month, or if there is no such Ninety-Day Schedule, the Annual Program.

Paragraph 4. Schedule Adjustments

Clause 4.1. Adjustments Made by Ninety-Day Schedules. Adjustments to the Arrival Windows set forth in the Annual Program for any Contract Year may be made in any Ninety-Day Schedule established during such Contract Year pursuant to the procedures set forth in Clause 3.1 for developing such Ninety-Day Schedule.

Clause 4.2. Other Adjustments in the Annual Program or Ninety-Day Schedule. All adjustments to any Ninety-Day Schedule or the Annual Program (other than as provided in Clause 4.1) shall be made pursuant to the following:

(a) If, for any period of time, Buyer is wholly unable to take delivery of LNG scheduled for delivery under the Annual Program and the Ninety-Day Schedule then in effect

during such period for a reason that would constitute an event of Force Majeure affecting Buyer, the Arrival Windows established during such period shall be cancelled and the Scheduling Parties shall resume deliveries after such period in accordance with the Annual Program and Ninety-Day Schedule then in effect without adjustment for the cargoes that could not be delivered during such period.

(b) If, for any period of time, (i) Buyer is partially constrained from taking delivery of all LNG scheduled to be delivered during such period ("Constrained Period") for any reason that constitutes an event Force Majeure affecting Buyer and, (ii) as a result of such constraints, Buyer is unable to receive some, but not all, of the LNG scheduled for delivery during such Constrained Period, Buyer shall, to the extent practicable, cancel such Arrival Windows to the extent necessary to ensure that such lost Arrival Windows are distributed equitably to all Scheduling Parties. Such equitable distribution shall be based upon (x) the total volume of LNG originally scheduled for delivery by each such Scheduling Party during such Constrained Period, (y) the total volume of LNG originally scheduled for delivery by all such Scheduling Parties during such Constrained Period, and (z) the total volume of LNG each Scheduling Party was not able to deliver in prior Constrained Periods, if any, due to the operation of this Clause 4.2(b). After such Constrained Period has ended, the Scheduling Parties shall resume deliveries in accordance with the Annual Program and Ninety-Day Schedule then in effect without adjustment for the cargoes that could not be delivered during such Constrained Period.

Paragraph 5. Limitation of Liability

Clause 5.1 No Liability Related to Other Scheduling Parties. Nothing in this Exhibit 4.0.2 shall be construed as resulting in either Party incurring any liability with respect to the acts or omissions of a Third Party Scheduler.

EXHIBIT 18.1(a)

EXHIBIT 18.1(b)

EXHIBIT 19

MINIMUM INSURANCE REQUIREMENTS

From the Effective Date under this Agreement, Seller shall obtain and maintain or cause to be obtained and maintained the following minimum insurance policies:

All LNG Tankers owned, operated, leased or chartered by Seller in performance of any operations in connection with this Agreement shall have the following coverages:

Seller shall submit to Buyer evidence that satisfactory coverage of the types and minimum limits set forth in this Exhibit 19 are in full force and effect. Buyer shall not be responsible or liable for any deductibles, self-insured retentions, and/or premiums associated with the insurance required hereunder.

The evidence of insurance should be mailed to the following address:

BG LNG Services, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056
Facsimile: +1-713-599-3781

Attention: Insurance Department

Neither the providing of insurance by Seller in accordance with the minimum insurance requirements hereof nor the insolvency, bankruptcy nor failure of any insurance company carrying insurance of Seller, nor the failure of any insurance company to pay any claim accruing shall be held to waive any of the provisions of this Agreement with respect to the liability of Seller or otherwise.