

Port facilities shall be such as to permit all manoeuvres to be carried out in complete safety within a reasonable time consistent with tidal conditions.

(b) Berthing and Loading Facilities.

Seller shall make available or cause to be made available for the LNG Tankers at the port in which Seller's Facilities are situated berthing, loading and bunkering facilities which any LNG Tanker can safely reach and leave, and at which such LNG Tankers can lie and load always safely afloat, including:-

- (i) mooring equipment compatible with the Oil Companies International Marine Forum ("OCIMF") publication entitled "Guidelines and Recommendations for the Safe Mooring of Large Ships at Piers and Sea Islands";
- (ii) lighting sufficient to permit docking and undocking manoeuvres by day or by night in complete safety in all weather conditions to the extent permitted by the competent port authorities;
- (iii) pipelines and connections to facilitate normal stocking of bunker oil;
- (iv) loading arms, vapour return lines and pipes compatible with the OCIMF publication entitled "Standardisation of Manifolds for Refrigerated Liquefied Gas Carriers (LNG)" permitting the loading of LNG at the average rate of 7,600 (seven thousand six hundred) cubic metres per hour at a pressure at the Loading Points of 1 (one) Bar gauge;
- (v) pipelines and connecting arms to accommodate boil-off LNG from the LNG Tanker at flow rates compatible with

an LNG loading rate of 7,600 (seven thousand six hundred) cubic metres per hour;

(vi) safe access for personnel to and from the LNG Tanker.

The facilities described in this Clause 10.2(b) shall be provided, operated and maintained in good working condition at no cost to Buyer. Subject to all requirements of appropriate regulatory authorities, Seller shall ensure that the Seller's Facilities will not be modified in a manner to be incompatible with the LNG Tankers.

(c) Provisions concerning shipping at the Seller's Facilities.

(i) Each LNG Tanker shall be responsible for the transportation to and from the berth at Seller's Facilities of:-

(aa) LNG Tanker crews and other personnel associated with the LNG Tankers;

(bb) ship's stores and other goods and equipment needed by the LNG Tankers;

(cc) LNG Tankers' garbage and refuse; and

(dd) all other requirements of the LNG Tankers.

(ii) Except as provided below, each LNG Tanker shall be responsible and shall pay for all means of transportation and operations which are not provided or undertaken by Seller and which are necessary to bring such LNG Tanker to Seller's Facilities and to prepare for loading and to depart the berth and port, including, but not limited to, tugboats, harbour or other pilots and special staff or crew members. Any

such services which are provided or undertaken by Seller shall be for Seller's account.

Port charges levied on the LNG Tanker shall be for Buyer's account, provided, however, if Buyer either:-

(aa) becomes liable to pay port charges which are not commensurate with the charges levied for similar services provided at the port of loading to vessels of similar sizes; or

(bb) Buyer becomes liable to pay port charges which are not commensurate with the charges levied at comparable ports for similar services to vessels of similar size;

then the Parties shall meet and endeavour in good faith to agree on such adjustments or amendments to this Agreement as are necessary to mitigate equitably or fairly allocate between themselves the burden or impact of such charges. If the Parties fail to reach agreement within 90 (ninety) days of commencement of such negotiations, either Party shall have the right within 30 (thirty) days thereafter to elect to take the issue to arbitration pursuant to Clause 17. The Arbitration Tribunal shall determine a method or mechanism for equitably mitigating or fairly allocating the impact or burden of such charges such that neither Party is unfairly disadvantaged or benefited.

(iii) No LNG Tanker shall engage in or cause to be made any repairs (other than minor housekeeping repairs that do not materially affect the operation of an LNG Tanker) to the LNG Tanker while berthed at the Seller's Facilities without the express prior written consent of Seller; provided that, upon notice to Seller and a

statement of the reasons therefore, an LNG Tanker may make or cause to be made any repairs which any port or government authority requires to be made in order for the LNG Tanker to travel in Nigerian territorial waters.

- (iv) The LNG Tanker shall depart from the Seller's Facilities when loading and bunkering has finished and the LNG Tanker can safely leave.

10.3 Safety.

Loading of LNG at Seller's Facilities shall be carried out in strict conformity with all safety rules, regulations and procedures of Seller's Facilities and of the LNG Tanker, as may be amended from time to time, and with all applicable safety laws, rules and regulations including, but not limited to, those of the competent Nigerian governmental and port authorities and the recommendations of advisory bodies such as The Society of International Gas Tankers and Terminal Operators Limited and The Oil Companies International Marine Forum. Buyer shall exercise due diligence, in co-operation with the Carrier, to cause each LNG Tanker to be safely manned, operated and maintained and to cause LNG sold hereunder to be safely transported and unloaded.

10.4 Conditions of Loading.

Buyer shall give or cause to be given written notice to Seller of the date and hour of arrival at the PBS of any LNG Tanker providing maritime transportation hereunder. Buyer shall send or cause to be sent to Seller the following written designation notices all of which shall contain an estimated time of arrival at the PBS:-

- (a) a first designation notice which shall be given upon departure from the last port of discharge;
- (b) a second designation notice shall be given so as to arrive 96 (ninety six) hours prior to the estimated time of arrival at the PBS;
- (c) a third designation notice shall be given so as to arrive 72 (seventy two) hours prior to the estimated time of arrival at the PBS;
- (d) a fourth designation notice shall be given so as to arrive 24 (twenty four) hours prior to the estimated time of arrival at the PBS; and
- (e) a final designation notice which shall be given so as to arrive 5 (five) hours prior to the estimated time of arrival at the PBS.

Buyer shall send or cause to be sent to Seller prompt notice of any alteration of more than 1 (one) hour to the estimated time of arrival given pursuant Clause 10.4(c) to Clause 10.4(e) inclusive.

As soon as the LNG Tanker is berthed and prepared to load its cargo, Seller shall, and Buyer shall cause Carrier to, take all appropriate measures within their respective reasonable control to permit the loading of the LNG Tanker as quickly as possible.

10.5 Port-time.

The port-time allowed for loading an LNG Tanker shall be 36 (thirty six) running hours, weekends and holidays included, and shall be calculated by reference to the Notice of Readiness given to Seller by the LNG Tanker ("NOR") provided that NOR shall not be given until the LNG Tanker has arrived at the PBS.

If NOR is given within 24 (twenty four) hours either side of the estimated time for commencement of loading of the cargo in question in the then current Specific Delivery Schedule, or if there is no Specific Delivery Schedule in the then current Delivery Programme (such period for the giving of NOR being referred to as the "48 (forty eight) Hour Arrival Period"), then port-time shall begin to run at the beginning of the first suitable tidal window after NOR is given.

If NOR is given before the 48 (forty eight) Hour Arrival Period, then port-time shall not begin to run until the beginning of the first suitable tidal window after the beginning of the said 48 (forty eight) Hour Arrival Period or until loading commences whichever is the earlier.

If, despite Buyer having despatched an LNG Tanker to Seller's Facilities with the intention of its arriving within its 48 (forty eight) Hour Arrival Period and in good time so that it should so arrive, NOR is in fact given after the 48 (forty eight) Hour Arrival Period, Seller shall nevertheless load such LNG Tanker and other LNG vessels in the order of their arrival at the PBS unless another LNG vessel is scheduled to, and does in fact, arrive within its 48 (forty eight) Hour Arrival Period (or the equivalent period by whatever term such period is referred to) and within 24 (twenty four) hours after the arrival of the LNG Tanker. In such event, Seller may load such other vessel first and shall thereafter promptly load the LNG Tanker before loading any other vessel.

In scheduling and despatching an LNG Tanker to arrive within the 48 (forty eight) Hour Arrival Period Buyer shall allow such time as will be sufficient for its passage from its last discharging port to Seller's Facilities at the Specified Service Speed so as to arrive within such Period together with such extra time for such passage as is prudent and practicable having regard for any particular facts known to it or to the operator of the LNG Tanker

or which should have been known to a prudent operator including any relevant weather forecast.

If NOR is given after the 48 (forty eight) Hour Arrival Period, then port-time shall begin to run either:-

- (i) if the LNG Tanker is, vis-a-vis other LNG vessels, loaded in the order of its arrival, then at the beginning of the first suitable tidal window after NOR is given; or
- (ii) if Seller exercises its right to load a subsequently-arrived LNG vessel before the LNG Tanker, then at the beginning of the first suitable tidal window after the other LNG vessel has passed the PBS outbound.

Port-time shall, in each of the situations described above, cease when the LNG Tanker passes the PBS outbound. On passing the PBS outbound the Buyer shall cause the Master of an LNG Tanker to record the time of passing the PBS and shall give notice of such time to Seller or its representative.

Time shall not count against port-time or, if the LNG Tanker is on demurrage, for demurrage, when spent or lost by reason of:-

- (a) any delay due to fault, failure or inefficiency of the LNG Tanker or if berthing or departure is delayed for the LNG Tanker's purposes;
- (b) bunkering or the cooling down of cargo tanks by the LNG Tanker;
- (c) inability of the LNG Tanker to arrive at berth, handle cargo or leave berth because of port or governmental or other official regulations or directives; or

(d) loading of the LNG Tanker with supplies or stores.

If the total port-time allowance for any cargo loading is exceeded Seller shall pay to Buyer demurrage for all excess time at the time at the rate of US\$41,000 (forty one thousand U.S. Dollars) per Day and pro-rata for every hour (rounded to the nearest hour), such rate to be adjusted for inflation from time to time as agreed between the Parties or, if there is no such agreement within 30 (thirty) Days of a Party's request for an adjustment, as determined by an Expert appointed in accordance with Clause 16.

Any claim for demurrage shall be time-barred unless made within 90 (ninety) Days of the time an LNG Tanker departs from the berth and shall be supported by time sheets and adequate supporting documentation.

Payment of demurrage after receipt of such a timely and properly supported claim shall be made by Seller to Buyer within 15 (fifteen) Days of receipt of Buyer's invoice which shall accompany such claim. Interest on late payment shall accrue at the rate specified in Clause 7.7 from the sixteenth Day after receipt of Buyer's invoice until the date of actual payment.

10.6 Cooldown, Heel and Gas Trials.

(a) Seller shall make available or cause to be made available LNG for cooldown for any LNG Tanker transporting LNG purchased hereunder which has a bottom temperature in its tanks prior to loading higher than - 145 (minus one hundred and forty five) degrees centigrade. Payment for the LNG so supplied shall be the responsibility of Buyer, except as provided below. Buyer shall pay for the LNG so supplied (for which Buyer bears such payment responsibility) the Contract Price for LNG loaded during the Month of loading.

- (b) Upon unloading of any LNG Tanker transporting LNG which is scheduled to lift LNG at Seller's Facilities within thirty 30 (thirty) Days following completion of such unloading, Buyer shall retain or cause to be retained aboard that LNG Tanker (if proceeding forthwith in ballast to Seller's Facilities to lift cargo hereunder) an amount of LNG sufficient to permit such LNG Tanker to maintain a temperature no higher than - 145 (minus one hundred and forty five) degrees centigrade at the bottom of the tanks for a period of at least 24 (twenty four) consecutive hours after its arrival at Seller's Facilities. The supply of LNG necessitated by a failure of Buyer so to cause sufficient LNG to be retained aboard shall be the responsibility of, and shall be paid for by, Buyer, but at the request of Buyer such LNG shall be supplied by Seller. The price to be paid by Buyer to Seller for LNG for which Buyer is obliged to pay Seller under this Clause 10.6 shall be the Contract Price.
- (c) If any LNG Tanker aboard which LNG has been so retained is not loaded within such 24 (twenty four) hour period for any cause attributable solely to any matter within the reasonable control of Seller, the cost of additional LNG thereby rendered necessary and utilised for cooldown of such LNG Tanker shall be the responsibility of Seller and shall not be invoiced to Buyer.
- (d) The quantities of LNG purchased pursuant to this Clause 10.6 by Buyer shall count towards the Parties' obligations in respect of the Annual Nominated Quantity.

10.7 Liability.

While an LNG Tanker is being berthed or is leaving the berth, and for as long as it is berthed, at Seller's Facilities for the purposes of loading LNG hereunder:-

- (i) Seller shall indemnify Buyer and Carrier, and shall hold each of them harmless, in respect of all loss, damage, costs, claims, liabilities and expenses (except as provided in Clause 13.4) suffered by either of them to the extent caused by the negligent act or omission of Seller, any Affiliate of Seller or their respective employees, officers, agents or contractors;
- (ii) Buyer shall indemnify Seller, and shall hold Seller harmless, in respect of all loss, damage, costs, claims, liabilities and expenses (except as provided in Clause 13.4) to Seller to the extent caused by the negligent act or omission of Buyer, any Affiliate of Buyer, Carrier or their respective employees, officers, agents or contractors.

Each Party agrees that its sole remedy for or in connection with any loss, damage, costs, claims, liabilities and expenses in respect of which it is indemnified by the other Party pursuant to (i) or (ii) above shall be by way of a claim on such indemnity. This Clause 10.7 shall survive the termination of this Agreement solely for the purpose of the waiver referred to below and to enable either Party to claim hereunder for any such loss, damage, costs, claims, liabilities and expenses caused by a negligent act or omission of the kind referred to in (i) or (ii) above which occurred during prior to such termination.

Seller hereby irrevocably and unconditionally waives and relinquishes any claim in respect of any such loss, damage, costs, claims, liabilities and expenses against Cabot Corporation whether under the Guarantee or otherwise.

Seller shall cause the LNG to be loaded, and Buyer shall cause the LNG to be lifted, in due compliance with appropriate safety precautions.

10.8 Service Speed

- (a) Not later than 30th June 1996, Buyer shall provide to Seller all available performance data for the Vessel in ballast and when laden covering the period of its service following completion of refurbishment up to 31st May 1996, including but not limited to copies of the scrap and fair deck and engine room log books.
- (b) Not later than 60 (sixty) days after provision of the performance data pursuant to Clause 10.8(a), Buyer and Seller shall meet together to agree and determine the Service Speeds.
- (c) If no agreement is reached, Buyer and Seller shall appoint a mutually agreed independent expert to review the performance data. If agreement cannot be reached on the identity of the expert, such expert shall be appointed by the then President from time to time of the American Bureau of Shipping, or if such President should fail so to act, the expert shall be appointed by the Society of Maritime Arbitrators.
- (d) The expert appointed pursuant to Clause 10.8(c) shall within 60 (sixty) days of his appointment provide to Buyer and Seller jointly an assessment of the performance data and his opinion as to the Service Speeds to be utilised for the purpose of this Agreement, taking into account the Vessel's experience in various sea and weather conditions (but excluding days in which the Vessel has to proceed in wind force in excess of Beaufort Force 8 (eight) for more than 12 (twelve) hours noon to noon and periods during which the Vessel was ordered to slow steam) and the duration of this Agreement.
- (e) The reference to an expert in this Clause 10.8 shall not be considered as a reference to arbitration in Clause 17, and the opinion of the expert shall be final and binding on the

parties with no right of either party to seek judicial review thereof or appeal therefrom.

- (f) The fees of the expert shall be borne by the Parties jointly in equal proportions.
- (g) A comparable procedure shall be repeated in respect of every other LNG Tanker (using data for a comparable period of years) before such LNG Tanker is used for the purpose of the transportation of LNG sold under this Agreement.

CLAUSE 11 - SCHEDULING11.1 Exchange of Information.

- (a) Not later than 120 (one hundred and twenty) Days before the expected commencement of the Initial Supply Period and the first Build-up Stage (as estimated in Seller's notices pursuant to Clauses 3.1 and 3.2 respectively), and the commencement of the second Build-up Stage and each Sales Period thereafter, and any Make-up Period arising pursuant to Clause 2.3, Seller and Buyer shall exchange information in respect of the Initial Supply Period such Sales Period or such Make-up Period on:-
- (i) the expected quantities of LNG for loading (expressed in Btus) and the expected Gross Heating Value (Volumetric) of such LNG in its gaseous state;
 - (ii) the expected maintenance periods of Seller's Facilities, the Receiving Facilities and of the LNG Tankers and other vessels transporting LNG from Seller's Facilities;
 - (iii) the commitments of Seller to other customers and of Buyer to other suppliers of LNG;
 - (iv) any other considerations material to Buyer or Seller to enable both Seller and Buyer to make a proposal for a programme for loadings of LNG in that Period.
- (b) Until the delivery programme is agreed or determined Buyer and Seller shall notify each other in a timely manner of any information of the type referred to in Clause 11.1(a) of which they subsequently become aware.

11.2 Delivery Programme.

- (a) Not later than 90 (ninety) Days before the expected commencement and/or commencement of the Initial Supply Period and of the periods other than the Initial Supply Period referred to in Clause 11.1(a), Seller and Buyer shall commence discussions on the proposed delivery programme for such Period, based upon and taking into account the information exchanged pursuant to Clause 11.1.
- (b) Such proposed delivery programme shall be designed to ensure that, subject to Clause 4.4, the expected ACQ, any available Make-up LNG already allocated to Buyer pursuant to Clause 4.5(b) or Clause 4.5(c) and any Excess Quantity already allocated to Buyer pursuant to Clause 4.6(b) or Clause 4.6(c) shall be supplied in such period, but shall leave out of account any quantities of LNG as to which Buyer has given notice pursuant to Clause 4.3. Except to the extent that Buyer has specified otherwise (providing Seller with sufficient information as to the LNG Tankers for Seller to provide a Delivery Programme in the circumstances of Clause 11.2(f)), such delivery programme shall assume LNG is lifted by the Vessel.
- (c) Such delivery programme shall detail the expected pattern and order in which loadings of LNG shall be made, including, for each cargo, the estimated times and dates of commencement and completion for each loading and the scheduled maintenance periods for Seller's Facilities and the Receiving Facilities and for the LNG Tanker.
- (d) Seller and Buyer shall use best endeavours to agree on a delivery programme for each Sales Period and any such Make-up Period arising pursuant to Clause 2.3 not later than 30 (thirty) Days before the start of that Period.

- (e) If Seller and Buyer have not fully agreed a delivery programme for any Sales Period or such Make-up Period 30 (thirty) Days before the start of that Period, Seller shall prepare a delivery programme in accordance with Clause 11.2(f) and deliver it to Buyer as soon as reasonably practicable thereafter, but in no event later than 5 (five) Days before the start of that Period.
- (f) In preparing a delivery programme which has not been fully agreed with Buyer as aforesaid, Seller shall:-
- (i) pay regard to the delivery pattern shown in the Delivery Programme for the previous Sales Period;
 - (ii) give effect to any reasonable commitments made by Buyer to other LNG suppliers, and to any other reasonable material considerations, notified by Buyer to Seller, to the fullest extent practicable in the context of Seller's obligations to Buyer under this Agreement and to Seller's other LNG customers;
 - (iii) ensure that liftings are scheduled as evenly as reasonably practicable throughout the Sales Period and in any event with intervals of approximately 25 (twenty five) days to occur between completions of consecutive loadings of cargoes lifted hereunder, and intervals of approximately 45 (forty five) days to occur between completions of non-consecutive loadings of cargoes lifted hereunder. Such intervals of 25 (twenty five) and 45 (forty five) days shall be adjusted by agreement between the Parties (such agreement not to be unreasonably withheld) with regard to actual round trip times at the Specified Service Speeds in the preceding Sales Period for the relevant LNG Tanker(s) between Everett and Finima and between Everett and the facilities in the Atlantic Basin of Buyer's other LNG

suppliers. Buyer shall notify Seller on a regular basis of such actual round trip voyage times.

- (g) The delivery programme agreed between Buyer and Seller pursuant to Clause 11.2(d) or prepared by Seller pursuant to Clause 11.2(e) (as amended from time to time in accordance with Clause 11.4) is in this Agreement referred to as the "Delivery Programme".
- (h) In recognition of the special nature of the Parties' obligations in respect of the Initial Supply Period and the uncertain duration thereof, the Delivery Programme and Specific Delivery Schedule for the Initial Supply Period cannot be established in the manner described herein. Rather, after advising Buyer pursuant to Clause 11.1 of the quantities of LNG expected to be available during the Initial Supply Period, Seller may nominate cargoes to be loaded for Buyer by such advance notice as is reasonable in the circumstances, and Buyer shall use reasonable endeavours to lift such nominated cargoes and shall confirm its intentions to Seller promptly following Seller's nomination.

All reference in this Agreement to a Delivery Programme or Specific Delivery Schedule in respect of the Initial Supply Period shall be deemed to include all cargoes so nominated and accepted in relation to the Initial Supply Period.

Each such nomination shall so far as practicable contain for each cargo, the estimated date of commencement of loading.

- (i) In recognition of the uncertainty as at the date of this Agreement of the date of commencement of the Build-up Period, it is agreed that:-
- (i) for the purpose of this Clause 11 the First Build-up Stage shall initially be deemed to commence on the Day

after the Date of First Commercial Supply as last estimated by Seller pursuant to Clause 3.2(d); and

(ii) if the First Build-up Stage begins later than Seller's aforesaid estimate thereof, until the actual commencement of the First Build-up Stage the notification procedure for the Initial Supply Period should remain in force; thereafter that portion of the Delivery Programme for the First Build-up Stage applicable to the period after its actual commencement shall apply, and the period covered by the Delivery Programme for the Second Build-up Stage shall be extended to cover also the period between the end of the Delivery Programme established for the First Build-up Stage and the actual end of such period.

(j) In connection with the establishment of any Delivery Programme pursuant to Clause 11.2, Seller shall notify Buyer of the loading slots and times and dates of commencement and completion of loading of cargoes for its other customers.

11.3 Specific Delivery Schedules.

On or before the twentieth Day of each Month, Seller shall, after consultation with Buyer, provide to Buyer a schedule based on the Delivery Programme for specific deliveries of LNG in the Month next following ("Specific Delivery Schedule") together with a provisional specific delivery schedule for the 2 (two) Months next following such Specific Delivery Schedule both based on and conforming to the extent possible to the then current Delivery Programme and the provisional specific delivery schedule(s) taking into account the factors (including the criteria set out in Clause 11.2(f)) used in preparing the current Delivery Programme. The Specific Delivery Schedule and provisional specific delivery schedule shall cover deliveries of LNG to be made by Seller to Buyer during the period of 3 (three) Months

following its date of issue and shall show for each cargo the estimated times and dates of commencement and completion of loading. Promptly following the establishment of each Specific Delivery Schedule, Seller will provide to Buyer any revisions to the information provided pursuant to Clause 11.2(j).

11.4 Changes to Delivery Programme or Specific Delivery Schedule.

If it becomes necessary for any reason for a Party to propose any change to a Delivery Programme and/or a Specific Delivery Schedule, the other Party shall not unreasonably withhold its consent to such proposed change (having regard to the constraints applicable to both Parties and the criteria set out in Clause 11.2(f)). If for any reason consent is not given by the other Party, the Parties shall nevertheless remain in close consultation with a view to subsequently endeavouring to agree other changes to a Delivery Programme and/or Specific Delivery Schedule which address the original problem to the satisfaction of both Parties. Any Delivery Programme or Specific Delivery Schedule amended as contemplated in this Clause 11.4 shall be provided by Seller to Buyer.

11.5 Make-up Period arising pursuant to Clause 2.4.

If the provisions of Clause 2.4 shall have effect, the schedule for loading for the remainder of the Contract Year following the end of the Basic Term shall, so far as may be practicable having regard to the date of commencement of the Make-up Period, be the same as that set out in the Delivery Programme which was in effect at the end of the Basic Term and a schedule of loading shall be established in respect of any subsequent Contract Year during which the Make-up Period continues in the same manner as that set out in this Clause 11 for the purpose of establishing a Delivery Programme for a Sales Period. The provisions of Clause 11.3 shall also continue to have effect as if such Make-up Period were a Sales Period.

11.6 Make-up Period after Force Majeure Termination.

If Seller becomes obliged to use reasonable endeavours to make Make-up LNG available to Buyer in the circumstances described in Clause 2.5, cargoes shall be nominated in the same manner as that described in Clause 11.2(h).

CLAUSE 12 - MEASUREMENTS AND TESTS12.1 Gauging

(a) The volume of LNG loaded at the Seller's Facilities pursuant to this Agreement shall be measured in cubic metres by gauging of the liquid loaded into the tanks of the LNG Tanker in accordance with the procedures provided in this Clause 12. Buyer shall cause the first gauging to be made after the loading arms have been connected to the LNG Tanker but before any ships' liquid manifold valves have been opened. A second gauging operation shall take place immediately after completion of loading and with ships' liquid manifold valves closed. Representatives of Buyer and Seller shall have the right to be present at such gaugings. The absence of either Party shall not prevent the commencement of loading.

(b) Buyer shall provide or cause to be provided a permanent primary bubble type clinometer or equivalent for list determination to be installed on each LNG Tanker. Buyer shall cause to be installed on each LNG Tanker an auxiliary clinometer that is to be used in the event of failure of the primary clinometer.

After an LNG Tanker is docked and before loading commences, Buyer shall cause the LNG Tanker to be levelled with list and trim to be zero with readings to be taken and noted from the primary clinometer and draught gauges.

If it is not possible to trim ship due to weather, tide or ballast conditions, then list and trim correction data charts shall be used.

(c) Buyer shall send or cause to be sent to Seller a copy of certified gauging tables for each tank of each LNG Tanker in

metric units approved by an independent surveyor selected jointly by Seller and Buyer (or by an Expert if the parties fail to agree upon such surveyor) as well as correction charts (list, trim, tanks' contractions, etc.). Such gauging tables and correction charts shall be used throughout the term of this Agreement, except in the case of a physical change in the tanks, in which case new standards and charts shall be used. LNG level measuring devices shall be selected by Buyer and approved by Seller, whose approval is not to be unreasonably withheld. Each tank shall be equipped with 2 (two) level-measuring devices of different types capable of determining the LNG level to within an accuracy equal to or better than + or - 7.5 (plus or minus seven point five) millimetres over the relevant measurement ranges of the LNG cargo tanks required under this Agreement. The level of liquid in the tanks shall be determined by the main primary capacitance measuring devices which give automatic readouts in the cargo control room, but if there is any failure the level of liquid shall be determined by using the auxiliary liquid level gauging device for the relevant cargo tank(s). For the purpose of volume calculations, the level of each tank shall be taken as the arithmetic average of 5 (five) readings at 15 (fifteen) second intervals rounded to 1 (one) millimetre.

12.2 Determination of Density.

The density of the LNG shall be determined in kg/m^3 by a calculation from the molecular composition determined in accordance with Clause 12.4 hereof, for the average temperature defined in Clause 12.3 hereof. The method of calculation shall be the method known as the revised Klosek and McKinley Model, as set forth in Attachment C Part I.

12.3 Determination of Temperature.

At the times of gauging the temperature of the cargo shall be the arithmetic average of the temperatures indicated by the temperature-registering devices immersed in the LNG in all of the tanks. The temperature-registering devices shall be distributed over the entire height of the tanks with a minimum of 5 (five) devices per tank and shall be accurate to + or - 0.2 (plus or minus zero point two) degrees Celsius over the range - 140 (minus one hundred and forty) degrees Celsius to - 165 (minus one hundred and sixty five) degrees Celsius and to + or - 1.5 (plus or minus one point five) degrees Celsius outside that range, subject to the condition that the instruments are capable of being that accurate. These temperatures shall be printed by a printer at the time of gauging after the loading operation.

12.4 Sampling and Determination of Composition and Impurities.

- (a) Samples of the LNG shall be taken by Seller at loading in the presence of Buyer at a suitable point between the shore storage tanks and the Loading Points. The sampling devices shall be such as to permit the total and continuous vaporisation of a quantity of LNG sufficient for the taking of a gaseous sample representative of the LNG then being loaded. Such samples shall be taken and analysed by the Seller as specified in Clause 12.4(b) by means of a suitable state of the art gas chromatograph approved by both parties or in the absence of agreement by an Expert as provided in Clause 12.10. Such samples shall, subject to Clause 12.12 below, be taken in accordance with ISO DIS 8943:1988. The analysis or the arithmetic average of such analyses as specified in Clause 12.4(b) shall determine the molecular composition of the LNG. For the purpose of determining the molecular composition, all hydrocarbon components heavier than pentane shall be included in the normal pentane fraction. A calibration of the chromatograph utilised shall

be performed by or on behalf of Seller at loading in the presence of a representative of Buyer (if the latter so requests) before the analysis of the samples taken from each loading. Such calibration shall be effected with the aid of a gaseous mixture in accordance with ISO 6142-1981 having a known composition similar to the LNG then being loaded. Representatives of Buyer and Seller shall have the right to be present at such analysis. The absence of either Party shall not prevent taking or analysis of samples.

- (b) Normally 5 (five) or more representative samples of LNG will be taken while loading the cargo. Each sampling operation shall consist of simultaneously filling 3 (three) sampling cylinders. One sample will be taken approximately 1 (one) hour after the commencement of the bulk rate of the loading operation, 3 (three) will be taken at approximately equal intervals throughout the loading operation, and the fifth will be taken approximately 1 (one) hour prior to completion of the loading operation. By exception, upon request by either Party, based on reasonable considerations, an alternative number or frequency of samples may be taken throughout the loading operation. Seller shall advise Buyer prior to loading when the possibility exists that a cargo could be non-homogeneous, e.g. the composition of LNG in one shore tank differs from that in another.

A minimum of 2 (two) chromatographic analyses will be performed on each LNG sample taken. The heating value resulting from such analyses shall agree to within + or - 0.05 (plus or minus zero point zero five) megajoules per kilogramme before such analyses can be used for determination of the quantity of Btus delivered. If the margin is exceeded then the chromatograph shall be recalibrated and 2 (two) new samples will be analysed. The arithmetic average of all samples meeting the criteria shall be used to determine an average composition for the cargo

loaded. In the event that the 2 (two) chromatographic analyses taken with the newly calibrated chromatograph still do not agree within the margin specified above, the samples shall be submitted for analysis to an independent laboratory acting as an Expert in accordance with Clause 16. Such laboratory shall then conclusively certify the heating value to be used in determining the quantity of Btus loaded.

(c) Each set of samples obtained during loading shall be distributed as follows:-

First Cylinder - for use of Seller in establishing the LNG composition for custody transfer by chromatographic analysis as described in Clause 12.4(b);

Second Cylinder - for retention by Seller for a period of twenty (20) Days after the analysis of the first portion has been reported to the other party during which period any question as to the accuracy of any analysis shall be raised. In such case, the portion shall be used as Buyer and Seller may mutually agree; and

Third Cylinder - for the use of Buyer at loading.

(d) Analyses for impurities on samples obtained pursuant to Clause 12.4 shall use the following test methods:-

(i) for establishing the hydrogen sulphide content - American Society for Testing and Materials (ASTM) D-4084; Standard Method of Analysis of Hydrogen Sulphide in Gaseous Fuels (lead acetate reaction rate method);

- (ii) for establishing the total sulphur content - ASTM D-4468; Standard Test method for Total Sulphur in Gaseous Fuels by Hydrogenolysis and Rateometric Colorimetry.

12.5 Determination of Heating Value.

The Gross Heating Value (Mass) of the LNG shall be calculated on the basis of its molecular composition (determined in accordance with Clause 12.4) and of the molecular weights and the Gross Heating Value (Mass) MJ per kilogramme of each of its components. The values of the physical constants and the calculations to be used are set forth in Attachment C. Such values shall be revised from time to time by mutual agreement or in the absence thereof by an Expert as per Clause 12.12. Any resulting change to be made effective from the date of such mutual agreement or decision of the Expert.

12.6 Determination of MMBtus.

The quantity of MMBtus loaded onto the LNG Tankers shall be calculated on the basis of the following formula:

$$Q = \frac{V \times d \times H_m}{1,055.056}$$

in which:

- Q = the number of MMBtus loaded
 V = the volume in m³ of LNG loaded determined in accordance with Clause 12.1
 d = the calculated density in kg/m³ of the LNG samples taken in accordance with Clause 12.4, as calculated in accordance with Clause 12.2 and Attachment C.
 H_m = the Gross Heating Value (Mass) of LNG in MJ/kg, as

calculated in accordance with Clause 12.5, and Attachment C.

12.7 Methods of Operation.

- (a) Buyer shall cause to be supplied, operated and maintained equipment for accurately measuring the level of liquid and liquid temperature in the tanks of the LNG Tankers. Seller shall cause to be supplied, operated and maintained at its expense all other equipment, instruments and devices used for the sampling of and for the determination of the composition, quality, density and quantity of the LNG loaded.
- (b) All measurements and all calculations relating to gauging the volume and temperature of LNG loaded shall be performed by Buyer. All measurements and all calculations relating to determination of the density of the LNG, all measurements and all computations relating to the determination and testing of the quality and composition of the LNG shall be performed by or on behalf of Seller. A representative of Buyer shall have the right to be present, but the absence of such a duly summoned representative shall not prevent either the carrying out of the measurements or the preparation of the calculations.
- (c) Both Parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information relating to such calibration shall be made available by a Party to the other Party and preserved for a period of not less than five years.

12.8 Accuracy of Measurements.

- (a) If either Party reasonably suspects the accuracy of the instruments used a verification may be requested at the earliest practical opportunity without disrupting the pattern of deliveries to Buyer and other customers. Such verification shall be made in the presence of the party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
- (b) If, at the time of verification, a measuring instrument is found to result in errors of one per cent or less of loaded LNG, such equipment's previous measurements shall be considered accurate for purposes of loading calculations and such equipment shall be adjusted forthwith as necessary. If, at the time of verification, a measuring instrument is found to result in errors of more than one per cent of LNG loaded, such equipment's previous measurements shall be corrected on the basis of the new calibration results for any period known definitively or agreed to have been affected by such error, and the calculation of loadings made during said period shall be corrected accordingly; however, in the event that the period during which such error occurred is not definitively known or agreed upon, corrections shall be made for those quantities loaded during the last half of the period since the date of the last calibration.
- (c) Devices for measuring the level of LNG and temperature in the tanks of the LNG Tankers, as well as chromatographs used for the analysis of Regasified LNG, shall be devices offering the best combination of reliability and accuracy known at the time of selection. The installation and operation of such equipment shall be carried out according to the manufacturers' specifications.

12.9 Calibration.

All instruments, gauges and measurements used for computing the LNG loaded pursuant to this Agreement shall be calibrated in the following manner:-

- (a) Volume: in cubic metres (m³);
- (b) Temperature: in degrees Celsius;
- (c) Level: in millimetres.

12.10 Disputes.

Any dispute over the selection of the type and the accuracy of measuring instruments and their calibration, the result of a measurement, a sampling, an analysis, a calculation or the method of calculation, shall be referred to an Expert, which for as long as it is able and willing to act shall be the Federal Polytechnical School of Zurich (Technische Hochschule von Zurich). The provisions of Clause 16 shall govern such Expert and any replacement thereof.

12.11 Documentation.

Each Party shall promptly send to the other information established pursuant to this Clause 12 which such other Party requires in order to calculate, or verify the calculation of payments pursuant to Clause 7.

12.12 Changes to Standards.

The Parties agree that if the version of any standard herein is revised by the issuing agency of any successor agency after the date of this Agreement, they will endeavour to agree in good faith to such changes to the containing section of this Agreement as may be necessary to reflect such revisions as appropriate. In

default of agreement, the matter will be referred to an Expert for resolution in accordance with Clause 16.

CLAUSE 13 WARRANTY, INDEMNITIES AND LIMITATION OF LIABILITY13.1 Seller's Warranty and Indemnity.

Seller warrants that Seller has title to all LNG supplied hereunder, and covenants that it has the right to sell the same and that such LNG will be free from Encumbrances, adverse claims and proprietary rights of every kind at the passing of title at the Loading Points, and that no circumstances will then exist which could give rise to any such Encumbrances, adverse claims or proprietary rights other than Encumbrances, claims or rights caused by acts or omissions of Buyer. Subject to the limitations set forth in Clause 13.3 and Clause 13.4, Seller will indemnify and hold Buyer harmless against all loss, liability, damage and expense of every character on account of adverse claims or proprietary rights to title in the LNG supplied at the Loading Points or Encumbrances thereon, other than claims, rights or Encumbrances caused by Buyer's acts or omissions. For purpose of this Clause 13, the term "Encumbrance" shall include, without limitation, any mortgage, pledge, lien, charge, assignment by way of security, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security.

13.2 Mutual Undertaking.

The Parties shall, for so long as LNG is being supplied hereunder, subject to regulatory authorisation and provided no other event of Force Majeure occurs which affects performance of the obligations referred to in this Clause 13.2, provide, maintain and operate or cause to be provided, maintained and operated in good working order their respective facilities (including LNG Tanker(s)) in order to fulfil their obligations under this Agreement.

13.3 General Limitation of Liability.

(a) Notwithstanding any other provision of this Agreement to the contrary, but subject to Clause 13.3(b), neither Party shall be liable to pay the other any amount greater than US\$150,000,000 (one hundred fifty million US dollars) (as adjusted pursuant to the following sentence) in the aggregate in consequence of breaches of this Agreement (including liability arising in accordance with this Clause 13 as a result of the expiry of the Basic Term prior to the End of the Full Basic Term). The US\$150,000,000 (one hundred fifty million US dollars) limit set forth in the preceding sentence shall be reduced by the following amounts:-

- (i) with respect to the liability of each of the Parties, the limit shall be reduced by the aggregate of all amounts paid by such Party or any of its Affiliates in consequence of breaches of the Charter or the Vessel Sale Agreement; and
- (ii) with respect to the liability of Buyer, the limit shall be reduced by the aggregate of all amounts paid by the Guarantor under the Guarantee including deemed payments pursuant to Clause 2.04 of the Guarantee.

In the case of the liability of Buyer, the following amounts shall not be included in determining whether the foregoing limit of liability shall have been reached:-

- (aa) all amounts in default paid by Buyer or its Affiliates (including the Guarantor under the Guarantee) with respect to quantities of LNG that are in fact lifted by Buyer, including, once such Make-up LNG is in fact lifted, amounts applied to invoices for quantities of Make-up LNG lifted by Buyer; and

(bb) All amounts paid by Buyer or its Affiliates (including the Guarantor) with respect to a payment default prior to the expiration of the cure period provided in Clause 7.7(c) with respect to such payment default; and

(cc) all amounts paid by Buyer pursuant to Clause 10.7.

In the case of Seller, any amount paid by Seller pursuant to Clause 10.7 shall not be included in determining whether the foregoing limit of liability shall have been reached.

(b) If, at any time during the Basic Term of this Agreement, the aggregate amount of:-

(i) any payment(s) by Seller with respect to breaches of this Agreement; and

(ii) any award(s) made against Seller by an Arbitration Tribunal under Clause 17 with respect to breaches of this Agreement

equals or exceeds US\$150,000,000 (one hundred fifty million US Dollars);

then Buyer shall have the right to give Seller a notice ("Buyer's Notice of Termination"), the effect of which Buyer's Notice of Termination shall be that the Basic Term shall expire, and a Make-Up Period shall commence in accordance with Clause 2.4, at the close of business on the next Business Day following the forty fourth Day following the Day on which such Buyer's Notice of Termination was delivered; provided, however, that if prior to the close of business on the next Business Day following the twenty-ninth Day after Buyer's Notice of Termination is received by Seller, Seller notifies Buyer that it has elected to increase the limit of Seller's liability provided for in

Clause 13.3(a) by US\$75,000,000 (seventy five million Dollars), then Seller's limit of liability provided for in Clause 13.3(a) shall immediately be increased by such amount and Buyer's Notice of Termination shall have no effect on this Agreement. If, at any time following such election by Seller, the aggregate amount of:-

(aa) any payment(s) by Seller with respect to breaches of this Agreement; and

(bb) any award(s) made against Seller by an Arbitration Tribunal under Clause 17 with respect to breaches of this Agreement;

equals or exceeds the limit of its liability as increased by such election or as further increased pursuant to this sentence then Buyer may again give Buyer's Notice of Termination to Seller, and Seller may again avoid the effect of Buyer's Notice of Termination by electing to increase its liability limit by an additional US\$75,000,000 (seventy five million US Dollars) pursuant to the procedures set forth in this Clause 13.3(b).

(c) In the event that Seller fails to satisfy in full any final arbitration award against Seller 60 (sixty) Days after the date for payment specified in such award, Buyer shall, without prejudice to its other rights and remedies, have the right to serve notice on Seller to that effect. If Seller does not pay the amount of the award within 30 Days of receipt of such notice, Buyer may serve a further notice on Seller. Upon the service of such further notice, the Basic Term shall terminate and a Make-up Period shall begin in accordance with Clause 2.4.

13.4 Consequential Damages, Lost Profits and Third Party Claims.

Except as set forth in Clause 13.5, Clause 13.6 and Clause 13.7, the liability of either Party under or in connection with this Agreement to the other Party in respect of any claim, loss or damage arising out of any failure of the other Party to fulfil its obligations under or in connection with this Agreement (including liability arising out of the expiry of the Basic Term prior to the end of the Full Basic Term) shall exclude liability for consequential loss and damages, any loss of profits and any third party claims and shall be limited to liability for loss directly suffered by the Party aggrieved.

13.5 Buyer's obligation to pay for Seller's Lost Revenues.

- (a) If the Basic Term of the Agreement expires pursuant to Clause 7.7(e) or if, subject to Clause 7.7(f), the Agreement is terminated by Seller pursuant to its common law, equitable or statutory rights, Buyer shall be liable (and such liability shall be Seller's sole and exclusive remedy with respect to such termination) for obligations incurred or arising prior to the expiry of the Basic Term plus an amount calculated in accordance with the following formula:

A - B - C

Where:

A = the revenue Seller reasonably would have expected to receive if Buyer had lifted and paid for amounts of LNG in aggregate equal to what would have been the sum of the Annual Nominated Quantities during the Buyer's Liability Period (as defined in Clause 13.5(b), below) had the Basic Term continued until the end of the Buyer's Liability Period (on the assumption that in calculating such Annual Nominated Quantities Buyer

would have exercised its Carry Forward Right and its Buyer's Volume Adjustment to the extent allowed under this Agreement); provided that to the extent that the Annual Nominated Quantity for any part of such Buyer's Liability Period does not correspond to what would have been a full Contract Year ending on a thirtieth September, such Annual Nominated Quantity shall be deemed to be an amount equal to what would have been the Annual Nominated Quantity for a full Contract Year multiplied by a fraction the numerator of which is the number of days in such part of such Period and the denominator of which is 365 (three hundred and sixty five));

B = the revenue Seller actually receives or is reasonably projected to receive from customers, other than Buyer, and which revenue is attributable to the quantities described in the calculation of "A" above and any additional quantities which Seller is able to sell solely by reason of its use of the Vessel during Buyer's Liability Period (net of any costs reasonably incurred or expected to be incurred by Seller that it would not have incurred with respect to such LNG if the Basic Term had not expired); and

C = the amount of revenue that Seller receives with respect to the lifting of Make-up LNG during the Make-up Period following Accelerated Expiry.

(b) For purposes of this Clause 13.5, the Buyer's Liability Period shall be the period beginning on the date of the expiry of the Basic Term or (as the case may be) termination of this Agreement pursuant to Seller's common law, equitable or statutory rights and extending to a date 3 (three) years following an agreed settlement by the Parties of the amount claimed by Seller or the making of an award in favour of

Seller by an Arbitration Tribunal (whether pursuant to Clause 17 or Clause 7 of the Guarantee) with respect to such claim; provided, however, that if the Guarantor elects not to deliver the Vessel pursuant to Clause 3.03(a) of the Guarantee, then the Buyer's Liability Period shall be the period beginning on the date of the early expiry of the Basic Term and extending to a date 3 (three) years following the date of such early expiry or termination.

- (c) Seller undertakes to mitigate its damages arising from Buyer's breach and the early expiry of the Basic Term by seeking alternative buyers for LNG not delivered to Buyer as a result of the early expiry of the Basic Term at the highest available revenues and, in the absence of delivery of the Vessel pursuant to the Charter or pursuant to Clause 3.04 of the Guarantee, by seeking alternative modes of transportation of LNG sold to alternative buyers. The amount(s) payable by Buyer pursuant to this Clause 13.5 shall be reduced by an amount equal to the difference between Seller's revenues (net of costs as aforesaid) and the amount that would have been Seller's revenues (net of such costs) if it had mitigated its damages as required by Seller's undertaking.

13.6 Seller's obligation to pay for Replacement Quantities.

- (a) If the Basic Term of the Agreement expires pursuant to Clause 7.7(e) or, subject to Clause 7.7(f), the Agreement is terminated by Seller pursuant to its common law, equitable, or statutory rights, and if Buyer disputes such expiry or termination and an Arbitration Tribunal convened pursuant to Clause 17 or Clause 7 of the Guarantee subsequently resolves such dispute in favour of Buyer, then Seller shall be liable (and such liability shall be Buyer's sole and exclusive remedy with respect to such termination) for an amount calculated in accordance with the following formula:-

A - B - C

Where:

A = the reasonable cost (measured on an FOB basis) Buyer incurred or is reasonably projected to incur to purchase quantities of LNG (purchased by Buyer from other LNG suppliers) equal to the Replacement Amount (as defined below) or an equivalent quantity of a reasonable substitute fuel, and if and only if the Vessel has been transferred to Seller under the Charter plus the net increase or minus the net decrease in the reasonable cost of transporting such quantities of LNG from the liquefaction facility of the seller of such quantities to the Receiving Facilities;

B = the amount Buyer reasonably would have been expected to be required to pay Seller for the Replacement Amount of LNG if the Basic Term of the Agreement had not expired or this Agreement had not terminated; and

C = the cost savings realised or costs not incurred by Buyer (including, without limitation, the costs of unloading, regasification and storage in the case of a purchase of substitute fuel) as a result of the purchase of LNG (purchased by Buyer from other LNG suppliers) or substitute fuel in lieu of the quantities it would have purchased from Seller.

(b) For purposes of this Clause 13.6, the Replacement Amount shall equal a quantity calculated in accordance with the following formula:

$$A + B + C - D$$

Where:

- A = the Annual Nominated Quantity for the Contract Year in which the Basic Term expired or this Agreement was terminated multiplied by a fraction, the numerator of which shall be the number of Days remaining in such Contract Year and the denominator of which shall be 365 (three hundred and sixty five);
- B = 26,600,000 (twenty six million six hundred thousand) MMBtus (or during the Build-up Period such lesser amount as is provided in Clause 4.1, on the assumption that Seller would have exercised its 5% (five percent) flexibility pursuant to Clause 4.2(b)) per year for each Contract Year after the Contract Year in which the Basic Term expired or the Agreement was terminated through and including the last Contract Year concluding prior to that date (the "Ending Date") that is the earlier of the date the Basic Term recommences pursuant to Clause 7.7(g) and the date 3 (three) years after the determination of the Arbitration Tribunal referred to above;
- C = 26,600,000 (twenty six million six hundred thousand) MMBtus (or during the Build-up Period such lesser amount as is provided in Clause 4.1, on the assumption that Seller would have exercised its 5% (five percent) flexibility pursuant to Clause 4.2(b)) multiplied by a fraction, the numerator of which shall be the number of Days from the end of the immediately preceding Contract Year through and including the Ending Date and the denominator of which shall be 365 (three hundred and sixty five);
- D = any quantity of Make-up LNG delivered to Buyer after the date the Basic Term expired or this Agreement was terminated.

- (c) Buyer undertakes to mitigate its damages arising from Seller's wrongful causing of the early expiry of the Basic Term or wrongful termination of this Agreement by seeking an alternative supply of LNG or substitute fuel having the lowest available cost. The amount(s) payable by Seller pursuant to this Clause 13.6 shall be reduced by an amount equal to the difference between Buyer's costs (net of savings as aforesaid) and the amount that would have been Buyer's costs (net of such savings) if it had mitigated its damages as required by Buyer's undertaking.

13.7 Shortfall Quantities

- (a) In respect of any Sales Period, in the event of Seller's failure to load LNG for Buyer when required to do so by this Agreement, Seller shall be liable (and such liability shall be Buyer's sole and exclusive remedy in such event) to make the payment set forth below in Clause 13.7(b).
- (b) If there is a Shortfall Quantity in any Sales Period, Seller shall be liable for an amount calculated in accordance with the following formula:

$$A - B - C$$

Where:

A = the costs measured on an FOB basis (to the extent that such costs were reasonable) which Buyer reasonably incurred during a Sales Period to purchase quantities of LNG (purchased by Buyer from other LNG suppliers) or a reasonable alternative fuel in replacement for the Shortfall Quantity (as defined below) in such Sales Period;

B = the amount Buyer would have paid Seller for the Shortfall Quantity if such quantity had been loaded in such Sales Period; and

C = the cost savings realised or costs not incurred by Buyer in such Sales Period (including, without limitation, the costs of unloading, regasification and storage in the case of a purchase of substitute fuel) as a result of the purchase of LNG (purchased by Buyer from other LNG suppliers) or a reasonable alternative fuel in replacement for the Shortfall Quantity.

(c) "Shortfall Quantity" for any Sales Period shall be that quantity of LNG (if such quantity is a positive quantity) which is equal to:-

(i) the sum of the Annual Contract Quantity and any Make-up LNG and any Excess Quantity that has been included in a Delivery Programme or Specific Delivery Schedule or otherwise become subject to a written commitment from Seller and which Seller was obliged to load; less

(ii) the amount of LNG actually loaded by Seller in such Sales Period;

provided however that due account shall be taken of the operation of Clause 4.4.

(d) Buyer undertakes to mitigate its damages pursuant to this Clause 13.7 to the same extent as set forth in Clause 13.6(c) above.

13.8 Extinction of Buyer's Liability

Upon Sale of the Vessel to Seller pursuant to the Vessel Sale Agreement in accordance with the terms thereof, following the giving of a Final Notice, and payment by Guarantor of the balance, if any, (after taking account of the Fair Market Value of the Vessel) of amounts payable by the Guarantor pursuant to the Guarantee, Buyer shall have no further liability to Seller hereunder, other than obligations arising under Clause 10.7 or arising after such payment by the Guarantor and relating to Make-up LNG, (if any).

CLAUSE 14 ESSENTIAL REQUIREMENTS

14.1 Required Arrangements and Approvals.

The Parties recognise that for the due performance of this Agreement, certain arrangements must be made and certain Approvals and Authorisations must be obtained. Such arrangements, Approvals and Authorisations (collectively referred to as the "Essential Requirements") are the following:

(a) By 15th November 1992 (hereinafter referred to as the "Approvals Date"):-

- (i) Approvals and Authorisations from the U.S. Department of Energy, or any successor governmental agency, for Buyer to import LNG into the United States under the terms and conditions of this Agreement, and all other federal, state or local governmental Approvals and Authorisations required in the United States for the due performance of this Agreement and for the execution by the Guarantor and by Cabot LNG Shipping Corporation of the Guarantee and the due performance of the Guarantee, must be issued in Final and Non-Appealable form, in form and substance satisfactory to Buyer and Seller in their respective sole opinions;
- (ii) The 18th September 1990 order of the U.S. Maritime Administration approving the sale of the LNG vessel "GAMMA" to Cabot LNG Shipping Corporation and the affirmation of that sale by the Secretary of the Department of Transportation on 15th November 1990 must become final and no longer subject to judicial review;

(iii) Approvals and Authorisations from the Federal Republic of Nigeria and from State and other authorities in Nigeria, pursuant to laws, rules or regulations (if any) in existence and in effect on the Approvals Date, for the export of LNG under the terms and conditions of this Agreement, must be issued in Final and Non-Appealable form, in form and substance satisfactory to Buyer and Seller in their respective sole opinions.

(b) By 16th November 1992 (hereinafter referred to as the "Guarantee Date") Buyer must have:-

(i) procured the execution and delivery to Seller of the Guarantee as a deed by and binding upon the Guarantor and Cabot LNG Shipping Corporation;

(ii) procured the delivery to Seller of:-

(aa) a copy of the resolution of Cabot's Board of Directors authorising execution and delivery of the Guarantee and the performance by Cabot of its obligations thereunder, certified by the Secretary of Cabot as being a true copy of the resolution duly adopted by the Board of Directors and as being in effect without modification at the time of execution of the Guarantee; and

(bb) a certificate of the Secretary of Cabot certifying that a named person(s) whose specimen signature(s) is (are) appended thereto and certified as such by the Secretary of Cabot is (are) authorised by the resolution to execute the Guarantee on behalf of Cabot; and

(cc) a copy of the Articles of Incorporation

and By-laws of Cabot, certified by the Secretary of Cabot as being a true copy of such articles and by-laws and as being in effect without modification at the time of execution of the Guarantee; and

- (iii) executed and delivered to Seller and procured the execution and delivery to Seller by Guarantor and Cabot LNG Shipping of an Accession Agreement in the form of the Schedule to the Arbitration Agreement and of Attachment thereto.

- (c) By 31st December 1992 (hereinafter referred to as the "Financing Date"), written agreements must be executed for the sale by Seller of the total quantities of LNG to be produced at Seller's Facilities and arrangements must be made for the financing of Seller's Facilities and Seller's LNG vessels, all in a manner acceptable to Seller in Seller's sole opinion, such agreements must be in force on the Financing Date, any conditions with respect to such agreements must have been fulfilled or waived and any rights of cancellation by any party to any such agreement other than Seller must have ceased to have effect on or before the Financing Date and Seller and each of its shareholders must have taken an affirmative final investment decision (in the sole discretion of each of them) to proceed with the Nigeria LNG Project on or before the Financing Date.

- (d) The term Approvals and Authorisations as used in this Clause 14 shall include any certificate, authorisation, approval, judgment, decree, or order of any kind (regardless of the formal nomenclature given to any of the foregoing), and any such approval or authorisation shall be deemed "Final and Non-Appealable" at such time as it is final and no longer subject to rehearing, appeal or review before any agency,

court or entity of government of the country having jurisdiction.

14.2 Mutual Undertakings.

- (a) Buyer and Seller shall use all reasonable endeavours to make or obtain, or procure the making or obtaining, of all Essential Requirements referred to in Clause 14.1(a) without undue delay and in any event prior to the Approvals Date.
- (b) Forthwith on receipt of a counterpart(s) of the Accession Agreement referred to in Clause 14.1(b) duly executed by Buyer, Guarantor and Cabot LNG Shipping, Seller shall execute a counterpart of the Accession Agreement and deliver the same to Buyer.
- (c) Either Party shall furnish the other upon request with all reasonable assistance in fulfilling the Essential Requirements referred to in Clause 14.1 and shall advise the other upon request, and otherwise as appropriate, of the progress that is being achieved in fulfilling such Essential Requirements. Without prejudice to the foregoing:-
- (i) Buyer shall liaise with Seller and Seller's legal advisers and provide Seller and Seller's legal advisers with such financial, marketing and other information as they may reasonably require in connection with the financing of Seller's Facilities and Seller's LNG vessels;
- (ii) Buyer shall prepare and file the applications for the Approvals and Authorisations referenced in Clause 14.1(a)(i) in consultation with Seller; and
- (iii) Buyer shall provide Seller, and Seller shall provide

Buyer as promptly as practicable following the execution of this Agreement, with a list of all Approvals and Authorisations required respectively under Clause 14.1(a)(i) and Clause 14.1(a)(iii).

14.3 Right of Waiver.

Each of Buyer and Seller shall have the right to waive in whole or in part its respective rights under Clause 14.1 to require that the Essential Requirements referred to therein be obtained in acceptable form and substance. If however Buyer or Seller waives an Essential Requirement referred to in Clause 14.1 above, then the waiving Party shall thereafter be precluded from relying upon the absence or unacceptability of such Essential Requirement for the purposes of seeking to be excused from performing its obligations pursuant to Clause 9.

14.4 Termination.

- (a) If any of the Essential Requirements referred to in Clause 14.1 (a) have not been fulfilled by the Approvals Date, either Buyer or Seller may terminate this Agreement, effective as of the Approvals Date, by giving written notice to the other within 30 (thirty) days thereafter.
- (b) If any of the Essential Requirements referred to in Clause 14.1(b) has not been fulfilled by the Guarantee Date, the Seller may terminate this Agreement, effective as of the Guarantee Date, by giving written notice to Buyer within 30 (thirty) days thereafter.
- (c) If any of the Essential Requirements referred to in Clause 14.1(c) have not been fulfilled by the Financing Date, Seller may terminate this Agreement, effective as of the Financing Date, by giving written notice to Buyer within 30 (thirty) days thereafter.

- (d) Any notice of termination under this Clause 14.4 shall specify the Essential Requirements relied upon as the basis for termination.
- (e) If this Agreement is not terminated as aforesaid, the provisions of this Clause 14 (except for Clause 14.3 and Clause 14.5) shall cease to have any effect.
- (f) If this Agreement is terminated as aforesaid, neither party shall have any liability to the other in respect of this Agreement and acts or omissions hereunder, whether occurring before or after such termination, except pursuant to Clause 15.

14.5 Notifications.

- (a) No later than 40 (forty) days after the Approvals Date, Buyer shall, provided that neither Party has exercised its rights pursuant to Clause 14.4, give notice to Seller:-
 - (i) stating in respect of each Essential Requirement referred to in Clause 14.1(a)(i) and Clause 14.1(a)(ii) either that it has been met or that it has been waived by Buyer in accordance with Clause 14.3; and
 - (ii) detailing any of such Essential Requirements which have been waived; and
 - (iii) stating in respect of each Essential Requirement referred to in Clause 14.1(a)(iii) that, if not met, it has been waived by Buyer in accordance with Clause 14.3.
- (b) No later than 41 (forty-one) days after the Approvals Date, Seller shall, provided that neither Party has exercised its rights pursuant to Clause 14.4, give notice to Buyer:-

- (i) stating in respect of each Essential Requirement referred to in Clause 14.1(a)(iii) either that it has been met or that it has been waived by Seller in accordance with Clause 14.3; and
 - (ii) detailing any of such Essential Requirements which have been waived;
 - (iii) stating in respect of each Essential Requirement referred to in Clause 14.1(b) that, if not met, it has been waived by Seller in accordance with Clause 14.3.
- (c) No later than 40 (forty) days after the Financing Date Seller shall, provided no Party has exercised its rights pursuant to Clause 14.4, give notice to Buyer stating:-
- (i) in respect of each Essential Requirement referred to in Clause 14.1(c) either that it has been met or that it has been waived; and
 - (ii) detailing any of such requirements which have been waived.

If no such notice is given to Buyer, the Essential Requirements referred to in Clause 14.1(c) shall be deemed to have been waived.

CLAUSE 15 - CONFIDENTIALITY

Save as hereinafter provided confidential information or documents which come to the attention of the Parties in connection with the performance of this Agreement may not be used or communicated to third parties without mutual written agreement of the Parties. However, subject to any existing agreements relating to the disclosure or use of such information or documents, either Party shall have the right to disclose such information or document:-

- (a) to legal counsel, accountants, other professional consultants, underwriters or providers of finance to either Party in relation to this Agreement, and provided such disclosure is solely to assist the purpose for which the aforesaid were so engaged;
- (b) if required by any law, rule or regulation, or if requested by such agency, an agency of the government of Nigeria or of any government with jurisdiction over a Party or an Affiliate of such Party and having authority to require such disclosure in accordance with that authority or pursuant to the rules of any recognized stock exchange or agency established in connection therewith;
- (c) to its Affiliates or, in Seller's case, its suppliers of Natural Gas, its shareholders or any company involved in the provision of advice to any such shareholder in connection with this Agreement and which is not an actual or potential competitor of Buyer (a competitor of Buyer for these purposes meaning an importer of LNG or a seller of gas in the USA), and any employee of a company to which disclosure is permitted pursuant to this Clause 15(c); provided that the recipient of any communication under Clause 15(a) or Clause 15(c) undertakes in writing to keep such information or documents disclosed confidential and to make no use

thereof save for the purpose for which the same were disclosed; and

- (d) to the extent any such information or document has entered the public domain other than through the fault or negligence of the Party making the disclosure. For this purpose any disclosure by a permitted recipient of a Party (as aforesaid) shall be deemed to be the fault or negligence of such Party.

For the avoidance of doubt, nothing in this Clause 15 shall prevent Seller from disclosing information to its other customers in circumstances contemplated in this Agreement, including without limitation pursuant to Clause 4.5, Clause 4.6 and Clause 9.6, or in order to demonstrate compliance with the provisions of this Agreement.

CLAUSE 16 - EXPERT16.1 Scope.

Whenever in this Agreement any person is to be appointed as an Expert pursuant to this Agreement the provisions of this Clause shall apply unless modified by any other express provision.

16.2 Procedure.

The procedure for the appointment of an Expert shall be as follows:-

- (a) the Party wishing the appointment to be made shall give notice to that effect to the other Party and with such notice shall give details of the matter which it is proposed shall be resolved by the Expert;
- (b) the Parties shall meet and attempt to agree upon a single Expert to whom the matter in dispute be referred for determination;
- (c) if within 14 (fourteen) Days from the service of the said notice the Parties have either failed to meet or failed to agree upon an Expert then the matter may forthwith be referred by the Party wishing the appointment to be made to the President of the Institute of Petroleum in London (herein referred to as the "President") who shall be requested to select an Expert within 21 (twenty one) Days;
- (d) upon an Expert being agreed or selected under the foregoing provisions of this Clause the Parties (or either Party) shall forthwith notify such Expert of his selection and the proposed terms of his appointment (such terms to include inter alia a covenant from the Expert that such Expert will not during the term of his appointment accept any duty or

acquire or agree to acquire any interest which materially conflicts with or may materially conflict with his function under such appointment, and that such Expert has not acquired or agreed to acquire such an interest) and shall request such Expert to confirm within 30 (thirty) Days whether or not such Expert is willing and able to (and does in fact) accept the appointment on the terms proposed; and

- (e) if such Expert does not accept such appointment on the terms proposed or shall not have confirmed his acceptance of such appointment within the said period of 30 (thirty) Days then (unless the Parties are able to agree upon different terms with the Expert from those previously proposed or are able to agree upon the appointment of another Expert) the matter may again be referred (by either Party) in manner aforesaid to the President who shall be requested to make a further selection and the process shall be repeated until an Expert is found who accepts appointment upon terms acceptable to the Parties.

16.3 New Expert.

If within a reasonable period (which shall not without the prior consent of the Parties exceed 90 (ninety) Days after the Expert has entered into a contract of appointment) such Expert shall not have rendered a decision then (at the request of either Party) a new Expert shall be appointed under the provisions of this Clause and upon such new Expert entering into his contract of appointment the appointment of the previous Expert shall cease.

Provided that if the previous Expert shall have rendered a decision prior to the new Expert entering into a contract of appointment then such decision of such previous Expert shall (subject always to Clause 16.5) be binding upon the Parties and the instructions (if any) to the new Expert shall be withdrawn.

16.4 Expert not an Arbitrator.

The Expert shall be deemed not to be an arbitrator for the purposes of this Agreement.

16.5 Final and Binding Determination.

Except as provided in Clause 6.12 the determination of the Expert shall be final and binding upon the Parties save in the event of fraud or breach by the Expert of his covenant referred to in Clause 16.2(d) above and the procedure by which he reaches his determination shall not be subject to, and such determination itself shall not be appealable or subject to, challenge whether under any applicable arbitration statute (including without limitation the English Arbitration Acts of 1950 and 1979) or otherwise.

16.6 Costs.

The costs and expenses of such Expert shall be borne equally by Seller and Buyer.

CLAUSE 17 - ARBITRATION

Except as otherwise provided in this Agreement, any dispute, difference, controversy or claim (whether based on contract, tort, or on any other legal doctrine) directly or indirectly arising out of, relating to or connected with this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Arbitration Agreement.

CLAUSE 18 - GOVERNING LAW

The proper law of this Agreement is the law of England. The law of England shall be used for the interpretation of this Agreement and for resolving any dispute controversy or claim envisaged by Clause 17 excluding, however, any rule of English private international law which would refer any dispute to the law of a jurisdiction other than England.

CLAUSE 19 - DISCLAIMER OF AGENCY

This Agreement does not constitute either Party the agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or responsibility on behalf of or in the name of the other Party.

CLAUSE 20 - AMENDMENTS

This Agreement may not be amended, modified or changed except by an instrument in writing signed by Seller and Buyer.

CLAUSE 21 - ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and includes all promises and representations, express or implied, and supersedes all other prior agreements and representations, written or oral, between the Parties relating to the subject matter hereof. Anything not contained in this instrument is not part of this Agreement.

CLAUSE 22 - NO THIRD PARTY BENEFICIARIES22.1 Third Parties.

Without prejudice to Clause 23 and to the Guarantee, the terms and provisions of this Agreement are for the sole benefit of Seller and Buyer and this Agreement and the supply of LNG hereunder is not intended to confer any benefit or right to enforce or enjoy the benefits of this Agreement upon any third party. Any failure of Seller or Buyer to comply with any of the provisions of this Agreement shall empower only Buyer or Seller as the case may be (and no other person) with the right to enforce the Agreement or seek a remedy for breach.

22.2 No Intermediaries.

This Agreement has been concluded without the assistance or intervention, direct or indirect, of any broker, intermediary, commission agent, business agent or similar party (whether Nigerian or non-Nigerian). No fee nor any remuneration, commission, repayment or other payment has been made, and is not and will not be due, to any broker, intermediary, commission agent, business agent or similar party (whether Nigerian or non-Nigerian). The Parties undertake to deal directly with each other as to any matter directly or indirectly related to this Agreement. The Parties shall not permit, in their relationships with each other or in the relationships of either of them with any government or administration, the intervention of any broker, intermediary, commission agent, business agent or similar party (whether Nigerian or non-Nigerian). Buyer undertakes to indemnify Seller in the event Buyer violates any of the provisions of this Clause 22.2 and Seller undertakes to indemnify Buyer in the event Seller violates any of the provisions of this Clause 22.2. The Parties acknowledge, however, that they have used, and in the future may continue to use, in connection with this Agreement, the services of lawyers, accountants and other

technical, maritime, financial, commercial and economic experts who have been and will be compensated by the Party respectively so using them for professional services actually rendered.

CLAUSE 23 - ASSIGNMENT

- (a) Seller shall be entitled to assign mortgage or pledge all or any of its rights interests and benefits hereunder to secure payment of any indebtedness incurred or to be incurred in connection with the construction and term financing of Seller's Facilities and Seller's shipping capacity, and Buyer shall provide to the persons to whom such indebtedness is owed such assurances and undertakings as they may reasonably require in connection with such assignment so long as such assurances and undertakings in no way diminish Buyer's rights or expand, extend or amend Buyer's representations, warranties, obligations and other responsibilities otherwise set forth in this Agreement. It is recognised that the terms of any such assignment, mortgage or pledge may require Seller to obtain the consent of the lenders before agreeing to any amendment to this Agreement if such lenders consider that the security available to them would be diminished by such amendment.
- (b) Either Party shall be entitled to assign all (but not some) of its rights and obligations under this Agreement to any of its Affiliates, provided that, unless the other Party agrees otherwise in writing, the original assigning Party under this Clause 23(b) and each subsequent Affiliate assignee from such Party (having itself assigned to an Affiliate) shall be fully liable under this Agreement in the event of non-fulfilment of its obligations hereunder by the most recent Affiliate to have taken an assignment pursuant to this Clause 23(b). An unsatisfied arbitration award pursuant to Clause 17 (or any court order made in connection therewith) shall be immediately enforceable against each of such assignors notwithstanding the fact that such assignor has not participated in the arbitration proceedings. Any assignment pursuant to this Clause 23(b) shall become effective upon delivery to the non-assigning Party of a

valid and enforceable covenant by the assignee Affiliate to observe and perform all the obligations of the assignor Affiliate under this Agreement.