

November 3, 2003

RECEIVED

NOV 3 2003

DOE/OFE/NGR

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Docket Room 3E-042, FE-34
Forrestal Building
1000 Independence, Avenue, S.W.
Washington, D.C. 20585

Re: FE Docket No. 03-76-LNG

Dear Mr. Tomaszewski:

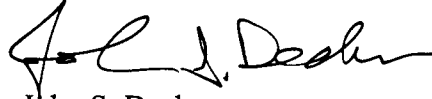
Pursuant to Part 590 of the regulations of the Department of Energy ("DOE"), 10 C.F.R. Pt. 590 (2003), please find enclosed the application of BG LNG Services, LLC ("BGLS") for long-term authorization to import liquefied natural gas from the Federal Republic of Nigeria pursuant to Section 3 of the Natural Gas Act, as amended. Also please find enclosed a check for \$50 made payable to the Treasurer of the United States as required by 10 C.F.R. § 590.207.

Pursuant to Sections 590.202(e) and 1004.11 of DOE's regulations, 10 C.F.R. §§ 590.202(e), 1004.11, BGLS hereby notifies DOE that the LNG Sale and Purchase Agreement between BGLS and Nigeria LNG Limited ("Importation Agreement"), which is the subject of this application, contains highly sensitive commercial information that is exempt from public disclosure. The Importation 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, 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 Importation 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 Section 1004.11(c) of DOE's regulations, 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.

Please date and 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". The signature is fluid and cursive, with a large initial "J" and "D".

John S. Decker

Attorney for BG LNG Services, LLC

PRIVILEGED INFORMATION REMOVED FOR CONFIDENTIAL TREATMENT

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

RECEIVED

NOV 3 2003

DOE/OLM/11111

BG LNG Services, LLC

)
)
)

FE Docket No. 03-____-LNG

**APPLICATION OF BG LNG SERVICES, LLC
FOR LONG-TERM AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS
FROM THE FEDERAL REPUBLIC OF NIGERIA**

Mark Evans
Vice President Marketing, Logistics
and Asset Optimization
BG LNG Services, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056
(713) 403-3748

John S. Decker
Curtis D. Blanc
Vinson & Elkins L.L.P.
The Willard Office Building
1455 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-1008
(202) 639-6599

November 3, 2003

PRIVILEGED INFORMATION REMOVED FOR CONFIDENTIAL TREATMENT

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

RECEIVED
NOV 3 2003
DOE/OFE/NGR

BG LNG Services, LLC

)
)
)

FE Docket No. 03-____-LNG

**APPLICATION OF BG LNG SERVICES, LLC
FOR LONG-TERM AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS
FROM THE FEDERAL REPUBLIC OF NIGERIA**

Pursuant to Section 3 of the Natural Gas Act ("NGA"), as amended;¹ Department of Energy ("DOE") Delegation Order Nos. 0204-111 and 0204-127;² and Part 590 of the Regulations of the DOE, Office of Fossil Energy ("OFE"),³ BG LNG Services, LLC ("BGLS") hereby submits this application for long-term authorization to permit BGLS to import liquefied natural gas ("LNG") pursuant to a long-term LNG Sale and Purchase Agreement ("Importation Agreement") entered into by and between BGLS and Nigeria LNG Limited ("Nigeria LNG"). In support of this application, BGLS respectfully shows as follows:

I. Correspondence and Communications

Correspondence and communications regarding this application should be addressed to the following:

Mark Evans
Vice President Marketing, Logistics
and Asset Optimization
BG LNG Services, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056
tel: (713) 403-3748

John S. Decker
Vinson & Elkins L.L.P.
1455 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-1008
tel: (202) 639-6599
fax: (202) 639-6604
email: jdecker@velaw.com

¹ 15 U.S.C. § 717b (2000).

² DOE Delegation Order No. 0204-111, Administrator of the Economic Regulatory Administration (Feb. 22, 1984); DOE Delegation Order No. 0204-127, Assistant Secretary for Fossil Energy (Feb. 7, 1989).

³ 10 C.F.R. Pt. 590 (2003).

fax: (713) 403-3781
e-mail: mark.evans@bglng.com

II. Background

BGLS is a limited liability company organized under the laws of the State of Delaware, which has 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 requested in this application, BGLS intends to engage in the business of importing LNG produced in the Federal Republic of Nigeria on a long-term basis. BGLS currently imports LNG from various international sources pursuant to a blanket authorization previously granted by the OFE.⁴

III. Authorization Requested

BGLS seeks long-term authorization to import LNG purchased from Nigeria LNG pursuant to the Importation Agreement.⁵ Nigeria LNG will produce the LNG at the fourth and fifth trains of its liquefaction plant located on Bonny Island in the Federal Republic of Nigeria, which is the country of origin for the natural gas relevant to this application. The point of entry for the LNG into the United States will generally be the LNG terminalling, storage and vaporization facility located at Lake Charles, Louisiana ("LNG Terminal"). The Importation Agreement provides that BGLS may designate an alternative delivery point for the LNG. Upon importation, BGLS will sell the LNG, and natural gas resulting from the vaporization of the LNG, to third parties in the normal course of business.

⁴ *BG LNG Services, Inc.*, Order Granting Blanket Authorization to Import Liquefied Natural Gas, DOE/FE Order No. 1710, FE Docket No. 01-47-LNG (Oct. 2, 2001) ("BGLS Blanket Authorization"). On October 31, 2003, BG LNG Services, Inc. submitted a notification in FE Docket No. 01-47-LNG that it has changed its name to BG LNG Services, LLC.

⁵ Pursuant to 10 C.F.R. § 590.202(c), a copy of the Importation Agreement is attached hereto as Exhibit B.

The Importation Agreement has an initial term of 20 years, which commences following initial supply and build-up periods. The parties estimate that the date of initial supply will occur between July 1, 2005 and June 30, 2006. Following an initial supply period and a build-up period, BGLS will purchase an annual contract quantity of LNG from Nigeria LNG. BGLS will pay Nigeria LNG an amount based on a published index for the relevant month. The Importation Agreement obligates BGLS to take or pay for LNG provided by Nigeria LNG under the agreement. BGLS accrues a right to make-up LNG, subject to certain limitations, however, for any LNG paid for but not taken under the Importation Agreement. Because the contract price for LNG under the Importation Agreement is linked to the market price for natural gas, the LNG supply covered by the Importation Agreement will remain competitive for its duration.

In addition to the 20-year firm supply arrangement, the Importation Agreement also provides that BGLS may purchase LNG from Nigeria LNG on a spot basis. Commencing upon execution and ending with the commencement of the 20-year firm supply term, Nigeria LNG will offer to sell certain excess quantities of LNG (if any) that it may produce at its existing liquefaction facilities. BGLS will have the right, but not the obligation, to purchase these quantities. BGLS anticipates that it may purchase the first spot quantity under this arrangement within 90 days of submitting this application. Although BGLS believes that the importation of quantities of LNG purchased from Nigeria LNG on a spot basis is authorized under the BGLS Blanket Authorization referenced above, to the extent that OFE determines otherwise, BGLS seeks 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,⁶ good cause exists to permit the proposed surplus LNG spot purchases to commence prior to the expiration of the 90-day pre-filing period. The surplus LNG spot purchases, when considered independently, would be authorized under the BGLS Blanket Authorization. Separate authorization of spot LNG purchases is only arguably necessary here because such purchases are provided for in the same Importation Agreement that provides for the long-term LNG purchases that are the subject of this application. Accordingly, any surplus LNG spot purchases that occur within 90 days of the submission of this application should either be deemed authorized by the BGLS Blanket Authorization, or alternatively, permitted as a waiver of OFE's 90-day pre-filing requirement for good cause shown.

IV. 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 importation authorization sought by BGLS herein meets the Section 3(c) criterion and, therefore, is consistent with the public interest.

V. Environmental Impact

BGLS intends to use existing facilities for importing LNG as requested herein and thus this application 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

⁶ 10 C.F.R. § 590.201(b) (2003).

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).

Act.⁹ Accordingly, neither an environmental impact statement nor an environmental assessment is required.

VI. Reporting Requirements

BGLS proposes the following reporting requirements, which are consistent with those provided by OFE in prior orders granting long-term authorization to import LNG:¹⁰

- A. Within two weeks after deliveries begin, BGLS must provide written notification of the date that the first import of LNG occurred.
- B. With respect to the LNG imports authorized in this docket, BGLS will file within 30 days following each calendar quarter, quarterly reports indicating, by month:
 - i) the total volume of LNG imported in Mcf and MMBtu; ii) the country of origin;
 - iii) the name(s) of the seller(s); iv) the point(s) of entry; v) transporters, including the name(s) of the LNG tankers used; vi) the geographic market(s) served; vii) the average landed cost per MMBtu at the point of importation; and viii) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price, if applicable.
- 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.

VII. LNG Importation Within Corporate Power Of The Company

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

⁹ 42 U.S.C. §§ 431, *et seq.* (2000).

¹⁰ *See, e.g., El Paso Merchant Energy, L.P.*, Order Granting Long-Term Authorization to Import Liquefied Natural Gas, DOE/FE Order No. 1780, FE Docket No. 02-26-LNG (May 29, 2002).

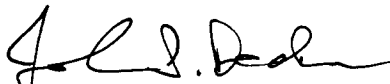
VIII. Related Regulatory Proceedings

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

IX. Conclusion

WHEREFORE, for the foregoing reasons, BGLS respectfully requests that OFE expeditiously consider the instant application and, pursuant to Section 3 of the NGA, as amended, grant the requested long-term import authorization. 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

November 3, 2003

Exhibit A

Corporate Power Of The Company

BG LNG SERVICES, LLC
5444 Westheimer, Suite 1775
Houston, Texas 77056

October 31, 2003

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Docket Room 3E-042, FE-34
Forrestal Building
1000 Independence, Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Tomaszewski:

This opinion is furnished in accordance with the requirements of 10 C.F.R. § 590.202(c), in conjunction with the application of BG LNG Services, LLC for an order requesting long-term authorization to import liquefied natural gas 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 from the Federal Republic of Nigeria 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,



Cynthia Masters
Attorney for BG LNG Services, LLC

Exhibit B

Importation Agreement

**PRIVILEGED INFORMATION REMOVED
FOR CONFIDENTIAL TREATMENT**

LNG SALE AND PURCHASE AGREEMENT

between

NIGERIA LNG LIMITED

as Seller

and

BG LNG SERVICES, LLC

as Buyer

Dated 13 October 2003

INDEX

Clause	Page
1. DEFINITIONS AND INTERPRETATIONS	1
2. DURATION	15
3. DATE OF INITIAL SUPPLY AND INITIAL SUPPLY PERIOD	16
4. QUANTITIES	18
5. QUALITY	36
6. PRICE	40
7. INVOICING AND PAYMENT	45
8. DELIVERY POINT, TITLE AND RISK	52
9. FORCE MAJEURE	54
10. MARITIME TRANSPORTATION	60
11. SCHEDULING	71
12. MEASUREMENTS AND TESTS	76
13. LIABILITIES	83
14. ESSENTIAL REQUIREMENTS	84
15. TERMINATION	85
16. CONFIDENTIALITY	86
17. EXPERT	86
18. ARBITRATION	89
19. IMMUNITIES	91
20. GOVERNING LAW AND UN CONVENTION EXCLUSION	91
21. DISCLAIMER	91
22. AMENDMENTS AND WAIVER	92
23. ENTIRE AGREEMENT	92
24. NO THIRD PARTY BENEFICIARIES	92
25. FISCAL INDEMNITIES	92
26. ASSIGNMENT	92
27. NOTICES	93
28. OPERATIONAL PROCEDURES	94
29. COUNTERPARTS	94
30. HEADINGS	94
31. DEFAULT AND NON-WAIVER	95
32. INEFFECTIVE PROVISIONS	95
33. NO PARTNERSHIP	95
 Attachments	
ATTACHMENT A -	96
ATTACHMENT B -	103
ATTACHMENT C - PRO FORMA INVOICE	105
ATTACHMENT D - INTERNATIONAL STANDARDS FOR SHIP/SHORE INTERFACE	106
ATTACHMENT E - MEASUREMENT	108
ATTACHMENT F - CERTIFICATE ON LOADING	114
ATTACHMENT G - CERTIFICATE ON UNLOADING	116
ATTACHMENT H - SHORT FORM DIRECT AGREEMENT	118

LNG SALE AND PURCHASE AGREEMENT, dated 13 October 2003 ("**Agreement**") between **NIGERIA LNG LIMITED**, a company incorporated under the laws of Nigeria ("**Seller**") with registration number R.C. 130,849 of C&C Building Plot 1684, Sanusi Fafunwa Street, Victoria Island, Lagos, Nigeria, and **BG LNG SERVICES, LLC** a limited liability company registered under the laws of the State of Delaware, USA ("**Buyer**") located at Suite 1775, 5444 Westheimer, Houston, Texas, 77056, United States of America.

The Parties hereto agree as follows:

WHEREAS:

(1) Seller is, subject to the provisions of this Agreement:

- (A) making arrangements to produce Liquefied Natural Gas at the fourth and fifth trains of a liquefaction plant, such trains to be constructed, owned and operated on an integrated basis with the first three trains and any additional trains that may be constructed by Seller at Bonny Island in the Federal Republic of Nigeria utilising part of the substantial Natural Gas reserves which have been discovered in the Federal Republic of Nigeria; and
- (B) willing to sell, transport and deliver certain quantities of Liquefied Natural Gas in Full Cargo Lots by LNG Tanker to a Receiving Facility nominated by Buyer.

(2) Buyer is willing, subject to the provisions of this Agreement:

- (A) to make the arrangements necessary for the importation and reception (in Full Cargo Lots by LNG Tanker), and the storage and regasification of such Liquefied Natural Gas at Buyer's nominated Receiving Facility;
- (B) to undertake to make payments to Seller in respect of such Liquefied Natural Gas in return for the right to require Seller to load, transport and deliver such Liquefied Natural Gas for shipment to Buyer at the times determined by the provisions of this Agreement; and
- (C)

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

The terms or expressions below shall have the following meanings in this Agreement:

"ACQ": The annual contract quantity of LNG which Seller is obliged to make available for loading for Buyer hereunder (but excluding any Make-up LNG or Excess Quantity which Seller is obliged to make available for loading) in any particular Sales Period, as determined by Clause 4.2(b).

APK

"Additional Surplus Capacity Production": As defined in Clause 4.7(d)(ii).

"Additional Train": As defined in Attachment B.

"Affiliate": Buyer's Affiliate or Seller's Affiliate, as the context may require.

"All Customer Priority List": As defined in Attachment B.

"Alternative LNG Cargo": As defined in Clause 4.12(b).

"Approved LNG Tanker List": As defined in Clause 10.1(b).

"Arbitration Tribunal": As defined in Clause 18(f).

"Bar": 100,000 (one hundred thousand) Pascals.

"Basic Quantity": As defined in Clause 4.2(a).

"Basic Term": As defined in Clause 2.1.

"Boil-off": LNG that is vaporised due to heat transfer into the cargo during the period from loading at the Loading Points to unloading at the Unloading Points.

"Btu": means British Thermal Unit.

"Build-up Period": The whole of the period described in Clause 4.1 consisting of the consecutive Build-up Stages described therein.

"Build-up Stage": Any of the individual periods within the Build-up Period as described in Clauses 4.1(a) to 4.1(d) inclusive.

"Business Day": A Day upon which banks are normally open for business in London, England and New York City, United States of America.

"Buyer's Affiliate": Any company which directly or indirectly controls Buyer or which is directly or indirectly controlled by Buyer or which is directly or indirectly controlled by a company which itself directly or indirectly controls Buyer.

"Buyer's Taxes": Any form of taxes, VAT, stamp duties, royalties, levies, imposts or duties or similar fees or charges without regard to the method of collection or assessment, whether direct or indirect and whether levied by

withholding or otherwise, of a Competent Authority from time to time imposed on or payable:

- (a) on account of the corporate existence of Buyer or in respect of the revenue or profits or capital of Buyer but not to the extent that the relevant tax, levy, impost, duty or similar fee (including sales tax) is imposed by a Competent Authority of Nigeria; or
- (b) in the country in which the Receiving Facility is located on account of the purchase by Buyer of LNG pursuant to this Agreement, the importation by Buyer of LNG at any Unloading Point, the storage of LNG at the Receiving Facility, or the storage of any Regasified LNG from the Receiving Facility or the transportation of Regasified LNG from the Unloading Points at the Receiving Facility and the supply of Natural Gas by Buyer.

"Cancellation": Any reference in this Agreement to the "cancellation" by Buyer of a cargo shall be construed as a reference to the service of notice by Buyer to the effect that it does not wish to take quantities of LNG in the exercise of the rights there set out or (as the case may be) the failure to receive quantities of LNG in the circumstances described in Clauses 3.3 and 4.4 for reasons other than Force Majeure and "cancel" shall be construed accordingly.

"Cancelled Cargo": As defined in Clause 4.4(b).

"Cancelled Quantity": As defined in Clause 4.4(a).

"Cargo Insurance": As defined in Clause 8.

"Cargo Invoice": As defined in Clause 7.1(c).

"Carry-Forward LNG": As defined in Clause 4.15.

"Certificate on Loading": The certificate in the form of Attachment F issued pursuant to Clause 5.3(a).

"Certificate on Unloading": The certificate in the form of Attachment G issued pursuant to Clause 7.1(a).

"Competent Authority": Any local, federal, state, regional, provincial, municipal, national or supra-national government agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of Nigeria or the United States of America or otherwise which has jurisdiction in relation to the performance of this Agreement by either Party including for the avoidance of doubt any licensing authority.

"Completion of Unloading": The time when the final gauging is completed and hoses disconnected.

"Consequential Loss": With respect to each Party:

- (a) any and all claims for loss, damage and/or expense of a third party; and
- (b) any and all indirect losses, damages, costs and financial harm, including and without limitation those relating to: loss of contract; loss of use of

RCS

machinery or property; loss of production; loss of goodwill; or loss of profit or revenue, of whatever kind and nature suffered by that Party under or in connection with this Agreement, however caused (including the default or negligence of the other Party or a breach of any duty owed in law by the other Party), and whether or not foreseeable at the date of this Agreement.

"Contract Quantity":

"Contract Year": A period of 12 (twelve) consecutive Months commencing on the first Day of October and ending on the thirtieth Day of September.

"Cure Period": As defined in Clause 7.6(d).

"Date of Initial Supply": The Day to be fixed in accordance with Clause 3.1(a) on which loading of the first Full Cargo Lot of LNG from the Fourth and Fifth Trains (whether for Buyer or any other Fourth and Fifth Train Primary Customer) shall commence or be deemed to have commenced for the purposes of this Agreement.

"Day": A period of 24 (twenty four) consecutive hours, commencing at 00.00 hours GMT.

"Delivery Programme": As defined in Clause 11.2(g).

"Due Date": As defined in Clause 7.2(a).

"ETA": As defined in Clause 10.4(c).

"Estimated Unloading Completion Time": The applicable Specified Arrival Period plus Port-time for any cargo specified in the Specific Delivery Schedule or (if none) the Delivery Programme or in relation to a cargo during the Initial Supply Period, as notified by Seller pursuant to Clause 3.2(a).

"Estimated Unloaded Quantity": The estimate of the unloaded volume of a cargo of LNG specified in the Specific Delivery Schedule or if none the Delivery Programme or, in relation to a cargo of LNG during the Initial Supply Period, as notified by Seller pursuant to Clause 3.2(a).

"Excess Quantity": As defined in Clause 4.8(b).

"Existing Primary Customers": As defined in Attachment B.

"Expert": An expert appointed pursuant to Clause 17.

"Explanatory Statement": As defined in Clause 7.1(b).

"First Build-up Stage": As defined in Clause 4.1(a).

"First Notice": As defined in Clause 9.3.

"First Specified Period": As defined in Clause 3.1(a).

"FM LNG Reduction": As defined in Clause 9.1(j).

"Force Majeure": As defined in Clause 9.1.

"Fourth Build-Up Stage": As defined in Clause 4.1(d).

"Fourth and Fifth Trains": The Fourth and Fifth LNG liquefaction trains to be constructed, owned and operated by Seller as part of Seller's Facility, each train with a base load capacity at plateau of approximately 4 (four) million tonnes of LNG per annum (approximately 5 (five) billion cubic meters per annum per train).

"Fourth Specified Period": As defined in Clause 3.1(b)(iii).

"Full Cargo Lot": The gross cargo capacity of an LNG Tanker of not less than 120,000 (one hundred and twenty thousand) cubic metres being equivalent to approximately 2.85 (two decimal point eight five) TBtus and not more than 150,000 (one hundred and fifty thousand) cubic metres being equivalent to approximately 3.45 (three decimal point four five) TBtus, or as otherwise agreed. For the purposes of Clauses 4.4(a), 4.5(b), 4.6, 4.12(b) and 7.3(c)(i) only, a Full Cargo Lot shall be deemed to be 130,000 (one hundred and thirty thousand) cubic metres being equivalent to approximately 3.09 (three decimal zero nine) TBtus.

"Further Customer Ranking": As defined in Attachment B.

"Further Primary Customer": As defined in Attachment B.

"Further Train Agreements": As defined in Attachment B.

"GMT": Greenwich Mean Time.

"Gross Calorific Value (Volumetric)": The quantity of heat measured in Joules produced by complete combustion in air of 1 (one) cubic metre of anhydrous ideal gas taken at a temperature of 15 (fifteen) degrees Celsius and at an absolute pressure of 101,325 (one hundred and one thousand three hundred and twenty-five) Pascals, the air being 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.

Red

"Gross Calorific Value (Mass)": The quantity of heat measured in Joules produced by complete combustion in air of 1 (one) kilogram of anhydrous ideal gas taken at a temperature of 15 (fifteen) degrees Celsius and at an absolute pressure of 101,325 (one hundred and one thousand three hundred and twenty five) Pascals, the air being 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.

"Group One Primary Customers": As defined in Attachment B.

"Group Two Primary Customers": As defined in Attachment B.

"Indemnity": As defined in Clause 8(b)(ii).

"Initial Supply Period": The period commencing with the Date of Initial Supply and continuing for a period of 13 (thirteen) weeks and ending at the beginning of the First Build-up Stage.

"Initial Supply Quantity": The quantity of LNG (expressed in MMBtus) to be fixed in accordance with the provisions of Clause 3.2(a).

"Insolvency Event": Where a Party is by applicable law (or is found by any competent court to be) insolvent or unable to pay its debts; stops, suspends or threatens to stop or suspend payment of all or a substantial part of its indebtedness; or proposes or makes a general assignment or scheme of arrangement or composition with, or for the benefit of its creditors in respect of all or a material part of its indebtedness or where a receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of such Party or any of its assets is appointed.

"International Standards": Those technical and safety standards comprised in Attachment D, which (from time to time) would be implemented by a Reasonable and Prudent Operator.

"ISO": International Standards Organisation.

"Largest New Customer": As defined in Attachment B.

"Law":

- (a) any law including all statutes, regulations and other instruments thereunder; and
- (b) any requirement, instruction, direction, order, regulation or rule of any Competent Authority;

from time to time in force, which is legally binding or would customarily be observed by a Reasonable and Prudent Operator.

"LCIA": As defined in Clause 18(b)(ii).

"LIBOR": The British Bankers Association Interest Settlement Rate offered for deposits in United States Dollars for 3 (three) Months in an amount equal, or approximately equal, to the amount in respect of which interest is to be calculated under this Agreement displayed on the appropriate page of the Bridge Telerate screen at or about 11.00 am London time on the first Day of the period for which interest is to be calculated, or, if such Day is not a Day on which banks are open for business in London, on the next following Day on which banks are open for business in London, and such rate shall be re-determined on the same basis on the first Day of each succeeding period of 90 (ninety) Days for so long as any amount upon which interest is to be calculated hereunder remains owing and unpaid. If Bridge Telerate fails to display the relevant LIBOR on any day when a rate is to be determined as aforesaid, but LIBOR is so displayed on the Reuters information service or is available directly from the British Bankers Association, it shall be determined from that source accordingly. If that alternative source is not available on a day when a rate is to be determined, the rate per annum shall be the 3 (three) Month inter-bank rate for US Dollar deposits quoted on the relevant date by a prime bank in the London inter-bank market, selected at the sole discretion of the Party to whom is owed the amount in respect of which interest is to be calculated under this Agreement. A reference to an interest rate of LIBOR plus a specified percentage is a reference to an annual rate equal to LIBOR plus the specified number of percentage points per annum.

"Liquefied Natural Gas" or "LNG": A mixture consisting primarily of hydrocarbons, derived from a naturally occurring subsoil material produced separately or in conjunction with crude oil, which is in a gaseous state under atmospheric conditions of pressure and temperature, and which is stored and/or shipped in liquid state at or near atmospheric pressure and at reduced temperature of about -160°C.

"LNG Heel": The quantity of LNG described in Clause 4.11.

"LNG Price" or "P": As defined in Clause 6.1.

"LNG Tanker": Any of the LNG vessels referred to in Clause 10.1.

"Loading Points": The points at which the inlet flanges of the permanent loading pipe system of the LNG Tanker connect with the outlet flanges of the LNG loading arms on the LNG loading jetty at the Seller's Facility.

"MMBtu": 1,000,000 (one million) British Thermal Units.

"Make-up Extension Period": As defined in Clause 2.2(a).

"Make-up LNG": LNG supplied pursuant to Clause 4.7 by Seller to Buyer in substitution for LNG which Buyer, in exercise of its rights under Clauses 3.3(a), 4.4(a), or 4.4(b), has not taken but has paid for in accordance with Clause 7.

"Make-up LNG Adjustment": As defined in Clause 7.1(d).

"Month": A calendar month.

"Natural Gas": Any hydrocarbon with or without other substances or a mixture of hydrocarbons with or without other substances, all of which are substantially in the gaseous phase at a pressure of 101,325 (one hundred and one thousand three hundred and twenty five) Pascals and at a temperature of 15 (fifteen) degrees Celsius and consisting principally of methane.

"New Customer Ranking": As defined in Attachment B.

"New Index": As defined in Clause 6.2(b)(iii).

"New Primary Customer": As defined in Attachment B.

"Nominated LNG Tanker": The LNG Tanker specified in the Specific Delivery Schedule or if none the Delivery Programme or, in the case of the Initial Supply Quantity, as notified by Seller pursuant to Clause 3.2(a), to transport and deliver the relevant cargo or in either case an LNG Tanker of equal gross cargo capacity (which may be substituted by Seller pursuant to the terms of this Agreement).

"Non-Performing Party": As defined in Clause 9.1.

"Notice of Arrival": As defined in Clause 10.4(c)(vii).

"Notice of Readiness": As defined in Clause 10.4.

"Party": Seller or Buyer.

"Parties": Seller and Buyer.

"PBS": The customary pilot boarding station or customary alternative waiting area for LNG vessels that are proceeding to the Receiving Facility as determined by the proper port authorities.

"Period": A Sales Period or a Make-up Extension Period as the context so requires.

"Person": Any individual, corporation, partnership, trust, unincorporated organisation or other legal entity.

"Port-time": As defined in Clause 10.5.

"Price Data Notice": As defined in Clause 6.2(a).

"Price Formula": As defined in Clause 6.1.

"Primary Customers": Buyer and those other customers which have contracted to buy LNG from Seller (all such contracts being take or pay contracts having a duration of at least 20 (twenty) years) or their permitted assignees, or any other customer (or its permitted assignee) to which the Contract Quantity of a Primary Customer has by subsequent contract (for the remainder of the outstanding duration of the original contract) been re-allocated (otherwise than on a spot sale basis) in whole or in part.

"Primary Suppliers": Seller and those other suppliers of Buyer which have contracted with Buyer to supply LNG to Buyer

"Priority List": As defined in Attachment B.

"Quantity": Unless the context otherwise requires, a reference to a "quantity" is to a quantity of LNG in MMBtu.

"Reasonable and Prudent Operator": A person acting in good faith and, in the case of a Party, with the intention of performing its contractual obligations under this Agreement; and who in so doing and in the general 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 operator complying with applicable law engaged in the same type of undertaking under the same or similar circumstances and conditions.

"Receiving Facility": The LNG terminal located at Lake Charles, Louisiana, United States of America ("**Lake Charles**") or such other receiving facilities as Buyer may request and Seller may approve in writing in accordance with Clause 10.7, including but not limited to the following facilities within any such LNG terminal:

- (a) LNG unloading arms and jetty;
- (b) LNG storage tanks;
- (c) LNG regasification unit;
- (d) boil-off gas facilities;
- (e) regasification general plant facilities;
- (f) in relation to Lake Charles, the Lake Charles Express gas pipeline, if and when it is built; and
- (g) any expansions of such facilities provided that such expansions are consistent with the last sentence of Clause 10.2(b).

provided that, in relation to any cargo, references to the Receiving Facility shall, where the context so requires, mean the Receiving Facility nominated by Buyer in relation to that cargo pursuant to Clause 11.1(a) (v) (as such nomination may be subsequently changed in accordance with Clause 11).

"Receiving Facility Delay": As defined in Clause 10.8(d).

"Regasified LNG": Natural Gas derived from LNG.

"Relevant Approval": Any order, authorisation, licence, approval or permit issued by a Competent Authority which is necessary for the proper performance by the relevant Party to this Agreement.

"Relevant Month": As defined in Clause 6.1.

"Rounding Rule": The rule contained in Clause 6.5.

"Sales Period": Any of the Build-up Stages and any Contract Year thereafter, but excluding any Make-up Extension Period, during the term of this Agreement.

"Second Build-up Stage": As defined in Clause 4.1(b).

"Second Notice": As defined in Clause 9.3.

"Second Specified Period": As defined in Clause 3.1(b)(i).

"Security Trustee": As defined in Attachment H.

"Seller's Affiliate": Any company which directly or indirectly controls Seller or which is directly or indirectly controlled by Seller or which is directly or indirectly controlled by a company which itself directly or indirectly controls Seller.

LC8

"Seller's Facility": The Liquefied Natural Gas trains constructed and to be constructed, and which are and will be owned and operated on an integrated basis by Seller at Bonny Island together with all its associated facilities, both within and outside the plant, including but not limited to:

- (a) Natural Gas transmission and receiving facilities;
- (b) Natural Gas metering and pressure control facilities;
- (c) LNG trains (which, after construction of the Fourth and Fifth Trains will be 5 (five) in number, but may be increased by the addition of further LNG trains) each consisting of liquid removal units, gas treating units, a pre-cooling cycle, refrigerant make-up facilities and a liquefaction unit;
- (d) LNG and liquids storage and loading facilities; and
- (e) material offloading facility/marine base.

"Seller's Taxes": Any form of taxes, VAT, stamp duties, royalties, levies, duties, imposts or similar fees or charges without regard to the method of collection or assessment, whether direct or indirect and whether levied by withholding or otherwise, of a Competent Authority from time to time imposed on or payable:

- (a) on account of the corporate existence of Seller or in respect of the revenue, profits or capital of Seller; or
- (b) on account of the production and transportation of Natural Gas to Seller's Facility and the liquefaction, storage, ownership and/or operation of Seller's Facility, and at or prior to an Unloading Point the shipping of LNG and ownership and/or operation of LNG Tankers and the unloading of LNG at the Unloading Point, provided that Seller shall not be liable for any import tax or duties on the importation of LNG into the USA arising at or prior to the Unloading Port; or
- (c) in connection with the execution of this Agreement, the purchase and sale of LNG under this Agreement or the taking delivery of LNG in or the export of LNG from Nigeria to the extent imposed by or payable to any Competent Authority of Nigeria.

"Specification on Loading": As defined in Clause 5.1(a).

"Specific Delivery Schedule": As defined in Clause 11.3.

"Specified Arrival Period": The arrival period of an LNG Tanker at the PBS: (a) as specified for the cargo in question in the then current Specific Delivery Schedule (or if there is no current Specific Delivery Schedule, in the then current Delivery Programme); or (b) in the case of the Initial Supply Quantity, as notified pursuant to Clause 3.2(a), which in both cases above shall be (i) 48 (forty eight) hours in relation to Lake Charles; or (ii) such period as shall be agreed by the Parties in relation to any other Receiving Facility approved in writing by Seller pursuant to Clause 10.7(b).

"Specified Period": Any of the First Specified Period, the Second Specified Period, the Third Specified Period and the Fourth Specified Period established pursuant to Clause 3.1.

"Standard Cubic Metre" or "m³(st)": The mass of gas contained in a volume of one cubic metre at a temperature of 15 (fifteen) degrees Celsius and at a pressure of 101,325 (one hundred and one thousand three hundred and twenty five) Pascals, the gas being assumed to be an ideal gas.

"Surplus Capacity Production": As defined in Clause 4.7(c).

"TABS": Transportation Aggregation Balancing Segment.

"Tbtus": 1,000,000,000,000 (one million million) British Thermal Units

"Termination Notice": As defined in Clause 7.6(e).

"Terminal Operator": The operator at the relevant time of the Receiving Facility.

"Third Build-Up Stage": As defined in Clause 4.1(c).

"Third Specified Period": As defined in Clause 3.1(b)(ii).

"Trigger Event": As defined in Clause 6.2(a).

"UNCITRAL": As defined in Clause 18.

"Unloading Points": The points at which the outlet flanges located at the connection of the permanent loading pipe system of the LNG Tanker connect with the inlet flanges of the unloading arms of the relevant Receiving Facility.

"Unloading Port": The port where the Receiving Facility is located, including the waterways to and from the PBS.

"Upstream Gas Suppliers": The unincorporated joint ventures which are supplying, or will supply in the future, feedstock gas to Seller's Facility. The current joint ventures (which may be increased in the future by additional Upstream Gas Suppliers) are:

- (a) Nigerian National Petroleum Corporation ("**NNPC**"), the Shell Petroleum Development Company of Nigeria Limited, Nigerian Agip Oil Company ("**NAOC**") and Elf Petroleum Nigeria Limited ("**Elf**");
- (b) NNPC, NAOC and Phillips Oil Company (Nigeria) Limited; and
- (c) NNPC and Elf;

(such expression to include the successors and assignees of such participants).

"US Dollars" or "US\$": Dollars of the United States of America.

"Wobbe Index": The Gross Calorific Value (Volumetric) of the Regasified LNG divided by the square root of the molecular weight of the Regasified LNG compared with air.

Except as otherwise defined, units of measurement and their prefixes shall be based on the metric system in accordance with ISO 1000 "SI units and recommendations for the use of their multiples and of certain other units". For convenience, the ISO 1000 definition of prefixes used in this Agreement is shown below:

<u>Multiplication Factor</u>	<u>SI Prefix</u>	<u>SI Prefix Symbol</u>
1,000,000,000,000=10 ¹²	tera	T
1,000,000,000=10 ⁹	giga	G
1,000,000=10 ⁶	mega	M
1,000=10 ³	kilo	K
100=10 ²	hecto	H
10=10	deca	Da
0.1=10 ⁻¹	deci	D
0.01=10 ⁻²	centi	C
0.001=10 ⁻³	milli	M
0.000,001=10 ⁻⁶	micro	U
0.000,000,001=10 ⁻⁹	nano	N

1.2 Interpretation

The following provisions shall have effect for the purpose of interpretation of this Agreement.

(a) References to agreements or documents

Any reference to an agreement or document shall, except as expressly provided in this Agreement, mean such agreement or document as such agreement or document may be supplemented, amended or modified from time to time in accordance with its terms.

(b) Headings

Headings are for convenience of reference only and shall not affect, in any way, the meaning of this Agreement.

(c) References to Clauses and Attachments

References to Clauses and Attachments are to the Clauses and Attachments of this Agreement, unless otherwise specified. The Attachments listed in the index at the beginning of this Agreement form an integral part of this Agreement.

(d) References to Sub-clauses and paragraphs

Any reference to a sub-clause is a reference to a sub-clause of the Clause in which the reference appears and any reference to a paragraph is reference to a paragraph of the sub-clause in which the reference appears.

(e) Computation of periods of time

- (i) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from but excluding" and the words "until" and "to" mean "to and including".
- (ii) In the computation of periods of time specified in any notice (other than the Certificate on Loading pursuant to Clause 5.3(a)), such periods shall be exclusive of the Day on which the notice was deemed to have been received in accordance with Clause 27 of this Agreement and of the Day on which the event or action specified in such notice is due to occur or be taken.
- (iii) Any provision or stipulation that an action may or shall be taken within a specified number of Days shall mean that such action may or shall be taken within the number of Days so specified starting at 24:00 hours GMT on the Day on which the right or obligation to take such action arose.

(f) Use of the expressions "sole judgement", "sole discretion" and "sole opinion"

Wherever in this Agreement a decision or other matter is stated to be in the sole judgement, sole discretion or sole opinion of either Party it is acknowledged that such opinion, judgement or discretion may only be exercised reasonably and in good faith.

(g) References to Gender

References to the male gender shall include the female and the neuter gender.

(h) Rounding of Numbers

In rounding numbers, unless otherwise specified, the Parties agree to round in accordance with the Rounding Rule specified in Clause 6.5.

(i) Reference to statutory provisions

Unless the context otherwise requires, any reference to a statutory provision (including those contained in subordinate legislation and regulations) is a reference to such provision as amended or re-enacted or as modified by other statutory provisions from time to time and includes subsequent legislation and regulations made under the relevant statute.

2. DURATION

2.1 Basic Term

Subject to Clause 2.2, this Agreement shall enter into force on the later of the date on which it is duly executed by both Parties and the date on which the Guarantor shall have duly executed the Guarantee and delivered the same to the Seller and it shall continue in force until the expiry of a period (the "**Basic Term**") of 20 (twenty) complete Contract Years commencing with the first full Contract Year occurring after the expiry of the Build-up Period. The Basic Term may be further extended by written agreement. Buyer and Seller will discuss before 31 December 2015 an extension to the Basic Term for a further period of up to 10 (ten) years.

2.2 Extension for Make-up LNG

(a) If Buyer has a right to Make-up LNG at the expiry of the Basic Term or any extension agreed pursuant to Clause 2.1 then:

- (i) if Seller serves a written notice on Buyer not less than one Contract Year prior to the expiry of the Basic Term or any extension agreed pursuant to Clause 2.1 (except that, in the case of Make-up LNG accruing during the last Contract Year of such Basic Term or any extension, such notice shall be given as soon as practicable) confirming that it is reasonably able to continue to supply and transport LNG hereunder; and
- (ii) Buyer shall have used reasonable endeavours to take available Make-up LNG before the end of the Basic Term or any extension agreed pursuant to Clause 2.1,

then Buyer shall have the right, but not the obligation, by giving written notice to Seller (to be given not more than 60 Days after receipt of Seller's notice referred to in paragraph 2.2(a)(i) above, to extend the term of this Agreement for the period necessary for Seller to supply Make-up LNG to Buyer (a "**Make-up Extension Period**"), but expiring no later than the first anniversary of the end of the original Basic Term or any extension thereof agreed pursuant to Clause 2.1.

- (b) During the Make-up Extension Period Seller shall have no obligation under this Agreement to supply quantities of LNG other than Make-up LNG.
- (c) If Seller does not serve the notice specified in paragraph 2.2(a)(i) above, Buyer shall not have the right to a Make-Up Extension. In such event or in the event that Buyer has terminated this Agreement pursuant to Clause 15.2, then Seller shall reimburse Buyer for the sums paid by Buyer pursuant to Clause 7.3 in respect of the relevant outstanding quantity of Make-up LNG.

RCS

- (d) If Seller has served the notice specified in paragraph 2.2(a)(i) above and if either:
 - (i) Buyer has chosen not to exercise its right to a Make-up Extension Period; or
 - (ii) Seller has not received notice from Buyer within 60 Days of serving the notice specified in paragraph 2.2 (a)(i)), then a Make-up Extension Period shall not occur and Seller shall not be obliged to supply Make-up LNG and Seller shall not reimburse Buyer for the sums paid by Buyer pursuant to Clause 7.3 in respect of the relevant outstanding quantity of Make-up LNG.
- (e) If Seller fails to deliver any Make-up LNG elected to be taken during a Make-up Extension Period pursuant to Clause 2.2(a), then Seller shall reimburse Buyer for the sums paid by Buyer pursuant to Clause 7.3 in respect of the relevant outstanding quantity of Make-up LNG.
- (f) If Buyer chooses to cancel Make-up LNG after electing to take Make-up LNG during the Make-up Extension Period as referred to in Clause 2.2(a), then Seller shall not be obliged to supply or to reschedule such cancelled Make-up LNG, Buyer shall not be obliged to make any further payment in respect of such Make-up LNG or to accrue any additional rights to Make-up LNG and Seller shall not be obliged to reimburse Buyer for sums previously paid by Buyer in relation to such cancelled Make-up LNG.

2.3 Effect of termination

The expiry or termination of this Agreement shall not relieve either Party from any obligations to the other Party incurred or arising prior to the date of such expiry or termination.

3. DATE OF INITIAL SUPPLY AND INITIAL SUPPLY PERIOD

3.1 Date of Initial Supply

- (a) Seller intends that the Date of Initial Supply shall fall within the date range 1 July 2005 to 30 June 2006 (the "**First Specified Period**") but if it should not fall within that range then for the purposes of this Agreement the Date of Initial Supply shall be deemed to be the last Day of the last Specified Period established pursuant to Clause 3.1.
- (b) Specified Periods
 - (i) No later than 1 April 2004, Seller shall notify Buyer that the Date of Initial Supply shall occur within a period of 183 (one hundred and eighty three) Days within the First Specified Period (the "**Second Specified Period**").
 - (ii) No later than 365 (three hundred and sixty five) Days before the commencement of the Second Specified Period, Seller shall notify Buyer that the Date of Initial Supply shall occur within a

specified period of 90 (ninety) Days within the Second Specified Period (the "**Third Specified Period**").

- (iii) No later than 183 (one hundred and eighty three) Days before the commencement of the Third Specified Period, Seller shall notify Buyer that the Date of Initial Supply shall occur within a specified period of 45 (forty five) Days within the Third Specified Period (the "**Fourth Specified Period**").
- (iv) No later than 30 (thirty) Days before the commencement of the Fourth Specified Period, Seller shall notify Buyer of the actual Date of Initial Supply, which shall occur within the Fourth Specified Period provided that, if the actual day on which loading of the first Full Cargo Lot of LNG from the Fourth and Fifth Trains is later than the last Day of the Fourth Specified Period, then the Date of Initial Supply shall be deemed to be the last Day of the Fourth Specified Period.

Each notification pursuant to paragraphs (i), (ii) and (iii) shall be accompanied by a non-binding good faith estimate by Seller of the Day in the specified period which is estimated to be the actual Date of Initial Supply.

3.2 Quantities During the Initial Supply Period

- (a) If Seller has a quantity of LNG available during the Initial Supply Period, Seller shall offer such quantity of LNG to Buyer and other Primary Customers of Fourth and Fifth Trains in Full Cargo Lots as nearly as possible pro rata to such Person's Contract Quantity prior to offering such quantity to other buyers. Subject to the provisions of this Agreement in general and to Clauses 3.3 and 4.12 in particular, if Seller notifies Buyer in writing 14 (fourteen) Days or more before the commencement of the Initial Supply Period that a quantity of LNG is available for sale to Buyer during the Initial Supply Period (such notice to contain the Specified Arrival Period, the nominated LNG Tanker and estimated quantity of LNG for unloading (the "**Estimated Unloaded Quantity**"), and if Buyer accepts in writing Seller's offer for such quantity (specifying the Receiving Facility) within 3 (three) Business Days of such notice (the "**Initial Supply Quantity**"), then Seller shall load such Initial Supply Quantity for shipment to Buyer during the Initial Supply Period in accordance with Seller's offer.
- (b) Subject to the provisions of this Agreement in general and to Clauses 3.3 and 4.12 in particular, Seller shall sell to Buyer and deliver by means of the LNG Tankers to the Receiving Facility the Initial Supply Quantity less Boil-off and LNG Heel.
- (c) Subject as hereinafter provided, in the Initial Supply Period Buyer shall be entitled to take the Initial Supply Quantity (less Boil-off and LNG Heel) or to accrue a right to Make-up LNG (to the extent specified by Clause 4.7) in respect of all or part of such quantity as it does not take, but in any event, subject to Clause 4.2(e), Buyer shall have the obligation to make payment in respect of such quantity. All payments in respect of the Initial Supply Quantity taken or not taken shall be made in accordance with Clause 7.

B.S

the quantities referred to in Clause 4.2(a) quantities equal to 10% (ten per cent) of the Contract Quantity;

- (b) during the period of 13 (thirteen) weeks following the end of the First Build-up Stage (the "**Second Build-up Stage**") there shall be substituted for the quantities referred to in Clause 4.2(a) quantities equal to 17.5% (seventeen decimal point five per cent) of the Contract Quantity;
- (c) during the period of 13 (thirteen) weeks following the end of the Second Build-up Stage (the "**Third Build-up Stage**") there shall be substituted for the quantities referred to in Clause 4.2(a) quantities equal to 22.5% (twenty two decimal point five per cent) of the Contract Quantity;
- (d) if the Third Build up Stage does not end on the 30 September during the period from the end of the Third Build-up Stage until the beginning of the next Contract Year (the "**Fourth Build-up Stage**") there shall be substituted for the Contract Quantity a quantity equal to the Contract Quantity multiplied by a fraction of which the numerator shall be the number of Days in such period and the denominator shall be 365 (three hundred and sixty five).

4.2 Basic Quantities

- (a) Subject to the provisions of this Agreement and unless Clause 4.4 applies, Seller shall during each Sales Period in the Basic Term make available for loading to Buyer the Contract Quantity plus or minus 5% (five per cent) (the "**Basic Quantity**"), provided that (i) Seller undertakes to exercise such right only in relation to operational matters regarding Seller's Facility and/or transportation of LNG to the Receiving Facility, (ii) Buyer shall be entitled to refuse to accept any such nomination by the Seller requesting an increase in the Contract Quantity and (iii) Seller shall exercise its downward nomination right on a non-discriminatory basis (without prejudice to acting in accordance with its existing contracts with other Primary Customers), and without regard to gas market or other commercial considerations.
- (b) Not later than 100 (one hundred) Days before the beginning of each Sales Period, Seller shall notify Buyer of the Basic Quantity (which shall be within the limits as provided for in Clause 4.2(a)) to be made available for loading by Seller in such Sales Period. Within 10 (ten) Days of Seller's notice, Buyer shall provide notice to Seller of the quantity of LNG Buyer desires to take in such Sales Period. If the Basic Quantity is greater than the Contract Quantity and Buyer provides notice to take such greater quantity, then such quantity shall be the ACQ in respect of such Sales Period. If the Basic Quantity is less than the Contract Quantity, then the Basic Quantity shall be the ACQ in respect of such Sales Period.

3.3 Cancellation of Quantities During the Initial Supply Period

(a) Cancellation Before Loading

If Buyer accepts Seller's offer in accordance with Clause 3.2(a), but before loading of such cargo has commenced, Buyer, for reasons other than Force Majeure, notifies Seller that it does not wish to receive such cargo, then Seller shall not load such cargo for Buyer and Buyer shall make a payment in respect thereof in accordance with Clause 7.3(a). Buyer shall have a right, upon payment in full in accordance with Clause 7.3(a) (together with interest in the case of late payment), to Make-up LNG in respect of the whole of the quantity deemed loaded in respect of any such cancelled cargo. If Seller cancels or otherwise fails to deliver a cargo after Buyer has accepted Seller's offer for reasons other than Force Majeure, Seller shall be obliged to make the payments provided for in Clause 4.12.

(b) Cancellation After Loading

If Buyer, for reasons other than Force Majeure or otherwise than as permitted by Clauses 4.12(b2) or (d) or 5.3, notifies Seller after loading of a particular cargo has commenced or has been completed in the Initial Supply Period that it does not wish to receive such cargo, or does not so notify Seller but fails in fact to receive such cargo, then:

- (c) For the avoidance of doubt cancellation by Buyer of any cargo in terms of Clause 3.3(a) or Clause 3.3(b) or failure by Buyer to receive any cargo as referred to in Clause 3.3(b) shall not be a breach by Buyer of this Agreement and Buyer's sole obligation to Seller in respect of any such cargo shall be to make full payment in respect thereof in accordance with the relevant provisions of this Clause 3.3 and Clause 7.3.

4. QUANTITIES

4.1 Build-up Period

Commencing immediately following the Initial Supply Period there shall be a Build-up Period consisting of Build-up Stages as described below during each of which Build-up Stages the rights and obligations of the Parties shall be as described in Clause 4.2 and the other provisions of this Agreement as they apply to any Contract Year after the Build-up Period, except that during each of such Build-up Stages the Contract Quantity referred to in Clause 4.2(a) shall be replaced by the following quantities:

- (a) during the period of 13 (thirteen) weeks following the end of the Initial Supply Period (the "First Build-up Stage") there shall be substituted for

n.2

- (c) Seller shall, subject to the other provisions of this Agreement, sell to Buyer and deliver to the Receiving Facility in LNG Tankers the quantities of LNG required to be made available for loading pursuant to Clause 4.2(b) above less Boil-off and LNG Heel.

- (d) **Take-or-Pay**

Subject as hereinafter provided, in any Sales Period, Buyer shall be entitled to take the ACQ required to be made available for loading pursuant to the above (less Boil-off and LNG Heel) in such Sales Period or to accrue a right to Make-up LNG (to the extent specified by Clause 4.7) in respect of all or part of such quantity as it does not so take but in any event Buyer shall have the obligation to make full payment

All payments in respect of such LNG taken or not taken shall be made in accordance with Clause 7.

Buyer shall have no obligation under this Clause 4.2 or, as appropriate, under Clause 3.2, Clause 4.1 or Clause 4.3, to pay for, whether in respect of the Initial Supply Period or any Sales Period:

- (e) The Initial Supply Quantity or ACQ (as applicable) shall be reduced by :

and all references in this Agreement to the Initial Supply Quantity and ACQ shall be interpreted subject to this Clause 4.2(e).

210

4.3

4.4 Cancellation of Quantities After the Initial Supply Period

(a) Cancellations Prior to the Establishment of the Delivery Programme

If, before the establishment of a Delivery Programme pursuant to Clause 11.2 for any Sales Period, Buyer, for reasons other than Force Majeure, notifies Seller that it wishes Seller not to load for shipment to Buyer in such Sales Period any Quantity which would otherwise be loaded hereunder (the "**Cancelled Quantity**"), then: (i) Seller shall have no obligation to load such Cancelled Quantity; (ii) Buyer shall have no obligation to take the Cancelled Quantity; (iii) Seller shall exclude it from the Delivery Programme; but (iv) Buyer shall make a payment in respect of the Cancelled Quantity under Clause 7.3(c). Buyer shall have a right, upon payment in full in accordance with Clause 7.3(c) (together with interest in the case of late payment), to Make-up LNG in respect of the whole of the Cancelled Quantity.

(b) Cancellations after the Establishment of the Delivery Programme

If, after the establishment of a Delivery Programme pursuant to Clause 11.2 but before loading of a particular cargo has commenced during the relevant Sales Period, Buyer, for reasons other than Force Majeure, notifies Seller that it does not wish to receive such cargo at the Receiving Facility (the "**Cancelled Cargo**"), then Seller shall not load such Cancelled Cargo for Buyer and Buyer shall have no obligation to take such Cancelled Cargo but payment shall be made in accordance with Clause 7.3(d). Buyer shall have a right, upon payment in full in accordance with Clause 7.3(d) (together with interest in the case of late

21.8

payment) to Make-up LNG in respect of the whole of the Cancelled Cargo.

For the purposes of this Clause 4.4(b) any reference to a cargo shall be to a quantity of LNG scheduled in the Specific Delivery Schedule or, if no such schedule exists, the Delivery Programme (as such Specific Delivery Schedule or Delivery Programme may be amended from time to time pursuant to Clause 11).

(c) Cancellation after Loading

If Buyer, for reasons other than Force Majeure, or otherwise than as permitted by Clauses 4.12(b2) or (d) or 5.3, notifies Seller after loading of a particular cargo has commenced or has been completed in the relevant Sales Period that it does not wish to receive such cargo, or does not so notify Seller but in fact refuses or is unable to receive such cargo, then:

(d) For the avoidance of doubt:

- (i) Cancellation by Buyer of any Quantity under Clause 4.4(a) or any cargo under Clause 4.4(b) or Clause 4.4(c) or failure by Buyer to receive any cargo as referred to in Clause 4.4(c) shall not be a breach by Buyer of this Agreement and Buyer's sole obligation to Seller in respect of any such cargo shall be to make full payment in respect thereof in accordance with the relevant provisions of this Clause 4.4 and Clause 7.3; and
- (ii) If Seller cancels a cargo after Buyer has accepted Seller's offer for reasons other than Force Majeure, Seller shall be obliged to make the payments provided for under Clause 4.12.

(e) Consequences of Three Make-Up Cancellations

- (i) To the extent that any Make-up LNG accrued as a result of the exercise of Buyer's rights pursuant to Clauses 3.3(a), 4.4(a) or 4.4(b) which was scheduled to be loaded in the Sales Period in question is cancelled, Buyer's rights to such Make-up LNG shall be extinguished, unless Buyer makes payment in full in accordance with Clause 7.3(a), 7.3(c), 7.3(d), or 7.11 as applicable (together with interest in the case of late payment) for the corresponding quantity of Make-up LNG, in which case such rights to Make-up LNG shall be fully restored (as if such cancellation had not occurred save for the provisions of this Clause 4.4(e)) with effect from the Day next following the end of such Sales Period and Buyer shall acquire an additional right to Make-up LNG in respect of the whole of the Quantity deemed loaded in respect of such quantity of Make-up LNG. Buyer's rights to such additional Make-up LNG shall, however, be

deemed to have accrued on the date of payment in full as aforesaid for the relevant Quantity not taken.

- (ii) If any quantity of Make-up LNG accrued as a result of the exercise of Buyer's rights pursuant to Clauses 3.3(a), 4.4(a) or 4.4(b) corresponding to a quantity of Make-up LNG previously cancelled by Buyer pursuant to Clause 4.4(b) is twice more cancelled, then Buyer's right to such Make-up LNG shall be extinguished, but Buyer shall nevertheless be obliged to make payment for such cancelled Make-up LNG in accordance with Clause 7.3, but upon such payment Buyer shall acquire an additional right to Make-up LNG in respect of the whole of the Quantity deemed loaded in respect of such quantity of Make-up LNG. Buyer's rights to such additional Make-up LNG shall, however, be deemed to have accrued on the date of payment in full as aforesaid for the relevant Quantity not taken.
- (iii) To the extent that, as a result of the exercise of Buyer's rights pursuant to Clause 4.4(c), Make-up LNG which was scheduled to be loaded in such Sales Period is loaded by Seller but is not received by Buyer, Buyer's rights to such Make-up LNG shall be extinguished but Buyer shall nevertheless pay for the corresponding quantity of Make-up LNG in accordance with Clause 7.3(e), but upon such payment Buyer shall acquire an additional right to Make-up LNG in respect of the whole of the Quantity cancelled or not taken by Buyer. Buyer's rights to such additional Make-up LNG shall, however, be deemed to have accrued on the date of payment in full as aforesaid for the relevant cargo not taken.
- (iv) The provisions of Clause 4.7(e) shall, for the avoidance of doubt, apply for the purposes of this Clause 4.4(e) and, in calculating payments to be made by Buyer in respect of Make-up LNG under this Clause 4.4(e), the Cargo Invoice shall be prepared taking into account the Make-up LNG Adjustment to be made pursuant to Clause 7.1(d).

4.5 Fractional Quantities

It is recognised that, due to the need for LNG to be supplied in Full Cargo Lots, it will be impracticable for Seller to load the precise quantities specified in Clause 3.2 during the Initial Supply Period or in Clauses 4.1 and 4.2 in any particular Sales Period. Accordingly:

- (a) If, in the Initial Supply Period or any Sales Period the quantity loaded onto the last cargo to be shipped in such period (excluding any Excess Quantity which has been allocated to Buyer pursuant to Clause 4.8 in respect of any Sales Period) is greater than is required to complete the loading of the Initial Supply Quantity in respect of the Initial Supply Period or is greater than is required to complete the loading for Buyer of the ACQ (or during any Build-up Stage in that Sales Period the relevant percentage of the ACQ) and any Make-up LNG which has been allocated to Buyer pursuant to Clause 4.8 in respect of any Sales Period, then the surplus quantity of that last cargo shall be treated in the following manner:

PCB

- (i) as Make-up LNG, to the extent Buyer has accrued a right to Make-up LNG under Clause 3 or Clause 4 (but which has not been allocated to Buyer in such period under Clause 4.7); or
- (ii) (at Buyer's option) as Carry-Forward LNG.

Such surplus shall be paid for in the same way as the balance of that cargo, except to the extent that such surplus is treated as Make-up LNG, in which case the appropriate Make-up LNG Adjustment shall be made in accordance with Clause 7.1(d).

- (b) If in any Sales Period the quantity loaded for Buyer is less than is required to complete the loading for Buyer of the ACQ and any Make-up LNG which has been allocated to Buyer pursuant to Clause 4.7 for reasons other than Force Majeure or the exercise by Buyer of its rights under Clause 4.4 or by Seller of its rights under Clause 7.6(a), then the first cargo in the following Sales Period shall, up to the amount of the deficit, but not exceeding 1 (one) Full Cargo Lot, be deemed to have been loaded in the first mentioned Sales Period and to form part of the ACQ or, as the case may be, any Make-up LNG which has been allocated to Buyer pursuant to Clause 4.7 for that Sales Period.
- (c) For the avoidance of doubt, the deemed attribution of LNG to a Sales Period other than the Sales Period of loading, pursuant to Clause 4.5(b), shall not affect calculation of prices and payments pursuant to Clauses 6 and 7, which shall be performed by reference to the actual dates of loading and unloading of the LNG.

4.6 Rounding of Cargo Lots

The number of Full Cargo Lots required to satisfy Buyer's ACQ and quantity of available Make-up LNG sought by Buyer in any Sales Period shall be determined prior to the commencement of any Sales Period in accordance with Clause 11 and shall be:

- (a) rounded up to the next Full Cargo Lot if the aggregate of such quantities pursuant to Clause 11 would result in an additional partial cargo exceeding 50% (fifty per cent) of a Full Cargo Lot; and
- (b) rounded down to the last Full Cargo Lot if the aggregate of such quantities pursuant to Clause 11 would result in an additional partial cargo of 50% (fifty per cent) or less of a Full Cargo Lot.

4.7 Make-up LNG

- (a) Buyer shall accrue a right to Make-up LNG, effective as of the date of payment in full of all amounts due in accordance with Clause 7 for the relevant Quantity or cargo not taken in the Initial Supply Period or Sales Period concerned (together with interest in the case of late payment), as provided in Clauses 3.3(a), 4.4(a) and 4.4(b), and Seller shall use reasonable endeavours to allow Buyer to exercise any rights to Make-up LNG which Buyer may accrue in accordance with the terms of this Agreement. If and to the extent that Surplus Capacity Production (as hereinafter defined) is available in any Sales Period, such Surplus Capacity Production shall be offered to Buyer as Make-up LNG in accordance with the provisions of this Clause 4.7. Subject to Seller's

9

reimbursement obligations under Clause 2.2(c), Buyer's rights to Make-up LNG in respect of the relevant Quantity or cargo shall however lapse at the end of the fifth Contract Year after that in which Buyer's rights to Make-up LNG in respect of that Quantity or cargo arose (or, if earlier, the termination of the Basic Term or any extension agreed pursuant to Clause 2.1 and any Make-up Extension), provided however that to the extent that a quantity of Make-up LNG in full satisfaction of Buyer's right to such Quantity was not offered to Buyer pursuant to Clause 4.7(c) for delivery in any of the 5 (five) Contract Years following that in which Buyer's rights to Make-up LNG arose, such 5 (five) year period shall be extended by the number of Contract Years during which Surplus Capacity Production was not available (and offered) as aforesaid. In any event (subject to the provisions of Clause 2.2(c)), Buyer's rights to Make-up LNG shall lapse at the expiry of the Make-up Extension Period.

(b)

- (c) If in respect of any Contract Year, Seller estimates in good faith that Seller's Facility can in such Contract Year reasonably be expected to produce a Quantity in excess of the aggregate of the ACQ and the comparable firm entitlements of other Primary Customers ("**Surplus Capacity Production**") and in respect of which shipping capacity is available to transport the Quantity in Full Cargo Lots, then Seller shall notify Buyer and other Primary Customers at least 90 (ninety) Days before the relevant Contract Year of the amount of such Surplus Capacity Production. Buyer may by notice within 15 (fifteen) Days after the giving of Seller's notice as aforesaid request that Make-up LNG, in a Quantity specified in Buyer's notice, be supplied to Buyer out of such Surplus Capacity Production to the extent that Buyer at the time of its notice has unutilised rights to Make-up LNG. Seller shall, subject always to its obligations to make available for loading in that Contract Year to Buyer the ACQ and the comparable firm entitlements of other Primary Customers, incorporate Buyer's requirements for Make-up LNG (as specified in Buyer's notice under this Clause 4.7(c)) in the relevant Delivery Programme and provide Make-up LNG and its equivalent for other Primary Customers from Seller's Facility to the extent that it is possible on the basis of the following rules as to priority:

- (i) cargoes comprising Buyer's ACQ and the comparable firm entitlements of other Primary Customers shall be programmed for delivery in priority to Make-up LNG;
- (ii) Make-up LNG and its equivalent for other Primary Customers shall, subject to Clause 4.4(e) above, be programmed with priority for the Primary Customers with the longest period of entitlement since the Day of payment for the relevant cargo or quantity not taken; and
- (iii) subject to Clause 4.7(c)(ii), where 2 (two) or more Primary Customers have an entitlement of equal duration, priority shall be given to the Primary Customer or Primary Customers with the greater Contract Quantities.

Upon Buyer's request in writing, Seller shall inform Buyer of its priority entitlement from time to time pursuant to Clause 4.7(c)(ii) and (iii) above with any supporting information reasonably requested by Buyer in order to demonstrate Seller's compliance with this Clause 4.7(c) and shall also, without incurring any liability therefor, provide Buyer with good faith estimates of the quantities of Make-up LNG which Seller estimates may be available to Buyer in the current and the following Contract Year.

- (d) If at a time later than 90 (ninety) Days before any Contract Year (but before the beginning of the Month preceding the Month in which such Surplus Capacity Production is expected to be available) Seller estimates in good faith that:
 - (i) (not having given notification in respect of such Contract Year in accordance with Clause 4.7(c)) Surplus Capacity Production will in fact be available in such Sales Period; or
 - (ii) (having already given notification in respect of such Contract Year in accordance with Clause 4.7(c)) that Seller's Facility can reasonably be expected to produce a Quantity ("**Additional Surplus Capacity Production**") which will be in excess of the Quantity which Seller estimates will be needed to meet the aggregate of the ACQ, the equivalent annual contracted quantities of Seller's other Primary Customers and any Make-up LNG and Excess Quantities or the equivalent to Make-up LNG and Excess Quantities in Seller's contracts with other Primary Customers which Seller has already become obliged to supply to Buyer or any of its other Primary Customers in such Contract Year and which can be transported in Full Cargo Lots using the transport capacity which will be available,

then Seller shall offer Buyer and other Primary Customers a cargo or cargoes of Make-up LNG out of such Surplus Capacity Production or Additional Surplus Capacity Production, but subject always to Clause 4.7, in accordance with the notice and other procedures (other than in relation to the timing of Seller's offer) and priorities set out in Clause 4.7(c) above. Such offer, which shall specify a loading date and an LNG Tanker (which for these purposes shall be the Nominated LNG Tanker), shall be unconditional.

RS

- (e) If Surplus Capacity Production or Additional Surplus Capacity Production or further Additional Surplus Capacity Production becomes available at a time later than that specified in Clause 4.7(d) for any reason including without limitation because of the inability or unwillingness of Seller's other Primary Customers to receive LNG, Seller shall offer such Surplus Capacity Production, Additional Surplus Capacity Production or further Additional Surplus Capacity Production in the manner described in Clause 4.3 or Clause 4.7(c) above if, in Seller's reasonable opinion, it is practicable in the circumstances to do so, provided that if a Primary Customer (other than Buyer) cancels or otherwise declines to accept a cargo after loading has already commenced or has been completed at the time that such cargo becomes available, then Seller shall be free to deal with such cargo in its sole discretion, whether as Make-up LNG, its equivalent or otherwise.
- (f) If a cargo of LNG unloaded or deemed unloaded comprises Make-up LNG in whole or in part then an adjustment shall be made to the invoice for such cargo, as described in Clause 7.1(d).
- (g) If any portion of Make-up LNG cannot be supplied as a Full Cargo Lot, and if Seller offers and Buyer elects to take such portion under the provisions of this Clause 4.7, then Buyer shall pay for any LNG necessary to complete the Full Cargo Lot at the LNG Price prevailing as at the date of Completion of Unloading of such cargo determined pursuant to Clause 6.
- (h) At any time during the Basic Term or any extension thereof agreed pursuant to Clause 2.1, Buyer may by notice require Seller, without Seller incurring any liability thereby, to notify Buyer of the amount of Make-up LNG which Seller estimates may be available to Buyer in the remainder of such Basic Term.
- (i) Nothing in this Clause 4.7 shall prevent Seller from supplying LNG to other Primary Customers in circumstances similar to those applicable to Buyer in Clause 4.7(g).
- (j) For the avoidance of doubt nothing herein shall prevent Seller offering Surplus Capacity Production, Additional Surplus Capacity Production or further Additional Surplus Capacity Production under Clause 4.7(c), (d) or (e) even though a different offer may have been made under the same sub-clause for the same Sales Period.

4.8 Excess Quantity

- (a) If in respect of any Build-up Stage, Seller, at Seller's sole discretion, notifies Buyer in writing, that a quantity in excess of the quantity for that Build-Up Stage referred to in Clause 4.1 can be made available to Buyer during such Build-up Stage, and if Buyer accepts in writing Seller's offer to make such quantity available, then the quantity for such Build-up Stage, pursuant to Clause 4.1, shall be adjusted accordingly.
- (b) If in respect of any Sales Period excluding the Build-up Stages, it appears that Seller will still have Surplus Capacity Production after satisfying Buyer's and each other Primary Customer's accrued rights to Make-up LNG and its equivalent, then Seller shall indicate this in Seller's

RS

notice to Primary Customers pursuant to Clause 4.7(d) and Buyer shall have the right, in Buyer's notice pursuant to Clause 4.7(d), to request that such remaining Surplus Capacity Production be made available to Buyer (subject to Clause 4.7) in the number of Full Cargo Lots specified by Buyer in such notice ("**Excess Quantity**") on the same terms and conditions as are provided in this Agreement, provided that the supply to Buyer of any Excess Quantity shall be conditional upon each cargo lot of Excess Quantity being made available to Buyer and other Primary Customers in rotation. Such rotation shall be by reference to a list of Primary Customers ranked in accordance with Attachment B.

- (c) If at any time later than 90 (ninety) Days before any Sales Period excluding the Build-up Stages (but before the Month preceding the Month in which the Excess Quantity is expected to be available), Seller estimates that an Excess Quantity (or a further Excess Quantity) can be made available from Surplus Capacity Production or, as the case may be, Additional Surplus Capacity Production, Seller shall offer such Excess Quantity (subject always to Clause 4.7) to Buyer, in accordance with the procedures and rotation schedule referred to in Clause 4.8(b) and Attachment B. Such offer, which shall specify a loading date and an LNG Tanker, (which for these purposes shall be the Nominated LNG Tanker), shall be unconditional.
- (d) If Surplus Capacity Production, Additional Surplus Capacity Production or further Additional Surplus Capacity Production results in an Excess Quantity becoming available at a time later than that specified in Clause 4.8(c) Seller shall offer such Surplus Capacity Production in accordance with the procedures described in Clause 4.8(b) above and rotation schedule referred to in Clause 4.8(b) and Attachment B, if, in Seller's reasonable opinion, it is practicable in the circumstances to do so, provided that if a Primary Customer (other than Buyer) cancels or otherwise declines to accept a cargo after loading has already commenced or has been completed at the time that such cargo becomes available, then Seller shall be free to deal with such cargo in its sole discretion, whether as an Excess Quantity or otherwise.
- (e) To the extent that an Excess Quantity is included in a Delivery Programme or Specific Delivery Schedule in accordance with Clause 11, or otherwise becomes subject to a written commitment from Buyer, any cancellation of such Excess Quantity shall have the same consequences pursuant to Clause 4.4 as cancellation of a Quantity comprised in the ACQ.
- (f) Any Quantity from any Primary Customer, which is reallocated, shall not constitute Surplus Capacity Production.

4.9 Attribution of LNG

The quantity of LNG loaded in each Sales Period shall be attributed in the following order:

- (a) first, to the ACQ;
- (b) second, to any entitlement to Make-up LNG; and
- (c) third, to any Excess Quantity.

RS

There shall however be excluded from any such attribution any quantity of Surplus Capacity Production which is sold to Buyer after being re-allocated from any of Seller's other customers in circumstances similar to those applicable to Buyer in Clauses 3.3(c), 4.4(c) or 9.2.

For the avoidance of doubt:

if Buyer cancels one or more cargoes in the circumstances described in Clauses 3.3 or 4.4, the cargoes not taken shall be attributed in the following order:

- (i) first, to any Excess Quantity;
- (ii) second, to any Make-up LNG accepted by and allocated to Buyer pursuant to Clause 4.7; and
- (iii) third, to the ACQ.

if Seller does not deliver to the Receiving Facility one or more cargoes in the circumstances described in Clause 4.12, the cargoes not delivered or received shall be attributed in the following order:

- (i) first, to the ACQ;
- (ii) second, to any Excess Quantity; and
- (iii) third, to any Make-up LNG accepted by and allocated to Buyer pursuant to Clause 4.7.

4.10 Maintenance

It is recognised by the Parties that throughout the term of this Agreement planned maintenance and planned shut-downs will be required of Seller's Facility, the LNG Tankers, the Receiving Facility and the facilities of the Upstream Gas Suppliers and Seller's other Primary Customers. Allowing for such maintenance and shutdowns and subject to the scheduling provisions in Clause 11, the quantities loaded for shipment to and unloading at the Receiving Facility shall so far as is reasonably practicable be supplied and taken at an approximately even rate over each Sales Period. Seller and Buyer shall consult and use reasonable endeavours so as to ensure that any planned maintenance or planned shutdown of any LNG Tanker, the Receiving Facility, Seller's Facility or the facilities of the Upstream Gas Suppliers and other Primary Customers can take place at a time suitable to both of them and does not entail a decrease in the LNG which can be loaded in the relevant Sales Period. Seller and Buyer shall use reasonable endeavours to notify each other of schedules of any planned shutdowns or planned maintenance at least 120 (one hundred and twenty) Days prior to the commencement of each Sales Period and reconfirm the same 120 (one hundred and twenty) Days prior to that commencement of such shutdown or maintenance.

PCS

4.11 LNG Heel

In respect of the unloading at the Receiving Facility of any LNG Tanker transporting LNG in connection herewith, provided such LNG Tanker is scheduled by Seller to load LNG within 30 (thirty) Days following completion of such unloading, Buyer consents to Seller retaining aboard that LNG Tanker an amount of LNG sufficient (in the reasonable opinion of Seller) to permit such LNG Tanker to maintain a temperature no higher than minus 145 (one hundred and forty five) degrees Celsius at the bottom of its tanks for the period ending with the expiry of 24 (twenty four) consecutive hours after its arrival at Seller's Facility at the end of the return voyage, on the assumption that the LNG Tanker proceeds to Seller's Facility directly and at speeds compatible with normal operating procedures in the LNG trade. In the event that the LNG Tanker will require for operational reasons to deliver the LNG Heel as part of a Full Cargo Lot, Seller shall inform Buyer of such delivery no later than 5 (five) Business Days before the end of the month preceding the month of delivery.

4.12 Under-deliveries

R/S

4.13 Late Deliveries

R8

4.14 Reconciliation

4.15 Carry-Forward LNG

If the Quantity delivered to Buyer at a Receiving Facility is in excess of the Initial Supply Quantity (in the case of the Initial Supply Period) and the aggregate of the applicable ACQ and Make-up LNG (to include outstanding or allocated rights to Make-up LNG) (in the case of a Contract Year), then the amount of such excess quantity shall be a quantity of **"Carry-Forward LNG"**. Quantities of Carry-Forward LNG may be deducted from the ACQ in respect of any Contract Year at Buyer's election on notice to Seller at least 95 (ninety-five) days prior to the commencement of that Contract Year, provided that

RS
1.1

- (a) the total quantity which may be deducted from the ACQ in respect of the Carry-Forward LNG in any Contract Year may not exceed 5% (five percent) of the ACQ; and
- (b) Buyer may not in respect of any Contract Year elect to deduct from the ACQ for that Contract Year any quantity of Carry-Forward LNG that arose two or more years before the Contract Year in question.

5. QUALITY

5.1 Quality on Loading

- (a) Specification on Loading

The LNG loaded by Seller for Buyer at the Loading Point shall in its gaseous state meet the following specifications (the "**Specification on Loading**"):

- (i) a Gross Calorific Value (Volumetric) between 39.90 (thirty nine decimal point nine zero) and 42.20 (forty two decimal point two zero) Megajoules per Standard Cubic Metre on a dry basis which corresponds to a range between 1,070 (one thousand seventy) and 1,132 (one thousand one hundred and thirty two) Btu/scf;
- (ii) a Wobbe Index between 51.90 (fifty one decimal point nine zero) and 53.30 (fifty three decimal point three zero) Megajoules per Standard Cubic Metre on a dry basis which corresponds to a range between 1,392 (one thousand three hundred ninety two) and 1,430 (one thousand four hundred and thirty) Btu/scf;
- (iii) not contain more than 1 (one) mol per cent of nitrogen;
- (iv) not contain more than the following amounts of impurities:

Hydrogen Sulphide	5.0 mg per Standard Cubic Metre
Mercaptan Sulphur	2.3 mg per Standard Cubic Metre
Carbonyl sulphide plus hydrogen Sulphide	15.0 mg per Standard Cubic Metre
Total sulphur including mercaptans	30.0 mg per Standard Cubic Metre
Mercury	50 ng per Standard Cubic Metre
Carbon Dioxide	0.1 mol per cent; and
- (v) a hydrocarbon dew point no higher than -5°C (minus five degrees Celsius) at a pressure between 19 (nineteen) and 72 (seventy two) bar gauge and no higher than -20°C (minus twenty degrees Celsius) at a pressure between 15 (fifteen) and 19 (nineteen) bar gauge.

- (b) Reference Values

It is anticipated that LNG loaded by Seller for Buyer at the Loading Points shall have the constituent elements varying between the following percentage limits (in molecular percentages):

29

Methane (C ₁)	between 88.0 and 96.0
Ethane (C ₂)	equal to or lower than 10.0
Propane (C ₃)	equal to or lower than 4.0
Isobutane (iC ₄)	equal to or lower than 1.0
Normal butane (nC ₄)	equal to or lower than 1.5
Pentanes (C ₅ +) and heavier hydrocarbon components	equal to or lower than 0.1
Molar sum of Propane (C ₃) and heavier hydrocarbon components	equal to or lower than 5.3

but Seller shall not be in breach of its obligations under this Agreement by reason of any failure of any LNG loaded for delivery to Buyer or unloaded at the Unloading Points to conform to any or all of the reference values set out above in this Sub-clause (b).

5.2 Quality on Unloading

The Parties recognise that, due to Boil-off, the Gross Calorific Value (Volumetric) and Wobbe Index of the LNG will be higher at the Unloading Points than at loading at the Loading Points. At an average expected voyage time between Loading Points and Unloading Points this can be expected to result in the following ranges for the Gross Calorific Value (Volumetric) and the Wobbe Index of the LNG at the Unloading Points:

- (a) Gross Calorific Value (Volumetric) between 39.90 (thirty-nine decimal point nine zero) and 43.00 (forty-three decimal point zero zero) Megajoules per Standard Cubic Metre.
- (b) Wobbe Index between 51.90 (fifty-one decimal point nine zero) and 53.75 (fifty-three decimal point seven five) Megajoules per Standard Cubic Metre.

5.3 Failure to Meet the Quality Specification

- (a) Promptly following completion of each loading of LNG for delivery hereunder (including the loading of any cargo which is cancelled pursuant to Clauses 3.3(b) or 4.4(c)), Seller shall send or cause to be sent to Buyer by electronic mail or facsimile a Certificate on Loading substantially in the form of Attachment F hereto. If a representative of Buyer has been present at the taking of measurements, the making of tests and the verification of results under Clause 12 for the purposes of completion of the Certificate on Loading, and such representative agrees with the data recorded on the Certificate of Loading, the representative shall countersign the Certificate on Loading in confirmation of such agreement.
- (b) If a cargo of LNG at the Loading Points fails to meet any of the Specifications on Loading, and Buyer is so notified, then Buyer shall only have a right to reject such cargo on loading and such cargo shall be treated as a failure to deliver for purposes of Clause 4.12(b1) above if Buyer is notified pursuant to this Clause 5.3(b) before the 25th day of the Month preceding the Month of delivery or Clause 4.12(b2) above if Buyer is not so notified. Upon Seller's request, Buyer shall use reasonable endeavours to accept a cargo which it is entitled to reject because it is

Res

outside the Specifications on Loading at the Seller's Facility, and Buyer shall be entitled to reimbursement by Seller of the net reasonable and documented costs incurred by Buyer or the operator of the Receiving Facility, in relation solely to the receipt and treatment at the Receiving Facility of the regasified LNG from the relevant cargo, to bring the regasified LNG within specifications. If Buyer accepts a cargo that it is entitled to reject (having been so notified by Seller that the relevant cargo has failed to meet the Specifications on Loading), Buyer shall have no right to reject any part of the LNG remaining unloaded, and no right to any Under-delivery Amount. For the avoidance of doubt, the parties agree that if Buyer accepts a cargo that it is entitled to reject (having been so notified by Seller that the relevant cargo has failed to meet the Specifications on Loading) there shall not be any discount or penalty capable of reducing the LNG Price if the LNG unloaded at the Receiving Facility does not meet any of the specifications on unloading.

- (c) If a cargo of LNG unloaded at the Receiving Facility is outside the ranges stated in Clause 5.2 above and provided the operator of the Receiving Facility agrees to accept such cargo, Buyer agrees that subject to Clause 5.3(d) below, its sole remedy shall be an entitlement to reimbursement by Seller of the net reasonable and documented costs incurred by Buyer or the operator of the Receiving Facility, in relation solely to the receipt at the Receiving Facility and treatment of the regasified LNG from the relevant cargo, to bring the regasified LNG within Specification, but Buyer shall have no right to reject any part of the LNG remaining unloaded. For the avoidance of doubt but subject to Clause 5.3(d) below, the parties agree that the Agreement shall not include any discount or penalty capable of reducing the LNG Price if the LNG unloaded at the Receiving Facility does not meet any of the specifications on unloading.
- (d) Notwithstanding the provisions of Clause 5.3(c) above on specifications on unloading, if any Quantity unloaded at the Receiving Facility shows a Gross Calorific Value (Volumetric) in excess of 44.8 MJ/m^3 (st) or the Wobble Index of any such Quantity is more than 53.75 MJ/m^3 (st) at the unloading point of the Receiving Facility (unless the same is caused by delay in proceeding to berth from the PBS attributable to the fault of Buyer or the operator of the Receiving Facility) then Buyer may reject such Quantity by giving notice of rejection to Seller immediately upon discovering such an event and in such circumstances such Quantity shall be treated as if it had not been delivered and the provisions of Clause 4.12(b2) shall apply. Further where Buyer acting reasonably believes a cargo of LNG to be contaminated, Buyer will have the right to reject such cargo, without admission of liability on the part of Seller or Buyer. In either case, where the Buyer rejects a cargo under this Clause 5.3(d), the matter shall forthwith be referred to an Expert to be treated as a dispute pursuant to the provisions of Clause 17. If the Expert determines that Buyer was not entitled to reject the cargo, the cargo shall be treated as a cargo cancelled after loading pursuant to Clause 4.4(c). If the Expert determines that the Buyer was entitled to reject the cargo, such cargo shall be treated as a failure to deliver for purposes of Clause 4.12(b2). Nonetheless, where Buyer rejects any cargo, it shall use reasonable endeavours to (i) accept unloading of it into the Receiving Facility, or (ii) take all steps necessary to safely discharge the LNG tanker, and/or (iii) take all steps necessary to enable the LNG

Rec

Tanker to safely proceed back to the Seller's Facility, on terms and conditions to be negotiated and agreed in good faith by the Parties.

- (e) The Seller will promptly notify the Buyer of each instance it becomes aware that LNG loaded or to be loaded at the Loading Points has failed, or will fail any of the Specifications on Loading.
- (f) If the data recorded by or on behalf of Seller on the Certificate on Loading shows that a cargo of LNG is within the specification stated in Clause 5.1 at the Loading Points but the Terminal Operator before commencement of or during unloading refuses to unload or to continue to unload all or part of such cargo on grounds that the cargo of LNG is outside the specification set out in Clause 5.2 then the matter shall be referred forthwith to an Expert pursuant to Clause 17. If the Expert determines that the cargo is inside the specifications set out in Clause 5.2, the portion of such cargo not yet unloaded shall be treated as cancelled after loading pursuant to Clause 4.4(c). If the Expert determines that the cargo is outside the specifications set out in Clause 5.2 but within the specifications set out in Clause 5.3(d), the portion of such cargo not yet unloaded shall be treated cancelled prior to loading pursuant to Clause 4.4(b). If the Expert determines that the cargo is outside the specifications of both Clauses 5.2 and 5.3(d), the cargo shall be treated as a failure to deliver for purposes of Clause 4.12(b2). In relation to any Quantity comprising all or part of a cargo referred to in this Clause 5.3(f) which the Terminal Operator unloads, Buyer shall be entitled to reimbursement by Seller of the net reasonable and documented costs incurred by Buyer or the operator of the Receiving Facility in relation solely to the receipt and treatment at the Receiving Facility of such Quantity or, if necessary, its disposal to bring such Quantity within specifications.
- (g) If the data recorded by or on behalf of Seller on the Certificate on Loading shows that a cargo of LNG is within the specification stated in Clause 5.1(a) at the Loading Points but the Certificate on Unloading sent pursuant to Clause 7.1(a) shows that the cargo of LNG is outside the specification either set out in Clause 5.1(a) or the ranges in Clauses 5.2 then the matter shall be referred forthwith to an Expert pursuant to Clause 17. Pending resolution of the dispute by such Expert the Buyer shall be obliged to pay for such cargo pursuant to Clause 7.2 subject to the provisions of Clause 7.8.

5.4 Verification

The above specifications shall be verified in accordance with the provisions of Clause 12 and the results shall be recorded on the Certificate on Loading by or on behalf of Seller. Analysis of the constituent elements described in Clause 5.1 (a)(iii), Clause 5.1(a)(iv) and Clause 5.1(b) shall be pursuant to Clause 12.4. Calculation of Gross Calorific Value (Mass) shall be pursuant to Clause 12.5 and Attachment E. Calculation of Gross Calorific Value (Volumetric) shall be pursuant to Part 1 of Attachment E.

R.S.

6. PRICE

6.1 Price Calculation

Price Formula

6.2 Missing or Incorrect Data

(a) Price data notice

If in the opinion of either Party:

- (i) a publication needed to determine an element of the price formula set out in Clause 6.1 fails or ceases to be published; or
- (ii) any such publication fails or ceases to report the data necessary to calculate such an element; or
- (iii) such data has been completed or published in error; or
- (iv) such data is so changed in the basis of calculation or quantity or type of commodity included therein or otherwise as to affect materially the validity of the index comparison for such element over time

each a ("Trigger Event"),

then subject to paragraph (d) below that Party may give notice to the other Party, stating which of the Trigger Events has occurred in its opinion, propose and request the other Party to agree a course of action to remedy such circumstance ("Price Data Notice").

Handwritten initials: H.S.

(b) Replacement of missing data or incorrect data

If the Parties are unable to agree a course of action within 60 (sixty) Days of receipt of the Price Data Notice, either Party may by notice given in accordance with Clause 17.2(a) request the other to agree to refer the issue to an Expert.

If the other Party within 14 (fourteen) Days of its receipt of such notice:

- (A) agrees to such request, the matter shall be submitted to an Expert appointed in accordance with Clause 17 for its determination; or
- (B) does not agree to such request, the matter shall be submitted forthwith to arbitration in accordance with Clauses 18 and 27 by such Party.

The Expert or, as the case may be, the Arbitration Tribunal shall determine whether the circumstance(s) described in Clause 6.2(a) as stated in the Price Data Notice has (or have) occurred:

- (i) If the relevant circumstances are determined not to have occurred by the Expert or Arbitration Tribunal (as the case may be), the Price Data Notice shall be invalid and the LNG Price shall remain unchanged;
- (ii) if the relevant circumstances are determined by the Expert or Arbitration Tribunal (as the case may be) to have occurred, then the Expert or Arbitration Tribunal shall:
 - (1) where the circumstances in Clause 6.2(a)(i) or (ii) are determined to have occurred and if practicable, substitute an alternative publication or other source for such data which put each Party in as near as possible the same position as it would be in if such circumstances had not occurred;
 - (2) where the circumstances in Clause 6.2(a)(iii) are determined to have occurred and if practicable, determine the correct data;
 - (3) where the circumstances in Clause 6.2(a)(iv) are determined to have occurred and/or where it is not practicable to take the steps referred to in (1) or (2) (having regard to the procedures and principles set out in (iii) below), designate an appropriate substitute for such data, either for a particular Month or Months, or, if such lack of valid data, error, or material change is likely to continue indefinitely, determine the best equivalent substitute which may be comprised by one or more elements (and if more than one element, the best equivalent substitute, shall be expressed on a weighted average basis considering all the data elements) which put each Party in as near as possible the same position as it would be in if such circumstances had not occurred;

RCB

- (iii) in carrying out the functions specified in (ii) above, the decision of the Expert or the Arbitration Tribunal (as the case may be) shall:
 - (1) rely on facts and arguments presented by experts in energy and pricing matters appointed by Buyer and Seller and (if, in its absolute discretion, deemed necessary) by the Expert or Arbitration Tribunal or industry practice and publicly available data from independent reputable sources;
 - (2) in making its determination, observe the following conditions:
 - (aa) the best equivalent substitute shall offer Buyer and Seller, in as much as possible, the same economic effect in the relevant LNG Price, and similar LNG Price behaviour (including but not limited to considerations involving the relevant market coverage, depth, liquidity and volatility) as the missing or incorrect data element referred to in the Price Data Notice; and
 - (bb) in fulfilling the above condition, the experts in energy and pricing matters based on industry practice, shall first attempt to establish the best equivalent substitute based on one other existing data element; and
 - (cc) if alternatively, the Expert determines that such substitution needs to utilise more than one data element, then the best equivalent substitute shall be expressed on a weighted average basis considering all the different data elements; and
 - (dd) in fulfilling the above conditions in (aa), (bb) and (cc) and where applicable and/or relevant to such determination, the Expert shall demonstrate quantitatively and graphically using the applicable and/or relevant mathematics and statistics techniques (including but not limited to mean, mode, median, standard deviation, correlation, simple or multiple regression analysis) to demonstrate that the relationship between the determined best equivalent substitute and the missing element identified in the Price Data Notice over a reasonable period of time prior to the giving of the Price Data Notice is satisfactory in fulfilling the conditions contained in (aa) above,

provided that in the particular circumstances where the Expert or Arbitration Tribunal determine that Buyer or Seller has reasonably demonstrated in accordance with the provisions of this Clause 6.2 that a new price index (the "**New Index**") has been established by reference to which natural gas is priced in the relevant market served by the Receiving Facility, the Price Formula set out in

Clause 6.1 shall be amended by the replacement of the relevant existing price index with the New Index.

(c) Provisional price and subsequent adjustment

(i) Provisional price

A provisional price per MMBtu for LNG unloaded at the Receiving Facility for the purposes of Clause 7.2 and for LNG deemed to have been unloaded at the Receiving Facility for the purpose of Clause 7.3 shall be used for the period starting on the date of receipt of the Price Data Notice and ending on the date on which the matter is resolved, whether by agreement or by the determination of the Expert or the award of the arbitrators. The provisional price shall be the LNG Price which was in effect immediately prior to the date of receipt of the Price Data Notice and if it is agreed or determined by the Expert or the Arbitration Tribunal that the circumstances described in the Price Data Notice has not occurred or it is agreed or determined that a revision to the formula or operation of the formula is not necessary, such price shall remain the LNG Price as if the Price Data Notice had not been served.

(ii) Revision to formula made

If Buyer and Seller agree or the Expert or the Arbitration Tribunal determine that the circumstance described in the Price Data Notice has occurred and it is agreed or determined that a revision to the formula or the operation of the formula is accordingly necessary to take account of such circumstance, any such revision which is agreed or determined shall take retrospective effect from the date of receipt of the Price Data Notice. The LNG Price shall be calculated accordingly so as to give effect to the revision on and from such date and every payment, which became due after the date of receipt of the Price Data Notice and before the matter was resolved shall be recalculated accordingly.

(iii) Revision to formula not made

If Buyer and Seller agree or the Expert or the Arbitration Tribunal determine that the circumstance described in the Price Data Notice has not occurred or it is agreed or determined that a revision to the formula or the operation of the formula is not necessary, the LNG Price shall be calculated in accordance with the formula for the period starting on the date on which the party to which the Price Data Notice is given received the Price Data Notice and ending on the date on which the matter was resolved and every payment which became due after the date of receipt of the Price Data Notice and before the date on which the matter was resolved shall be recalculated accordingly.

(iv) Payment or repayment

Such payments or repayments shall be made by one Party to the other as may be necessary as a consequence of the

RC

recalculations made in accordance with paragraph (ii). In addition, if the matter is not resolved within 30 (thirty) Days of the date on which the Party to which the Price Data Notice is given receives the Price Data Notice, interest shall be paid on the amount of each such payment or repayment calculated at from the 30th (thirtieth) Day after the date of the original payment at the provisional price to the date on which the payment or repayment at the provisional price is made (or such greater rate of interest as the Expert or the arbitrators shall determine if specifically asked in the arbitration notice pursuant to Clause 17.2(a) or 18(a) in the Expert's or the arbitrators' view the Price Data Notice was not served in good faith). The amount which is payable or repayable (including such default interest) shall be set out in an invoice prepared by the Party to whom such sum is payable and the sum and the payment or repayment shall be made forthwith after the receipt of such invoice by the other Party. The provisions of Clause 7.8 shall apply to any invoice issued pursuant to this paragraph (iv).

The Parties agree that a Price Data Notice may be given pursuant to another issue, as applicable, notwithstanding the fact that the Experts or the Arbitration Tribunal, as applicable, has yet to render any award in respect of an earlier Price Data Notice. The Parties further agree that the provisions of Clause 17 or Clause 18 (as applicable) shall apply to any award given under this Clause 6.2.

6.3 Price Reviews

For the avoidance of doubt, but without prejudice to the operation of Clause 10.7, there is no price review mechanism for deliveries to Lake Charles

6.4 Continuation in Effect of Clause 6

Clause 6 shall remain in effect notwithstanding the expiry or termination of this Agreement until all payments under or arising out of this Agreement, including payment, or repayments arising by reason of the operation of Clause 6.2 or Clause 6.3, have been made for all LNG which is unloaded prior to the expiry or termination of this Agreement or which is deemed to have been unloaded at the Unloading Points as a result of any election which is made by Buyer in accordance with Clause 3 and Clause 4 prior to the expiry of this Agreement.

6.5 Rounding Rule

When rounding numbers in connection with this Agreement, the number 5 (five) shall operate to round up if the number in the immediately preceding decimal place is an odd number and to round down if the number in the immediately preceding decimal place is an even number. No intermediate rounding shall be performed during calculation.

7. INVOICING AND PAYMENT

7.1 Invoicing

- (a) Within 48 (forty eight) hours after the Completion of Unloading of each cargo of LNG purchased by Buyer under this Agreement, Buyer shall send or cause to be sent to Seller by electronic mail or facsimile a Certificate on Unloading substantially in the form of Attachment G containing all data necessary to determine the aggregate quantity in MMBtus of LNG unloaded at the Receiving Facility (including all measurements and calculations required to be made by Buyer in accordance with the procedures set forth in Clause 12). The original Certificate of Unloading shall be sent by courier to Seller within 5 (five) Business Days after Completion of Unloading.
- (b) Seller shall base the invoice referred to in Clause 7.1(c) below on the data recorded on the Certificate on Unloading, except that if Buyer fails to furnish any such necessary data to Seller within the said 48 (forty-eight) hour period, Seller may base the invoice referred to in Clause 7.1(c) below on the Certificate on Loading. If Seller bases its invoice on such information, it shall send Buyer a statement (the "**Explanatory Statement**"), specifying the missing information and the information used by Seller. The Explanatory Statement shall be for the convenience of Buyer and shall not bind Seller in the resolution of any dispute concerning any invoice. If a representative of Seller has been present at the taking of measurements and making of tests and the verification of results under Clause 12 for the purposes of completion of the Certificate on Unloading, such representative shall, if in agreement with the data on the Certificate on Unloading, countersign the Certificate on Unloading in confirmation of such agreement. If the representative, having been present as aforesaid, disagrees with any of the data on the Certificate on Unloading, Seller shall be entitled to refer any dispute in relation to such data to an Expert as provided in Clause 12.10. Pending resolution of such dispute, Seller shall be entitled in relation to any data in dispute to base the invoice referred to in Clause 7.1(c) below on the Certificate on Loading or such other data advised to it in good faith by its representatives as being correct.
- (c) Within 96 (ninety-six) hours after the Completion of Unloading, or the time at which Completion of Unloading is deemed to have occurred under Clause 7.3, Seller shall prepare and send to Buyer by electronic mail or facsimile an invoice (a "**Cargo Invoice**"), substantially in the form of Attachment C to this Agreement, in US Dollars for each cargo of LNG unloaded or deemed unloaded.
- (d) Subject to the provisions of Clause 6.2, the amount of the Cargo Invoice shall be equal to:

RCS

- (e) Quantities of LNG not taken under Clause 7.3 shall be charged at the LNG Price.

7.2 Payment

- (a) In the event that the Cargo Invoice shows a net amount owed to Seller, Buyer shall make a payment to Seller not later than

Such payment

shall be made in immediately available funds by wire transfer to the bank account specified by Seller in such Cargo Invoice.

- (b) In the event that the Cargo Invoice shows a net amount owed to Buyer, then:
 - (i) there shall be subtracted in computing the amount payable by Buyer under Clause 7.2(a) in respect of the cargo or cargoes next following the date of receipt by Buyer of such Cargo Invoice (in such a manner as to eliminate as rapidly as possible the amount of such credit) such net amount owed to Buyer plus interest thereon at the rate of _____ from the Due Date for payment of such Cargo Invoice to the Due Date for payment of the subsequent Cargo Invoice from which such amount is subtracted; and
 - (ii) if 30 (thirty) Days after the Due Date to which the Cargo Invoice relates the net amount owed to Buyer as set out in the Cargo Invoice has not been eliminated in accordance with Clause 7.2(b)(i) above on or before the twenty-second Day following such period Seller shall make a payment to Buyer of the

25

outstanding amount (being the amount on the Cargo Invoice minus any deductions made pursuant to Clause 7.2(b)(i) above).

- (c) If the amount shown in any Cargo Invoice as a net amount owed to Buyer has not been paid in full as provided in Clause 7.2(b) within 30 (thirty) Days following the Due Date (or where there is no Cargo Invoice issued, within 30 (thirty) Days following issuance of Buyer's invoice pursuant to Clause 7.5), then Seller shall forthwith pay such net amount or the portion of such net amount not yet paid plus interest thereon from the Due Date for payment of the Cargo Invoice to the date of payment, at the rate specified in Clause 7.2(b), by wire transfer to the bank account specified in writing by Buyer for the receipt of any monies payable hereunder by Seller.
- (d) Where the Due Date for any payment to be made under this Agreement falls on a day, which is not a Business Day, the payment shall be made on the following Business Day.

7.3 Payment for LNG Not Taken

(a) Initial Supply Period - Cancellation Before Loading

With respect to any cargo of LNG which Buyer notifies Seller pursuant to Clause 3.3(a) that it does not wish to receive, payment for such cargo of LNG shall be made on the basis that:

- (i) the quantity of LNG deemed loaded shall be Seller's reasonable estimate thereof based on the LNG Tanker specified in Seller's nomination of the cargo pursuant to Clause 3.2;
- (ii) the quantity of LNG deemed unloaded at the Unloading Points shall be equal to 96.5% (ninety six decimal point five per cent) of the quantity deemed loaded;
- (iii) the unloading of such unloaded quantity at the Unloading Points shall be deemed to have been completed at the Estimated Unloading Completion Time for the LNG Tanker notified by Seller in accordance with Clause 3.2; and
- (iv) the price shall be the LNG Price determined pursuant to Clause 6.1 for the Relevant Month.

Such payment shall be the product of the quantity determined by Clause 7.3(a)(ii) and the price determined by Clause 7.3(a)(iv) above.

(b) Initial Supply Period - Cancellation After Loading

With respect to any cargo of LNG, which Buyer notifies Seller pursuant to Clause 3.3(b) that it does not wish to receive, or does not so notify Seller but fails in fact to receive, payment for such cargo shall be made on the basis that:

- (i) the quantity of LNG loaded shall be the actual quantity loaded;

RCS

- (ii) the quantity of LNG deemed unloaded at the Unloading Points shall be equal to 96.5% (ninety-six decimal point five per cent) of the quantity loaded;
- (iii) the unloading of such unloaded quantity at the Unloading Points shall be deemed to have been completed at the Estimated Unloading Completion Time for the LNG Tanker notified by Seller in accordance with Clause 3.2; and
- (iv) the price shall be the LNG Price determined pursuant to Clause 6.1 for the Relevant Month.

Such payment shall be the product of the quantity determined by Clause 7.3(b)(ii) and the price determined by Clause 7.3(b)(iv) above.

(c) Post Initial Supply Period - Cancellation Before Delivery Programme

With respect to any Cancelled Quantity which Buyer notifies Seller pursuant to Clause 4.4(a) that it does not wish Seller to load, payment for such quantity shall be made on the basis that:

- (i) the quantity of LNG deemed loaded shall be the deemed quantity as specified in the definition of "Full Cargo Lot";
- (ii) the quantity of LNG deemed unloaded at the Unloading Points shall be equal to 96.5% (ninety six decimal point five per cent) of the quantity deemed loaded;
- (iii) the Relevant Month shall be deemed to be the last Month of the Sales Period covered by the relevant Delivery Programme; and
- (iv) the price shall be the average LNG Price determined pursuant to Clause 6.1 for each Month or part Month of the Sales Period covered by the relevant Delivery Programme.

Such payment shall be the product of the quantity determined by Clause 7.3(c)(ii) and the price determined by Clause 7.3(c)(iv) above.

(d) Post Initial Supply Period - Cancellation Before Loading

With respect to any Cancelled Cargo which Buyer notifies Seller pursuant to Clause 4.4(b) that it does not wish to receive, payment for such cargo shall be made on the basis that:

- (i) the quantity of LNG deemed loaded shall be Seller's reasonable estimate thereof based on the LNG Tanker that was specified in the Specific Delivery Schedule or, if there is none, the LNG Tanker specified in the Delivery Programme applicable thereto;
- (ii) the quantity of LNG deemed unloaded at the Unloading Points shall be equal to 96.5% (ninety six decimal point five per cent) of the quantity deemed loaded;
- (iii) the unloading of such unloaded quantity at the Unloading Points shall be deemed to have been completed on the expiry of the Specified Arrival Period for the LNG Tanker specified in any

Specific Delivery Schedule applicable to such cargo, or if there is none, the Day specified in the Delivery Programme applicable thereto;

- (iv) the price shall be the LNG Price determined pursuant to Clause 6.1 for the Relevant Month.

Such payment shall be the product of the quantity determined by Clause 7.3(d)(ii) and the price determined by Clause 7.3(d)(iv) above.

(e) Post Initial Supply Period - Cancellation After Loading

With respect to any cargo of LNG which Buyer notifies Seller pursuant to Clause 4.4(c) that it does not wish to receive or does not so notify Seller but fails in fact to receive, payment for such cargo shall be made on the basis that:

- (i) the Quantity actually loaded;
- (ii) the quantity of LNG deemed unloaded at the Unloading Points shall be equal to 96.5% (ninety six decimal point five per cent) of the quantity loaded;
- (iii) the unloading of such unloaded quantity at the Unloading Points shall be deemed to have been completed on the expiry of the Specified Arrival Period for the LNG Tanker specified in the Specific Delivery Schedule applicable to such cargo; and
- (iv) the price shall be the LNG Price determined pursuant to Clause 6.1 for the Relevant Month.

Such payment shall be the product of the quantity determined by Clause 7.3(e)(ii) and the price determined by Clause 7.3(e)(iv) above.

7.4

7.5 Payment for Late Deliveries, Failure to Deliver and Under-delivery Amounts

RC
1.

7.6 Default in Payment

7.7 Disputes

If there is any dispute in good faith between the Parties as to the amount shown on any invoice, such invoice shall be paid in accordance with the foregoing provisions of this Clause 7 without set-off or deduction of any kind, except that in the case of manifest error in computation the Parties shall determine the correct amount and Seller shall issue a replacement invoice for such amount. The Parties shall use all reasonable efforts to settle such dispute with all reasonable speed. To the extent that such dispute includes a dispute concerning measurement or quality under Clause 12 (or such other matters as are deemed by the Parties to be appropriate for consideration by an Expert) and the Parties are unable to resolve such measurement dispute by agreement, the Parties shall use reasonable endeavours to have an Expert resolve the dispute prior to the due date of the invoice. If, when any dispute is settled or determined, it is established that any invoice was not correct, any over- or under-payment shall be promptly paid or repaid.

7.8 Method of Payment

Subject to the provisions of Clause 4.14, all payments pursuant to this Agreement shall be made in immediately available funds by wire transfer to the bank accounts designated for this purpose by Buyer or Seller, as the case may be, although any payments due from Seller to Buyer shall be settled by deduction from the next Cargo Invoice issued by Seller to Buyer where such Cargo Invoice is issued within 30 (thirty) Days of the date on which such payment became payable. Should it temporarily not be possible for reasons beyond a Party's reasonable control to effect payment by such method of payment such Party shall immediately notify the other and shall endeavour to

RC

effect payment as expeditiously as possible by an alternative reasonable method of payment.

7.9 Application of Payments

All payments received by a Party shall be applied first to any interest owed, and then to the principal amounts owed. Payments shall be applied to amounts owed in the order in which the amounts became due.

7.10 Consolidation of Interest

Where interest payable under any provision of this Agreement is unpaid after 90 (ninety) Days, it shall be consolidated with the principal sum owing and unpaid and interest at the rate applicable on the first day of the next following 90 (ninety) Day period shall be charged on such consolidated amount, and such consolidations shall occur at the expiry of each succeeding period of 90 (ninety) Days until the relevant amount of interest ceases to be payable.

7.11 Payment for Make-up LNG

- (a) Payment for Make-up LNG delivered pursuant to Clause 4.7 shall be by reference to the oldest Make-up LNG entitlement first.
- (b) The Parties will reconcile the price paid for such delivered Make-up LNG taking into account the price paid for such LNG when first cancelled.
- (c) Where Make-up LNG is cancelled for the purposes of Clauses 4.4(a) and 4.4(b), only 1 (one) Cargo Invoice will be issued in respect of the new Make-up entitlement granted to Buyer upon payment in full of such Cargo Invoice, and Buyer will upon such payment (including interest for late payment) accrue 2 (two) Make-up entitlements.
- (d) The Make-up LNG Adjustment provided in Clause 7.1(d), for all rights to Make-up LNG will be zero at the time of the first payment by Buyer for such Make-up Rights.

8. DELIVERY POINT, TITLE AND RISK

For the purposes of this Clause 8: "Cargo Insurance" means, in respect of a cargo, insurance from a reputable insurance company, for such cargo, between the Loading Points and the Unloading Points with a minimum cover equal to the full replacement value of such cargo.

- (a) The risk in and the title to and the property in, the LNG to be delivered hereunder shall pass from Seller to Buyer as the LNG passes the Loading Points.

23

- (b) Seller will either:
- (i) pay for Buyer to obtain Cargo Insurance (in joint names) for each cargo delivered under this Agreement. Buyer will use its reasonable endeavours to obtain the Cargo Insurance at the best price available; or
 - (ii) indemnify Buyer for the full replacement value of the cargo in question (which amount shall be no greater than the LNG Price multiplied by the loaded Quantity) (the "Indemnity").
- (c) Notwithstanding Clause 8(b) above, the level of cover obtained by Buyer may exceed that specified in any Cargo Insurance provided that Seller has agreed the premium. If at any time (i) Cargo Insurance becomes commercially unavailable or (ii) the cost of Cargo Insurance is not acceptable to Seller, Seller will promptly provide the Indemnity. Seller shall reimburse Buyer, within 20 (twenty) Days from receipt of an invoice from Buyer, for the costs of such Cargo Insurance, with all documented and reasonably incurred costs.
- (d) Where risk in, title to or property in LNG to be delivered under this Agreement has passed to Buyer, risk in, title to and (as the case may be) property in that LNG not unloaded at the time of the earlier of any notice given or the actual cessation of unloading shall revert to Seller in the following circumstances:
- (i) on receipt by Seller of a notice of cancellation or rejection by Buyer under this Agreement pursuant to Clauses 3.3(b), 4.4(c) and 5.3;
 - (ii) upon Seller requiring unloading to be discontinued in accordance with Clause 10.6; and
 - (iii) upon Seller being instructed by Buyer to order the LNG Tanker off berth in accordance with Clause 10.8.
- (e) If Seller does not comply with the provisions above prior to the time of loading of the relevant cargo, risk shall not pass at the Loading Points in accordance with Clause 8(a) above, but shall instead pass from Seller to Buyer at the Unloading Points.
- (f) For the avoidance of doubt, notwithstanding the transfer of title to a cargo to Buyer pursuant to Clause 8(a), in the event of a loss of cargo that has been insured as provided for in this Clause 8, Buyer will pay Seller on the same basis as Buyer receives such payments from the insurance company, and such payments will be deemed to discharge in full the Buyer's obligations in relation to such cargo. In the event Seller elected to indemnify Buyer as provided for in this Clause 8 for a cargo that is subsequently lost, Buyer will have no obligation to pay Seller for such lost cargo. In the event of a lost cargo, Buyer will not earn any additional rights, including but not limited to rights to Make-up LNG, and ACQ shall be reduced accordingly. In the event of a lost cargo not being the consequence of an event of Force Majeure, then notwithstanding such reduction of the ACQ, any such lost cargo referred to in this paragraph shall be deemed to be a cargo which Seller failed to deliver without notice and shall give rise to an Under-delivery Amount payable by Seller pursuant to Clause 4.12(b2).

RLS
dec

9. FORCE MAJEURE

9.1 Definition

"Force Majeure" means, subject to Clause 14, any act, event or circumstance or combination of acts, events or circumstances, which has prevented, impeded or delayed or will prevent, impede or delay a Party from performing any obligation hereunder, in whole or in part, if such act, event or circumstance or combination of acts, events or circumstances, and such prevention, impediment or delay, is beyond the reasonable control (acting as a Reasonable and Prudent Operator) of the Party relying thereon as justification for not performing any such obligation (the "**Non-Performing Party**"), and such act, event or circumstance or combination of acts, events or circumstances, and such prevention, impediment or delay, cannot be prevented or overcome by the exercise of due diligence by the Non-Performing Party

Such acts, events or circumstances shall, provided always that they meet the requirements set forth above and below in this Clause 9.1, include but shall not be limited to acts, events or circumstances of the following kind:

{
{
}

219

t

R. S.

- (i) Nothing herein shall relieve a Party of its obligations to make payments when due under this Agreement. However, Force Majeure relief shall extend to failure to pay money caused by a Force Majeure event affecting all reasonable means of payment, in which event upon cessation of such Force Majeure event the Party affected shall pay the amounts due within 5 (five) Days thereafter together with interest at a rate equal to : calculated from the date of Force Majeure to the date of payment.

- (l) A Party shall not be deprived of its ability to claim Force Majeure by reason solely of it being shown that, if such Party had observed some higher standard of conduct than that of a Reasonable and Prudent Operator, the act, event or circumstance of Force Majeure or the prevention of, or delay in performance could have been prevented.

9.2 Excuse of Performance

Subject to the provisions of this Clause 9, each Party shall be excused in whole or in part for its failure or delay in performance of any obligation hereunder to the extent that such failure or delay is caused by Force Majeure. However, the Parties agree that, for the avoidance of doubt:

RC
111

9.3 Notification

A Party seeking relief under this Clause shall inform the other of the act, event or circumstance of Force Majeure. Such information shall be given promptly after becoming aware of the act, event or circumstance of Force Majeure and conveyed by the quickest possible means (whether by telephone immediately followed by a facsimile, facsimile or electronic mail) ("**First Notice**") but shall also be confirmed in a written notice conforming to Clause 27 ("**Second Notice**") within 7 (seven) Days of the occurrence of Force Majeure. Thereafter the Party seeking relief shall with diligence furnish such relevant information as is available to it appertaining to such Force Majeure and give an estimate of the period of time required to overcome such act, event or circumstances and of the quantities of LNG which the Party seeking relief shall be able to supply or take, as the case may be, during such period. The Party seeking relief also shall promptly notify the other Party from time to time of any change in the duration of the reduction in quantities of LNG, which can be supplied or taken or the quantities of LNG, which the Party seeking relief expects to be able to supply or take as the case may be during such period. The Party seeking relief shall also from time to time keep the other Party reasonably advised of the status of such Force Majeure and its efforts to overcome the same. Compliance with this Clause 9.3 shall not be a condition precedent for claiming relief under this Clause 9, but a breach shall give rise to a claim in damages.

9.4 Resumption of Performance

In the event performance hereof shall be prevented in whole or in part by Force Majeure, the Non-Performing Party shall take the measures a Reasonable and Prudent Operator would take to bring the Force Majeure event to an end and to overcome and/or to minimise the resulting damage and to bring about the resumption of the normal performance of this Agreement as soon as possible; but nothing in this Agreement shall be construed to require either Buyer or Seller to settle a strike, lockout or other industrial dispute or disturbance by acceding against its sole judgment to the demands of the opposing party or parties to such dispute or disturbance.

9.5 Termination for Extended Force Majeure

In the event that events or conditions of Force Majeure last for consecutive Months or more and that as a result thereof performance hereof is substantially prevented (as defined below), the Parties shall discuss whether this Agreement should accordingly be terminated, suspended or varied or any other appropriate action taken provided always that either Party may, without prejudice to all other rights arising out of such Force Majeure, elect in its sole discretion to terminate this Agreement by _____ Days written notice to the other Party with effect at any time after the expiry of such consecutive Months. Performance shall be substantially prevented for the purpose of this Clause 9.5 if there is a reduction of the quantity of LNG loaded hereunder equivalent to a reduction of at least _____ quantity of LNG that was due to have been loaded hereunder in the period of _____ or more consecutive Months affected by Force Majeure, not including quantities which Buyer pays for but does not take pursuant to Clause 3.3 or Clause 4.4 and Clause 7.3.

0.9

9.6 Apportionment of Supplies

RCS
Per

10. MARITIME TRANSPORTATION

10.1 Tankers

- (a) Seller shall cause the LNG purchased and sold hereunder to be transported and unloaded by LNG Tankers having a gross cargo capacity, unless the Parties agree otherwise, not less than 120,000 (one hundred and twenty thousand) cubic metres and not exceeding 150,000 (one hundred and fifty thousand) cubic metres. Seller shall ensure that each such LNG Tanker shall:
- (i) have and maintain specifications and characteristics conforming to the International Standards for Ship/Shore Interface set out in Attachment D;
 - (ii) conform to generally accepted international standards of operation;
 - (iii) be maintained and operated in such manner as shall be required for the purpose of the performance by Seller of its obligations hereunder and in particular the supply of LNG in accordance with the provisions of Clauses 5.1 and 5.2.;
 - (iv) have all approvals required from governmental authorities for it to enter and travel in the territorial waters of the country in which the Receiving Facility is situated, to berth and unload its cargoes and to depart from the Receiving Facility and port and leave the territorial waters of such country;
 - (v) be compatible in all material respects with the Receiving Facility and be consistent with the specifications and dimensions for LNG Tankers as set out herein;
 - (vi) be on the Approved LNG Tanker List established pursuant to Clause 10.1(b) below;
 - (vii) be approved by Buyer which approval shall not be unreasonably withheld; and
 - (viii) all officers who are or may be involved in the berthing, un-berthing, and cargo handling operations of an LNG Tanker shall have a working knowledge of the English language.
- (b) Subject to the requirements of Clause 10.1(a) above (excluding sub-clause (vii)), Seller shall have the right but not the obligation to select the LNG Tankers from any of the following:

(the "Approved LNG Tanker List").

Subject to the requirements of Clause 10.1(a) above, once the same are in operation,

shall be added to the Approved LNG Tanker List. Seller shall have the right to add any additional LNG Tanker or LNG Tankers to the Approved LNG Tanker List in accordance with Clause 10.1(c).

29

- (c) When Seller wishes to name one of the said LNG Tankers or include additional LNG Tankers in the Approved LNG Tanker List or if Seller wishes to substitute alternative LNG vessels for any named LNG Tankers to carry LNG hereunder, Seller shall, subject to the requirements of Clause 10.1(a) above, give reasonable advance notice of not less than _____ Days to Buyer of the name, technical characteristics and gross cargo capacity of each such vessel and shall request Buyer's agreement to the addition or the substitution which in either case shall not be unreasonably withheld. Any proposed addition or substitution shall be compatible in all material respects with the Receiving Facility and Seller's Facility and shall be consistent with the specifications and dimensions for LNG Tankers as herein set forth unless otherwise agreed between the Parties. On receipt of Buyer's agreement Seller may make the addition or substitution to the Approved LNG Tanker List and such vessel shall be deemed to be an LNG Tanker for the purposes of this Agreement.
- (d) After the maximum unloading flow rate of any unloading LNG Tanker is sufficiently stabilised any LNG Tanker shall be able to unload the Full Cargo (subject to retention of the LNG Heel) at an average rate equal to or greater than 7,000 (seven thousand) cubic metres per hour against a head of 100 (one hundred) metres of LNG at the Unloading Points. The LNG Tanker (subject to her cargo capacity not exceeding 150,000 cubic metres) shall be able to complete unloading of her cargo within 18 (eighteen) hours (at Lake Charles Terminal) after completion of cool-down operations and stabilisation of unloading flow rate subject to fulfilment of all unloading obligations of the Receiving Facility including prevailing back pressure.
- (e) Seller shall give instructions to each LNG Tanker to use its reasonable efforts to control the equilibrium vapour pressure of the LNG throughout the laden voyage seeking to ensure that the equilibrium vapour pressure of the LNG upon commencement of unloading shall not exceed 1,112 (one thousand one hundred and twelve) millibars absolute. Seller shall have the right to arrive at a higher equilibrium vapour pressure subject to approval of the Terminal Operator acting in a non-discriminatory manner.
- (f) LNG shall be supplied in Full Cargo Lots.

10.2 Port and Unloading Facilities

(a) Port Facilities

Buyer shall make available, or cause to be made available, safe port facilities at the Receiving Facility for the discharging of LNG purchased hereunder capable of receiving LNG Tankers of the following maximum dimensions:

Overall Length	300.00 metres
Width	48.00 metres
Draught	11.40 metres
Arrival Displacement	105,000 tonnes

RLS

Seller shall have the right to utilise LNG tankers outside the maximum dimensions specified above subject to approval by Terminal Operator and provided that such LNG tankers nonetheless comply with this Agreement.

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

(b) Berthing and Unloading Facilities

Buyer shall receive LNG at a safe berth which Buyer shall provide or cause to be provided free of charge (subject to Clause 10.2(c)(iii) below) at the Receiving Facility, which the LNG Tankers can safely reach and leave and at which they can lie and unload always safely afloat and safely moored alongside.

Any expense of the LNG Tankers shifting away from Buyer's berth for the purposes of Buyer shall be for Buyer's account except for shifting required by the Terminal Operator in order to comply with terminal or port rules and/or for safety reasons to the extent that the need for such shifting did not arise as a result of the act or omission of Buyer or its agents or contractors. Buyer shall use reasonable endeavours to make available or cause to be made available to Seller at no cost to Seller at the port in which the Receiving Facility is situated berthing and discharging facilities, which are compatible with the equipment on the LNG Tankers used by Seller including:

- (i) mooring equipment;
- (ii) to the extent permitted by port authorities, lighting sufficient to permit customary docking and undocking manoeuvres by day or by night;
- (iii) unloading arms, pipes and other appropriate facilities permitting the discharging of LNG at the Unloading Points at a maximum rate that shall be compatible with the Receiving Facility;
- (iv) vapour return facilities (including without limitation pipelines and compressors) adequate to maintain appropriate operating pressure in the tanks of the LNG Tanker between 1,080 (one thousand and eighty) and 1,200 (one thousand and two hundred) millibars absolute in accordance with Clause 10.2(c)(ii);
- (v) safe access for personnel to and from the LNG Tanker; and
- (vi) terminal operating and mooring personnel having a working knowledge of the English language.

The facilities described in Clause 10.2(b)(i) to (vi) shall be provided, operated and maintained in good working condition at no cost to Seller and shall not be modified in a manner so as to be incompatible with the LNG Tankers.

(c) Provisions concerning shipping at the Receiving Facility

- (i) With regard to each LNG Tanker, Seller shall be responsible for the transportation to and from the berth at the Receiving Facility of:

129

- (A) LNG Tanker crews and other personnel associated with the LNG Tanker;
 - (B) ships, stores and other goods and equipment needed by the LNG Tanker;
 - (C) LNG Tanker's garbage and refuse; and
 - (D) all other requirements of the LNG Tanker.
- (ii) Buyer shall at the request the Master of the LNG Tanker return or cause to be returned to each LNG Tanker Regasified LNG, at a maximum temperature that shall be compatible with the Receiving Facility and in a quantity not exceeding that necessary to maintain the pressure in the LNG cargo tanks of the LNG Tanker. Any such Regasified LNG returned to the LNG Tanker shall be deemed not to have been delivered by Seller.
- (iii) Buyer shall assist Seller in obtaining, at Seller's cost and to the extent necessary and as permitted by port authorities, pipeline and other necessary facilities, if available, to ensure stocking of the LNG Tanker with bunker fuel.
- (iv) Seller shall pay all charges imposed under applicable law or regulation for such tug, mooring and pilotage services as Seller, the Terminal Operator or the port authorities may charge to bring an LNG Tanker from the PBS to the jetty and back. Buyer will use its reasonable endeavours to assist Seller in connection with any dispute with the Terminal Operator and/or the port authorities relating to any matter referred to in this Clause 10.2(c)(iv).
- (v) Expansions
- The Parties recognise that the Buyer and the Terminal Operator intend to expand the Lake Charles Receiving Facility by the addition of, inter alia, a lay berth. Payment of pilotage and tug costs incurred as a result of movement between the lay berth and the unloading berth shall be made:
- by Buyer if the LNG Tanker arrived at the PBS during the Specified Arrival Period; and
 - by Seller if the LNG Tanker arrived at the PBS outside the Specified Arrival Period and opts to utilise the lay berth.

10.3 Safety

The port, berthing and unloading facilities, which Buyer is to provide or cause to be provided pursuant to Clauses 10.2(a) and 10.2(b) shall conform to the International Standards for Ship/Shore Interface referred to in Attachment D. Unloading of LNG at the relevant Receiving Facility shall be carried out in strict conformity with all safety rules, regulations and procedures of the Receiving Facility and of the LNG Tankers, as may be amended from time to time, and with all applicable safety laws, rules and regulations including the recommendations of the International Chamber of Shipping (ICS), the Society of International Gas Tanker and Terminal Operators (SIGTTO) and the Oil Companies International Marine Forum (OCIMF). For the avoidance of doubt,

h29

Seller agrees that as of the date of this Agreement the Receiving Facility complies with the specifications herein. Buyer shall use its reasonable endeavours to ensure that the Terminal Operator continues to comply with the ship-shore interface and safety specifications stated herein (or any applicable future ship-shore interface and safety specification/s) throughout the life of this Agreement.

10.4 Notices

- (a) Seller shall send or cause to be sent, subject to Clause 27, to Buyer written designation notices at such intervals in respect of a particular Receiving Facility as shall be compatible with the procedures of the Terminal Operator of the Receiving Facility, all of which notices shall contain an estimated date and hour of arrival of the LNG Tankers at the PBS. Any dispute between the Parties in agreeing the intervals of such notices shall be referred to an Expert pursuant to Clause 17. The first of any such designation notices in respect of a particular cargo shall include an estimate of the quantity of LNG which is to be unloaded.
- (b) Subject to Clause 10.4(c), the Master of an LNG Tanker shall give the customary notice of readiness on arrival ("**Notice of Readiness**") at the PBS, or seabuoy or customary anchorage or waiting area. As soon as the LNG Tanker is berthed alongside the pier and prepared to unload its cargo, the Master of an LNG Tanker shall give notice, and Buyer shall then cause the Terminal Operator to take all appropriate measures within its reasonable control to permit the discharging of the LNG Tanker as quickly as possible.
- (c) In the case of the Lake Charles Receiving Facility, the following notices shall be sent by Seller using electronic mail or fax:
 - (i) a first notice shall be sent upon departure of the LNG Tanker from Seller's Facilities, which shall, in addition to specifying the estimated time of arrival ("**ETA**"), set forth the time and date of departure.
 - (ii) a second notice, updating or confirming the ETA, shall be sent so as to arrive ninety-six (96) hours prior to the ETA;
 - (iii) a third notice, updating or confirming the ETA, shall be sent so as to arrive seventy-two (72) hours prior to the ETA;
 - (iv) a fourth notice, updating or confirming the ETA, shall be sent so as to arrive forty-eight (48) hours prior to the ETA;
 - (v) a fifth notice shall be sent by facsimile or telephone so as to arrive twenty-four (24) hours prior to the ETA;
 - (vi) a final notice shall be sent by facsimile or telephone five (5) hours prior to arrival of the LNG Tanker at the Unloading Port or the PBS;
 - (vii) a Notice of Arrival shall be sent by facsimile and radio when the LNG Tanker has arrived at the PBS or which, in the circumstances set out in Clause 10.5.1(h), the master of LNG

RS

Tanker (acting in good faith) estimates that it would have arrived at the PBS had it directly proceeded to the PBS; and

- (viii) a Notice of Readiness shall be sent by facsimile and radio when the LNG Tanker is all fast in the berth and is ready to unload in all material respects.

10.5 Port-time and Demurrage

- 10.5.1 Subject to Clause 10.5.2, the Port-time allowed for discharging a Full Cargo Lot shall be the total number of consecutive hours as shall be determined by both Buyer and Seller (acting reasonably) for the particular Receiving Facility under consideration (weekends and holidays included) for all LNG Tankers.
- (a) If the LNG Tanker arrives at the PBS within 48 (forty-eight) hour Specified Arrival Period specified for the cargo in question in Seller's nomination of such cargo under Clause 11.3 or in the then current Specific Delivery Schedule or if there is no Specific Delivery Schedule in the then current Delivery Programme, then Port-time shall begin to run when the LNG Tanker arrives at the PBS inbound.
 - (b) If the LNG Tanker arrives at the PBS before the 48 (forty-eight) hour Specified Arrival Period specified for the cargo in question in Seller's nomination of such cargo under Clause 11.3 or in the then current Specific Delivery Schedule or if there is no Specific Delivery Schedule in the then current Delivery Programme, then Port-time shall not begin to run until the beginning of the said 48 (forty-eight) hour Specified Arrival Period or until unloading commences whichever is the earlier.
 - (c) If the LNG Tanker arrives at the PBS after the 48 (forty eight) hour Specified Arrival Period specified for the cargo in question in Seller's nomination of such cargo under Clause 11.3 or in the then current Specific Delivery Schedule or if there is no Specific Delivery Schedule in the then current Delivery Programme, then subject as hereinafter provided Port-time shall commence when the LNG Tanker arrives at the PBS inbound, but time shall not count against Port-time when spent at anchor awaiting a berth. Where an LNG Tanker arrives after the 48 (forty-eight) hour Specified Arrival Period Buyer shall use all reasonable endeavours to accept the LNG Tanker for discharging as soon as possible recognising that priority shall be given first to any other vessel(s) that arrive on schedule and secondly to vessel(s) in their order of arrival.
 - (d) If the LNG Tanker arrives off the port but its progress into the port is being delayed or prevented for reasons attributable to Buyer and, for reasons of safety, the LNG Tanker then proceeds to a waiting area (other than a customary waiting area) without first passing the PBS inbound, then, for the purposes of determining the commencement of running of Port-time in accordance with Clauses 10.5.1(a), 10.5.1(b) or 10.5.1(c) above, such LNG Tanker shall be deemed to have arrived at the PBS inbound at the time, estimated by the master of the LNG Tanker, that it would have arrived at the PBS had it directly proceeded to that the PBS.
 - (e) Port-time shall for the purpose of this Agreement start at the time specified above whether the LNG Tanker has arrived in sanitary and customs free pratique or not.

R/S

- (f) If the LNG Tanker arrives or is deemed to have arrived at the PBS inbound at a time of Day too late to commence its voyage to the Unloading Points under applicable rules and regulations, then Port-time shall, subject to Clauses 10.5.1(c) and 10.5.1(d), begin to run at dawn on the following Day.
- (g) Port-time or demurrage, if applicable, shall cease when the LNG Tanker passes the PBS outbound.
- (h) On arriving at the PBS inbound and on passing the PBS outbound the Master of an LNG Tanker shall record the time of arrival at the PBS or the time of passing the PBS and shall give notice of such time to Buyer or its representative.
- (i) Time shall not count against Port-time or, if the LNG Tanker is on demurrage, for demurrage, when spent or lost by reason of any delay due to fault, failure or inefficiency of the Seller or the LNG Tanker or its master, crew, owner or operator (including, for these purposes, the inability of the LNG tanker to unload at the average rate and against the head of LNG specified in Clause 10.1(d)), a strike by the crew of the LNG Tanker, or if berthing or departure is delayed for reasons related to the LNG Tanker's purposes other than for reasons of or the LNG Tanker's safety. Time shall not count against Port-time when spent or lost by reason of any delay due to Force Majeure or by reason of the equilibrium vapour pressure of the vapour in the LNG tanks of the LNG Tanker exceeding 1200 millibar (absolute) at the time at which the LNG Tanker is berthed.
- (j) The LNG Tanker shall leave the berth promptly after unloading and shall not remain in the berth (other than for reasons of the LNG Tanker's safety) without the consent of Buyer (such consent not unreasonably to be withheld) unless and for so long as it is requested by the port authorities or Buyer to remain in the berth after unloading.
- (k) If the Port-time allowed for discharging a Full Cargo in terms of this Clause 10.5.1 is exceeded, Buyer shall pay to Seller demurrage for all excess time at the Demurrage Rate. Buyer's payment obligations arising in respect of demurrage shall be absolute and shall not, in any case, be subject to the provisions of Clause 9 (Force Majeure).
- (l) Any claim for demurrage shall be time-barred unless made within 90 (ninety) Days of the time an LNG Tanker passes the PBS outbound and shall be supported by time sheets and adequate supporting documentation.
- (m) Payment of timely and properly supported claims for demurrage after receipt of such shall be made by Buyer to Seller within 15 (fifteen) Days of receipt of Seller's invoice which shall accompany any such claim. Interest on late payment of demurrage properly due under this Agreement shall accrue at the rate of LIBOR plus 1% (one per cent) from the 16th (sixteenth) Day after receipt of Seller's invoice until the date of actual payment (whether such payment or repayment occurs before or after any arbitration award or judgement).

10.5.2

R.S.

- 10.5.3 If any problem occurs or is foreseen 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 endeavours to minimise or to avoid the delay. Buyer and Seller shall cooperate with each other to minimise or avoid the occurrence of any similar delay in the future.

10.6 Discontinuance of Unloading

If for reason of the fault, failure or inefficiency of Buyer, its agents or Terminal Operator:

- (a) unloading has not been completed within _____ hours after tendering Notice of Readiness ; and
- (b) in the last _____ hours before the exercise by Seller of its rights under this Clause 10.6 the average rate of unloading is less than 2000 (two thousand) cubic metres per hour (other than due to fault, failure or inefficiency of the LNG Tanker or an event or condition of Force Majeure affecting the LNG Tanker or the Receiving Facility); and
- (c) after consultation with Buyer in an effort to remedy the problem it is still not resolved,

then, in the interests of maintaining the transportation requirements for Buyer and Seller's other LNG customers, Seller may in its discretion, without prejudice to its other rights and remedies, if appropriate, require the unloading to be discontinued at the Unloading Points and dispose of the LNG cargo (or such part thereof as remains on board the LNG Tanker) upon the same terms and conditions and with the same consequences as if it had been cancelled by Buyer under Clause 4.4(c).

10.7 Unloading Points

- (a) Subject to the following provisions of this Clause 10.7, LNG sold hereunder shall be delivered to the Receiving Facility, or any other receiving facilities in respect of which the conditions of Clauses 10.7(b) and 10.7(c) have been fulfilled.

- (b) Buyer shall nominate in accordance with this Clause 10.7 and Clauses 11.1(a) and 11.5, to which of the receiving facilities it requires Seller to deliver LNG under this Agreement during the relevant Sales Period, provided that Buyer shall not be entitled to nominate delivery of LNG under this Agreement to any other receiving facility (other than Lake Charles) unless and until the conditions below are fulfilled in respect of the relevant receiving facilities.
- (i) Buyer has provided or procured for Seller:
 - (A) written notice of the location of such receiving facility, the identity of the owner or operator of such facilities and an outline description of the facilities and standards (by reference to Attachment D); and
 - (B) rights of access for any reasonable inspection of the facilities by Seller subject to site and safety regulations and at Seller's sole cost and risk; and
 - (ii) Seller has approved such receiving facility in writing provided that Seller may not delay or withhold such approval other than on grounds of reasonable technical, safety and operational requirements of LNG Tankers at such receiving facility.
- (c) Subject to the provisions of Clauses 10.7(d), 10.7(e) and 11.5, Buyer shall not be entitled to nominate cargoes for delivery to any receiving facilities other than the Receiving Facilities unless Seller has approved such other receiving facilities pursuant to Clause 10.7(b) and agreed in writing to revised commercial terms to reflect the nomination to such other receiving facilities pursuant to this Agreement and the relevant Clauses of this Agreement have been amended to reflect such terms including, without limitation, Clause 6.1.
- (f) Once the conditions in Clauses 10.7(b) and 10.7(c) have been fulfilled in respect of any other receiving facility, then such other receiving facility shall become a Receiving Facility for the purposes of this Agreement.

RIS

10.8 Delayed Unloading

If for reason of the fault, failure or inefficiency of the LNG Tanker:

- (a) unloading has not been completed within _____ hours after tendering Notice of Readiness; and
- (b) in the last _____ hours before the exercise by Buyer of its rights under this Clause 10.8 the average rate of unloading is less than 2,000 (two thousand) cubic metres per hour (other than due to fault, failure or inefficiency of the Buyer, Terminal Operator, Receiving Facility or an event or condition of Force Majeure affecting the LNG Tanker or the Receiving Facility); and
- (c) after consultation with Seller in an effort to remedy the problem it is still not resolved,

then Buyer may, after due consultation with Seller, either allow Seller to continue unloading, or if it judges it necessary in the interest of maintaining supplies to the Receiving Facility, require Seller to order the LNG Tanker off berth provided that the latter can be achieved safely and is not prevented by Force Majeure. In either case, if Buyer becomes liable to pay demurrage to any of Buyer's other LNG suppliers or the owner or the operator of the Receiving Facility on account of any delay caused to such supplier by the presence of the LNG Tanker at the berth for more than _____ hours, Seller shall pay to Buyer, in full satisfaction of all and any claims arising against Seller or against the Carrier for such delay, an amount calculated by multiplying:

If Buyer becomes liable to pay for Boil-off and delay to the LNG tanker immediately scheduled for cargo discharge after the LNG Tanker at the same berth and on account of any delays caused to such LNG tanker by the presence of the LNG Tanker at the berth for more than, _____ hours,

For the avoidance of doubt, a quantity not delivered pursuant to this Clause 10.8 shall be taken into account for the purpose of calculating any Under-delivery Amount pursuant to Clause 4.12(b2).

- (d) If an LNG Tanker is delayed on any voyage or if an LNG Tanker is prevented from being able to proceed immediately to berth or connection to the Unloading Points from the PBS for any reason attributable in

whole or in part to Buyer, its agents or Terminal Operator other than for Force Majeure ("**Receiving Facility Delay**"), then Buyer shall nevertheless pay for the LNG delivered at the end of such voyage and

- (e) There shall be excluded from the Receiving Facility Delay any time attributable to the LNG Tanker arriving at PBS earlier than the beginning of the Specified Arrival Period for the LNG Tanker specified in the Specific Delivery Schedule (or if none the Delivery Programme) for such cargo, unless such early arrival has been requested by Buyer.

10.9 Terminal Operator

Buyer shall use its reasonable endeavours to procure that the Terminal Operator acts as a Reasonable and Prudent Operator and in a non-discriminatory manner in connection with the performance of this Agreement.

11. SCHEDULING

11.1 Exchange of Information.

- (a) Not later than 120 (one hundred and twenty) Days before the expected start of the First Build-up Stage (calculated by reference to the process for establishing the Date of Initial Supply pursuant to Clause 3.1), the Second Build-up Stage, the Third Build-up Stage and the Fourth Build-up Stage, if any, and each subsequent Sales Period and, if applicable, the Make-up Extension Period, Seller and Buyer shall exchange information in respect of each Sales Period or the Make-up Extension Period (as the case may be) on:
 - (i) the expected quantities of LNG for loading and unloading;
 - (ii) the expected maintenance periods of Seller's Facility, the Receiving Facility and of the LNG Tankers;
 - (iii) the commitments of Seller to other Primary Customers of LNG;
 - (iv) the commitments of Buyer to other Primary Suppliers of LNG;

- (v) Buyer's nomination, subject to the provisions of Clause 10.7, of the Receiving Facility to which it requires Seller to deliver each cargo of LNG, it being understood and agreed that Buyer may nominate only one Receiving Facility in respect of each cargo to be delivered; and
 - (vi) any other considerations material to Buyer or Seller in relation to such delivery programme to enable both Seller and Buyer to make a proposal for a programme for deliveries of LNG in that Period.
- (b) For each Sales Period and the Make-up Extension Period (if any) 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) above of which they subsequently become aware.
 - (c) Buyer shall also notify Seller, as soon as possible, of any quantities of LNG which it does not wish to take in the circumstances described in Clause 4.4(a).

11.2 Delivery Programme

- (a) Not later than 90 (ninety) Days before the commencement or expected commencement (as appropriate) of the Periods 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 4.6 (Rounding of Cargo Lots) the ACQ and any available Make-up LNG allocated to Buyer pursuant to Clauses 4.7(b) or 4.7(c) and any Excess Quantity allocated to Buyer pursuant to Clauses 4.8(b) or 4.8(c) shall be supplied in such Period at the Receiving Facility, but shall exclude any quantities of LNG which Buyer does not wish to take as notified to Seller pursuant to Clause 4.4(a).
- (c) Such delivery programme shall detail the expected pattern and order in which loadings of LNG shall be made, including, for each cargo the LNG Tanker, the estimated times and dates of commencement and completion of each loading, the estimated date of departure of the LNG Tanker from the Receiving Facility, the estimated Specified Arrival Period for that LNG Tanker at the PBS of the Receiving Facility and the scheduled maintenance and/or shutdown periods for Seller's Facility, the Receiving Facility and the LNG Tankers. If any cargoes necessary to fulfil Seller's obligation to deliver the ACQ and Make-up LNG allocated to Buyer are not included in the Delivery Programme for any Sales Period, or if no such Delivery Programme is delivered by Seller in accordance with Clause 11.2(e) then for the purposes of Clause 4.12 such unscheduled cargos (including if no Delivery Programme is delivered by Seller in accordance with Clause 11.2(e), the ACQ and Make-up LNG allocated to Buyer) shall be deemed:
 - (i) to have Specified Arrival Periods reflecting rateable deliveries thereof throughout such Sales Period; and

2.9

- (ii) to have been the subject of a notice from Seller prior to the 25th day of the month preceding such Specified Arrival Period that such cargo will not be delivered for the purposes of Clause 4.12(b).
- (d) Seller and Buyer shall use their reasonable endeavours to agree on a delivery programme for each Sales Period and if applicable the Make-up Extension Period not later than 30 (thirty) Days before the start of that Period.
- (e) In the event that Seller and Buyer have not fully agreed a delivery programme for any Sales Period or the Make-up Extension 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.
- (f) In preparing a delivery programme which has not been fully agreed with Buyer as aforesaid, Seller shall acting reasonably, in the context of Seller's obligations to Buyer under this Agreement and to Seller's other Primary Customers:
 - (i) give effect to any reasonable material considerations notified by Buyer to Seller;
 - (ii) use reasonable endeavours not to schedule any cargo delivery concurrently with any delivery to the Receiving Facility to be made by another Primary Supplier notified by Buyer to Seller not later than 30 (thirty) Days before the start of the Period covered by the relevant Delivery Programme;
 - (iii) give effect to Buyer's nomination pursuant to Clause 11.1(a)(v); and
 - (iv) ensure that (allowing for maintenance and shutdowns as referred to in Clause 4.8) loadings are scheduled as evenly as reasonably practicable throughout the Sales Period.
- (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) for each Sales Period is in this Agreement referred to as the **"Delivery Programme"**.
- (h) For the avoidance of doubt Make-up LNG shall only be made available or scheduled during the Make-up Extension Period to the extent that Buyer has Make-up rights outstanding and that Seller has Make-up LNG available.

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 for specific cargoes of LNG in the Month next following ("**Specific Delivery Schedule**") together with a provisional specific delivery schedule for the 2 (two) Months following such Specific Delivery Schedule. Both of such schedules shall conform to the then current Delivery Programme unless changed pursuant to Clause 11.4 below. The Specific Delivery Schedule and provisional specific delivery schedule shall cover

RCB

deliveries of LNG to be made by Seller to Buyer during the period of 3 (three) Months following the date of issue and shall show for each cargo: (i) the name of the scheduled LNG Tanker concerned; (ii) the estimated dates of commencement and completion of each loading; (iii) the estimated quantity to be loaded; (iv) the estimated time and date of departure of the LNG Tanker from the Loading Points; (v) the estimated Specified Arrival Period for that LNG Tanker at the PBS of the Receiving Facility; (vi) the Estimated Unloading Completion Time. The specific 48 (forty-eight) hour unloading period agreed to as part of the Specific Delivery Schedule shall be the Specified Arrival Period for each LNG Tanker scheduled.

11.4 Changes to Delivery Programme and Specific Delivery Schedule

If Seller or Buyer considers that it is necessary to make a change or changes to the details of the then current Delivery Programme or Specific Delivery Schedule, set out in Clauses 11.2(g) and 11.3 respectively (including but not limited to a change of the Receiving Facility), for any reason listed below, it shall immediately give notice to the other Party of its required change(s) (including reasons for the relevant change):

- (a) operational reasons affecting the relevant Receiving Facility, LNG Tanker, or Loading Points which cannot be resolved by Buyer's or Seller's (as applicable) reasonable efforts to comply with the current Delivery Programme or Specific Delivery Schedule (including changes in scheduling arrangements with other Primary Customers of Seller, or with Buyer's Primary Suppliers at the same Receiving Facility); or
- (b) the operation of Clause 9 affecting all the Receiving Facility (Force Majeure); or
- (c) the rejection of a cargo by Buyer pursuant to Clause 5.3 or Clause 10.8;
- (d) any supply of Make-up LNG or Excess Quantity to Buyer not taken into account in the Delivery Programme or Specific Delivery Schedule;
- (e) any reduction in the ACQ to be included in the Delivery Programme or Specific Delivery Schedule, as applicable.

As soon as possible after that notice has been given, Seller and Buyer shall meet to examine whether that Delivery Programme or Specific Delivery Schedule can be revised to accommodate such change(s) and shall use reasonable endeavours to accommodate the change. Subject to Clause 11.5, if Seller and Buyer give their consent, which shall not be unreasonably withheld (having regard to Seller's obligations to its other Primary Customers, Buyer's obligations to its other Primary Suppliers and to any limitations on Seller's rights in relation to the relevant Receiving Facility and to the other criteria set out in Clause 11.2(f)), the Delivery Programme or Specific Delivery Schedule shall be revised accordingly and Seller shall provide the revised Delivery Programme or Specific Delivery Schedule to Buyer. Notwithstanding the provisions of this Clause 11.4, the Seller shall have the right to substitute vessels subject to the provisions of Clause 10.1.

11.5 Requests by Buyer for Changes of Receiving Facility

- (a) If Buyer is entitled to nominate a cargo pursuant to Clause 11.1 to be delivered to a Receiving Facility at more than one location and Buyer

R.9

has nominated one such location pursuant to Clause 11.1, Buyer may request an amendment to such nomination to nominate that a particular cargo be delivered at any other Receiving Facility it is entitled to nominate in accordance with Clause 10.7(c) in respect of the remaining period or any part of the Initial Supply Period or relevant Sales Period, as the case may be.

- (b) Seller shall not withhold its consent to any such request according to Clause 11.5(a) to replace the Receiving Facility provided that:
 - (i) other than with respect to the replacement of the nominated Receiving Facility with Lake Charles or any Gulf Coast Terminal, such requested amendment of nomination is necessary for any of the reasons given in Clauses 11.4(a), (b) or (d);
 - (ii) such requested amendment of the Receiving Facility would not prejudice Seller's delivery obligations to its other Primary Customers;
 - (iii) such requested amendment does not significantly affect Seller's short term production scheduling arrangements; and
 - (iv) such requested amendment of Receiving Facility is to another Receiving Facility in accordance with Clause 10.7.
- (c) If the circumstances in Clauses 11.4(a), (b) or (d) arise, Buyer may request Seller to approve an amendment to its Receiving Facility under Clause 11.1 to nominate that a particular cargo be delivered to receiving facilities which are not a Receiving Facility under this Agreement, provided that:
 - (i) Buyer has exhausted any rights under Clause 11.5(a) and (b) in relation to the relevant cargo;
 - (ii) Buyer has provided or procured for Seller:
 - (A) written notice of the location of the facilities, the identity of the owner or operator of the facilities (if other than Buyer), and an outline description of the facilities and standards (as outlined in Attachment D); and
 - (B) rights of access for any reasonable inspection of the facilities by Seller subject to site and safety regulations and at Buyer's sole cost and risk;
 - (iii) Buyer shall compensate Seller for any additional reasonable costs and loss of revenue to Seller or LNG Tanker arising out of the delivery to and unloading of the relevant cargo of LNG at such replacement receiving facilities as compared with the costs and revenue of delivery to and unloading of the relevant cargo of LNG at the original Receiving Facility nominated by Buyer pursuant to Clause 11.1;
 - (iv) Seller may not delay or withhold its approval under this Clause 11.5(c) other than on grounds of reasonable technical, safety and operational requirements of Seller's LNG Tankers at such

h.s.

receiving facilities, and/or on grounds that the delivery to and unloading of the relevant cargo of LNG at such receiving facilities would prejudice Seller's ability to meet commitments to other Primary Customers pursuant to the applicable delivery programme or specific delivery schedule with such other buyers.

- (v) Approval of and/or delivery to a temporary receiving facility under this Clause 11.5(c) does not constitute an acceptance of such receiving facility as a Receiving Facility under this Agreement. Such receiving facility can only become a Receiving Facility under this Agreement after the complete fulfilment of the conditions set out in Clause 10.7.

11.6 Buyer's Regasification Capacity

(a)

- (b) Seller and Buyer shall at all relevant times during the term of this Agreement, own and have access to (or have rights to capacity) and use of, maintain and operate or cause to be maintained and operated, subject to all applicable laws, rules and regulations, Seller's Facility and a Receiving Facility.

11.7 Seller's Liquefaction and Shipping

12. MEASUREMENTS AND TESTS

12.1 Gauging

- (a) The volume of LNG loaded at the Loading Points pursuant to this Agreement shall be measured in cubic metres by gauging of the LNG loaded into the tanks of the LNG Tanker in accordance with ISO 13398-1997 and the other procedures provided in this Clause 12. Seller shall cause the first gauging to be made after the loading arms have been connected to the LNG Tanker, but before any ship's liquid manifold valves have been opened and shall cause a second gauging operation to take place as soon as possible after 15 (fifteen) minutes have elapsed after completion of loading and with the ship's liquid manifold valves

12.9

closed. Representatives of Buyer and Seller shall have the right to be present at such gaugings. The absence of either Party shall not prevent loading. The volume loaded ("V" in Clause 12.6) shall be the difference between the first and second gaugings in m³ of LNG rounded to the nearest whole cubic metre.

- (b) The volume of LNG unloaded at the Unloading Points pursuant to this Agreement shall be measured in cubic metres by gauging of the LNG unloaded from the tanks of the LNG Tanker in accordance with ISO 13398-1997 and the other procedures provided in this Clause 12. Seller shall cause the first gauging to be made after the unloading arms have been connected to the LNG Tanker, but before any ship's liquid manifold valves have been opened and after the ship's gas valves have been closed, and shall cause a second gauging operation to take place immediately after Completion of Unloading and with the ship's liquid manifold valves closed and gas valves have been closed. Representatives of Buyer and Seller shall have the right to be present at such gaugings. The absence of either Party shall not prevent unloading from taking place. The volume unloaded ("V" in Clause 12.6) shall be the difference between these first and second gaugings in m³ of LNG rounded to the nearest whole cubic metre. Seller shall cause the LNG Tanker not to utilise Natural Gas during the unloading operations.
- (c) Seller shall provide or cause to be provided a permanent primary clinometer for list determination to be installed on each LNG Tanker. Seller 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 unloading commences, Seller shall cause the LNG Tanker to be levelled with list and trim to be 0 (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.
- (d) Seller shall send or cause to be sent to Buyer a copy of certified gauging tables for each tank of each LNG Tanker in metric units approved by an independent surveyor selected by Seller and approved by Buyer (such approval not to be unreasonably withheld) as well as correction charts (list, trim, tanks' contractions, etc.). Such gauging tables and correction charts shall be used in accordance with this Clause 12.1(d) 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 Seller and approved by Buyer (whose approval shall not 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 plus or minus 7.5 mm (seven decimal 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

R.C.
11.6

rounded to 1 (one) millimetre. The gauging table shall correlate the level of the liquid in the tanks to the volume of that cargo tank using 1 (one) millimetre as the smallest unit of dimension.

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 liquid temperature determined in accordance with Clause 12.3 hereof. The method of calculation shall be the method known as the revised Kiosk and McKinley Model, as set forth in NBS Technical Note 1030, published by the US Department of Commerce in December 1980, using the formula in Attachment E Part I.

12.3 Determination of Temperature and Pressure

- (a) At the times of gauging, the liquid temperature of the cargo shall be determined by calculating the arithmetic average of the temperatures indicated by the temperature registering devices immersed in the LNG in all of the tanks. The vapour temperature of the cargo shall be the arithmetic average of the temperatures indicated by the temperature-registering devices, which at the time of gauging are in the vapour space above the surface of the LNG. If only 1 (one) temperature-registering device is immersed in the LNG or the vapour, then that reading will be deemed to be the average temperature of the LNG or vapour. 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 plus or minus 0.2°C (zero decimal point two degrees Celsius) over the range minus 145°C (minus one hundred and forty five degrees Celsius) to minus 165°C (minus one hundred and sixty five degrees Celsius) and to plus or minus 1.5°C (one decimal point five degrees Celsius) outside that range, provided the instruments are capable of being that accurate. These temperatures shall be printed by a printer before and after the loading and unloading operation. For the purpose of calculation, the average temperature of LNG liquid and LNG vapour shall be rounded to 1 (one) decimal place expressed in degrees Celsius.
- (b) At the time of gauging the pressure in the cargo tanks shall be the arithmetic average of the absolute pressure-indicating device for each tank. One absolute pressure indicating device shall be fitted to the vapour space of each tank and shall be accurate to plus or minus 5 (five) millibars over the range 800 (eight hundred) millibars absolute to 1,400 (one thousand four hundred) millibars absolute. For the purpose of calculation, the average pressure shall be rounded to 1 (one) millibar. Seller shall, if requested by Buyer, provide to Buyer necessary information relating to the location of cargo measuring probes within each cargo tank of each LNG Tanker utilised by Seller in the performance of its obligations pursuant to this Agreement.

12.4 Sampling and Determination of Composition

- (a) Samples of the LNG shall be taken both at loading and unloading in the presence of representatives of the other Party if the latter so requests at suitable points between the shore storage tanks and the Loading Points

PS
11/11

and between the Unloading Points and shore storage tanks. 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 or unloaded. Sampling and vaporisation of LNG shall, subject to Clause 12.12 below, be done in accordance with ISO 8943 (1991). Such vaporised LNG samples shall be taken and analysed by Seller at such suitable points in respect of the Loading Points and by Buyer at such suitable points in respect of the Unloading Points, as specified in Clause 12.4(b), by means of a gas chromatographic method, as described in ISO 6974-2000 (part 3, 4, 5 or 6), for composition. 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 pentanes fraction. A calibration of the chromatograph utilised shall be performed by or on behalf of Seller at loading and by or on behalf of Buyer at unloading in the presence of a representative of the other Party (if the latter so requests) before the analysis of the samples taken from each loading or unloading. Such calibration shall be effected with the aid of a traceable primary standard gas in accordance with ISO 6142 (2001)/ ISO 14111-1997 having a known composition similar to the LNG then being loaded or unloaded. Representatives of Buyer and Seller shall have the right to be present at such calibrations. The absence of either Party's representatives shall not prevent the taking or analysis of samples.

Both Buyer and Seller are responsible for the compliance with the analytical method used (ISO 6974 - 2000, part 3, 4, 5 or 6) with the principles described in ISO 6974- 2000 part 1 and part 2.

The analysis shall be in accordance with good laboratory practices, comprising validation/verification according to ISO 10723 (1998) or participation in an agreed Natural Gas correlation (PT) scheme.

- (b) 5 (five) or more representative samples of LNG will be taken while loading and while unloading the cargo. The first sample will be taken approximately one hour after the commencement of the bulk rate of the loading or unloading operation, 3 (three) will be taken at approximately equal intervals throughout the loading or unloading operation, and the fifth will be taken approximately 1 (one) hour prior to completion of the loading or unloading operation. Each sampling operation shall consist of simultaneously filling 3 (three) sampling cylinders.

Alternatively, if the Parties agree at the relevant time, a composite sample of the LNG cargo can be made according to ISO 8943 – 1991 (dome sampler) or with an equivalent alternative agreed between Buyer and Seller. The composite sample, representative of the total LNG cargo shall be put into 3 (three) identical cylinders (pressurised).

Both off-line gas chromatographic equipment (laboratory) and on-line gas chromatographic equipment may be used for compositional analyses. The arithmetic average composition of all samples meeting the criteria should be used to determine the average composition of the cargo loaded and unloaded.

2.5

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

First Cylinder	for use of Seller at loading or Buyer at unloading in establishing the LNG composition for custody transfer by chromatographic analysis as described in 13.4(b) above,
Second Cylinder	for retention by Seller at loading or Buyer at unloading for a period of 20 (twenty) 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 by an Expert pursuant to Clause 12.10 in the event of a dispute between Buyer and Seller.

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

<u>Impurity</u>	<u>Method of Analysis</u>
Carbon dioxide	ISO 6974 (part 3,4,5 or 6), 2000
Nitrogen	ISO 6974 (part 3,4,5 or 6), 2000
Hydrogen sulphide	ISO/DIS 19739 (2001)
Mercaptan sulphur	ISO/DIS 19739 (2001)
Carbonyl sulphide plus hydrogen sulphide	ISO/DIS 19739 (2001)
Total sulphur	ISO/DIS 19739 (2001)

(sum of the total component sulphur, calculated as total sulphur), or equivalent alternative, to be agreed between Buyer and Seller.

Hydrocarbon dew point ISO 6327-1981 (*)

(*) methodology for water dew point

Mercury ISO 6978, part 2 (2003)

The Parties further agree that the hydrocarbon dew point may be calculated by an alternative method based on the compositional analysis using standard dew point relations, such as mentioned in the Gas Processors Suppliers Association, Engineering data SI Volume II, equation 25.9.

The sampling and analysis of sulphur containing impurities and mercury require special precautions due to the nature of these components. Both Buyer and Seller shall ensure that sampling and analyses are carried out in such way that losses or enrichments during sampling and analyses are avoided (ref. ISO 10715, 1997, chapter 6).

12.5 Determination of Gross Calorific Value (Mass)

The Gross Calorific Value (Mass) of the LNG shall be calculated on the basis of its molecular composition (determined in accordance with Clause 12.4) according to ISO 6976 (1995) and of the molecular weights and the Gross Calorific Value (Mass) Megajoules per kilogramme of each of its components.

nd

12.6 Determination of quantity of Megajoules

The quantity of Megajoules loaded onto or unloaded from the LNG Tankers shall be calculated on the basis of the following formula:

$$E = (V * d * H_m) - Q_r$$

in which:

E = the number of Megajoules loaded or unloaded;

V = the volume of LNG loaded or unloaded, in m³, as determined in accordance with Clause 12.1;

d = the calculated density of the LNG samples taken in accordance with Clause 12.4, in kg/m³, as calculated in accordance with Clause 12.2 and Attachment E;

H_m = the Gross Calorific Value (Mass) of LNG in MJ/kg, as calculated in accordance with Clause 12.5, and Attachment E;

and

Q_r = the quantity of Natural Gas in Megajoules returned to the LNG tanker during the unloading process as calculated in accordance with Attachment E.

For the purpose of calculating the quantity of LNG unloaded at the Unloading Points for invoicing purposes pursuant to Clause 7.1(d), Q in MMBtus shall be calculated as follows:

$$Q = \frac{E}{1055.056}$$

12.7 Methods of Operation

- (a) Seller shall cause to be supplied, operated and maintained equipment for accurately measuring the cargo level, temperature and pressure in the tanks of the LNG Tankers. The Party loading or receiving LNG as the case may be 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 or unloaded, and for the determination of quality of the LNG loaded or unloaded.
- (b) All measurements and all calculations relating to gauging the volume, temperature and pressure of LNG loaded and delivered shall be performed by the LNG Tanker. All measurements and calculations relating to determination of the density of the LNG, and all measurements and computations relating to the determination and testing of the quality and composition of the LNG shall be performed by or on behalf of Seller in relation to loading and by or on behalf of Buyer in relation to unloading. A representative of the other Party shall have the right to be present, but the absence of such a representative shall

not prevent either the carrying out of the measurements or the preparation of the calculations.

- (c) The representatives of 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 5 (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 Primary Customers. Such verifications 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 1% (one per cent) or less of loaded or unloaded LNG, such equipment's previous measurements shall be considered accurate for purposes of loading and unloading 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 1% (one per cent) of LNG loaded or unloaded, 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 LNG loadings and unloadings 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 or delivered during the second 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. The actual accuracy shall comply with the described accuracy in the reference methods.

12.9 Calibration

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

- | | | |
|-----|--------------|------------------------------------|
| (a) | Volume: | in cubic metres (m ³); |
| (b) | Temperature: | in degrees Celsius; |
| (c) | Level: | in millimetres; |
| (d) | Pressure: | in millibars. |

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 17 shall govern such Expert and any replacement thereof.

12.11 Documentation

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

12.12 Change or Replacement of Instrumentation Procedures, Methods or Standards

If during the course of this Agreement new equipment becomes available and is capable of achieving greater accuracy under economically acceptable conditions, the Parties may agree to install such new equipment. The cost of such change or replacement shall be borne by the Party in charge of supplying, operating and maintaining such equipment. If the procedures, methods or standards described in Clause 12 are no longer appropriate for the purpose of this Agreement or if new procedures, methods or standards capable of achieving greater accuracy under economically acceptable conditions become available, they may be changed or replaced by more appropriate or accurate ones agreed upon by the Parties. The Party requesting such change or replacement shall inform the other Party thereof. The Parties shall then use reasonable endeavours to agree upon such change or replacement not later than 12 (twelve) Months after the request was made. If, notwithstanding good faith negotiations to agree to such change or replacement the Parties are unable to do so, then neither Buyer nor Seller shall be under any obligation to agree to any changes to this Agreement for this purpose.

12.13 Parties' Representatives

Where in Clause 5 or Clause 12 it is provided that the representative of a Party shall have the right to be present at the taking of measurements, the making of tests, the calibration of instruments and the verification of results by the other Party, the other Party shall give reasonable advance notice to the first-mentioned Party in order that it can make arrangements for its representatives to be present as aforesaid.

13. LIABILITIES

13.2

13.3

13.4

14. ESSENTIAL REQUIREMENTS

Each of Buyer and Seller hereby represents and warrants to the other that before entering into this Agreement it has obtained and holds on an unconditional basis all Relevant Approvals. Neither Party shall be permitted to rely as a basis for asserting Force Majeure under Clause 9 on the absence of any Relevant Approval at the time of entering into this Agreement. In this Clause 14 "Relevant Approval" means any order, authorisation, licence, approval or permit, issued by a Competent Authority, which:

- (a) is necessary for the proper performance by a Party of its obligations under this Agreement; and
- (b) at the date of this Agreement is known or should (if such Party had acted as a Reasonable and Prudent Operator) be known to such Party so to be necessary; and
- (c) is capable of having been obtained before such Party entered into this Agreement.

219

15. TERMINATION

15.1 Seller's Right to Terminate

15.2 Buyer's Right to Terminate

15.3 Sole Grounds for Termination

The provisions of Clause 15 shall be the sole and exclusive grounds on which the Parties may terminate this Agreement.

15.4 Survival

In the event of the termination of this Agreement then the provisions of this Agreement relating to confidentiality set out in Clause 16 and the provisions as to arbitration set out in Clause 18 shall continue to have effect for a period of 10 years thereafter.

15.5 Notices of Termination

Subject to Clause 27, any notice of termination under this Agreement shall be clearly entitled "NOTICE OF TERMINATION" and valid only if it clearly specifies the event of default giving rise to the right to terminate and the provisions of this Agreement pursuant to which such right to terminate is being exercised.

15.6 Effect of Termination

The expiry or termination of this Agreement shall not relieve either Party from any obligations to the other Party incurred or arising prior to the date of such expiry or termination or extinguish any rights of either Party accrued in respect of Periods prior to the expiry or termination of this Agreement.

RS

16. CONFIDENTIALITY

This Agreement and all information (including all construction and operational data and information and the negotiations preceding this Agreement) obtained hereunder by one Party from the other Party shall be treated as confidential. To the extent that such disclosure is required for the proper performance of their operations or work, such confidential information may be disclosed by a Party to its Affiliates and its or their employees, agents, operators, contractors or consultants, lenders, or any advisers or consultants to such lenders, the owner or operator of the Receiving Facility in the case of the Buyer or the Upstream Gas Suppliers in the case of Seller provided that such disclosure is solely to assist the purpose for which the aforesaid were so engaged (or in the case of the lenders or their advisors or consultants for use only in connection with the loans made or to be made by such lenders or in the case of the owner or operator of the Receiving Facility for use only in connection with gas supplied for the Buyer or in the case of the Upstream Gas Suppliers for use only in connection with gas supplied to Seller). The Parties shall take due precautions to avoid improper disclosure of confidential information.

Save as provided above, no Party shall disclose confidential information to any third party without prior consent of the other Party except where and to the extent that disclosure of such information is required by law or is reasonably required in connection with a bona fide assignment of an interest in this Agreement, the borrowing of funds, obtaining of insurance, sale of securities and in connection with required reports and applications to any governmental agencies. However, Seller or Buyer may without such consent release information obtained hereunder to an Affiliate, or to a shareholder owning at least 10% (ten per cent) of its issued share capital, or to an adviser to such shareholder.

Where disclosure is made to any third party otherwise than as required by law, the disclosing Party shall ensure that the third party is bound by confidentiality obligations no less onerous than those set forth herein to safeguard such information disclosed and the disclosing Party shall be responsible for ensuring that there shall be no further disclosure of such information without the consent of the Parties, and shall take appropriate safeguards prior to disclosure.

The restriction imposed by this Clause shall not apply to information, documents, or terms and conditions of this Agreement which have fallen into the public domain otherwise than through an act in breach of this Clause by the Party hereto seeking to make disclosure. The obligations pursuant to this Clause 16 shall continue for a period of 3 (three) years subsequent to the termination or cancellation of this Agreement.

17. EXPERT

17.1 Application

Where this Agreement expressly provides that any matter is to be referred to an Expert or whenever the Parties expressly agree in writing that a dispute between them shall be resolved by an Expert the provisions of this Clause shall apply (save in the case of a reference made pursuant to Clause 12.10 in which case unless the Federal Polytechnical School of Zurich (Technische Hochschule von Zurich) is unable or unwilling to act the provisions of Clause 17 only shall apply) unless modified by written agreement of the Parties.

17.2 Appointment

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

- (a) The Party wishing the appointment to be made shall give notice in writing to that effect to the other Party and shall with such notice give details of the matter which is proposed to be determined by the Expert;
- (b) The Parties shall meet in an endeavour to agree upon a single Expert pursuant to Clause 17.3, to whom the matter in dispute shall be referred for determination;
- (c) If, within 21 (twenty one) 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 shall forthwith be referred by the Party wishing the appointment to be made to the ICC International Centre for Expertise, which shall nominate an Expert within 30 (thirty) Days;
- (d) Upon an Expert being agreed or nominated under the foregoing provisions of this Clause the Parties shall forthwith notify such Expert of his selection and shall request him within 14 (fourteen) Days to indicate whether or not he is willing and able to accept the appointment;
- (e) If such Expert is either unwilling or unable to accept such appointment or has not indicated his willingness and ability to accept such appointment within the said period of 14 (fourteen) Days then (unless the Parties are able to agree upon the appointment of another Expert) the matter shall again be referred (by either Party) in the manner aforesaid to the ICC International Centre for Expertise who shall be requested to make a further nomination PROVIDED that if such nomination by the ICC International Centre for Expertise and acceptance by the newly nominated Expert has not occurred within 30 (thirty) days from the date of the previous nomination, this Clause 17 shall cease to govern the matter concerned, whereupon either Party may refer the matter to arbitration pursuant to Clause 18;

provided that, in the case of any Expert appointed pursuant to Clause 5.3 or in relation to a disputed invoice, the periods referred to in Clause 17.2(c) shall each be reduced to 7 days, the 14 day periods referred to in Clause 17.2(d) and (e) shall be reduced to 5 days and the Parties shall use their reasonable endeavours to procure that the Expert resolves the dispute before the Due Date in relation to the relevant Cargo Invoice.

17.3 Qualification

- (a) Qualifications of Expert
 - (i) Subject to sub-paragraph 17.3(a)(ii) an Expert nominated by either of the Parties under this Clause must be qualified to the satisfaction of the Parties by education, experience and training to determine the matter in dispute. The Parties shall be deemed to be so satisfied once their agreement to the nomination of the Expert has been obtained. If the Parties cannot agree upon the nomination of an Expert, then an Expert will be appointed by the ICC International Centre for Expertise.

Red

- (ii) An Expert nominated by the ICC International Centre for Expertise, shall be deemed to be sufficiently qualified by education, experience and training to determine the matter in dispute.

(b) **Conflicting Interest**

Any person appointed as an Expert shall be and shall remain independent of the Parties. Before accepting such appointment the Expert shall fully disclose any interest or duty he has or may have which conflicts or may conflict with his function under such appointment, and he shall also fully disclose any such interest or duty incurred at any time before he gives his determination under such appointment, provided always that no person shall be appointed an Expert who is a national or resident of Nigeria, the Netherlands, or England, or who at the time of appointment is or has at any time during the 10 (ten) years prior to the time of appointment been an employee of either Party or of any Affiliate or subsidiary of either Party or of any company with which either Party has a direct significant financial interest.

17.4 Decision

(a) **Representations, Data and Information**

The Expert so appointed shall promptly fix a reasonable time and place for receiving submissions and information in the form and/or manner directed by the Expert from the Parties and the said Expert may make such other enquiries and require such other evidence as he may consider useful to assist in determining the matter. The Expert shall have the right to inspect the facilities of the Parties. All information and data submitted by either Party as confidential shall be and remain confidential to the Expert.

(b) **Substitution of Expert**

If within a period of 90 (ninety) Days after the acceptance by an Expert of the appointment, unless otherwise agreed by both Parties, such Expert shall not have made his determination then (at the request of either Party) a new Expert shall be appointed under the provisions of this Article and upon the acceptance of appointment by such new Expert the appointment of the previous Expert shall cease, provided that if the previous Expert shall have rendered a decision prior to the date upon which the new Expert accepts his appointment then such decision shall be binding upon the Parties and the instructions to the new Expert shall be withdrawn.

(c) **Competence**

The Expert shall be deemed not to be an arbitrator but shall render his decision as an Expert and the law or legislation relating to arbitration shall not apply to such Expert or his determination or to the procedure by which the Expert reaches his determination.

(d) Determination

The determination of the Expert shall be made in writing setting out the reasons for such determination and shall be final and binding upon the Parties save in the event of fraud, manifest error or failure by the Expert to disclose any conflicting interest in accordance with Clause 17.3(b).

(e) Costs and Expenses

Each Party shall bear all costs incurred by it in connection with the Expert's determination but the costs and expenses of the Expert and fees of the International Chamber of Commerce shall be apportioned equally between Seller and Buyer.

18. **ARBITRATION**

Any dispute, difference, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, except those matters that are referred to an Expert in accordance with Clause 17, shall exclusively and finally be settled by arbitration in accordance with the United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules in force on the date of this Agreement, except to the extent that such Rules are excluded or modified herein and provided that:

- (a) the statement of claim shall be included in the notice of arbitration;
- (b) the number of arbitrators shall be 3 (three) appointed as follows:
 - (i) within 30 (thirty) Days of the date of the notice of arbitration, the Parties shall each appoint 1 (one) arbitrator;
 - (ii) if either Party fails to appoint an arbitrator within 30 (thirty) Days of the date of the notice of arbitration, upon application of the other Party the arbitrator it was entitled to appoint shall be appointed by the London Court of International Arbitration ("LCIA") within 30 (thirty) Days of the expiry of such 30 (thirty) Day period;
 - (iii) the arbitrators appointed pursuant to Clause 18(b)(i) and (ii) shall agree and appoint a third arbitrator within 30 (thirty) Days of the appointment of the second such arbitrator but in the event of the arbitrators failing to agree then upon application of either Party such third arbitrator shall be appointed by the LCIA within 30 (thirty) Days of the expiry of such 30 (thirty) Day period;

provided that, in the case of any disputes in relation to a disputed invoice, the periods referred to in this Clause 18(b) shall each be reduced to 5 days and the Parties shall use their reasonable endeavours to procure that the arbitrators resolve the dispute before the Due Date in relation to the relevant Cargo Invoice.

- (c) the place of arbitration shall be London, England;
- (d) the language to be used in the arbitral proceedings and the award shall be English;

R. L. Q.

- (e) Article 20 of the UNCITRAL Rules shall not apply and a Party shall not be allowed to amend or supplement its statement of claim or statement of defence unless the other Party agrees in writing, or the arbitral tribunal considers it appropriate, to allow such amendment or supplement, having regard to the delay in making it and any prejudice caused to the other Party or any other relevant circumstances;
- (f) either Party may request an oral hearing, but the arbitral tribunal established pursuant to this Clause 18 (the "**Arbitration Tribunal**") shall have the discretion whether or not to hold such a hearing unless the request is supported by the other Party;
- (g) the Arbitration Tribunal shall not be authorised to apply Article 16 paragraph 3 or Article 27 paragraph 2 of the UNCITRAL Arbitration Rules insofar as such provisions relate to the inspection or production of documents. The Arbitration Tribunal, on its own motion or at the request of a Party, may ask any Party to produce documents, exhibits or other evidence, that the Arbitration Tribunal considers to be relevant within such a period of time as it shall determine. If any Party having the burden of proving the facts relied upon to support its claim or defence is not willing to disclose such relevant documents, exhibits or other evidence then the Arbitration Tribunal shall be free to consider whether in all circumstances the facts are proven or not and may infer that the evidence not produced would have been adverse to the Party's claims or defences on the factual or legal issues to which that evidence was relevant;
- (h) Article 35 and Article 37 of the UNCITRAL Arbitration Rules shall not apply;
- (i) the Arbitration Tribunal shall not be entitled to make a partial award or an interim award containing the measures described in Article 26 of the UNCITRAL Rules;
- (j) Each Party shall entirely bear the costs of its own lawyers, witnesses, experts and other assisting persons it may utilise for a proceeding. Such costs shall not be re-allocated to the other Party by the Arbitration Tribunal in its award;
- (k) the cost of the venue of the arbitration and the fees of the Arbitration Tribunal will be borne equally by the Parties;
- (l) the award shall include interest, unless the Tribunal determines it is not appropriate. Interest shall run from the date of any breach or violation of this Agreement, which shall be determined by the Tribunal in its award. If the Tribunal cannot determine such date or fails to specify such date in its award, interest shall run from the date of filing of the request for arbitration. Interest shall continue to run from the date of award until the award is paid in full. Interest shall be calculated and compounded monthly at the one-year US\$ LIBOR rate as published by the Financial Times on the first Business Day of the Month plus 1% (one per cent);
- (m) the award of the Arbitration Tribunal shall be final and binding upon the Parties. Such award may if necessary be enforced by any court or other authority. Save as aforesaid, all rights of appeal, of annulment, and of

P.9

application to any court of law whatsoever are hereby excluded in relation to any arbitration hereunder and any award made therein.

The Parties recognise and acknowledge that this Agreement constitutes a commercial transaction in respect of which neither Party is entitled to plead sovereign immunity. Seller and Buyer hereby unconditionally and irrevocably waive sovereign immunity in any action to compel arbitration pursuant to this Agreement or to enforce or execute upon any award rendered in any arbitral proceeding pursuant to this Agreement.

19. IMMUNITIES

19.1 Private Commercial Acts

The Parties hereby agree that all the transactions contemplated by this Agreement shall be deemed to constitute private commercial activities.

19.2 Waiver of Immunity

To the extent that either Party may in any jurisdiction whatsoever claim or permit to be claimed for itself or any of its agencies, instrumentalities, properties or assets, immunity (whether characterised as sovereign or otherwise, or as arising from an act of state or sovereignty) from suit, execution, set-off, attachment (whether in aid of execution, before judgment or otherwise) or from other legal process including, without limitation, immunity from service of process, immunity in respect of any action to refer a matter to an Expert or to arbitration, or to enforce any award rendered in any Expert or arbitration proceeding pursuant to this Agreement, and immunity from the jurisdiction of the Court or tribunal, immunity from injunctive or other interim relief, or any order for specific performance or recovery of land, such Party hereby expressly and irrevocably waives and abandons absolutely any such claim to immunity on its behalf or on behalf of its agencies, instrumentalities, properties or assets.

20. GOVERNING LAW AND UN CONVENTION EXCLUSION

20.1 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, difference, controversy or claim between the Parties arising out of or in connection with this Agreement (whether based on contract, or tort, or any other legal doctrine) excluding, however, any rule of English private international law which would refer any dispute to the law of a jurisdiction other than England.

20.2 Exclusion

The United Nations Convention on Contracts for the International Sale of Goods (the Vienna Sales Convention) and the Convention on the Limitation Period in the International Sale of Goods shall not apply to this Agreement.

21. DISCLAIMER

This Agreement does not constitute either Party the agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall

Res

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.

22. AMENDMENTS AND WAIVER

This Agreement may not be supplemented, amended, modified or changed except by instrument in writing signed by Seller and Buyer and expressed to be a supplement, amendment, modification or change to this Agreement. A Party shall not be deemed to have waived any right or remedy under this Agreement by reason of such Party's failure to enforce such right or remedy.

23. ENTIRE AGREEMENT

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

24. NO THIRD PARTY BENEFICIARIES

24.1 Without prejudice to Clause 26 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 are not intended to confer or impose, in relation to any Affiliate or other third party, any obligation or 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. Except where a third party has undertaken express obligations in writing to a Party, no third party shall have any obligations in relation to the sale and purchase of LNG pursuant to this Agreement.

24.2 This Agreement does not create any right under the Contracts (Rights of Third Parties) Act 1999, which is enforceable by any person who is not a party to it.

25. FISCAL INDEMNITIES

Seller shall indemnify, defend and hold Buyer harmless against any and all Seller's Taxes and Buyer shall indemnify, defend and hold Seller harmless against any and all Buyer's Taxes.

26. ASSIGNMENT

26.1 Assignments by Seller and Buyer

Neither Seller nor Buyer may assign its rights and obligations under this Agreement, in whole or in part, absolutely or conditionally to any third party (save as provided in Clauses 26.2 and 26.3), without the prior written consent of the other which consent shall not be unreasonably withheld or delayed.

26.2 Assignment to Affiliates

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 26.2 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 26.2. An unsatisfied arbitration award pursuant to Clause 18 (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 26.2 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.

26.3 Seller's Assignment etc. by Way of Security

Seller shall be entitled, without the prior consent of Buyer, to assign, mortgage, charge or pledge all or any of its rights, interests, benefits and obligations under this Agreement to secure payment of any indebtedness incurred or to be incurred in connection with the construction and term financing of Seller's Facility and Seller's shipping capacity or otherwise in connection with its LNG business, and Buyer shall:

- (a) enter into an agreement with Seller and the provider of any such indebtedness in the form of the agreement in Attachment H; and
- (b) without limiting paragraph (a) above, consider in good faith any request from Seller to provide to or for the benefit of the provider of any such indebtedness such assurances and undertakings as it may reasonably require in connection with any such assignment, mortgage, charge or pledge 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, charge or pledge may require Seller to obtain the consent of such persons before agreeing to any amendment to this Agreement if such persons consider that the security available to them would be diminished by such amendment.

27. NOTICES

Any notice or other communication which a Party is required or permitted under this Agreement to give to the other Party shall be delivered by hand or by courier to the address shown below and marked for the attention of the officer shown below, or be sent to it by facsimile or, where expressly permitted by a provision of this Agreement, by electronic mail. Any notice or other communication in accordance with this Clause 27 (other than the Certificate on Loading in relation to which the rules on receipt are set out in Clause 5.3) shall be deemed to be received by the other Party if delivered by hand or courier on the day at which it is received at the Party's address, or if sent by facsimile on the next working day on which it is received in a legible form at the address to which it is sent and where there is confirmation of uninterrupted transmission by a transmission report, or if sent by electronic mail in accordance with the procedures agreed by the Parties in writing for the giving of notices by this

method. Until either Party gives further notice to the other, the address of Buyer and Seller shall be that given below. The addresses for notices are as follows:

(a) If to Buyer:

BG LNG Services, LLC
Suite 1775
5444 Westheimer
Houston, Texas, 77056
United States of America

Telephone: +713-403-3741

Fax: +713-403-3781

Attention: Chief Executive Officer

Electronic mail: Elizabeth.Spomer@bglng.com

(b) If to Seller:

Nigeria LNG Limited
C&C Building Plot 1684
Sanusi Fafunwa Street
Victoria Island, Lagos
Nigeria

Telephone: +2341 261 0897

Fax: +2341 261 7141

Attention: Managing Director/Chief Executive

Electronic mail: managing.director@nlng.com

28. OPERATIONAL PROCEDURES

It is recognised by the Parties that prior to the Date of Initial Supply, the Parties will require to agree detailed principles relating to the operation of this Agreement, including without limitation, for despatching, measurement and testing, contractual accounting and invoicing of the LNG and procedures and methods for despatch and acknowledgement of receipt of all communications and notices under this Agreement. The Parties shall also separately agree procedures pursuant to which each may notify the other of the means by which signature of notices and invoices under this Agreement may be verified.

Notwithstanding the above in the event of any conflict between the provisions of this Agreement and the procedures agreed under this Clause 28, this Agreement shall prevail.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by each Party on separate counterparts, each of which shall be deemed an original. All counterparts shall together constitute a single instrument.

30. HEADINGS

The index of and all headings appearing in this Agreement are for convenience only.

31. DEFAULT AND NON-WAIVER

No failure to exercise, nor any delay in exercising any right, power or remedy of Seller or Buyer at any time to require performance by the other of any provision hereof shall in no way affect the right of a Party to require any performance which may be due thereafter pursuant to such provision, nor shall the waiver by Seller or Buyer of any breach of any provision of this Agreement be taken or held to be a waiver of any subsequent breach of such provision.

32. INEFFECTIVE PROVISIONS

If any of the provisions of this Agreement is or becomes void, illegal, or unenforceable by operation of law the other provisions shall not be affected. The Parties undertake in good faith to meet and use their best endeavours to replace the void, illegal, or unenforceable provision by a valid and enforceable provision, which achieves an economic result as similar as possible to the void, illegal, or unenforceable provision.

33. NO PARTNERSHIP

This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

For and on behalf of NIGERIA LNG LIMITED

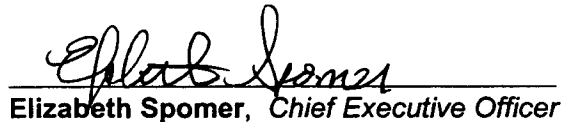
By:


 Andrew Jamieson, Managing Director

In the presence of: Mrs H. M. Coomassie

For and on behalf of BG LNG SERVICES, LLC

By:


 Elizabeth Spomer, Chief Executive Officer

In the presence of:





ATTACHMENT A

Dated as of [] 2003

128

1 3

RSL

200

105

RCS
12/1

102

ATTACHMENT B

RQ

ATTACHMENT C**INVOICE**

TO: BG LNG SERVICES, LLC

ATTENTION:

FROM: NIGERIA LNG LIMITED

DATE:

INVOICE NO:

STATEMENT FOR CARGO SUPPLIED PURSUANT TO THE LNG SALE AND
PURCHASE AGREEMENT DATED [] BETWEEN BG LNG SERVICES, LLC
AND NIGERIA LNG LIMITED

1. COMMODITY: LIQUEFIED NATURAL GAS (LNG)
2. NAME OF LNG TANKER:
3. CARGO NUMBER:
4. PLACE OF DELIVERY:
5. PRICE (PER MMBTU):
6. AGGREGATE QUANTITY UNLOADED OR DEEMED UNLOADED IN MMBTUS:
7. DATE OF UNLOADING COMPLETED OR DEEMED COMPLETED:
8. GROSS AMOUNT PAYABLE:
9. LESS ANY UNDERDELIVERY AMOUNT:
10. LESS ANY AMOUNT DUE TO BUYER ON PREVIOUS INVOICE:
11. LESS ANY MAKE-UP LNG ADJUSTMENT:
12. NET AMOUNT PAYABLE BY BUYER:
13. DUE DATE:

PAYMENT TO BE MADE BY WIRE TRANSFER TO:

NIGERIA LNG LIMITED

ACCOUNT NO: _____

WITH THE BANK OF: _____

ON OR BEFORE DUE DATE QUOTING THE ABOVE INVOICE NUMBER.

FOR: NIGERIA LNG LIMITED

SIGNED: _____

mc

ATTACHMENT D

INTERNATIONAL STANDARDS FOR SHIP/SHORE INTERFACE

1. DESIGN AND CONSTRUCTION SPECIFICATION FOR MARINE LOADING ARMS.
1999 - OCIMF.
2. GUIDE TO CONTINGENCY PLANNING FOR THE GAS CARRIER ALONGSIDE AND WITHIN PORT LIMITS.
1998 - ICS/OCIMF/SIGTTO.
3. GUIDE TO CONTINGENCY PLANNING FOR MARINE TERMINALS HANDLING LIQUEFIED GASES IN BULK.
1999 - ICS/OCIMF/SIGTTO.
4. GUIDE ON MARINE TERMINAL FIRE PROTECTION AND EMERGENCY EVACUATION.
1989 - ICS/OCIMF/SIGTTO.
5. GUIDELINES FOR THE ALLEVIATION OF EXCESSIVE SURGE PRESSURES ON ESD.
1987 - SIGTTO.
6. LIQUEFIED GAS HANDLING PRINCIPLES ON SHIPS AND IN TERMINALS.
2000 - SIGTTO.
7. PREDICTION OF WIND LOADS ON LARGE LIQUEFIED GAS CARRIERS.
1985 - OCIMF/SIGTTO.
8. RECOMMENDATIONS AND GUIDELINES FOR LINKED SHIP/SHORE EMERGENCY SHUT-DOWN OF LIQUEFIED GAS CARGO TRANSFER.
1987 - SIGTTO.
9. SAFETY GUIDE FOR TERMINALS HANDLING SHIPS CARRYING LIQUEFIED GASES IN BULK.
1993 - OCIMF.
10. EFFECTIVE MOORING.
1989 - OCIMF.
11. RECOMMENDATIONS FOR MANIFOLDS FOR REFRIGERATED LIQUEFIED NATURAL GAS CARRIERS (LNG)
1994 - OCIMF
13. AN INFORMATION PAPER ON MARINE VAPOUR RECOVERY SYSTEMS
1990 - OCIMF

14. GUIDELINES FOR SHIP TO SHORE ACCESS FOR GAS CARRIERS
1993 – SIGTTO
15. GUIDANCE FOR PREPARING AND CO-ORDINATING A MAJOR SHIP/SHORE EMERGENCY EXERCISE
1994 – SIGTTO
16. TRAINING OF TERMINAL STAFF INVOLVED IN LOADING AND DISCHARGING GAS CARRIER
1996 – SIGTTO
17. ACCIDENT PREVENTION-THE USE OF HOSES AND HARD ARMS AT MARINE TERMINAL HANDLING LIQUEFIED GAS.
1996 – SIGTTO
18. THE SHIP/SHORE INTERFACE – COMMUNICATIONS NECESSARY FOR MATCHING SHIP TO BERTH
1997 - SIGTTO
19. MOORING EQUIPMENTS GUIDELINES
1997 – OCIMF
20. A LISTING OF DESIGN GUIDELINES FOR LIQUEFIED GAS TERMINAL (REFERENCING PORTS AND JETTIES)
1997 – SIGTTO
21. SITE SELECTION AND DESIGN FOR LNG PORT AND JETTIES
1997 – SIGTTO
22. IN-GROUND LNG STORAGE TANKS: THEIR DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE
1993 – SIGTTO
23. RECOMMENDATIONS FOR MANIFOLDS FOR REFRIGERATED LIQUEFIED NATURAL GAS CARRIERS (LNG)
1994 – SIGTTO, OCIMF

Notes:

OCIMF: Oil Companies International Marine Forum.

SIGTTO: Society of International Gas Tanker and Terminal Operators Limited.

ICS: International Chamber of Shipping.

RCS

ATTACHMENT E

MEASUREMENT

PART I

Definitions and Notations

In Clause 12.2 the density ("d") of LNG loaded or notations unloaded at the prevailing composition and temperature T, in kg/m³, shall be rounded to 2 (two) decimal places and calculated as follows:

$$d = \frac{\sum (X_i * M_i)}{\sum (X_i * V_i) - \left[K_1 + \frac{(K_2 - K_1)}{0.0425} * X_n \right] * X_m}$$

In Clause 12 and in the above formula, each of the following notations shall have the following meaning:

H_i = Gross Calorific Value (mass based) for ideal gas of individual LNG components at 15°C (fifteen degrees Celsius) and 1,013.25 millibars, in MJ/kg as specified in ISO 6976 (1995) ;

H_m = Gross Calorific Value (mass based) of the liquid cargo loaded or unloaded in its gaseous state in MJ/m³ (st), rounded to 2 (two) decimal places, calculated in accordance with the formula:

$$H_m = \frac{\sum (X_i * M_i * H_i)}{\sum (X_i * M_i)}$$

H_v = Gross Calorific Value (volumetric) of the liquid cargo loaded or unloaded in its gaseous state in Megajoules per Standard Cubic Metre rounded to 2 (two) decimal places, calculated in accordance with the formula:

$$H_v = \frac{\sum (X_i * M_i * H_i)}{23.6449}$$

Where 23.6449 is the volume occupied by a kmol of ideal gas at 15°C (fifteen degrees Celsius) and an absolute pressure of 1.01325 bar;

K_1 = volume correction factor at temperature T, in m³/kmol, rounded to

6 (six) decimal places, obtained by linear interpolation from Part II of Attachment E;

K_2 = volume correction factor at temperature T , in m^3/kmol rounded to 6 (six) decimal places, obtained by linear interpolation from Part III of Attachment E;

M_i = molecular mass of individual LNG components in Kg/kmol rounded to 3 (three) decimal places and specified in ISO 6976 (1995);

Q_r = quantity of Natural Gas in Megajoules returned to the LNG Tanker during the unloading process calculated in accordance with the formula:

$$Q_r = V * \frac{288.15}{(273.15 + T_v)} * P * \frac{1}{1013.25} * 37.0$$

Where: the figure of 37.0 represents the gross heating value in Megajoules per Standard Cubic Metre of the vapour returned to the LNG Tanker at 15°C (Fifteen degrees Celsius) and 1013.25 millibars. The figure 1013.25 represents standard atmospheric pressure expressed in millibars. The figures 273.15 and 288.15 represent 0°C and 15°C (zero degrees Celsius and fifteen degrees Celsius) respectively as expressed in K (Kelvin);

P = average absolute pressure of vapour in the LNG Tanker immediately before loading and after unloading, expressed in millibars, rounded to a whole millibar, as specified in Clause 12.3;

T = average temperature of the LNG in an LNG Tanker before and after loading or before unloading, expressed in degrees Celsius, rounded to a whole millibar, as specified in Clause 12.3;

T_v = average temperature of the LNG in an LNG Tanker before and after loading or before unloading, in degrees Celsius rounded to 1 (one) decimal place, as specified in Clause 12.3;

V = the total volume of the liquid cargo loaded or unloaded, in cubic metres rounded to 1 (one) cubic metre, as specified in Clause 12.1;

V_i = molar volume of individual LNG components at temperature T , in m^3/kmol rounded to 6 (six) decimal places, obtained by linear interpolation from Part IV of Attachment E;

X_i = molar fraction of individual LNG components of sample taken from the receiving lines, determined by gas chromatographic analysis as specified in Clause 12.4;

X_m = the value of X_i for methane; and

R. Q

X_n = the value of X_i for nitrogen; and

W = Wobbe Index of Regasified LNG in Megajoules per Standard Cubic Metre calculated in accordance with the formula:

$$W = \frac{H_v}{\sqrt{d_r}}$$

Where:

d_r = relative density of Regasified LNG compared with air calculated in accordance with the formula:

$$d_r = \frac{\sum (X_i * M_i)}{28.9625}$$

Where:

the figure 28.9625 is the molecular weight of air.

2 S

ATTACHMENT E

PART II

Volume Correction Factor K_1 [$\times 10^3$]
Molecular Mass of Mixture

Temperature		16	17	18	19	20	21	22	23	24	25
K											
90	-.005	.120	.220	.340	.430	.515	.595	.660	.725	.795	
95	-.006	.135	.260	.380	.500	.590	.665	.740	.810	.885	
100	-.007	.150	.300	.425	.575	.675	.755	.830	.910	.990	
105	-.007	.165	.340	.475	.635	.735	.840	.920	1.045	1.120	
110	-.008	.190	.375	.535	.725	.835	.950	1.055	1.155	1.245	
115	-.009	.220	.440	.610	.810	.945	1.065	1.180	1.280	1.380	
120	-.010	.250	.500	.695	.920	1.055	1.205	1.330	1.450	1.550	
125	-.013	.295	.590	.795	1.035	1.210	1.385	1.525	1.640	1.750	
130	-.015	.345	.700	.920	1.200	1.370	1.555	1.715	1.860	1.990	
135	-.017	.400	.825	1.060	1.390	1.590	1.800	1.950	2.105	2.272	

Source: National Bureau of Standards * Technical Note 1030 December 1980

Notes: 1. $K = 273.15 + ^\circ\text{C}$
2. Molecular Mass of Mixture equals $(X_1 \cdot M_1)$

ATTACHMENT E

PART III

Volume Correction Factor K_2 [$\times 10^3$]

Temperature		17	18	19	20	21	22	23	24	25
K	16									
90	-0.004	.10	.22	.35	.50	.60	.69	.78	.86	.95
95	-0.005	.12	.28	.43	.59	.71	.83	.94	1.05	1.14
100	-0.007	.16	.34	.49	.64	.79	.94	1.08	1.17	1.27
105	-0.010	.24	.42	.61	.75	.91	1.05	1.19	1.33	1.45
110	-0.015	.32	.59	.77	.92	1.07	1.22	1.37	1.52	1.71
115	-0.024	.41	.72	.95	1.15	1.22	1.30	1.45	1.65	2.00
120	-0.032	.60	.91	1.23	1.43	1.63	1.85	2.08	2.30	2.45
125	-0.043	.71	1.13	1.48	1.73	1.98	2.23	2.48	2.75	2.90
130	-0.580	.95	1.46	1.92	2.20	2.42	2.68	3.00	3.32	3.52
135	-0.750	1.30	2.00	2.40	2.60	3.00	3.40	3.77	3.99	4.23

Source: National Bureau of Standards Technical Note 1030 December 1980

- Notes: 1. $K = 273.15 + ^\circ\text{C}$
 2. Molecular Mass of Mixture equals $(X_1 \cdot M_1)$

RCR

ATTACHMENT E

PART IV

Volume of Saturated Liquid of the Pure Components in Litres/mole

Temperature K	CH ₄	C ₂ H ₆	C ₃ H ₈	nC ₄ H ₁₀	iC ₄ H ₁₀	N ₂	nC ₅ H ₁₂	iC ₅ H ₁₂
90	.035441	.046081	.060461	.074708	.076084	.037543	.089173	.089243
92	.035649	.046235	.060632	.074891	.076274	.038081	.089379	.089454
94	.035861	.046390	.060804	.075075	.076466	.038650	.089586	.089656
96	.036077	.046547	.060977	.075259	.076659	.039254	.089793	.089878
98	.036298	.046704	.061151	.075445	.076853	.039897	.090000	.090091
100	.036524	.046863	.061325	.075631	.077047	.040586	.090208	.090304
102	.036755	.047023	.061501	.075818	.077243	.041327	.090416	.090518
104	.036992	.047185	.061677	.076006	.077440	.042128	.090624	.090733
106	.037234	.047348	.061855	.076194	.077637	.043002	.090833	.090948
108	.037481	.047512	.062033	.076384	.077836	.043963	.091042	.091163
110	.037735	.047678	.062212	.076574	.028035	.045031	.091252	.091379
112	.037995	.047845	.062392	.076765	.078236	.046231	.091462	.091596
114	.038262	.048014	.062574	.076957	.078438	.047602	.091673	.091814
116	.038536	.048184	.062756	.077150	.078664	.049179	.091884	.092032
118	.038817	.048356	.062939	.077344	.078844	.050885	.092095	.092251
120	.039106	.048529	.063124	.077539	.079049	.052714	.092307	.092470
122	.039404	.048704	.063309	.077734	.079255	.054679	.092520	.092690
124	.039710	.048881	.063496	.077931	.079462	.056797	.092733	.092911
126	.040025	.049059	.063684	.078128	.079671	.059085	.092947	.093133
128	.040350	.039239	.063873	.078327	.079880	.061156	.093166	.093355
130	.040685	.049421	.064063	.078526	.080091	.064263	.093376	.093578

Source: National Bureau of Standards Technical Note 1030, December 1980

Notes: 1. K = 273.15 + C

RCS

ATTACHMENT F
CERTIFICATE ON LOADING

TO: BG LNG SERVICES, LLC

ATTENTION:

FROM: NIGERIA LNG LIMITED

1. IDENTIFICATION

- (a) Name of LNG Tanker:
- (b) Cargo Number:
- (c) Date and time loading commenced:
- (d) Date and time loading completed:

2. BASIC DATA

- (a) LNG cargo composition:

Component	Mole Percent
Methane (C ₁)	_____
Ethane (C ₂)	_____
Propane (C ₃)	_____
Iso-butane (iC ₄)	_____
Normal butane (nC ₄)	_____
Pentanes Plus (C ₅ +)	_____
Nitrogen	_____

- (b) Impurities:

Hydrogen Sulphide	_____ mg/m ³ (st)
Total Sulphur	_____ mg/m ³ (st)

- (c) Volume Loaded: _____ m³
- (d) Average Cargo Temperature at Initial Gauging: _____ °C
- (e) Average Cargo temperature at Final Gauging: _____ °C
- (f) Initial Gauging Level: _____ m³
- (g) Final Gauging Level: _____ m³

n r c

3. RESULTS

- (a) Wobbe Index: _____ MJ/m³(st)
- (b) LNG Density: _____ kg/m³
- (c) Gross Calorific Value (Volumetric): _____ MJ/m³(st)
- (d) Gross Calorific Value (Mass): _____ MJ/kg
- (e) Total Quantity of LNG Loaded: _____ MMBtus
- (f) Total Cumulative Quantity of LNG
Loaded for Lake Charles during this Sales Period: _____ MMBtus

By _____

248

ATTACHMENT G

CERTIFICATE ON UNLOADING

TO: NIGERIA LNG LIMITED

ATTENTION:

FROM: BG LNG SERVICES, LLC

1. IDENTIFICATION

- (a) Name of LNG Tanker:
- (b) Cargo Number:
- (c) Date and time unloading commenced:
- (d) Date and time unloading completed:

2. BASIC DATA

- (a) LNG cargo composition:

Component	Mole Percent
Methane (C ₁)	_____
Ethane (C ₂)	_____
Propane (C ₃)	_____
Iso-butane (iC ₄)	_____
Normal butane (nC ₄)	_____
Pentanes Plus (C ₅ +)	_____

- (b) Impurities:

Hydrogen Sulphide _____ mg/m³(st)Total Sulphur _____ mg/m³(st)

- (c) Volume Unloaded: _____ m³

- (d) Average Temperature of the LNG unloaded: _____ °C

- (e) Average Temperature of the LNG Vapour
in the LNG Tanker after unloading: _____ °C

- (f) Average Absolute Pressure of the LNG
Vapour in the LNG Tanker after unloading: _____ mb

R. G

3. RESULTS

- (a) Wobbe Index: _____ MJ/m³(st)
- (b) LNG Density: _____ kg/m³
- (c) Gross Calorific Value (Volumetric): _____ MJ/m³(st)
- (d) Gross Calorific Value (Mass): _____ MJ/kg
- (e) Quantity of LNG Vapour returned to
the LNG Tanker during unloading: _____ MJ
- (f) Total Quantity of LNG unloaded: _____ MJM
_____ MBtus

By: _____

RQ

**ATTACHMENT H
PROVISIONAL DOCUMENT
SHORT FORM DIRECT AGREEMENT**

LNG SALE AND PURCHASE AGREEMENTS

To: [LNG BUYER]

From: Nigeria LNG Limited and [The Law Debenture Trust Corporation (Channel Islands), Limited]

[DATE]

Dear Sirs,

LNG Sale and Purchase Agreement dated [] between Nigeria LNG Limited (the "Company") and [LNG Buyer] (the "Agreement")

We refer to the above Agreement under which the Company entered into arrangements with you for the sale and purchase of liquefied natural gas. We hereby notify you that, by an assignment dated [], the Company has assigned all of its rights, title, interest and benefit in and to the Agreement, to [The Law Debenture Trust Corporation (Channel Islands), Limited] (the "**Security Trustee**") as agent and trustee for the secured parties from time to time participating in the financing of the Fourth and Fifth Trains constructed, owned and operated by the Company at Bonny Island in the Federal Republic of Nigeria.

By signing and returning the enclosed copy of this letter, you confirm that:

- (a) you consent to the assignment in favour of the Security Trustee referred to above;
- (b) you will give to the Security Trustee written notice of any material breach of the Agreement as soon as reasonably practicable after becoming aware of it;
- (c) if for any reason you intend to terminate your performance of the Agreement, you shall not do so without first notifying the Security Trustee in writing and giving to the Security Trustee not being less than 90 days in which to rectify the relevant event giving rise to the right of termination or otherwise to remedy such event to your reasonable satisfaction;
- (d) on your giving of a notice to the Security Trustee under paragraph (c) above, the Security Trustee is authorised by you to disclose the terms of the Agreement and any confidential information relating to or arising from the Agreement to any proposed transferee or novatee (permanent or temporary) at the Company's

obligations under the Agreement and its advisers provided that such proposed transferee or novatee and its advisers undertake in writing to keep those terms and that information confidential and not to disclose it to any other entity;

- (e) the Security Trustee may (with your consent given in accordance with sub-paragraph (f) below) transfer or novate (on a permanent or temporary basis) the rights and obligations of the Company under the Agreement to an entity (either jointly and severally with the Company or in its place) nominated by the Security Trustee (or, following any such transfer or novation on a temporary basis, to another such entity on a permanent basis) in a written notice served by the Security Trustee on you, as from the date specified therein and you, the Company, the Security Trustee and the transferee shall do all that is reasonably necessary to effect that transfer or novation;
- (f) any consent required under sub-paragraph (e) above shall be given as soon as practicable after your having been reasonably satisfied that:
 - (i) the entity nominated by the Security Trustee (or any guarantor of such entity) in the relevant notice has the financial, technical and legal capacity to perform the obligations to be transferred or novated to that entity;
 - (ii) if you have the right to terminate the Agreement or a breach of the Agreement has otherwise been committed by the Company, the event giving rise to such right to terminate or any other breach of the Agreement by the Company has been remedied and any damages paid in full; and
 - (iii) if the Security Trustee requires the relevant transfer to be on a temporary basis, such transfer is on a joint and several basis with the Company and shall take effect until such time as the Security Trustee notifies you otherwise;
- (g) you will ensure that all moneys payable by you under the Agreement (including, without limitation, all amounts due in respect of sales of LNG (as defined in the Agreement)) will be credited to the account of the Company with [], Account Number [] or such other account as is notified to you in writing by the Security Trustee;
- (h) you have not received any other notice relating to the assignment of the Company's rights and interests under the Agreement;
- (i) you regard the Company as being solely liable to perform all its obligations under the Agreement until the said obligation is transferred or novated to another party pursuant to paragraph (e) above;
- (j) Subject to the terms of this letter, neither the Security Trustee nor any other party to the Company's financing arrangements is or will be under any obligation whatsoever under the Agreement nor will any of them be under any such obligation in the event of failure by the Company to perform its obligations thereunder; and
- (k) the terms of this letter apply notwithstanding Clauses 21 and 23 of the Agreement.

The Company also confirms that you shall have no liabilities or obligations to the Company as a result of acting under the direction of the Security Trustee or any other party to which

any rights, title, benefit and interest in the Agreement may be validly assigned or transferred.

This letter agreement shall be governed by and construed in accordance with English law. The Company is a party to this letter solely for the purpose of giving notice of assignment in the first paragraph and confirms that it has no additional rights against [the Buyer] by virtue of this letter.

Each of the parties to this letter agreement intend that this letter agreement shall take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

Yours faithfully,

.....
For and on behalf of
Nigeria LNG Limited
Authorised Signatory

.....
For and on behalf of
**[The Law Debenture Trust Corporation
(Channel Islands), Limited]**
Authorised Signatory

We hereby acknowledge and agree to the above.

EXECUTED AS A DEED by **[LNG Buyer]**

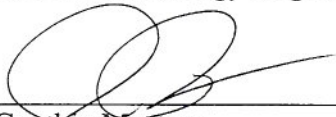
acting by []

and by []

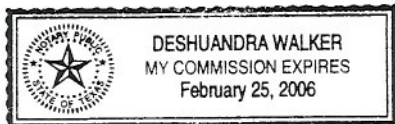
VERIFICATION

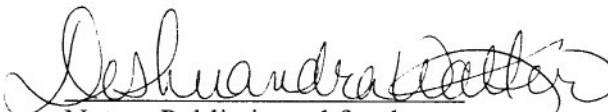
The State of Texas)
)
County of Harris)

Cynthia Masters, declares before me on this date, and says that she is counsel of BG LNG Services, LLC, the applicant in this document; that she is authorized to verify the foregoing document pursuant to 10 C.F.R. § 590.103; that she has examined the statements contained therein and that all such statements are true and correct to the best of her knowledge, information and belief; and that she is the duly authorized representative of BG LNG Services, LLC; and that to the best of her 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.


Cynthia Masters

SUBSCRIBED and SWORN TO before me, a Notary Public, this day: ~~November~~³⁰,
2003. October 31, 2003




Notary Public in and for the
State of Texas

My Commission Expires: 02-25-06

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

RECEIVED
FE DOCKET ROOM

2003 DEC 30 P 4: 16

OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

BG LNG SERVICES, LLC

FE DOCKET NO. 03-76-LNG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS FROM THE
FEDERAL REPUBLIC OF NIGERIA

DOE/FE ORDER NO. 1932

DECEMBER 30, 2003

I. DESCRIPTION OF REQUEST

On November 3, 2003, BG LNG Services, LLC (BGLS) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for authorization to import up to 2,600 TBtus of liquefied natural gas (LNG) over a 20-year term under the BGLS LNG Sales and Purchase Agreement (Agreement) with Nigeria LNG Limited (Nigeria LNG), dated October 13, 2003. The term of the authority is for 20 years tentatively scheduled to begin on July 1, 2005, but not to be later than June 30, 2006. BGLS is a limited liability company under the laws of Delaware, and has its principal place of business in Houston, Texas, and is a wholly-owned subsidiary of the BG Group, Inc. BGLS proposes to import LNG purchased from a liquefaction plant located on Bonny Island in the Federal Republic of Nigeria. The proposed LNG import would enter the United States at the facilities located at Lake Charles, Louisiana, but an alternative delivery point for the LNG might be designated by BGLS.

Under the Agreement, BGLS will pay Nigeria LNG an amount based on the final settlement price for the NYMEX Henry Hub futures contract for the relevant month. Further, BGLS must take or pay for the LNG, but accrues a right to make up LNG paid for but not taken. Because the contract price for the LNG is linked to the market price for natural gas, the LNG supply covered by the Agreement will remain competitive for its duration. The requested authorization does not involve the construction of new LNG receiving facilities.

II. FINDING

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redesignation Order No. 00-002.4 (January 8, 2002).

The application has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of LNG is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by BGLS to import LNG from the Federal Republic of Nigeria meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

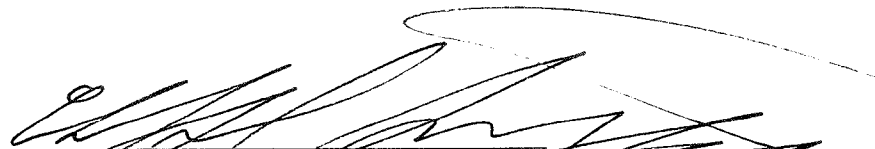
- A. BG LNG Services, LLC (BGLS) is authorized to import up to 2,600 TBtus of liquefied natural gas (LNG) over a 20-year term under the terms of its LNG Sales and Purchase Agreement with Nigeria LNG Limited.
- B. The term of the authority will be for 20 years to begin on July 1, 2005, but not later than June 30, 2006.
- C. BGLS shall notify the Office of Natural Gas & Petroleum Import and Export Activities in writing of the exact date that deliveries begin.
- D. This LNG may be imported at the Lake Charles, Louisiana, facility or any LNG receiving facility in the United States and its territories.
- E. With respect to the LNG imports authorized by this Order, BGLS shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If LNG imports have not been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, the report

must give the details of each transactions: (1) total monthly volumes in thousand cubic feet (Mcf) and million British thermal units (MMBtu); (2) the name of the purchaser(s); (3) the point(s) of entry; (4) the name(s) of the LNG tanker; (5) the geographic market(s) served (by State); (6) the average landed cost per MMBtu at the point of import; (7) the per unit (MMBtu) demand/commodity/reservation/demurrage rate charge breakdown of the contract price; and, if applicable, (8) the monthly volumes in Mcf taken by each of BGLS's customers. [OMB NO.: 1901-0294]

F. The first quarterly report required by this Order is due not later than January 30, 2004, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 2003.

G. The notification and reports required by this Order shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 30, 2003.



Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy