



10-143-LNG

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ORIGINAL



November 1, 2010

Mrs. Larine A. Moore
U.S. Department of Energy
1000 Independence Avenue SW
Room 3E 042 "FE34"
Washington, DC 20585

By: UPS Overnight Delivery

Re: ConocoPhillips Company
Application for Long-Term LNG Import Authorization Permit

Dear Larine:

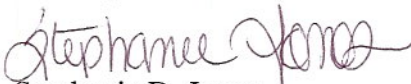
Pursuant to our conversation, please find attached for processing, one original and three (3) copies of the following documents:

1. ConocoPhillips Company's Application for Long-Term LNG Import Authorization Permit;
2. Check No. 00953668 in the sum of Fifty and No/100 Dollars (\$50.00);
3. Exhibit "A" Opinion of Counsel
4. Exhibit "B" Amended & Restated LNG Purchase and Sale Agreement between Qatar Liquefied Gas Company Limited (3) and ConocoPhillips Company
(Confidential Document)

In addition, please be advised that ConocoPhillips Company is expecting to receive an LNG Shipment from Qatar to the States in Mid-December. Therefore, any expedited processing of this application would be greatly appreciated.

Thank you for your assistance in this matter. Should you have any questions, please advise.

Best regards,


Stephanie D. Jones

ORIGINAL

10-143-LNG



CONOCOPHILLIPS COMPANY

APPLICATION FOR

LONG-TERM IMPORT LNG LICENSE

1. State the exact legal name of the company, including the name of the parent company if the applicant is a subsidiary or affiliate.

Applicant Name: ConocoPhillips Company
Parent Name: ConocoPhillips

2. State the name, title, post office address and telephone number of the person(s) to whom correspondence regarding the application should be addressed. Also include the name, address and telephone number of a corporate officer or employee of the applicant to whom inquiries may be directed.

Questions regarding the application should be addressed to the following individuals:

Carolyn S. Hazel
Sr. Counsel
ConocoPhillips Company
600 N. Dairy Ashford, ML-2106
Houston, Texas 7079
(281) 293-2939

Stephanie D. Jones
Sr. Commercial Specialist
ConocoPhillips Company
600 N. Dairy Ashford, ML-2096
Houston, Texas 77079
(281) 293-3689

Julie Unruh
Director, Gas & Power Compliance
600 N. Dairy Ashford, CH-1081G
Houston, Texas 77079
(281) 293-3541

Mike Renfro
Manager, LNG Trading & Origination
600 N. Dairy Ashford, CH-1060C
Houston, Texas 77079
(281) 293-1320

3. Provide a concise statement which describes the proposed import and/or export arrangement, including the associated volume of natural gas expressed in Bcf and the start date.

ConocoPhillips Company (the "Buyer") and Qatar Liquefied Gas Company Limited (3) (the "Seller") have entered into an Amended and Restated LNG Sale and Purchase Agreement dated October 26, 2010, under which Seller will sell and Buyer will purchase LNG. The annual quantity of LNG to be purchased is from zero up to approximately 8 MTPA (million tons per annum), as determined by Seller.

The Golden Pass LNG Terminal located near Sabine Pass, Jefferson County, Texas shall be a Primary Receiving Terminal. The first cargo may be received in the United States as early as in December 2010.

4. For long-term applications, identify the supplier or purchaser of the natural gas to be imported and/or exported, the name of the U.S. transporter(s), the point(s) of entry or exit on the international border, and the geographic market(s) served, and a start date.

Supplier:	Qatar Liquefied Gas Company Limited (3)
Purchaser:	ConocoPhillips Company
Start Date:	The first cargo may arrive as early as December 2010.
US Transporter:	The transporter for delivery of LNG at the United States Boundary will be Qatargas Operating Company Limited. The transporter for passage from the US boundary to the Golden Pass Terminal will be (Confidentiality).
The Point of Entry:	The United States boundary in the vicinity of the Golden Pass LNG Terminal, located on the Sabine-Neches Waterway northwest of the community of Sabine Pass in Jefferson County, Texas, United States.
Geographic Markets Served:	Golden Pass Pipeline connects the Golden Pass Terminal to several interstate and intrastate pipelines in Southeast Texas and Southwest Louisiana, including, Texas Eastern Pipeline, Tennessee Gas Pipeline, Transcontinental Pipeline, NGPL – Port Arthur, Florida Gas Transmission, Kinder Morgan Texas, Kinder Morgan Tejas, HPL/Channel AS Pipeline, enabling service to all the geographical markets served by these pipelines.

5. Also, for long-term applications, describe the major provisions of the gas purchase or sales contract, including base price, volume requirements, take-or-pay obligations, make-up provisions, transportation, reservation fees, and other costs.

Base Price:	Market price based on posted reference prices.
Volume Requirements:	The Annual Contract Quantity for a Contract Year shall be a quantity in MMBtu determined by Seller, and subject to reduction by Seller's deliveries.
Take / Pay Obligations:	<p>The Take-or-Pay Quantity in relation to a Contract Year is the Annual Contract Quantity (as designated by Seller for such Contract Year), less:</p> <p>(a) any quantities of LNG which the Buyer was unable to take by reason of Force Majeure;</p>

(b) any quantities of LNG which the Buyer was unable to take by reason of any failure by the Seller to make such quantities available for delivery;

(c) any quantities of LNG which the Buyer rejected by reason of the LNG being outside the Specification.

If for any reason in any Contract Year the quantities of LNG taken by the Buyer are less than the Take-or-Pay Quantity for that Contract Year (the amount by which the quantity taken falls short of the Take-or-Pay Quantity being the "Annual Quantity Deficiency"), the Buyer shall pay to the Seller, in respect of the quantities not taken, an amount determined as the Annual Quantity Deficiency multiplied by the Average Contract Price for that Contract Year.

Make-Up Obligations:

Where the Buyer has paid for any Annual Quantity Deficiencies in relation to any Contract Year:

the Buyer shall have the right to extend this Agreement by the Make-up Extension Period and (in the Make-up Contract Year but not earlier) to have quantities of LNG ("Make-up Quantities") delivered by way of make-up; provided the Make-up Quantities to which Buyer shall be entitled shall not exceed the maximum amount of LNG which can be delivered in the PSA in the period of six months commencing on the day after the expiry of the last Contract Year of the Contract Supply Period

Transportation:

The Seller shall be responsible for the transportation from the Loading Facility to the Delivery Point, which is the US Boundary in the vicinity of the Golden Pass Terminal, and

the Buyer shall be responsible for the transportation from the Delivery Point to the Receiving Terminal, and the unloading at the Receiving Terminal.

Pursuant to the Buyer's Charter Party:

The Seller shall deliver the LNG Vessel used for transportation of each Cargo to the Buyer at the Delivery Point, and shall accept redelivery of the LNG Vessel from the Buyer at the Redelivery Point;

The Buyer shall accept delivery of the LNG Vessel used for transportation of each Cargo from the Seller at the Delivery Point, and shall redeliver the LNG Vessel to the Seller at the Redelivery Point.

Reservation Fees: None

6. Exhibit "A". Attached is the Opinion of Counsel.

Exhibit "B" Attached is the Amended and Restated LNG Sales and Purchase Agreement.

CONOCOPHILLIPS COMPANY
APPLICATION FOR
LONG-TERM IMPORT LNG LICENSE

EXHIBIT “A”

Opinion of Counsel



Carolyn S. Hazel
Senior Counsel
Commercial Legal Function

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Houston, TX 77210
Phone: (281) 293-2939
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Email: carolyn.s.hazel@conoco.com

October 1, 2010

Mrs. Larine A. Moore
U.S. Department of Energy
1000 Independence Avenue SW
Room 3E 042 "FE34"
Washington, DC 20585

Re: Opinion of Counsel for ConocoPhillips Company
Application for Long-Term Import LNG License Application

Ladies and Gentlemen:

This opinion of counsel is in support of the Application for Long-Term Import LNG License of ConocoPhillips Company ("COP"), pursuant to the application requirements of the Department of Energy at 10 CFR Part 590..

As counsel to COP, I have examined the corporate records of ConocoPhillips Company and the relevant laws of the states of Delaware and Texas, and based thereon, express the following opinion:

(i) Organization of COP. COP is a corporation duly organized, validly existing, and in good standing under the laws of the state of Delaware.

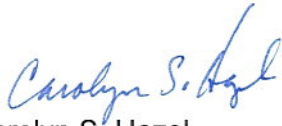
(ii) Authorization of Transactions. COP has full power and authority to engage in the import and sale of liquefied natural gas in the United States and to execute and deliver Amended and Restated LNG Sale and Purchase Agreement with Qatar Liquefied Gas Company Limited (3) ("Agreement"). The Agreement constitutes the valid legally binding acts and obligations of COP, enforceable in accordance with its terms and conditions. Except for the authorization sought through the referenced Application, COP is not required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any person, government or governmental agency in order to consummate the transactions contemplated by the Agreement.

(iii) Noncontravention. Neither the execution and the delivery of the Agreement, nor the consummation of the transactions contemplated thereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which COP is subject or any provision of its charter or bylaws or (B) conflict with, result in a breach of, constitute a default under, result in the

acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which COP is a party or by which it is bound or to which any of its assets is subject.

The opinion expressed herein is for the benefit of and may be relied on only by the Department of Energy, in connection with the Application with which this opinion is submitted, and no other person or entity is entitled to rely on such opinion.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carolyn S. Hazel".

Carolyn S. Hazel

CONOCOPHILLIPS COMPANY

APPLICATION FOR

LONG-TERM IMPORT LNG LICENSE

EXHIBIT “B”

**REDACTED
(PUBLIC VERSION)**

Purchase & Sale Agreement

Execution Version

Amended and Restated LNG Sale and Purchase Agreement

Between

Qatar Liquefied Gas Company Limited (3)

and

ConocoPhillips Company

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THIS AMENDED AND RESTATED LNG SALE AND PURCHASE AGREEMENT is entered into on October 24, 2010.

BETWEEN:

- (1) **Qatar Liquefied Gas Company Limited (3)**, a company organised and existing under the laws of the State of Qatar, whose registered office is situated at PO Box 22666, Doha, State of Qatar (the "**Seller**");

AND

- (2) **ConocoPhillips Company**, a company organised and existing under the laws of the State of Delaware, whose primary office is situated at 600 North Dairy Ashford, Houston, Texas 77079, U.S.A. (the "**Buyer**").

WHEREAS

- (A) The Parties entered into the LNG Sale and Purchase Agreement on 15 December 2005.
- (B) All Conditions Precedent were satisfied prior to the Target Closure Date.
- (C) The Buyer has proposed and the Seller has agreed that the Receiving Terminal known as the Golden Pass LNG Terminal shall be a Primary Receiving Terminal.
- (D) The Seller has arranged for the separate sale of an annual quantity of 119,600,000 MMBtu (equivalent to approximately 2.3 million metric tonnes) out of Seller's Delivery Capability, and accordingly the Parties have agreed that such quantity shall be excluded from sale and purchase under this Agreement.
- (E) The Seller wishes to sell and the Buyer wishes to purchase LNG upon and subject to the terms and conditions set out in this Agreement.
- (F) ConocoPhillips, as the ultimate parent company of the Buyer, furnished a guarantee (substantially in the form of Exhibit A) on 15 December 2005 in favour of the Seller, and ConocoPhillips has confirmed by its acknowledgment below that such guarantee remains in full force and effect in respect of the obligations of the Buyer under this Agreement.
- (G) The Parties are entering into this Agreement as an amendment and restatement of the LNG Sale and Purchase Agreement dated 15 December 2005.

NOW THEREFORE it is agreed as follows:

1 Definitions and interpretation

1.1 Defined terms

Unless the context requires otherwise, the following terms in this Agreement shall have the following meanings:

Additional Annual Quantities has the meaning specified in Clause 7.4.5;

Additional Netback Costs has the meaning specified in Schedule H;

Adverse Weather Conditions means weather and/or sea conditions that are sufficiently severe either:

- (a) to delay or prevent an LNG Vessel (whether before or after reaching the Delivery Point) or another LNG vessel from proceeding to berth, unloading or departing from berth in accordance with the weather standards prescribed in published rules and regulations in effect at the relevant port or Receiving Terminal or by order of the port master or terminal manager; or
- (b) to cause an actual determination by the Master of an LNG Vessel or another LNG vessel that it is unsafe for the LNG Vessel or other LNG vessel to proceed to berth, unload or depart from berth;

Affiliate in relation to a Party means any person which directly or indirectly (i) controls such Party; or (ii) is controlled by such Party; or (iii) is controlled by a person which directly or indirectly controls such Party; where 'control' means the right either to exercise not less than fifty percent (50%) of the voting rights at a general meeting of the relevant person or to appoint not less than one half by number of the directors of such person;

Agreement means this Amended and Restated LNG Sale and Purchase Agreement, including the Schedules, Annexes, and Exhibits thereto, as the same may be amended, modified or supplemented from time to time;

Allowed Buyer's Voyage Time has the meaning specified in Clause 10.5.2;

Alternative Receiving Terminal means an Eligible Receiving Terminal at which a Cargo representing Additional Annual Quantities may be delivered pursuant to Clause 7.4.5 or (as the case may be) a Cargo subject to a Buyer Diversion may be delivered in accordance with Clause 11.1;

Annual Contract Quantity or **ACQ** has the meaning specified in Clause 6.1;

Annual Delivery Programme or **ADP** means the programme of deliveries in relation to a Contract Year established and from time to time modified in accordance with Clause 7;

Annual Quantity Deficiency has the meaning specified in Clause 6.2.2;

Annual Shortfall Quantity has the meaning specified in Clause 19.1.2;

Annual Terminal Shortfall Quantity has the meaning specified in Clause 19.1.2;

Available Delivery Capability has the meaning specified in Clause 7.1.2(b);

Average Contract Price has the meaning specified in Clause 6.2.3 or (as the case may be) 19.1.3;

Base Interest Rate means the sum of (1) the arithmetic mean of the offered rates for 30-day U.S. Dollar deposits which appear on the Reuters Screen LIBO Page (i.e., the display designated as Page "LIBO" on the Reuters Monitor Money Rates Service or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks) at approximately 11:00 A.M. (London time), or, if this rate is not available, then the rate quoted for 30-day U.S. Dollar deposits by J P Morgan Chase Bank, or its successor, at approximately 11:00 A.M. (London time), or, if this rate is not available, then the arithmetic mean (rounded upward, if necessary, to the next higher 1/10,000 of one percent (1%)) of the respective rates quoted for 30-day U.S. Dollar deposits by each bank chosen by each of the Parties at approximately 11:00 A.M. (London time), and (2) one percentage point per annum;

Boundary Line has the meaning specified in Clause 8.1.3;

Btu means British Thermal Unit, being the amount of heat equal to one thousand and fifty five decimal zero five six (1,055.056) Joules;

Business Day means, in relation to a Party which receives a notice or other communication or is required to make a payment pursuant to this Agreement, any day starting at 00:00 hours local time in the country of such Party's primary business office other than (i) for the Seller, Fridays and Saturdays, (ii) for the Buyer, Saturdays and Sundays, and (iii) for either Party, the national holidays of such country and any other day on which the banks in such country are closed for business;

Buyer Diversion means a diversion of one or more Cargoes to an Alternative Receiving Terminal in accordance with Clause 11.1;

Buyer's Charter Party means an agreement between the Parties (substantially in the form of Exhibit B), entered into in relation to each LNG Vessel, as further described in Clause 9.4;

Buyer's Facilities means the facilities provided or to be provided by the Buyer in accordance with Clause 4.2, including all modifications, alterations, replacements and additions thereto;

Buyer's Voyage means, in relation to each shipment of LNG hereunder, the round-trip voyage of the LNG Vessel comprising its passage from the Delivery Point to the Redelivery Point;

Cargo means a cargo of LNG transported by an LNG Vessel loaded at the Loading Facility to its maximum safe capacity (within the operational tolerance established by the LNG Vessel's Master and the operator of the Loading Facility), delivered at the Delivery Point and fully unloaded (except for any heel determined pursuant to Clause 10.4.2) at a Receiving Terminal;

Closure Date has the meaning specified in Clause 2.2.5;

Completion of Unloading means, in respect of a Cargo, the disconnection of the flange coupling of the discharge manifold of an LNG Vessel from the flange coupling on the unloading line at the Receiving Terminal following unloading of the LNG Vessel;

Conditions Precedent means the conditions precedent set out in Schedule A;

Contract Price means the price (in US\$/MMBtu) determined in relation to a Receiving Terminal in accordance with Clause 14;

Contract Supply Period means the period commencing on the Start Date and ending on the Expiry Date;

Contract Year means, subject as provided in Clause 5.3, a period (within the Contract Supply Period) commencing 1 January in any year and ending 31 December in the same year;

Degrees Celsius or °C means the particular interval between the temperature in Kelvin and the temperature of two hundred and seventy-three decimal one five (273.15) Kelvin as defined in ISO 1000:1992(E);

Delivery Point means, in relation to a Receiving Terminal, the Boundary Line or (as the context may require) the point at which the foremost part of the LNG Vessel carrying a particular Cargo crosses the Boundary Line on its final approach to the Receiving Terminal;

Downstream Point(s) of Connection means the point (downstream of the Receiving Terminal) at which the Receiving Terminal is connected to one or more pipelines owned or operated by a person(s) other than the owner or operator of the Receiving Terminal, as specified or determined (in relation to a Primary Receiving Terminal) in accordance with the Terminal Specific Annex or (in relation to an Alternative Receiving Terminal) by the Buyer in accordance with Schedule H;

Effective Date means 15 December 2005;

Effective Arrival Time has the meaning specified in Clause 10.3.3;

Eligible Receiving Terminal

Excluded Quantity means (in relation to a period of twelve (12) calendar months) a quantity of 119,600,000 MMBtu (as referred to in recital D), and (in relation to any lesser period) a pro rata amount;

Expert means a person appointed as expert in accordance with Clause 20.3.1;

Expiry Date means the day preceding the 25th anniversary of the day on which LNG was first loaded to an LNG Vessel at the Loading Facility pursuant to this Agreement;

First Contract Year means the first Contract Year of the Contract Supply Period (as determined in accordance with Clause 5.3);

Force Majeure has the meaning specified in Clause 18.1;

Fuel Netback Component has the meaning specified in Schedule H;

Gas Supply Area means the area within the State of Qatar, from which the Seller is entitled (as described in Clause 3.2) to produce Natural Gas for processing in Seller's Facilities;

Golden Pass Terminal means the Receiving Terminal known as the Golden Pass LNG Terminal referred to in recital C and more specifically described in Annex H-2;

Governmental Authority means, in respect of any country, any national, regional, state, municipal, local or other government, any subdivision, agency, commission or authority thereof, including any port authority, or any quasi-governmental organisation therein acting within its legal authority;

Gross Heating Value means the quantity of heat in Megajoules produced by the complete combustion in excess air of one (1) Normal Cubic Metre of Natural Gas at fifteen (15) Degrees Celsius and an absolute pressure of one decimal zero one three two five (1.01325) bar, with the air at the same temperature and pressure as the Natural Gas, when the products of combustion are cooled to fifteen (15) Degrees Celsius and then the water formed by combustion is condensed to the liquid state and the products of combustion contain the same total mass of water vapour as the Natural Gas and air before combustion;

Guarantee means the guarantee given by the Guarantor in favour of the Seller referred to in recital F;

Guarantor means ConocoPhillips, a corporation organised and existing under the laws of the State of Delaware;

Initial Annual Quantity or IAQ means in relation to a Contract Year the quantity (in MMBtu) of LNG comprising the Available Delivery Capability for that Contract Year as determined (disregarding Scheduled Maintenance Quantity, as provided in Clause 7.1.3(g)) at the time that the Annual Delivery Programme is first established under Clause 7.3.5;

Inward Passage Duration has the meaning specified in Clause 10.5.1;

Joule has the same meaning as the derived "SI unit of quantity of heat J" as defined in "ISO 1000 SI units and recommendations for the use of their multiples and of certain other units"; and "Megajoule" or "MJ" means one million (1,000,000) Joules;

LNG means processed Natural Gas in a liquid state, at or below its boiling point and at a pressure of approximately 1 atmosphere;

LNG Vessel means an LNG vessel provided or to be provided by Seller for the transportation of LNG in accordance with this Agreement; and in the context of a particular delivery of LNG a

reference to an LNG Vessel is to the LNG Vessel by which such LNG is to be transported;

Loading Facility means the facilities for the loading of LNG vessels which form part of the Seller's Facilities;

Make-up Contract Year has the meaning specified in Clause 5.3.3(a);

Make-up Extension Period has the meaning specified in Clause 6.3.2;

Make-up Quantities has the meaning specified in Clause 6.3.1;

MMBtu means one million (1,000,000) Btu;

Natural Gas means any hydrocarbon or mixture of hydrocarbons consisting essentially of methane, other hydrocarbons and non-combustible gases in a gaseous state and which is extracted from the subsurface of the earth in its natural state, separately or together with liquid hydrocarbons;

Netback Cost Components has the meaning specified in Schedule H;

Netback Details means netback details required (in relation to a Receiving Terminal or Pipeline) for the purposes of Schedule H or Clause 14;

Non-delivered Quantity Amount has the meaning specified in Schedule H;

Normal Cubic Metre or Nm^3 means the quantity of Natural Gas which at zero (0) Degrees Celsius and at an absolute pressure of one decimal zero one three two five (1.01325) bar and free of water vapour occupies the volume of one (1) cubic metre;

Party means either the Buyer or the Seller as appropriate and **Parties** means both of them;

Pipeline (or **associated Pipeline**) means, in relation to a Receiving Terminal, a gas pipeline (downstream of the Downstream Point of Connection) specified in the Terminal Specific Annex or (as the case may be) Alternative Receiving Terminal Details (as defined in Schedule H);

Pipeline Base Annual Capacity has the meaning specified in Schedule H;

Port Charges means port charges and dues payable by or in respect of an LNG Vessel to the port authority or any other Governmental Authority at an Unloading Port or (in respect of any marine requirement applicable to the Receiving Terminal as provided in Clause 10.1.1(b)) the owner or operator of the Receiving Terminal (including any such charges or dues payable in order to obtain any such approval, permit or authorisation within Clause 10.1.2(b));

Primary Receiving Terminal(s) means the LNG receiving terminal(s) (being Eligible Receiving Terminal(s)) comprising the facilities provided or to be provided by the Buyer in accordance with Clause 4.2.1, as from time to time determined pursuant to Schedule H;

Provisional Additional Netback Costs has the meaning specified in Schedule H;

Quantity Delivered means, in relation to each Cargo, the quantity (in MMBtu) of LNG unloaded from the LNG Vessel, determined in accordance with Clause 13, subject to Clause 8.3.4;

Reasonable and Prudent Operator means a person seeking, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator complying with applicable law engaged in the same type of undertaking in the same or similar circumstances and conditions.

References to the **Standard of a Reasonable and Prudent Operator** shall be construed accordingly;

Receiving Terminal means a Primary Receiving Terminal, or (in relation to a Cargo representing Additional Annual Quantities or which is subject to a Buyer Diversion pursuant to Clause 11.1) an Alternative Receiving Terminal (owned or operated by the Buyer or to which the Buyer has appropriate rights of access); and in the context of a particular Cargo of LNG a reference to a Receiving Terminal is to the Receiving Terminal at which such Cargo is to be unloaded;

Redelivery Point means, in relation to a Receiving Terminal, the Boundary Line or (as the context may require) the point at which the aftermost part of an LNG Vessel which carried a particular Cargo, having passed the Delivery Point, first re-crosses the Boundary Line after departing the territorial seas of the United States;

Replacement Gas Costs has the meaning specified in Schedule G;

Right of Audit means a right of the Seller to have any matter examined and verified in accordance with Clause 15.10.2;

Rounding Quantity has the meaning specified in Clause 7.8;

Scheduled Arrival Window means the scheduled two day period for arrival of an LNG Vessel at the Delivery Point specified in the Annual Delivery Programme;

Scheduled Maintenance means maintenance, inspection and/or drydocking (as applicable) of the Seller's Facilities, the Buyer's Facilities and the LNG Vessels which is scheduled in advance of the Contract Year in which it is carried out;

Scheduled Maintenance Quantity has the meaning specified in Clause 7.2.6;

Seller Diversion means a diversion of one or more Cargoes from being delivered to the Buyer under this Agreement in accordance with Clause 11.2;

Seller's Delivery Capability has the meaning specified in Clause 7.1.2(a);

Seller's Facilities means:

- (a) the facilities provided or to be provided by the Seller in accordance with Clause 4.1.1; and
- (b) all modifications, alterations, replacements and additions to any facilities within paragraph (a)

in each case whether such facilities are owned or operated by the Seller or another person and whether or not the use of such facilities is shared by the Seller with another person, and irrespective of the amount of the LNG produced from such facilities which is available (as described in Clause 4.1.2) to the Seller or sold to the Buyer;

Seller's Long Term Customers means the Seller's customers for LNG under LNG sale contracts which initially provide for sales of LNG for a term of not less than fifteen (15) years;

Specification means the specification of LNG set out in Schedule C;

Standard Cargo Content in relation to an LNG Vessel means the quantity (in MMBtu) for the time being determined in accordance with Clause 7.7;

Standard Cubic Foot or **scf** means, when applied to Natural Gas, the quantity of gas, free of water vapour, occupying a volume of one (1) cubic foot at a temperature of sixty (60) degrees

Fahrenheit and at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch;

Start Date means the date established as such in accordance with Clause 5.2.3;

Supply Period means the Contract Supply Period and (for the purposes of the supply of Make-up Quantities) the Make-up Extension Period, if any;

Take-or-Pay Quantity has the meaning specified in Clause 6.2.1;

Target Closure Date means 31 December 2006, or such other date as the Parties may mutually agree;

Taxes has the meaning specified in Clause 16.5.1;

Term means the period for which (in accordance with Clause 2.1) this Agreement is to be in force;

Terminal Base Annual Capacity has the meaning specified in Schedule H;

Terminal Delivery Proportion means, in relation to a Primary Receiving Terminal, the proportion established in accordance with the relevant TSA (being the proportion of the annual quantities of LNG under this Agreement to be scheduled for delivery to that Primary Receiving Terminal in each Contract Year);

Terminal Specific Annex or TSA means an Annex to Schedule H of this Agreement setting out details relating to a particular Primary Receiving Terminal as provided for in Schedule H;

Third Party means any person other than a Party;

Train 6 means the liquefaction train referred to in Clause 4.1.1(a)(i), or (if the Seller elects two such trains pursuant to that Clause) the Train which is planned to commence commercial operation sooner; and (if the Seller so elects) **Train 7** means the Train which is planned to commence commercial operation later;

Transporter means the owner and/or operator of an LNG Vessel;

United States Dollar, U.S. Dollar or US\$ means the lawful currency of the United States of America;

Unloading Point means the point at which the flange coupling of the unloading line at the Receiving Terminal joins the flange coupling of the discharge manifold of an LNG Vessel;

Unloading Port means the port at which a Receiving Terminal is located;

Wholly Owned Affiliate means:

- (a) in relation to the Buyer: (i) ConocoPhillips, the ultimate parent corporation of the Buyer; and (ii) any person (not being a natural person) in which the Buyer or the ultimate parent corporation of the Buyer now or hereafter owns or controls, directly or indirectly, 100% of the shareholding entitled to vote in the election of directors or, if there is no such shareholding, 100% of the equity of such person; and
- (b) in relation to the Seller: (i) any shareholder of the Seller; (ii) the ultimate parent corporation of each shareholder of the Seller; and (iii) any person (not being a natural person) in which the Seller, a shareholder of the Seller or the ultimate parent corporation of a shareholder of the Seller now or hereafter owns or controls, directly or indirectly, 100% of the shareholding entitled to vote in the election of directors or, if there is no such shareholding, 100% of the equity of such person;

Wilful Misconduct means an intentional and conscious or reckless disregard, on the part of any senior management personnel, of any provision of this Agreement, but shall not include any error of judgement or mistake made in good faith. For the purposes of this definition, **senior management personnel** means (i) the chief executive officer (or person holding an equivalent office), and (ii) each executive reporting directly to the chief executive officer (or person holding an equivalent office);

Wobbe Index means Gross Heating Value divided by the square root of Relative Density, where Relative Density is the mass of a volume of the Natural Gas divided by the mass of an equal volume of dry standard air, both gases being at the same standard conditions of temperature and pressure.

1.2 Interpretation

1.2.1 In this Agreement unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice-versa;
- (b) a reference to a person includes any natural person, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof;
- (c) references to Clauses, Sections, Schedules, Annexes, Exhibits and paragraphs are to Clauses, Sections, Schedules, Annexes, Exhibits and paragraphs of this Agreement;
- (d) references to times of day are to local time at the Unloading Port;
- (e) references to dates are to dates in the Gregorian calendar;
- (f) references to days are to calendar days (unless 'Business Day' is specified);
- (g) in any reference to a period of days or Business Days after a given day (day 'D'), the first day or (as the case may be) Business Day of the period is the day following day 'D';
- (h) "including", "include" or "includes" means "including without limitation";
- (i) references to the delivery of LNG or a Cargo to or at a Receiving Terminal are to the delivery of the LNG or the Cargo at the Delivery Point relating to that Receiving Terminal;
- (j) references to the arrival of an LNG Vessel at the Delivery Point are to the foremost part of the LNG Vessel crossing the Boundary Line on the final approach to the Receiving Terminal;
- (k) references to Schedule H include (in relation to a Primary Receiving Terminal) the applicable TSA; and
- (l) references to the date of this Agreement are to the date of amendment and restatement of this Agreement.

1.2.2 The index and headings to Clauses, Sections, Schedules, Annexes, Exhibits and paragraphs are inserted for convenience of reference only and shall not affect the construction of this Agreement.

2 Conditions precedent and duration of agreement

2.1 Duration

2.1.1 Subject to Clauses 2.2 and 2.3, this Agreement shall be effective on the Effective Date, and (unless terminated sooner by either Party in accordance with its terms) shall remain in full force until the expiry of the Supply Period, and for so long thereafter as is necessary for:

- (a) the delivery (in accordance with this Agreement) to the Buyer of all quantities of LNG scheduled for delivery in the Annual Delivery Programme prevailing at the end of the Supply Period; and
- (b) payment by the Buyer in respect of such quantities, and the settlement of any other obligations that may accrue and be outstanding between the Parties under this Agreement in accordance with the terms and conditions of this Agreement.

2.2 Conditions precedent

2.2.1 Except for the rights and obligations referred to in Clause 2.2.7, the rights and obligations of the Parties under this Agreement shall be suspended until and unless each of the Conditions Precedent has been satisfied or waived by the Seller.

2.2.2 The Seller shall:

- (a) use reasonable endeavours to procure the satisfaction of the Conditions Precedent no later than the Target Closure Date;
- (b) keep the Buyer reasonably informed as to the arrangements being made for, and progress towards, satisfaction of such Conditions Precedent;
- (c) forthwith notify the Buyer upon satisfaction of any of the Conditions Precedent.

2.2.3 Any of the Conditions Precedent may be waived by the Seller by notice in writing to the Buyer.

2.2.4 If any of the Conditions Precedent has not been satisfied or waived by the Target Closure Date:

- (a) the Seller may, at any time after the Target Closure Date at which such Condition(s) Precedent remain unsatisfied, give notice to the Buyer either of the waiver of such Condition(s) Precedent in accordance with Clause 2.2.3, or of the termination of this Agreement with immediate effect;
- (b) at any time (but not earlier than thirty (30) days after the Target Closure Date) at which (i) the Seller has not for the time being given such notice and (ii) such Condition(s) Precedent remain unsatisfied, the Buyer may give notice to the Seller of the termination of this Agreement, subject to paragraph (c);
- (c) if the Buyer gives such termination notice, the Seller may, within thirty (30) days after receipt of such notice from the Buyer, give notice to the Buyer that the Seller waives the outstanding Condition(s) Precedent or that the outstanding Condition(s) Precedent have been satisfied, in which case the Buyer's notice shall be of no effect;
- (d) if the Seller or the Buyer gives notice (in accordance with the foregoing) of the termination of this Agreement (and in the case of a notice given by the Buyer such notice does not become ineffective pursuant to paragraph (c)), this Agreement shall terminate, without liability of either Party (other than in respect of a prior breach):
 - (i) in the case of notice given by the Seller, with immediate effect;

- (ii) in the case of notice given by the Buyer, with effect thirty (30) days after the receipt by the Seller of such notice.

2.2.5 The Closure Date shall be the date upon which the last of the Conditions Precedent has been satisfied or waived.

2.2.6 Except as provided in Clause 2.2.7, all rights and obligations of the Parties under this Agreement shall be effective on the Closure Date.

2.2.7 The rights and obligations of the Parties under the following provisions of this Agreement shall come into full force upon the Effective Date: this Clause 2 and Clauses 19.2, 20 and 23 and Schedule A.

2.3 Expiry or Termination

2.3.1 The provisions of Clauses 20 and 23.2 shall survive the expiry or termination for any reason of this Agreement.

2.3.2 The expiry or termination for any reason of this Agreement shall be without prejudice to the rights and remedies of the Parties accrued prior to such expiry or termination.

3 Scope and general

3.1 Sale and purchase

3.1.1 The Seller agrees to sell and deliver, and the Buyer agrees to purchase, take and pay for, or pay for if not taken, LNG in the quantities and at the prices and in accordance with the other terms and conditions set out in this Agreement.

3.1.2 LNG shall be delivered in Cargoes.

3.1.3 In accordance with the further provisions of this Agreement:

- (a) delivery of LNG shall take place (and title and risk shall pass from the Seller to the Buyer) at the Delivery Point;
- (b) the Seller shall be responsible for loading LNG at the Loading Facility and transportation of LNG from the Loading Facility to the Delivery Point;
- (c) the Buyer shall be responsible for transportation of LNG from the Delivery Point to and unloading LNG at the Receiving Terminal.

3.1.4

3.1.5

3.2 Source of gas

3.2.1 The Seller represents that it is, and throughout the Supply Period will be, entitled to produce Natural Gas from an area within the State of Qatar, for processing in Seller's Facilities, in the quantities provided in and received under the Development and Fiscal Agreement dated 13 December 2005 among the Seller, Qatar Petroleum, QP Qatargas 3 Limited, ConocoPhillips Qatar Ltd. and the Government of the State of Qatar (and any other parties to such agreement), as from time to time amended.

3.2.2 The Natural Gas to be processed into LNG and sold hereunder shall (subject to Clause 22) be produced from the Gas Supply Area and handled in Seller's Facilities.

3.3 Agreed Terminal Locations

- 3.3.1 The identity and location of each Primary Receiving Terminal and the Terminal Delivery Proportion therefor shall be as set forth in or determined pursuant to the relevant TSA.

4 Provision of facilities

4.1 Seller obligations

- 4.1.1 The Seller shall construct, provide, maintain and operate or cause to be constructed, provided, maintained and operated, in good working order:

- (a) facilities at Ras Laffan, Qatar, comprising:

- (i) one or (if the Seller so elects) two Natural Gas liquefaction trains, each having a nameplate design capacity equivalent to approximately 7.78 million metric tonnes of LNG per annum;
- (ii) facilities for receipt, treatment and processing of Natural Gas, storage and loading of LNG, and LNG vessel berthing; and
- (iii) facilities ancillary to the facilities in paragraphs (i) and (ii); and

- (b) facilities (including wells, production platforms and pipelines) for producing Natural Gas from reservoirs in the Gas Supply Area and for gathering, treating, processing, compressing and transporting such Natural Gas for delivery to the said facilities at Ras Laffan,

of appropriate design and sufficient capacity (consistent with the nameplate design capacity referred to in paragraph (a)(i) and with Clause 4.1.2) to enable the safe and reliable performance by the Seller of its obligations under this Agreement.

4.1.2

- (a)
- (b)

4.1.3

- (a)
- (b)

- 4.1.4 The Seller shall be responsible for the procurement and provision (in accordance with Clause 9) of the LNG Vessels for the transportation of LNG pursuant to this Agreement.

4.2 Buyer obligations

- 4.2.1 The Buyer shall construct, provide, maintain and operate or cause to be constructed, provided, maintained and operated, in good working order, at the location of each Primary Receiving Terminal, LNG receiving facilities of appropriate design and sufficient capacity in aggregate to enable the safe and reliable performance by the Buyer of its obligations under this Agreement.

- 4.2.2 The receiving facilities to be provided pursuant to Clause 4.2.1, and the receiving facilities to be provided by the Buyer at an Alternative Receiving Terminal, shall comprise:

- (a) marine facilities for the safe passage to and from berth of LNG Vessels (provided such vessels comply with the requirements provided in Schedule B), facilities for berthing

and unloading such LNG Vessels, LNG storage facilities, LNG regasification facilities, and ancillary facilities; and

- (b) gas pipeline(s) from the facilities described in paragraph (a) to the Downstream Point(s) of Connection.

Such facilities may also include gas processing, gas storage and other facilities (as described in the Terminal Specific Annex or, in the case of an Alternative Receiving Terminal, specified by the Buyer in accordance with Schedule H).

- 4.2.3 The Buyer shall oblige the operator of each Primary Receiving Terminal to obtain and maintain insurance, with respect to the receiving facilities to be provided pursuant to Clause 4.2.1, against such risks and at such levels as a Reasonable and Prudent Operator of a comparable receiving and regasification terminal would obtain and maintain, to the extent such insurance is available on commercially reasonable terms and cost.

4.3 Standards, compatibility and coordination

- 4.3.1 The Buyer's Facilities and the LNG Vessels shall be designed, constructed, equipped, operated and maintained consistent with internationally recognised industry standards and practices current at the relevant time, including those (as applicable) established by the International Maritime Organisation (IMO), the Oil Companies International Marine Forum (OCIMF) and the Society of International Gas Tanker and Terminal Operators (SIGTTO), or any successor body of any of the foregoing.
- 4.3.2 The Buyer shall, prior to the commencement of deliveries of LNG (pursuant to this Agreement) at any Primary Receiving Terminal, ensure that such Primary Receiving Terminal is compatible with the LNG Vessels (subject to the LNG Vessels complying with the requirements in Clause 4.3.1 and Schedule B) such that they are capable of mutual operations conforming to the requirements of this Agreement. With effect from the commencement of deliveries of LNG (pursuant to this Agreement) at a Primary Receiving Terminal, responsibility for the compatibility of that terminal and the LNG Vessels shall be governed by Clauses 9.3.2 and 9.3.3.
- 4.3.3 The Seller shall provide to the Buyer such information concerning the design and construction of the LNG Vessels as the Buyer may from time to time reasonably request to enable the Buyer to comply with Clause 4.3.2.

5 Commencement of deliveries

5.1 Information exchange

- 5.1.1 After the Closure Date and until the Start Date, the Seller and the Buyer shall meet at periodic intervals (or as requested by either Party) to exchange information relating to and discuss progress in the construction, commissioning and/or testing of the Seller's Facilities and the Primary Receiving Terminal(s) and in the procurement of the LNG Vessels.
- 5.1.2 Clause 5.1.1 is without prejudice to the Parties' respective rights and obligations under this Agreement in relation to the loading, transportation, delivery, receipt and unloading of LNG.

5.2 Start Date

5.2.1

(a)

(b)

5.2.2

5.2.3

5.2.4

5.3 First and last Contract Years

5.3.1 For the purposes of this Agreement:

- (a) the First Contract Year shall commence on the expiry of the applicable voyage time after the Start Date and end on the next following 31 December;
- (b) the last Contract Year of the Contract Supply Period shall (notwithstanding such end-date falls outside the Contract Supply Period) end on the expiry of the applicable voyage time after the Expiry Date and commence on the preceding 1 January.

5.3.2 The Expiry Date represents the last day on which quantities may be loaded to an LNG Vessel for sale under this Agreement (other than in the Make-up Extension Period). Any Cargo which is not completely loaded to an LNG Vessel at the Loading Facility by 2400 hours (Qatar time) on the Expiry Date (other than in the Make-up Extension Period) shall not be sold to the Buyer. Seller's Delivery Capability in the last Contract Year of the Contract Supply Period shall be determined accordingly.

5.3.3 If there is a Make-up Extension Period:

- (a) the **Make-up Contract Year** shall be the period commencing on the expiry of the last Contract Year of the Contract Supply Period and ending on the expiry of the applicable voyage time after the end of the Make-up Extension Period;
- (b) the Make-up Contract Year shall be considered to be a Contract Year for the purposes of the supply of Make-up Quantities pursuant to Clause 6.3.

5.3.4 In this Clause 5.3 and Clause 7.3.8(c), the applicable voyage time is the duration of the relevant voyage of an LNG Vessel from the Loading Facility to the relevant Receiving Terminal.

6 Quantities and take-or-pay

6.1 Quantities

6.1.1

6.1.2 In each Contract Year the Seller shall sell and deliver and the Buyer shall purchase, take and pay for, or (in accordance with, and as reduced as provided in, Clause 6.2) pay for if not taken, the Annual Contract Quantity.

6.1.3 In determining the quantities of LNG delivered by the Seller and taken by the Buyer in any Contract Year, any Cargo which was scheduled in the Annual Delivery Programme for delivery for that Contract Year and was delivered and taken during the first seven (7) days immediately following the end of such Contract Year shall be treated as delivered and taken in such Contract Year.

6.1.4 With a view to enabling the Parties to plan their respective operations under this Agreement, not less frequently than once every twelve (12) months during the Term:

- (a) the Seller shall provide to the Buyer the Seller's estimate, for each of the next three (3) Contract Years, of Seller's Delivery Capability;

- (b) the Parties shall meet to exchange other relevant forecast information (relating to such three (3) Contract Years) as to the likely amount of the Annual Contract Quantity for each of such Contract Years.

Such information shall be provided in good faith, but neither Party shall be bound by, or entitled to rely on, or have any claim against the other on the basis of, the Seller's estimate provided under paragraph (a) or any information exchanged under paragraph (b).

6.2 Take-or-Pay

6.2.1

- (a)
- (b)
- (c)

6.2.2

6.2.3

6.2.4

- (a)
- (b)
 - (i)
 - (ii)

6.3 Make-up

6.3.1 Where under Clause 6.2 the Buyer has paid for any Annual Quantity Deficiencies in relation to any Contract Year:

- (a) the Buyer shall have the right to extend this Agreement by the Make-up Extension Period and (in the Make-up Contract Year but not earlier) to have quantities of LNG ("**Make-up Quantities**") delivered by way of make-up in respect of the aggregate amount of such Annual Quantity Deficiencies subject to and in accordance with this Clause 6.3;
- (b) the Buyer may exercise such right only by giving notice to that effect to the Seller, specifying the amount of the Make-up Quantities, subject to Clause 6.3.2, such notice to be given not later than 120 days before 1 January in the last Contract Year of the Contract Supply Period; provided that the Buyer may, not later than 15 days after the expiry of such Contract Year, amend such notice to take account of any Annual Quantity Deficiencies which accrued after the notice was initially given.

6.3.2

- (a)
 - (i)
 - (ii)

(b)

(i)

(ii)

6.3.3 The Make-up Quantities shall be programmed for delivery and delivered during the Make-up Contract Year on the basis and at the rate of the Seller's Delivery Capability for each month of the Make-up Contract Year.

6.3.4 The Make-up Contract Year shall be considered to be a Contract Year for the purposes of the supply of Make-up Quantities; and Make-up Quantities shall be programmed for delivery in an Annual Delivery Programme (prepared in accordance with Clause 7) for such period and shall be delivered and taken in accordance with the provisions of this Agreement, subject to Clause 6.3.5.

6.3.5

6.3.6

(a)

(b)

6.3.7 If any Make-up Quantities are not taken by the Buyer (other than as a result of the inability of the Buyer to take the quantities by reason of Force Majeure, the rejection by the Buyer of such quantities pursuant to Clause 12.2.1(a) or the failure of the Seller to make such quantities available for delivery to the Buyer), the right of the Buyer to receive such Make-up Quantities shall lapse.

6.3.8 For the avoidance of doubt, no Make-up Quantities shall be delivered after the expiry of the Make-up Contract Year (subject to Clause 6.1.3).

7 Annual programme

7.1 General

7.1.1 The quantities comprised in the components of the formula (for determining ACQ) in Clause 6.1.1, and the initial and rolling annual programme for delivery of quantities of LNG hereunder, shall be determined in accordance with this Clause 7.

7.1.2 For the purposes of this Agreement, in relation to any period, subject to Clause 7.1.3:

(a) the **Seller's Delivery Capability** is the total quantity (expressed in MMBtu of LNG unloaded at the Unloading Point) of LNG which the Seller, acting as a Reasonable and Prudent Operator, determines (at the relevant time) can be:

- (i) produced using Natural Gas from the Gas Supply Area, stored and loaded to LNG vessels, by the Seller's Facilities for the Seller's benefit, and
- (ii) transported to and unloaded at Receiving Terminal(s) by the LNG Vessels in that period;

(b) the **Available Delivery Capability** is the Seller's Delivery Capability, less the sum of:

- (i) the Excluded Quantity, and

- (ii) the quantities of LNG subject to a Seller Diversion which was agreed before the Annual Delivery Programme for the applicable Contract Year is initially established pursuant to Clause 7.3.

7.1.3

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
 - (i)
 - (ii)
- (h)

7.1.4

7.1.5

7.2 Maintenance Programming

- (a)
- (b)

7.2.2

7.2.3

- (a)
- (b)

7.2.4

7.2.5

- (a)
- (b)

7.2.6

7.2.7

7.2.8

(a)

(b)

7.3 Programming

7.3.1 Not used.

7.3.2

(a)

(b)

(c)

(d)

(e)

(f)

7.3.3

(a)

(b)

7.3.4

7.3.5

7.3.6

(a)

(b)

(c)

(d)

7.3.7

(a)

(b)

(c)

(i)

(ii)

(iii)

(iv)

(v)

(vi)

7.3.8

(a)

(b)

(c)

7.3.9

7.4 Additional Annual Quantities

7.4.1

(a)

(b)

(c)

7.4.2

7.4.3

(a)

(b)

(c)

(i)

(ii)

(aa)

(bb)

7.4.4

7.4.5

7.4.6

7.5 Not used

7.6 Adjustments to ADP

7.6.1

(a)

(b)

(c)

7.6.2

7.6.3

(a)

(b)

(c)

(d)

7.6.4

7.6.5

7.6.6

7.6.7

7.7 Standard Cargo Content

7.7.1

(a)

(b)

7.7.2

7.7.3

7.8 Rounding Quantity

7.8.1

7.8.2

(a)

(b)

(c)

(d)

7.9 Further provisions in relation to Primary Receiving Terminals

7.9.1

7.9.2

(a)

(b)

8 Transportation and delivery of LNG

8.1 General

8.1.1 In accordance with the further provisions of this Clause 8 and Clause 10:

- (a) the Seller shall be responsible for the transportation from the Loading Facility to the Delivery Point, and the delivery at the Delivery Point, and
- (b) the Buyer shall be responsible for the transportation from the Delivery Point to the Receiving Terminal, and the unloading at the Receiving Terminal,

of all quantities of LNG sold and purchased under this Agreement.

8.1.2

- (a)
- (b)

8.1.3 For the purposes of this Agreement, in relation to a Receiving Terminal:

- (a) subject to paragraphs (b) and (c), the **Boundary Line** is a line segment (or line segments) in the vicinity of the Receiving Terminal:
 - (i) lying entirely outside United States territorial seas, defined by reference to two or more points (each identified by a latitude and longitude reference), and
 - (ii) specified in the Terminal Specific Annex or (in the case of an Alternative Receiving Terminal) specified by the Buyer in accordance with Schedule H;
- (b) the Boundary Line shall be treated as continuing indefinitely beyond each of the outermost points which define the Boundary Line as described in paragraph (a), at the same distance from the boundary of United States territorial seas as each such point;
- (c) if there is any change under the laws of the United States in the definition of territorial seas:
 - (i) the Boundary Line shall automatically be shifted so that the point on such revised line which is nearest to the new boundary of United States territorial seas lies outside and at the same distance from the boundary of United States territorial seas as the equivalent point on the former Boundary Line lay from the former boundary;
 - (ii) the Parties shall as soon as practicable amend the Terminal Specific Annex for each Primary Receiving Terminal accordingly.

8.2 Delivery, risk and title

- 8.2.1 LNG shall be delivered to the Buyer, and title to and risk in LNG shall pass from the Seller to the Buyer, at the Delivery Point (that is, at the time at which the foremost part of the LNG Vessel crosses or last crosses the Boundary Line on its final approach to the Receiving Terminal).
- 8.2.2 Delivery of the LNG comprising each Cargo shall take place automatically upon arrival of the LNG Vessel at the Delivery Point, without the need for any particular action or communication on the part of either Party.
- 8.2.3 The Buyer's obligation to pay for LNG sold and purchased under this Agreement shall arise upon delivery of the LNG at the Delivery Point.

8.3 Quantities of LNG delivered

- 8.3.1 Pursuant to Clause 8.2, title to and risk in the entire quantity of LNG aboard an LNG Vessel shall pass to the Buyer at the Delivery Point, subject to Clause 7.7.3.

8.3.2 Subject to Clause 8.3.4, the quantity of LNG treated as delivered to the Buyer in respect of each Cargo, for which the Buyer is liable to pay, shall be the quantity of LNG unloaded at the Receiving Terminal (determined in accordance with Clause 13), but without prejudice to Clause 10.6.

8.3.3

8.3.4

8.4 Buyer notice not to take LNG

8.4.1 If for any reason the Buyer gives notice to the Seller that the Buyer either will not take delivery of or will not unload the LNG comprising a Cargo which is scheduled for delivery in the Annual Delivery Programme (including a notice of rejection under Clause 12.2.1(a)):

(a) if such notice is received by the Seller before the LNG Vessel arrives at the Delivery Point, the Seller shall not deliver such LNG to the Buyer, or deliver the LNG Vessel under the Buyer's Charter Party, and the Buyer shall not take delivery of the LNG Vessel under the Buyer's Charter Party;

(b) if such notice is received by the Seller after the LNG Vessel arrives at the Delivery Point, such LNG shall be redelivered to the Seller in accordance with Clause 8.5.

8.4.2 Clause 8.4.1, and any notice given by the Buyer under that Clause, are without prejudice to the rights of the Seller under Clause 6.2 and the determination of any Annual Quantity Deficiency, the rights of the Buyer under Clauses 12.2 and 19.1 and the determination of any Annual Shortfall Quantity, or to the question whether the Buyer was unable to take delivery of the relevant quantities of LNG as a result of Force Majeure.

8.5 Redelivery of LNG

8.5.1

8.5.2

(a)

(b)

(c)

(d)

8.5.3

8.5.4

8.6 Insurance

8.6.1 Subject to Clause 8.6.3, the insurance (if any) of each Cargo of LNG shall be a matter for the Seller until the LNG Vessel passes the Delivery Point (and in a case within Clause 8.5 after the LNG Vessel passes the Redelivery Point), and for the Buyer after the LNG Vessel passes the Delivery Point (and in a case within Clause 8.5 until the LNG Vessel passes the Redelivery Point).

8.6.2 Each Party shall be named as co-insured in any policy of insurance arranged by the other Party in respect of any Cargo of LNG.

- 8.6.3 If the Parties so agree, the Seller will arrange insurance of each Cargo on behalf of itself and the Buyer, in such amount and in respect of such risks and at such premium as shall be so agreed.

8.7 Indemnities

8.7.1

8.7.2

8.7.3

9 Provision of LNG vessels

9.1 Seller's responsibility

- 9.1.1 The Seller shall be responsible (but without prejudice to the Parties' respective responsibilities under Clauses 8 and 10) for the procurement and provision (including for the purposes of Buyer's Charter Party) of LNG Vessels for the transportation from the Loading Facility to the Receiving Terminal of all quantities of LNG sold and purchased under this Agreement.

- 9.1.2 The Seller may determine in its discretion (subject as follows) the number and LNG tank capacities of the LNG vessels to be used by it initially under this Agreement. By no later than one (1) year prior to the Start Date the Seller shall make and notify to the Buyer such determination. Such determination shall be made such that:

- (a) the LNG vessels shall be capable (after taking account of their expected dry-docking and inspection requirements) of transporting from the Loading Facility to the Primary Receiving Terminals and unloading quantities of LNG approximately equivalent to the production of a train of the nameplate design capacity referred to in Clause 4.1.1(a)(i) less the Excluded Quantity, provided that the number of LNG vessels shall be rounded down to a whole number of LNG vessels;
- (b) the majority of such LNG vessels will have an LNG tank capacity of not less than 210,000 cubic metres.

- 9.1.3 The Seller shall provide, maintain, equip and operate or cause to be provided, maintained, equipped and operated, in good working order:

- (a) the number of LNG vessels (having the LNG tank capacities) determined and notified by the Seller under Clause 9.1.2; or
- (b) subject to Clause 9.1.4, any other combination of LNG vessels (of other LNG tank capacities) having an aggregate LNG tank capacity not less than that of the LNG vessels referred to in paragraph (a).

- 9.1.4 Each LNG Vessel shall comply with the requirements set out in Schedule B, shall be approved by the port authority at the Unloading Port(s) for each of the Primary Receiving Terminals (or by the relevant terminal operator acting in the capacity of port authority), shall comply with the requirements of Clause 4.3.1, and shall comply with all applicable maritime and port laws, rules and regulations applicable in the countries in which such LNG Vessel will operate or call, to the extent necessary to enable LNG to be transported and unloaded in accordance with this Agreement.

- 9.1.5 For the avoidance of doubt, nothing prevents the Seller from using any LNG Vessel:

- (a) for the purposes of transporting LNG which is the subject of a Seller Diversion or is redelivered to Seller pursuant to Clause 8.5; and/or

- (b) on an occasional basis, subject to giving notice to the Buyer, for the purposes of transporting LNG (not committed for sale under this Agreement) to a person other than the Buyer, provided that this shall not reduce the obligation of the Seller to ensure the availability of LNG Vessels sufficient for the transportation in accordance with the applicable Annual Delivery Programme of the quantities of LNG to be delivered under this Agreement.

9.1.6 The LNG Vessels will be brought into service under this Agreement over a period, decided by the Seller, commencing with the Start Date. The Seller will inform the Buyer as far in advance as practicable of the planned date for bringing each LNG Vessel into service, will keep the Buyer informed of changes in each such planned date, and will in any event inform the Buyer promptly upon each LNG Vessel entering into service under this Agreement.

9.1.7 If at any time:

- (a) the Seller has notified to the Buyer a planned date for bringing any LNG Vessel into service, and
- (b) the planned or actual date for bringing such LNG Vessel into service is subsequently brought forward from the original planned date

then to the extent that the Seller's Delivery Capability for any period is increased as a result of bringing forward such date, the additional quantities representing such increase in Seller's Delivery Capability shall be treated as falling within Clause 7.4 irrespective of whether the relevant period falls within a Contract Year for which an Annual Delivery Programme has been established.

9.1.8 Without prejudice to Clause 7.2, the Seller shall have the right and responsibility to determine the times and periods of drydocking and inspection of each LNG Vessel (provided that, unless otherwise agreed by the Buyer, no such period shall fall during any Buyer's Voyage).

9.1.9

- (a)
- (b)
- (c)
 - (i)
 - (ii)
 - (iii)
- (d)
- (e)
- (f)
 - (i)
 - (ii)

9.2 Alternative vessel

9.2.1 The Seller may provide an alternative LNG vessel for temporary service or as a substitute or alternative vessel to be used as an LNG Vessel hereunder, provided that such vessel complies and is able to comply with the requirements set out in this Agreement (including this

Clause 9 and Schedule B) for LNG Vessels for the duration of its service. The Seller shall give notice to the Buyer:

- (a) of its intention to provide such vessel and the date with effect from which such vessel is to be used, such notice to be given not later than the date of completion of loading of the first Cargo to be delivered by such alternative LNG Vessel (or later if the Parties so agree); and
- (b) where applicable, of the date with effect from which the vessel will cease to be so used.

9.2.2 An alternative vessel shall, subject to its compliance with the requirements of this Clause 9, be deemed to be an LNG Vessel for the purposes of this Agreement (including Clause 18.1.2(b)) with effect from the date on which an Annual Delivery Programme is established or (as the case may be) modified to reflect the first delivery of LNG by such alternative vessel (and where applicable until the date of cessation notified under Clause 9.2.1(b)).

9.3 Compatibility

9.3.1 As provided in Clause 4.3, the Buyer shall ensure the compatibility of the Primary Receiving Terminals and the LNG Vessels as at the Start Date. The Buyer shall ensure the compatibility of any Alternative Receiving Terminal with the LNG Vessels as at the date at which the Buyer proposes a Buyer Diversion or (as the case may be) delivery of additional quantities at the Alternative Receiving Terminal in accordance with Clause 7.4.3(c)(ii)(bb). The Seller shall ensure that any alternative LNG vessel proposed by the Seller is compatible with the Primary Receiving Terminal(s) as at the date referred to in Clause 9.2.2.

9.3.2 After the relevant date referred to in Clause 9.3.1, the Buyer shall not modify or permit a modification of any Receiving Terminal in any manner whatsoever that would (and subject to Clause 18 the Buyer shall be responsible for remedying any damage to such a terminal which would) render it incompatible with any LNG Vessel, unless such modification is required in order to ensure continued compatibility with the LNG Vessels or compliance with the provisions of this Clause 9; provided, however, that a Receiving Terminal may be modified:

- (a) pursuant to a change in any safety, security or environmental law or regulation with which the Receiving Terminal is required to comply, in which case (without prejudice to Clause 14.8) such modification necessary for the Receiving Terminal shall be paid for by the Buyer and any consequent modification of the LNG Vessels required to maintain compatibility with the Receiving Terminals shall be paid for by the Seller; or
- (b) in respect of any other change, with the prior consent of the Seller, which shall not be unreasonably withheld; provided, further, that the Buyer shall reimburse or cause the Seller to be reimbursed for any reasonable costs incurred by or on behalf of the Seller in modifying any LNG Vessel to maintain compatibility with the Receiving Terminals.

9.3.3 After the relevant date referred to in Clause 9.3.1, the Seller shall not modify or permit a modification of any LNG Vessel in any manner whatsoever that would (and subject to Clause 18 the Seller shall be responsible for remedying any damage to an LNG Vessel which would) render it incompatible with any Receiving Terminal, unless such modification is required in order to ensure continued compatibility with the Receiving Terminals or compliance with the provisions of this Clause 9; provided, however, that an LNG Vessel may be modified:

- (a) pursuant to a change in any safety, security or environmental law or regulation with which the LNG Vessel is required to comply, in which case such modification necessary for the LNG Vessel shall be paid for by the Seller and (without prejudice to Clause 14.8) any consequent modification of the Receiving Terminals required to maintain compatibility with the LNG Vessels shall be paid for by the Buyer; or
- (b) in respect of any other change, with the prior consent of the Buyer, which shall not be unreasonably withheld; provided, further, that the Seller shall reimburse or cause the

Buyer to be reimbursed for any reasonable costs incurred by or on behalf of the Buyer in modifying the Receiving Terminals to maintain compatibility with the LNG Vessels.

9.4 Buyer's Charter Party

9.4.1

- (a)
- (b)

9.4.2

- (a)
- (b)

9.4.3

10 Delivery and unloading of LNG

10.1 Compliance with Marine Requirements

10.1.1 Subject to Clauses 10.1.2, 10.1.3 and 10.1.4, and without prejudice to Clause 9.3, the Seller shall, at no cost to the Buyer, be responsible for ensuring that the LNG Vessels comply with all marine requirements (including obtaining and maintaining all customary port approvals, marine permits and other technical and operational authorisations) applicable:

- (a) in relation to the Unloading Port, and
- (b) in relation to the Receiving Terminal, provided that such requirements (i) are not more onerous than what is customarily required as a matter of United States or international practice in respect of LNG receiving terminals, (ii) do not discriminate against the Seller or the LNG Vessels, and (iii) are not imposed or applied with the object of impeding or adversely affecting the performance of this Agreement,

and otherwise for the purposes contemplated by this Agreement. If requested by the Seller, the Buyer shall, in a timely and expeditious manner, provide the Seller with such assistance as the Seller may reasonably require in obtaining and maintaining such approvals, permits and authorisations, provided that the Seller shall reimburse to the Buyer all costs and expenses reasonably incurred by the Buyer in providing such assistance.

10.1.2 The Buyer shall be responsible for ensuring that an LNG Vessel complies with the marine requirements referred to in Clause 10.1.1:

- (a) so far as anything done or not done by the Buyer, the LNG Vessel or her Master or the Transporter during the course of the Buyer's Voyage would cause a failure to comply with such requirements (but without prejudice to Clause 10.3.2); and
- (b) in particular (but without prejudice to Schedule H), to the extent to which any such approval, permit or other authorisation (as referred to in Clause 10.1.1) is required to be or customarily is obtained:
 - (i) for each visit of the LNG Vessel to the Unloading Port or Receiving Terminal, and
 - (ii) at a time after the LNG Vessel has arrived at the Delivery Point and before it is redelivered at the Redelivery Point.

Subject to Clause 3.1.5, the Seller shall cooperate and provide any assistance that may be reasonably required by the Buyer in carrying out such responsibility.

10.1.3

10.1.4

10.2 Shipping notifications

10.2.1 The Master of the LNG Vessel shall give to the Buyer and the operator of the Receiving Terminal notice of the then estimated time of arrival of the LNG Vessel at the pilot boarding station or other customary anchorage for the Unloading Port:

- (a) upon departure of the LNG Vessel from the Loading Facility or (as the case may be) other point of departure for the Unloading Port; and
- (b) ninety-six (96), seventy-two (72), forty-eight (48), twenty-four (24) and twelve (12) hours prior to the most recently estimated time of arrival of the LNG Vessel at the pilot boarding station or other customary anchorage for the Unloading Port.

10.2.2 Where, at the time at which any notice under Clause 10.2.1 is to be given, the LNG Vessel:

- (a) has not arrived at the Delivery Point, the Seller
- (b) has arrived at the Delivery Point, the Buyer

shall be responsible for ensuring that the Master of the LNG Vessel gives such notice.

10.2.3 The Seller shall ensure that the Master of the LNG Vessel records and gives notice to the Parties of the time at which the LNG Vessel arrives at the Delivery Point.

10.2.4 The Buyer shall ensure that the Master of the LNG Vessel records and gives notice to the Parties of:

- (a) the Effective Arrival Time, if later than the time of arrival under Clause 10.2.3;
- (b) the times at which the LNG Vessel commences and completes unloading; and
- (c) the time at which the LNG Vessel passes the Redelivery Point.

10.3 Arrival at the Delivery Point

10.3.1 The Seller shall endeavour, acting as a Reasonable and Prudent Operator, to ensure that:

- (a) the LNG Vessel arrives at the Delivery Point no later than the expiry of the applicable Scheduled Arrival Window, extended by any period of delay in arrival at the Delivery Point:
 - (i) attributable to the act or omission of the Buyer or the operator of any of Buyer's Facilities;
 - (ii) attributable to compliance by the LNG Vessel with Unloading Port regulations, except to the extent such delay was caused by the Seller, the LNG Vessel or her Master, or the Transporter;
 - (iii) resulting from Adverse Weather Conditions; or
 - (iv) attributable to Force Majeure; and

- (b) at the time at which the LNG Vessel arrives at the Delivery Point, the LNG Vessel is in a condition which (allowing for what would, as a matter of normal LNG shipping practice, be expected to be done after the time at which the LNG Vessel arrives at the Delivery Point) would enable notice of readiness to berth to be given when the LNG Vessel arrives at the sea buoy or customary anchorage at the Unloading Port.

10.3.2 If, at the time of its arrival at the Delivery Point, the LNG Vessel is not in the condition required by Clause 10.3.1:

- (a) the LNG Vessel shall nevertheless be delivered to the Buyer under the Buyer's Charter Party, and the LNG comprising the Cargo shall nevertheless be delivered to the Buyer, at the Delivery Point;
- (b) the Buyer shall, acting as a Reasonable and Prudent Operator, cause the LNG Vessel to be put in a condition to give notice of readiness;
- (c) the consequent delay to the Buyer shall be taken into account (in accordance with Clause 10.3.3) in determining the Effective Arrival Time of the LNG Vessel.

10.3.3 The Effective Arrival Time is:

- (a) the time at which the LNG Vessel arrives at the Delivery Point, or
- (b) if the LNG Vessel was not at that time in the condition required by Clause 10.3.1(b), the later time calculated as (A + B) where:
 - A is the time of arrival of the LNG Vessel at the Delivery Point;
 - B is the period of time actually taken by the Buyer (acting as a Reasonable and Prudent Operator) to cause the LNG Vessel to be put in that condition (not counting time taken to do what would, as a matter of normal LNG shipping practice, be expected to be done after the time at which the LNG Vessel arrives at the Delivery Point).

10.4 Buyer's Obligations

10.4.1 Upon the arrival of the LNG Vessel at the Delivery Point, the Buyer shall take delivery of the LNG Vessel, cause the LNG Vessel to proceed to the Receiving Terminal, berth and unload, and then redeliver the LNG Vessel to the Seller at the Redelivery Point.

10.4.2 The Buyer shall cause the LNG Vessel to be unloaded completely, except that the Buyer shall ensure that a heel of LNG, of such amount (if any) as the Seller or the Master of the LNG Vessel shall reasonably require, is left on the LNG Vessel upon unloading.

10.4.3 Subject to and in accordance with the Buyer's Charter Party, the Buyer shall bear and be responsible (but without prejudice to Schedule H) for all charter-hire and other amounts payable to the Transporter in respect of the LNG Vessel accruing in respect of the entire period of the Buyer's Voyage.

10.4.4 If requested to do so by the Seller (for the purposes of the LNG Vessel's ballast voyage following redelivery), and provided that doing so does not delay another vessel's proceeding to berth, the Buyer shall provide reasonable assistance to the Master of the LNG Vessel in arranging for supplies of fresh water, and for access for the loading of stores, to the LNG Vessel, to the extent that such supplies and access are available at the Receiving Terminal.

10.4.5 Without prejudice to the generality of the Buyer's obligations as to the redelivery of the LNG Vessel within the Allowed Buyer's Voyage Time, the Buyer shall in particular:

- (a) cause the LNG Vessel to be berthed safely and expeditiously at the berth designated by the Buyer and/or the Unloading Port authority;

- (b) cause unloading of the LNG Vessel to be commenced as soon as practicable after the completion of berthing, and completed safely, effectively and expeditiously; and
- (c) cause the LNG Vessel to depart safely and expeditiously from the berth after the completion of unloading.

10.5 Redelivery of LNG Vessel

10.5.1

10.5.2

10.5.3

(a)

(i)

(ii)

(b)

(i)

(ii)

(c)

10.5.4

(a)

(b)

(c)

(d)

10.5.5

10.5.6

10.6 Excess boil-off

10.6.1 If the unloading of the LNG Vessel does not commence by the time specified in Clause 10.6.2, the Buyer will pay to the Seller an amount, on account of excess boil-off for such delay, equal to the Contract Price applicable to the relevant Cargo multiplied by the Btu equivalent of the volume of LNG which comprises the difference, if any, between the actual volume on board the LNG Vessel at the time specified in Clause 10.6.2 and the actual volume on board immediately prior to the commencement of unloading.

10.6.2 The time referred to in Clause 10.6.1 is the expiry of a period of thirty (30) hours plus the Inward Passage Duration, commencing at the start of Allowed Buyer's Voyage Time, such period to be extended by the period of any delay in the LNG Vessel's proceeding to the Receiving Terminal, berthing and commencing unloading for a cause which would extend Allowed Buyer's Voyage Time in accordance with Clause 10.5.4.

10.6.3 If it appears that the commencement of unloading will be delayed beyond the time specified in Clause 10.6.2:

- (a) the Seller may give notice to the Buyer that it requires the volume of LNG in the LNG Vessel's tanks to be measured at (or as near as possible to) the time specified in Clause 10.6.2;
- (b) the Buyer shall use reasonable endeavours to cause such measurement to be made at the required time or if later within six (6) hours after the Seller's notice;
- (c) the Seller shall have the right to have its representative present (at its cost and risk) to witness the measurement, provided, however, that if the Seller should elect not to send a representative on a timely basis, or its representative fails, for any reason, to attend, the Buyer shall proceed to cause the measurement to be made and shall notify the Seller of the results of the measurement promptly upon completion of measurement;
- (d) the volume determined by measurement pursuant to paragraph (b) shall be converted to a quantity in MMBtu using the composition determined by the Buyer's analysis under Clause 13.2.1(b);
- (e) for any period (after the time specified in Clause 10.6.2) before the Buyer has made the measurement required under paragraph (b) the quantity of boil-off shall be estimated by the Seller, acting reasonably, on the basis of past boil-off experience.

10.6.4 The Seller shall invoice the Buyer for amounts due under this Clause 10.6, if any, and the Buyer shall pay the invoice in accordance with the terms of Clause 15.

10.6.5 The Buyer shall be released and discharged from any liability to the Seller in respect of any claim under this Clause 10.6 unless the Seller gives the notice referred to in Clause 10.6.3 and, within a period of thirty (30) days after the completion of unloading of the relevant Cargo, the Seller gives a notice in writing of such claim, together with supporting documentation substantiating the claim.

10.7 Variations applicable to a Primary Receiving Terminal

10.7.1

10.7.2

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)

11 Diversion

11.1 Buyer Diversions

11.1.1 The Buyer may (before or after the establishment of the Annual Delivery Programme for any Contract Year, and/or for one or more Contract Years) propose to the Seller that particular quantities of LNG (comprising one or more scheduled Cargoes, if the Annual Delivery Programme for the Contract Year has been established) should be delivered to the Buyer at an Eligible Receiving Terminal which is not a Primary Receiving Terminal or a Primary Receiving Terminal other than that scheduled in the Annual Delivery Programme for such Cargo(es). Such proposal shall include:

- (a) the details required to be provided pursuant to Schedule H;
- (b) such further details as the Seller may reasonably require; and
- (c) where such proposal is given before the Annual Delivery Programme for the relevant Contract Year has been established, revised delivery proportions (aggregating one (1)) for the Primary Receiving Terminals.

11.1.2 If the Seller agrees to a Buyer Diversion, the Seller will notify the Buyer and:

- (a) the relevant Cargo(es) shall be delivered to the Buyer at the Alternative Receiving Terminal;
- (b) the Annual Contract Quantity shall be unchanged;
- (c) in relation to a Contract Year for which the Buyer Diversion is agreed before the Annual Delivery Programme has been established, the Terminal Delivery Proportions for the Primary Receiving Terminals shall be treated as revised as specified by the Buyer in its notice under Clause 11.1.1;
- (d) for each relevant Cargo the Contract Price shall be determined by reference to the Alternative Receiving Terminal in accordance with Clause 14 and the applicable provisions of Schedule H; and
- (e) the Buyer Diversion shall be reflected in the Annual Delivery Programme (if already established for a Contract Year affected by the Buyer Diversion) in accordance with Clause 7.6.

11.1.3 The handling of Additional Annual Quantities under Clause 7.4 shall not be considered a Buyer Diversion.

11.2 Seller Diversion

11.2.1 The Seller may (before or after the establishment of the Annual Delivery Programme for any Contract Year, and/or for one or more Contract Years) propose to the Buyer to divert particular quantities of LNG (comprising one or more scheduled Cargoes, if the Annual Delivery Programme for the Contract Year has been established) from delivery to the Buyer under this Agreement. Where such proposal is given before the Annual Delivery Programme for the relevant Contract Year has been established, the Seller shall propose revised delivery proportions (aggregating one (1)) for the Primary Receiving Terminals.

11.2.2 Where the Seller notifies a proposed Seller Diversion:

- (a) the Buyer shall promptly (and in any event within 5 days after the Seller's notification) determine and notify to the Seller:
 - (i) the Buyer's estimate of the amount of the replacement gas costs which the Buyer would incur as a result of the Seller Diversion (subject to Clause 11.2.5); and
 - (ii) whether it is possible for the Buyer to take steps (such as entering into contractual commitments) by which the amount of such replacement gas costs could be fixed with effect from the time when the Seller confirms the proposed Seller Diversion, and if so the amount of such costs as so fixed and period of validity of any quotes obtained by Buyer for the purposes of fixing the amount of such costs;
- (b) the Parties shall discuss the information provided by the Buyer under paragraph (a) and the Seller may revise its proposals and/or require the Buyer to provide revised estimates;

- (c) the Seller shall then give notice to the Buyer confirming whether or not the proposed Seller Diversion will be made; and
- (d) where the Buyer has indicated that it is possible to fix the amount of its replacement gas costs:
 - (i) the Seller shall specify (at the same time that it confirms whether the proposed Seller Diversion will be made) whether the Buyer is to so fix its replacement gas costs;
 - (ii) the Parties shall cooperate to ensure the timely coordination of the Seller's confirmation of the Seller's Diversion with the period of validity of any quotes obtained by the Buyer as provided in paragraph (a)(ii).

11.2.3 Where the Seller confirms a Seller Diversion:

- (a) the quantity of LNG subject to the Seller Diversion shall not be sold and purchased (nor paid for) under this Agreement, and the Annual Contract Quantity for the applicable Contract Year(s) shall be reduced by the quantity subject to the Seller Diversion (based on the Standard Cargo Content of the relevant LNG Vessel(s), in a case where the Annual Delivery Programme has already been established);
- (b) in relation to a Contract Year for which the Seller Diversion is confirmed before the Annual Delivery Programme has been established, the Terminal Delivery Proportions for the Primary Receiving Terminals shall be treated as revised as specified by the Seller in its notice under Clause 11.2.1 (as the same may be revised under Clause 11.2.2(b));
- (c) the Seller Diversion shall be reflected in the Annual Delivery Programme (if already established for a Contract Year affected by the Seller Diversion) in accordance with Clause 7.6;
- (d) the Seller shall be free to sell and deliver or otherwise deal with the relevant LNG as it thinks fit (without affecting the Seller's obligation to deliver any other quantities provided for in this Agreement); and
- (e) subject to Clause 11.2.5, the Seller shall reimburse to the Buyer:
 - (i) where the Seller elected (under Clause 11.2.2(d)(i)) that the amount of the Buyer's replacement gas costs should be fixed, the amount of such costs as notified under Clause 11.2.2(a)(ii);
 - (ii) otherwise, the amount of the Replacement Gas Costs (if any) determined in accordance with Schedule G;

(and for the avoidance of doubt the provisions of Schedule H in relation to the Non-delivered Quantity Amount shall apply in accordance with their terms).

11.2.4 Nothing prevents the Seller from proposing an intended Seller Diversion in respect of a Cargo which has already been loaded to an LNG Vessel (but before such Cargo has been delivered to the Buyer).

11.2.5 To the extent to which the Seller's confirmation of a proposed Seller Diversion under Clause 11.2.2(c) is given not less than sixty (60) days before the Scheduled Arrival Window in relation to a Cargo subject to such Seller Diversion (including for the avoidance of doubt where such confirmation relates to quantities which would have been delivered in a Contract Year for which the Annual Delivery Programme has not been established), the Buyer shall (subject to any express provision to the contrary in a TSA) be deemed to incur no Replacement Gas Costs in respect of such Cargo (or quantities) and the Seller shall not be liable to pay any amount in respect of Replacement Gas Costs in respect of such Cargo (or quantities).

12 Specification

12.1 Quality Specification

12.1.1 LNG to be delivered under this Agreement shall, when converted into a gaseous state, comply with the Specification at the Loading Facility at the time of loading. The quality of LNG loaded shall be determined in accordance with Clause 13.

12.1.2 The Seller shall inform the Buyer, as soon as practicable after becoming aware of such deviation, of any deviation in the quality of LNG from the Specification anticipated or experienced and the expected extent and duration of the deviation; and in case of such deviation the Parties shall forthwith consult and use all reasonable endeavours to agree on appropriate measures (on a temporary or permanent basis) to address such deviation from the Specification.

12.2 LNG outside Specification

12.2.1

(a)

(b)

12.2.2

(a)

(i)

(ii)

(b)

(c)

12.2.3

(a)

(b)

(i)

(ii)

(iii)

12.2.4

(a)

(b)

12.2.5

(a)

(b)

(i)

(ii)

12.2.6

12.2.7

12.2.8

13 Measurement, sampling and testing

13.1 Measurement

- 13.1.1 The volume of LNG in each Cargo unloaded at the Unloading Point shall be measured by or on behalf of the Buyer and at its expense (without prejudice to Schedule H) using the LNG Vessel's Custody Transfer and Measurement System (CTMS).
- 13.1.2 The Seller shall ensure that each LNG Vessel is equipped with a CTMS comprising primary and secondary liquid level gauging devices, as her main measuring device, which shall be operated and maintained in accordance with and calibrated to recognised industry standards.
- 13.1.3 The Buyer shall notify the Seller of the volume of LNG unloaded promptly following Completion of Unloading. In the absence of notice by the Seller of its disagreement given within three (3) Business Days of the Buyer's notification, the volume of LNG unloaded so notified shall be final, subject as otherwise provided in Schedule D.

13.2 Sampling

- 13.2.1 The quality of the LNG in each Cargo shall be determined (by sampling and testing):
- (a) by or on behalf of the Seller, for the purposes of Clause 12, by the methods described or referred to in Schedule D and (as applicable) Schedule C;
 - (b) by or on behalf of the Buyer or the operator of the Receiving Terminal, for the purposes of the determination of the Quantity Delivered, by the methods described in Schedule D and (as applicable) Schedule C.
- 13.2.2 The Seller shall notify the results of sampling and testing under Clause 13.2.1(a) or cause them to be notified to the Buyer promptly after completion of loading of each Cargo. The Buyer shall notify the results of sampling and testing under Clause 13.2.1(b) or cause them to be notified to the Seller promptly after Completion of Unloading. In the absence of notice by the Party receiving either such notification of its disagreement within three (3) Business Days after such notification, the quality so notified shall be final (for the purposes in Clause 13.2.1(a) or (b) respectively), subject as otherwise provided in Schedule D.

13.3 Quantities delivered

- 13.3.1 The Seller shall calculate the Quantity Delivered or cause it to be calculated, using the results derived from the procedures specified in Clauses 13.1 and 13.2.1(b) and the method specified in Schedule D. The Seller shall promptly notify the result or cause it to be notified to the Buyer. Such notification shall include or be accompanied by all data and documents reasonably necessary to support the calculation of the Quantity Delivered.

13.4 Independent surveyor

- 13.4.1 The Parties shall jointly appoint an independent surveyor at the Unloading Port, and (if either Party so requires) at the Loading Facility, to witness and verify the measurement, sampling and testing of LNG. Either Party may have a representative present, in addition, to witness

the measurement, sampling and testing of LNG and calibration of any measurement, sampling and testing equipment.

13.4.2 The independent surveyor shall act as independent expert. In the event of disagreement (notified by the time required under Clauses 13.1 or 13.2) between the Parties, as to the measurement, sampling or testing of LNG, the matter shall be determined by the independent surveyor whose determination shall be final and binding on the Parties.

13.4.3 The cost of the independent surveyor shall be borne by the Seller except to the extent that the amount of such cost is increased as a result of the failure of the Buyer or the operator of the Receiving Terminal to act as a Reasonable and Prudent Operator.

13.5 Final design of LNG Vessels

Following the Seller's determination under Clause 9.1.2, the Parties shall review the provisions of this Clause 13 and Schedule D in the light of the final design of the LNG Vessels, and shall make such revisions (if any) of those provisions as may be appropriate to reflect such final design.

13.6 General

Without prejudice to Clause 13.5, either Party at any time may request revisions to the procedures specified in this Clause 13 and the methods specified in Schedule D and (as applicable) Schedule C. When any such request is made, the Parties shall promptly consult, evaluate the proposed revisions, and implement any that they may agree is appropriate.

14 Contract price

14.1 General

14.1.1

14.1.2

14.1.3

14.2 Definitions

14.2.1

(a)

(b)

(i)

(ii)

(c)

(d)

14.3 Seller's Election of Reference Price

14.3.1

14.3.2

14.3.3

14.4 Contract Price

14.4.1

14.5 Base Price

14.5.1

14.6 Alternative Pricing Proposals

14.6.1

(a)

(b)

14.6.2

14.6.3

14.7 Price Review

14.7.1

(a)

(b)

(i)

(ii)

(c)

(d)

14.7.2

(a)

(b)

(i)

(ii)

(c)

14.7.3

(a)

(b)

14.7.4

14.7.5

14.8 Change in Costs

14.8.1

(a)

(i)

(ii)

(b) :

(i)

(ii)

(c)

(d)

(e)

(f)

(g)

(i)

(ii)

(h)

14.8.2

(a)

(b)

(i)

(ii)

(c)

(d)

14.8.3

(a)

(b)

14.8.4

14.8.5

14.9 Suspension of indices, etc

14.9.1

14.9.2

14.9.3

14.9.4

14.9.5

15 Invoicing, Payment and Auditing

15.1 Price of Cargo

15.1.1 The amount payable by the Buyer to the Seller for each Cargo of LNG sold under this Agreement shall be calculated by multiplying the Quantity Delivered by the applicable Contract Price.

15.1.2 The amounts to be invoiced to the Buyer in respect of LNG delivered under this Agreement shall be determined (in the case of a Primary Receiving Terminal, on a provisional and final basis) in accordance with Schedule H.

15.2 Invoices

15.2.1 Subject to Clause 15.3, the Seller shall, in relation to each Cargo of LNG sold under this Agreement, by the relevant date in accordance with Clause 15.2.2, send to the Buyer an invoice showing the amount payable calculated pursuant to Schedule H together with relevant supporting documents showing the basis of calculations including certificates of quantity and quality delivered and such documents as may be required pursuant to Schedule H.

15.2.2

(a)

(b)

15.2.3 Where an amount is payable by the Buyer pursuant to Clause 6.2 (in respect of an Annual Quantity Deficiency) the Seller shall, as soon as reasonably practicable after the end of the relevant Contract Year, send to the Buyer an invoice showing the amount payable calculated pursuant to Clause 6.2.2.

15.2.4 In the event that any other sums are due from one Party to the other under this Agreement (including pursuant to any correction or adjustment under Schedule D), the Party to whom such sums are owed shall furnish an invoice therefor, together with relevant supporting documents showing the basis thereof.

15.2.5 Any invoice may be sent by facsimile or e-mail but (without prejudice to the effective receipt of an invoice so sent) shall be confirmed by sending an original signed invoice without delay.

15.2.6 A failure of a Party to send an invoice by the time (if any) required under this Agreement shall not prejudice the obligation of the other Party to make payment in respect of such invoice.

15.3 Preliminary invoices

15.3.1 If for any reason the Seller is unable to determine without delay the Quantity Delivered, or by the operation of any provision of Clause 13 the Quantity Delivered notified to the Buyer is not immediately determined as final:

- (a) the Seller shall provide the Buyer with a preliminary invoice as soon as practicable after the Completion of Unloading;
- (b) the preliminary invoice shall be for ninety-eight percent (98%) of the Quantity Delivered, as estimated in good faith by or on behalf of the Seller.

15.3.2 After final determination of the Quantity Delivered the Seller shall promptly provide the Buyer with a final invoice and an appropriate adjustment payment shall be made by the Buyer or the Seller (as applicable) to the other by the later of (1) the eighth (8th) Business Day after the date of receipt of the final invoice by the Buyer and (2) the due date of the preliminary invoice in accordance with Clause 15.5.1, together with accrued interest (if any), calculated at the Base Interest Rate, on the amount of such adjustment from and including the due date of the preliminary invoice to but not including the date of payment of the adjustment.

15.4 Not used

15.5 Payment

15.5.1

- (a)
- (b)
 - (i)
 - (ii)

15.5.2

15.5.3

15.5.4

15.5.5

15.6 Interest on late payments

15.6.1

15.6.2

15.7 Disputed payments

15.8 Suspension of deliveries

15.8.1

- (a)
- (b)
- (c)
- (d)

15.8.2

15.8.3

15.8.4

15.9 Reporting

15.9.1

(a)

(b)

15.9.2

15.10 Right of Audit

15.10.1

15.10.2

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(i)

(ii)

(iii)

(j)

(k)

15.10.3

15.10.4

(a)

(b)

15.10.5

(a)

(b)

15.10.6

(a)

(b)

16 Taxes and charges

16.1 Taxes borne by the Seller

16.1.1

16.2 Taxes borne by the Buyer

16.2.1

16.2.2

(a)

(b)

(c)

16.2.3

(a)

(b)

(c)

(d)

16.2.4

16.2.5

16.3 Changes in law

16.3.1

16.4 Other Buyer Indemnities

16.4.1

16.5 Definitions and enforcement

16.5.1

(a)

(b)

(c)

(d)

16.5.2

16.6 Port charges

16.6.1

17 Permissions and approvals

17.1.1 The Seller shall obtain or cause to be obtained all permissions, authorisations, and approvals from any Governmental Authority in the State of Qatar, and (in relation to the LNG Vessel(s), subject to Clause 10.1.2) in any country including the country of any Unloading Port which the LNG Vessel(s) will visit, necessary to enable it to perform its obligations under this Agreement.

17.1.2 The Buyer shall obtain or cause to be obtained all permissions, authorisations, and approvals from any Governmental Authority in the United States of America, and in the country in which the Buyer is organised, necessary to enable it to perform its obligations under this Agreement.

18 Force majeure

18.1 Events of Force Majeure

18.1.1 No failure, delay or omission by either Party to fulfil any of its obligations under this Agreement (other than the obligation to make payments when due) shall give rise to any claim against such Party or be deemed to be a breach of this Agreement if and to the extent such failure, delay or omission results from any event of Force Majeure.

18.1.2 Subject to the further provisions of this Clause 18.1, **Force Majeure** means any of the events listed below, to the extent that (except in relation to paragraphs (a)(iv), (a)(v), (a)(vi), (b)(i), (b)(v), (c)(iv) and (c)(v)) such event is beyond the reasonable control of the Party affected thereby, and any other event not listed below which is beyond the reasonable control of the Party affected thereby:

(a) as to Seller's Facilities:

- (i) fire, flood, atmospheric disturbance, lightning, storm, typhoon, hurricane, tornado, earthquake, landslide, soil erosion, subsidence, washout or epidemic or other acts of God;
- (ii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies or civil disturbances;
- (iii) strike, lockout or other industrial disturbances;
- (iv) loss of or damage to or failure of any of Seller's Facilities, except to the extent such loss, damage or failure is caused by the Wilful Misconduct of the Seller;
- (v) sudden and unexpected loss of or damage to or failure of the Natural Gas reservoirs in the Gas Supply Area, except to the extent such loss, damage or failure is caused by the Wilful Misconduct of the Seller;
- (vi) inability to carry out or delay in carrying out the construction, completion or start-up of Seller's Facilities except to the extent such inability or delay is caused by the Wilful Misconduct of the Seller; or
- (vii) acts of Governmental Authorities, or compliance with such acts, that prevent, delay or make unlawful the performance of the Seller's obligations hereunder;

(b) as to any LNG Vessel:

- (i) loss of or damage to or failure of, or other unavailability of, such LNG Vessel, except to the extent such loss, damage, failure or unavailability is caused by the Wilful Misconduct of the affected Party;
- (ii) fire, flood, atmospheric disturbance, lightning, storm, typhoon, hurricane, tornado, epidemic or other acts of God;
- (iii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies or civil disturbances;
- (iv) strike, lockout or other industrial disturbance occurring aboard such LNG Vessel or at a port or other facility at which such LNG Vessel calls;
- (v) inability to carry out or delay in carrying out the construction, completion or entry into service of such LNG Vessel except to the extent such inability or delay is caused by the Wilful Misconduct of the affected Party; or
- (vi) acts of Governmental Authorities, or compliance with such acts, that prevent, delay or make unlawful the performance of the affected Party's obligations hereunder or the Transporter's performance of its obligations in relation to the LNG Vessel; and

(c) as to Buyer's Facilities:

- (i) fire, flood, atmospheric disturbance, lightning, storm, typhoon, hurricane, tornado, earthquake, landslide, soil erosion, subsidence, washout or epidemic or other acts of God;
- (ii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies or civil disturbances;
- (iii) strike, lockout or other industrial disturbances;
- (iv) loss of or damage to or failure of any of the Buyer's Facilities, except to the extent such loss, damage or failure is caused by the Wilful Misconduct of the Buyer;
- (v) inability to carry out or delay in carrying out the construction, completion or start-up of Buyer's Facilities (other than an Alternative Receiving Terminal) except to the extent such inability or delay is caused by the Wilful Misconduct of the Buyer; or
- (vi) acts of Governmental Authorities, or compliance with such acts, that prevent, delay or make unlawful the performance of the Buyer's obligations hereunder.

18.1.3 For the purposes of Clause 18.1.2, an event shall not be considered to be beyond the reasonable control of a Party unless:

- (a) in the case of the Seller, it is beyond the reasonable control of the Seller, the operator of any of the Seller's Facilities, the Seller's Transporter and any servant or agent of any of such persons;
- (b) in the case of the Buyer, it is beyond the reasonable control of the Buyer, the operator of any of the Buyer's Facilities, the Buyer's Transporter and any servant or agent of any of such persons;

and the Wilful Misconduct of any person within paragraph (a) or (b) shall be treated as the Wilful Misconduct of the Seller or (as the case may be) the Buyer.

18.1.4 For the purposes of Clause 18.1.3 the Transporter shall be deemed to be:

- (a) the Seller's Transporter, except with respect to an event occurring in relation to an LNG Vessel during the Buyer's Voyage;
- (b) the Buyer's Transporter with respect to an event occurring in relation to an LNG Vessel during the Buyer's Voyage.

18.1.5 An event within Clause 18.1.2(b) shall be Force Majeure irrespective of whether (at the time such event occurs or affects an LNG Vessel) the relevant LNG Vessel is being used in connection with the transportation of LNG under this Agreement.

18.1.6

18.1.7

18.1.8

- (a)
- (b)

18.1.9 Where an event of Force Majeure affects the ability of the Buyer to take LNG at a Receiving Terminal, subject to Clause 18.2.3, the quantities to be deducted pursuant to Clause 6.2.1(a) by reason of such Force Majeure shall be determined:

- (a) in relation to a Contract Year for which the Annual Delivery Programme has been established, on the basis of the quantities scheduled for delivery (from time to time while such Force Majeure continues) to the affected Receiving Terminal;
- (b) as to quantities of LNG to be delivered in a Contract Year for which the Annual Delivery Programme has not been established, on the basis of the Terminal Delivery Proportions for the Primary Receiving Terminals (and accordingly the Buyer shall not be entitled to relief where the affected Receiving Terminal is an Alternative Receiving Terminal, except to the extent that a Buyer Diversion to such Alternative Receiving Terminal was already agreed).

18.2 Notice, Resumption of Normal Performance, Termination

18.2.1 Promptly upon the occurrence of an event that a Party considers may subsequently lead it to claim Force Majeure relief under this Agreement on account thereof, the Party affected shall give notice to such effect to the other Party, describing such event and the obligations performance of which could be delayed or prevented thereby.

18.2.2 In the event any Party claims Force Majeure relief under this Agreement, it shall so notify the other Party thereof and shall state in such notice:

- (a) the particulars of the event giving rise to the Force Majeure claim, in as much detail as is then reasonably available;
- (b) the obligations the performance of which are delayed or prevented and the estimated period during which such performance may be suspended or reduced, including (to the extent known or ascertainable) the estimated extent of such reduction in performance; and
- (c) the particulars of the programme to be implemented, if any, to ensure full resumption of normal performance hereunder.

18.2.3 The Party affected by an event of Force Majeure shall:

- (a) take all reasonable steps to mitigate the effects of the Force Majeure and to ensure full resumption of normal performance hereunder;
- (b) update the other Party at reasonable intervals with respect of the items to be included in the notice provided pursuant to Clause 18.2.2; and
- (c) at the request of the other Party, give or procure access (at the expense and risk of the Party seeking access) at reasonable times for a reasonable number of representatives of such Party to examine the scene of the event which gave rise to the Force Majeure claim subject to limitation by reasonable safety constraints.

18.2.4 If:

- (a)
- (b)

18.2.5

- (a)
- (b)

18.3 Allocation

18.3.1

- (a)
- (b)

18.3.2

18.3.3

- (a)
- (b)

- (i)
- (ii)

19 Liability

19.1 Seller's liability

19.1.1

- (a)
- (b)

19.1.2

- (a)
- (b)
 - (i)
 - (ii)
- (c)
 - (i)
 - (ii)
 - (aa)
 - (bb)

19.1.3

19.1.4

19.2 Consequential loss

- (a)
- (b)
- (c)

20 Governing law and arbitration

20.1 Governing law

- 20.1.1 This Agreement shall be governed by and construed in accordance with the laws of England, excluding any conflicts of law principles which would apply the law of any other jurisdiction.
- 20.1.2 The United Nations Convention on Contracts for the International Sale of Goods (the Vienna Sales Convention) shall not apply to this Agreement.

20.2 Arbitration

- 20.2.1 Except for matters referred to an independent surveyor pursuant to Clause 13 or an Expert in accordance with this Agreement, any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination, interpretation or invalidity thereof, which cannot be resolved by discussion in good faith between the Parties within thirty (30) days of a Party giving notice of such dispute, controversy or claim to the other Party, shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules then in force except as modified by the provisions of this Clause 20.2. Any arbitration shall be initiated by a Party providing notice to the other Party in accordance with such arbitration rules.
- 20.2.2 Unless otherwise agreed by the Parties, the number of arbitrators shall be three (3) with one arbitrator appointed by each Party within thirty (30) days of the notice initiating the arbitration, and the third arbitrator appointed by the two arbitrators so appointed within thirty (30) days after the appointment of the second arbitrator. If either of the Parties fails to appoint an arbitrator within sixty (60) days of the notice of arbitration, such arbitrator shall, at the request of the other Party, be appointed by the Appointing Authority designated in Clause 20.2.3. If the two arbitrators are appointed but fail to agree on the choice of the third arbitrator within thirty

(30) days of appointment of the last appointed, the third arbitrator shall, at the request of either Party, be appointed by the Appointing Authority.

- 20.2.3 The appointing authority (herein referred to as the "Appointing Authority") shall be the Secretary General of the Permanent Court of Arbitration, unless at the time when the appointment is to be made he is a national of any country in which either Party is incorporated or has its principal place of business. If this is the case, or if for any reason whatsoever the Secretary General of the Permanent Court of Arbitration does not make an appointment within thirty (30) days of his receipt of a request to do so, the Appointing Authority shall be the next in seniority at the Permanent Court of Arbitration, who is not a national of a country in which either Party is incorporated or has its principal place of business.
- 20.2.4 The place of arbitration shall be London, England, unless the Parties agree upon another place.
- 20.2.5 All arbitrators shall be fluent in the English language and the arbitration shall be conducted in English.
- 20.2.6 The arbitration tribunal shall decide all issues strictly in accordance with the terms and conditions of this Agreement and shall give effect to the same.
- 20.2.7 The mandate of the arbitrators shall continue until registration of the award.
- 20.2.8 The arbitrators' award as between the Parties shall be final and binding and the Parties shall give effect to any such award.
- 20.2.9 The Parties shall not appeal an award, on the merits or on a point of law, to any court that would otherwise have jurisdiction in the matter arising in the course of the arbitration or out of the award. However, any Party may make an application to any court having jurisdiction for registration of the award, for judgement on the award to be entered and/or for enforcement of any award, including enforcement of any award granting interlocutory relief, against the other Party, and for the obtaining of any evidence (whether by discovery of documents, interrogatories, affidavits or testimony of witnesses) that the arbitrators direct shall be admitted in the arbitral proceedings.
- 20.2.10 If any matter submitted or to be submitted to arbitration in accordance with this Clause 20 is related to any matter submitted or to be submitted to arbitration under the Guarantee, if the Guarantor so agrees, the arbitrations shall be consolidated.

20.3 Expert determination

- 20.3.1 Whenever this Agreement provides for a matter to be referred to an Expert, or whenever the Parties agree that a disputed matter shall be resolved by an Expert, the following procedures shall apply:
- (a) The Party wishing the appointment of an Expert shall give notice to that effect to the other Party and with such notice shall give details of the matter which is proposed to be resolved by the Expert;
 - (b) The Parties shall meet and endeavour to agree upon a single Expert to whom the matter in dispute shall be referred for determination;
 - (c) If within twenty-one (21) days from the giving of a notice pursuant to paragraph (a) the Parties have either failed to meet or failed to agree upon an Expert, then the matter may forthwith be referred by either Party, together with a copy of this Clause 20.3, to the International Centre for Expertise established by the International Chamber of Commerce which shall be requested to propose an Expert by notice to the Parties within thirty (30) days, which Expert shall be selected by the Parties;

- (d) Upon an Expert being agreed or selected under the foregoing provisions of this Clause 20.3, the Parties shall forthwith notify such Expert of the selection together with a copy of this Clause 20.3 and relevant provisions of this Agreement under which the matter in dispute is referred, and shall request confirmation from such Expert within seven (7) days as to whether or not the appointment will be accepted;
 - (e) If such Expert shall be either unwilling or unable to accept such appointment or shall not have confirmed willingness and ability to accept such appointment within the said period of seven (7) days then (unless the Parties are able to agree upon the appointment of another Expert) the matter shall be referred (by either Party) in the aforesaid manner to the International Centre for Expertise established by the International Chamber of Commerce, which shall be requested to make a proposal and the process shall be repeated until an Expert is found who accepts the appointment; and
 - (f) For the avoidance of doubt, the ICC Rules of Expertise shall not be applicable to any determination under this Clause 20.3, save as to the proposal of the Expert by the International Centre for Expertise established by the International Chamber of Commerce as provided above.
- 20.3.2 No person shall be appointed or accept appointment to act as the Expert under this Clause 20.3 unless qualified by education, experience and training to determine the matter in dispute.
- 20.3.3 Any person agreed or selected as the Expert in accordance with the above provisions shall be entitled to act as such Expert provided that before accepting such appointment such person shall have fully disclosed to the Parties any relationship, interest, or duty which reasonably could conflict with performing functions required by such person's appointment and/or prejudice such person's ability to render an independent, impartial determination.
- 20.3.4 No person, without the prior written agreement of both Parties, shall be appointed as the Expert who is (or has been at any time within the preceding six (6) years) an employee of either Party or of an Affiliate of either Party or who is (or has been at any time within the preceding three (3) years) a consultant to or contractor of either Party or of an Affiliate of either Party or who holds any significant financial interest in either Party or an Affiliate thereof.
- 20.3.5 No person shall be appointed as an Expert who has not agreed to hold in confidence any and all information furnished by each of the Parties in connection with the matter referred under this Agreement, the existence of such matter and his determination thereof.
- 20.3.6 The appointment of the Expert shall only take effect after agreement has been reached between the Parties and the Expert as to the Expert's remuneration. The arrangement agreed on shall be clearly set out in writing and shall be part of the agreement between the Parties and the Expert.
- 20.3.7 The determination of the Expert shall be made in accordance with the following:
- (a) The Expert may request data, information or submissions as the Expert thinks fit and which the Parties can reasonably be expected to surrender, and the Parties shall use reasonable endeavours to comply promptly with such request. All information supplied to the Expert in writing by a Party shall be given by notice simultaneously to the other Party. In the event that the Expert shall request oral submissions to be made, the Party requested to make such submissions shall give the other Party not less than four (4) Business Days notice of the time and place where such submissions are to be made and shall promptly afford the other Party the opportunity to be present. Either Party may arrange for a transcript of any oral hearing to be made (whether or not that Party will be present at the hearing).
 - (b) The Expert shall make a determination in writing and in such determination give reasons for the determination, not later than thirty (30) days after acceptance of the appointment.

- (c) If within a reasonable period (which shall not without the prior written consent of both Parties exceed thirty-five (35) days after the acceptance by an Expert of the appointment) the Expert shall not have rendered a determination then (at the request of either Party) a new Expert shall be agreed or selected under the provisions of this Clause 20.3 and upon the acceptance of the appointment by such new Expert the appointment of the previous Expert shall cease. However, if the previous Expert shall have rendered a determination prior to the date upon which the new Expert accepts the appointment, such determination shall be binding upon the Parties and the instructions to the new Expert shall be withdrawn.
- (d) The Expert shall be deemed not to be an arbitrator but shall render a determination as an expert and the law or legislation relating to arbitration shall not apply to such Expert or the determinations or the procedure by which such determinations are reached.
- (e) The determination of the Expert shall be final and binding upon the Parties save in the event of fraud, manifest error or failure by the Expert to disclose any relevant interest or duty in accordance with this Clause 20.3.

20.3.8 Each Party shall bear the costs and expenses of all counsel, witnesses and employees retained by it in any Expert proceeding. The costs and expenses of the Expert shall be apportioned between the Seller and the Buyer in a manner proportionate to the determination made by the Expert. The Expert determination shall address the proportions in which the Parties shall bear the Expert's costs and expenses.

21 Safety

- 21.1 The Seller and the Buyer recognise the importance of securing and maintaining safety in all matters contemplated in this Agreement including the operation of facilities and the transportation of LNG and it is their intention to secure and maintain high standards of safety in accordance with the applicable standards prevailing from time to time in the liquefied natural gas industry in the place(s) where the Seller or the Buyer (as the case may be) is to undertake or have undertaken any operation contemplated by this Agreement.
- 21.2 The Seller and the Buyer, as applicable, shall use all reasonable endeavours to ensure that their respective employees, agents, contractors and suppliers have due regard to safety and abide by the relevant laws, regulations, and lawful orders, as well as international standards and industry procedures, while they are performing works and services on board the LNG Vessels and within and around the area of each Receiving Terminal.

22 Other source of supply

- 22.1 Where, due to operational reasons affecting Seller's Facilities on a short-term basis, the Seller is unable to supply LNG from Seller's Facilities to satisfy its obligations under this Agreement, the Seller shall be entitled, but not in any circumstances (whether or not constituting Force Majeure) obliged, in or towards satisfaction of such obligations, to deliver LNG to the Buyer produced from liquefaction and associated facilities in Qatar owned or operated by any Affiliate of the Seller (and accordingly utilising Natural Gas from sources other than the Gas Supply Area); provided that such LNG complies with the Specification and delivery thereof is made in accordance with the applicable ADP. The Seller shall notify the Buyer as soon as reasonably practicable of any such operational reason, its estimate of the duration thereof, and its resulting use of any LNG supplied from other facilities than Seller's Facilities.

23 General

23.1 Notices

- 23.1.1 Unless otherwise agreed by the Parties, any notice, consent, invoice or other communication (**notice**) required to be given or made under this Agreement or in connection with the matters contemplated by it:
- (a) shall be given in writing in the English language;
 - (b) shall be addressed as provided in Clause 23.1.2;
 - (c) shall be sent or delivered as follows:
 - (i) by personal delivery or express courier service, in which case it shall be deemed to have been given upon delivery at the relevant address; or
 - (ii) by facsimile, in which case it shall be deemed to have been given when despatched, subject to confirmation of uninterrupted transmission by a transmission report, provided that any notice despatched by facsimile after 17:00 hours local time at the address of the recipient on any day, or on a day which is not a Business Day, shall be deemed to have been received at 08:00 hours at such local time on the next Business Day; or
 - (iii) by e-mail, in which case it shall be deemed to have been given when despatched, subject to confirmation of receipt by return e-mail, provided that any notice despatched by e-mail after 17:00 hours local time at the address of the recipient on any day, or on a day which is not a Business Day, shall be deemed to have been received at 08:00 hours at such local time on the next Business Day.

23.1.2

Seller

Buyer

- 23.1.3 Any Party may notify the other Party of any change to the address or any of the other details specified in Clause 23.1.2, provided that such notification shall only be effective on the date specified in such notice or eight (8) days after the notice is given, whichever is later.
- 23.1.4 Any notice given by facsimile or e-mail shall be followed by a hard copy to be sent or delivered to the relevant address specified in Clause 23.1.2, unless otherwise agreed, but without prejudice to the validity of the original notice.
- 23.1.5 This Clause 23.1 shall not apply to notices of an operational nature to the extent to which such notices are covered by implementation procedures agreed by the Parties in connection with this Agreement.

23.2 Confidentiality

- 23.2.1 The Parties agree to treat the contents of this Agreement and any information disclosed pursuant to this Agreement, or in an arbitration or Expert proceeding conducted under this Agreement, as strictly confidential and agree not to disclose any provision of this Agreement or any such information to any Third Party without the prior written consent of the other Party hereto, except for such information which at the time of disclosure by a Party is already (through no fault of such Party) part of the public domain, and except for disclosure by either Party:
- (a) which is expressly required or permitted by, or reasonably necessary for the implementation of, this Agreement;
 - (b) to a Wholly Owned Affiliate of such Party, or to any lender to such Party;
 - (c) in the case of disclosure by the Seller, to Qatargas Operating Company Limited or any other operator or agent appointed by the Seller;
 - (d) to the advisors, auditors and consultants of a Party or (so far as there is a reasonable need for such disclosure) of a Wholly Owned Affiliate or lender within paragraph (b) above; or
 - (e) to any court or Governmental Authority requiring such information or any other appropriate Third Party, including a recognised stock exchange, to the extent necessary to comply with any legal or governmental requirement or rules of such stock exchange.
- 23.2.2 Except in the case of such information already forming part of the public domain, such disclosing Party shall make all reasonable endeavours to ensure that the Third Party receiving such confidential information pursuant to this Clause 23.2 maintains its confidentiality.
- 23.2.3 The obligations in this Clause 23.2 shall continue in force for three (3) years after the expiry of this Agreement.

23.3 Assignment

- 23.3.1 Subject to Clauses 23.3.2 and 23.3.4, neither Party may assign or transfer any or all of its rights and/or obligations under this Agreement without first obtaining the consent in writing of the other Party.
- 23.3.2 A Party may, without obtaining such consent, assign all or part of its rights and obligations under this Agreement to a Wholly Owned Affiliate, provided that:

- (a) such Wholly Owned Affiliate has the legal capacity, and (whether by virtue of its own resources or by virtue of resources made available to it by the assigning Party or another Wholly Owned Affiliate of the assigning Party) the technical capability, to perform the obligations to be assigned;
 - (b) unless the other Party's written release is obtained, the assigning Party shall remain liable under this Agreement for the performance of all of its obligations including those assigned to the Wholly Owned Affiliate.
- 23.3.3 The Buyer may not assign any of its rights or obligations under this Agreement to a Wholly Owned Affiliate unless the Guarantor has confirmed in writing to the Seller, in such terms as the Seller reasonably may require, that the Guarantee will remain in force and the Guarantor's obligations under the Guarantee will not be affected by such assignment.
- 23.3.4 Notwithstanding the foregoing provisions of this Clause 23.3, and without the prior written consent of the Buyer, the Seller may assign its rights under this Agreement by way of security to a trust, trustee, bank, paying agent, its lenders or its lenders' agent or any other person as is required for any *bona fide* financing.
- 23.3.5 In connection with any assignment pursuant to Clause 23.3.4, the Buyer shall, upon the Seller's lenders' request, enter into a direct agreement or consent and assignment agreement on terms reasonably required by the Seller's lenders providing for, inter alia, the following:
 - (a) delivery to the Seller's lenders of copies of all material notices given under this Agreement by the Buyer to the Seller at the same time as given to the Seller;
 - (b) the right of the Seller's lenders to exercise all rights and be given an additional reasonable period to cure any defaults of the Seller under this Agreement that would, or with the giving of notice or the lapse of time or both would, permit termination, and the requirement that the Buyer shall accept such exercise or cure as though it had been done by the Seller;
 - (c) agreement that the Buyer shall not, without the prior written consent of the Seller's lenders:
 - (i) consent to or accept any cancellation or termination of this Agreement by the Seller; or
 - (ii) amend this Agreement in any material respect; and
 - (d) agreement that the Buyer shall execute such further agreements and documents as may be customarily and reasonably requested by the Seller's lenders providing assurances to such lenders in furtherance of the provisions set forth above in connection with any financing or refinancing of the Seller.

23.4 Termination

23.4.1

- (a)
- (b)
- (c)

23.4.2

23.4.3

23.4.4

23.5 Miscellaneous

- 23.5.1 The failure of either Party at any time to require performance of any provision of this Agreement shall not affect its right to require subsequent performance pursuant to that provision, nor shall the waiver by either Party of any breach of any provision of this Agreement be deemed to be a waiver of any subsequent breach of such provision.
- 23.5.2 The Parties do not intend that any term of this Agreement shall be enforceable by any Third Party solely by virtue of the Contracts (Rights of Third Parties) Act 1999, except as expressly provided in Clause 16. No right of either Party to agree any amendment, variation, waiver or settlement under or arising from or in respect of this Agreement, or to rescind or terminate this Agreement, shall be subject to the consent of any Third Party beneficiary who has rights pursuant to Clause 16, even if as a result such Third Party's right to enforce a term of this Agreement will be varied or extinguished.
- 23.5.3 This Agreement constitutes the entire agreement between the Parties on the subject matter of this Agreement and supersedes and replaces any provisions on that subject contained in any other agreement between the Parties, whether written, or oral, entered into by the Parties prior to the date of this Agreement. This Agreement may only be amended or varied by an instrument in writing executed by both Parties.
- 23.5.4 If any provision (or part thereof) of this Agreement is or becomes illegal, ineffective, or inoperable, the legality, effectiveness or operability of any other part of that provision or any other provision shall not be affected but shall continue in force and effect.
- 23.5.5 The Parties agree and undertake, on behalf of themselves, and their respective Affiliates, contractors, and personnel, to act at all times in a manner which is consistent with the highest ethical standards. Each Party warrants to the other Party that it has not made or offered and will not make or offer, with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through intermediaries, to or for the use of any public official (that is, any person holding a legislative, administrative or judicial office, including any person exercising a public function for a public agency, a public enterprise or a public international organisation), where the making or offering of such payment, gift, promise or advantage by such Party would violate any laws applicable to such Party.
- 23.5.6 Each Party further agrees and undertakes, on behalf of itself, its Affiliates, contractors, and personnel, not to pay any fees, commissions or rebates to any employee, officer or agent of the other Party nor favour any of them with gifts or entertainment of significant cost or value. Each Party shall keep all records necessary to confirm compliance with this Clause 23.5.6, and either Party may audit such records of the other Party at any time within the two-year period following the year for which such records apply.
- 23.5.7 This Agreement may be executed in duplicate counterparts and by the Parties on separate counterparts, each of which when so executed being an original, but all the counterparts shall together constitute one and the same instrument.
- 23.5.8 For the avoidance of doubt, nothing in this Agreement shall be construed as creating an agency relationship, partnership, joint venture, or any similar relationship between the Seller on the one hand and the Buyer on the other hand.

24 Representations and warranties; covenants

24.1 Title

- 24.1.1 The Seller warrants title to all LNG sold by the Seller hereunder, and covenants that it has the right to sell the same and that such LNG sold by the Seller will be free from encumbrances (other than liens in favour of the Transporter), adverse claims and proprietary rights at the passing of title at the Delivery Point. For purposes of this Clause 24.1, the term "encumbrance" shall include any mortgage, pledge, lien, charge, assignment by way of

security, security interest, title retention, preferential right, trust arrangement or any other security agreement or arrangement having the effect of security.

- 24.1.2 The Seller undertakes to discharge or procure the discharge of any lien (arising as a result of an act or omission of the Seller) in favour of the Transporter no later than the time at which the LNG is unloaded at the Unloading Point.
- 24.1.3 Except as provided in Clauses 12.1 and 24.1.1, the Seller expressly negates any warranty or representation, with respect to LNG delivered under this Agreement, written or oral, express or implied, including any warranty or representation with respect to conformity to samples, merchantability or fitness for any particular purpose.
- 24.1.4 For the avoidance of doubt, Clause 24.1.1 does not prevent the Seller from creating any encumbrance in respect of the proceeds of sale of LNG hereunder.

24.2 Buyer Representations and Warranties

The Buyer represents and warrants to the Seller that on and as of the date of this Agreement:

- (a) it is a company duly organised, validly existing and in material compliance with the laws of the jurisdiction of its organisation;
- (b) it has full power and authority to enter into and perform this Agreement;
- (c) this Agreement has been duly executed and delivered by an authorised officer or other representative of the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganisation, insolvency, moratorium, limitation of actions, or other similar laws affecting creditors' rights generally; and
- (d) the execution, delivery and performance of this Agreement does not violate the organisational documents of the Buyer.

24.3 Seller Representations and Warranties

The Seller represents and warrants to the Buyer that on and as of the date of this Agreement:

- (a) it is a company duly organised, validly existing and in material compliance with the laws of the jurisdiction of its organisation;
- (b) it has full power and authority to enter into and perform this Agreement;
- (c) this Agreement has been duly executed and delivered by an authorised officer or other representative of the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganisation, insolvency, moratorium, limitation of actions, or other similar laws affecting creditors' rights generally; and
- (d) the execution, delivery and performance of this Agreement does not violate the organisational documents of the Seller.


24.4 Covenant to Act as a Reasonable and Prudent Operator

Except where another standard is expressly provided in this Agreement, each of the Seller and the Buyer shall carry out the operations required for the performance of their respective obligations under this Agreement in accordance with the Standard of a Reasonable and Prudent Operator.

IN WITNESS whereof the Parties have executed this Agreement on the day and year first above written.

Signed for and on behalf of

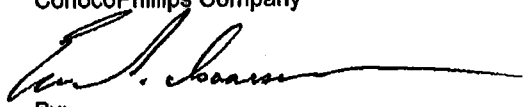
Qatar Liquefied Gas Company Limited (3)


By:  Khalid Bin Khalifa AlThani

Title: Director and CEO

Signed for and on behalf of

ConocoPhillips Company

By:  Eric S. Isaacson

Title: Vice President


Acknowledgment of ConocoPhillips

By its signature below, ConocoPhillips hereby confirms that the Guarantee issued on 15 December 2005 in favour of the Seller remains in full force and effect in accordance with its terms in respect of the obligations of the Buyer under this Amended and Restated LNG Sale and Purchase Agreement.

By:  James M. Vallejo MR

Title: Vice President and Treasurer

SCHEDULE A – CONDITIONS PRECEDENT

1. The entering into by the Seller of the agreements required (as determined by the Seller) for the design, engineering, procurement and construction of Train 6, and such agreements becoming unconditional in all respects.
2. The entering into by the Seller of the agreements required (as determined by the Seller) for the financing of the design, engineering, procurement and construction (pursuant to the agreements referred to in paragraph 1) of Train 6.
3. The satisfaction or waiver of all conditions precedent to the initial draw-down of funds (except for any condition precedent relating to this Agreement becoming unconditional) under the agreements referred to in paragraph 2.

SCHEDULE B – LNG VESSEL REQUIREMENTS

	Maximum	Minimum
Length overall (LOA)	345.00 metres	n/a
Beam	55.00 metres	n/a
Arrival draft	12.00 metres	n/a
Displacement	177,000 tonnes	n/a
LNG tank capacity	267,000 cubic metres	120,000 cubic metres*
LNG pumping rate	18,000 cubic metres/hour	10,000 cubic metres/ hour

Each LNG Vessel shall have been constructed to all applicable internationally recognised industry standards (including the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk).

Each LNG Vessel shall at all times be maintained in class with any of the American Bureau of Shipping, Lloyds Register of Shipping or Det Norske Veritas or any other classification society that is mutually agreeable to the Parties.

*The Buyer will use reasonable endeavours to accept the use, on an ad-hoc basis, of an LNG Vessel whose LNG tank capacity is less than 120,000 cubic metres, but not less than 88,000 cubic metres, in relation to Receiving Terminals with which such an LNG Vessel is compatible.

SCHEDULE C – SPECIFICATION AND TESTING

SCHEDULE D – MEASUREMENT AND TESTING

1 General

The Seller or the Buyer may request changes to the methods of measurement and procedures contained in this Schedule. When such a request is made, the Seller and the Buyer shall promptly meet to discuss in good faith any proposed revisions to methods and procedures. If referenced ISO or GPA or other standards are updated, the Parties shall meet to agree the incorporation of the revised standards into the methodology herein.

Unless the context otherwise requires, references in this Schedule D to paragraphs shall be construed as references to the paragraphs of this Schedule D, whereas references to Clauses shall be construed as references to Clauses of this Agreement.

2 Calibration of LNG Tanks in the LNG Vessels

- 2.1 During the construction or immediately following the completion of each LNG Vessel and before the loading of the first Cargo into the LNG Vessel, the Seller shall cause or shall have caused each cargo tank in the LNG Vessel to be volumetrically calibrated by an internationally qualified independent surveyor agreed on by the Seller and the Buyer. The tank capacity tables resulting from the calibration of each cargo tank shall correlate the volume using 0.001 cubic metres as the smallest unit with the tank depth using 1 millimetre as the smallest unit. The tank capacity tables shall clearly indicate the temperature of LNG to which they relate and any corrections to be applied for any changes from the reference parameters specified. The tank capacity tables shall have sounding tables, corrections for list and trim, volume corrections to tank service temperature, and other corrections if necessary. The accuracy of the tank capacity tables shall be within $\pm 0.2\%$ in any case. The Seller shall provide the Buyer with copies of the tank capacity tables.
- 2.2 If any cargo tank in any LNG Vessel is internally modified or suffers damage or distortion so as to cause either Party to question the validity of the tank capacity tables specified in paragraph 2.1, or due to the passage of time, the Seller or the Buyer may require re-calibration of the cargo tank(s) in the same manner as specified in paragraph 2.1 immediately after the modification or repair or during any period when the LNG Vessel is out of service for scheduled inspection and/or repairs. Except as specified in this paragraph 2.2, no other re-calibration of such a tank shall be required.
- 2.3 The Seller and the Buyer or their representatives shall have the right to be present at the time each cargo tank is calibrated pursuant to paragraphs 2.1 and 2.2.

3 LNG Vessel "Custody Transfer and Measurement System"

- 3.1 The Seller shall cause or have caused to be installed, maintained and operated at its cost and expense, on each LNG Vessel, a suitable Custody Transfer and Measurement System ("CTMS"), comprising primary and secondary liquid level gauging devices, for the purpose of measuring the quantity of LNG received and delivered. The systems and procedures referred to herein comply with the 3rd edition of the G.I.I.G.N.L. LNG Custody Transfer Handbook.
- 3.2 The LNG Vessel's CTMS shall be an integrated system with tank level gauges measuring the liquid levels and instruments measuring vapour pressure and the liquid and vapour temperature. The system shall be controlled and monitored by dual PC-based workstations with a graphical user interface, keyboard, printer etc.. The system will provide calculations for cargo volumes from tank parameters and measured values, alarms for out of state parameters and long term data storage of alarms, custody transfer reports and printouts and other logs, as

required. The system will include facilities for data transmission to remote monitoring systems using industry standard communication protocols.

- 3.3 In the event of a failure of a measurement system comprised in the CTMS the Seller and Buyer shall meet to discuss in good faith, to agree on an alternative method or methods for determining the 'lost' measurement parameter or parameters. In the interim, the Seller shall submit a preliminary invoice based on the average of the relevant parameter(s) measured for the last five (5) Cargoes from that LNG Vessel. Any correction to the preliminary invoice shall be determined by the Seller and Buyer following resolution of the measurement failure, and effected in accordance with Clause 15.3.2.

3.4 Liquid Level

Each cargo tank in each LNG Vessel is to be provided with a main liquid level gauging device capable of determining the liquid level of LNG with a measurement inaccuracy equal to or better than plus or minus seven point five (± 7.5) millimetres over the relevant measurement ranges of the cargo tanks. In no event shall the measurement inaccuracy of any substitute or alternative LNG vessel exceed ± 10 millimetres. Each cargo tank is also to be provided with an auxiliary liquid level-gauging device with accuracy comparable to that of the main device. The primary and auxiliary level devices shall be monitored and track each other to aid confidence in their integrity.

The CTMS will automatically use the primary level devices; however, if these fail, the auxiliary devices will be used to determine tank levels and the volumes and corrections will be made by hand using hard copies of the tank tables.

3.5 Temperature

The Seller shall cause each cargo tank in each LNG Vessel to be provided with a temperature measuring system, comprising a minimum of five (5) temperature measuring devices (with each temperature sensor supported by a backup sensor). The measuring devices shall be distributed as follows:

- one in the vapour space at the top of each cargo tank;
- one near the bottom of each cargo tank (for heel temperature measurement); and
- the remainder distributed at appropriate intervals from the top to the bottom of the cargo tank in the space where LNG would normally occupy a full tank.

These devices shall be used to determine the temperatures of the liquid and the vapour in the cargo tanks, and their measurement inaccuracy shall not exceed:

- plus or minus (\pm) 0.2°C in the temperature range minus 165°C to minus 145°C ; and
- plus or minus (\pm) 1.5°C in the temperature range minus 145°C to plus 50°C .

3.6 Pressure

The Seller shall cause each cargo tank to be provided with a pressure measuring system capable of determining the absolute vapour pressure in each cargo tank with an accuracy equal to or better than plus or minus (\pm) one (1) percent over the range of 800 to 1400 millibars.

3.7 List and Trim

The list and trim of the LNG Vessel may be determined

- a) automatically by a trim/list indicator or an inclinometer installed on the LNG Vessel; or
- b) by calculation, based on the visual observations of the draft of the LNG Vessel, to the nearest 100 millimetre. The list and trim shall be manually recorded in the CTMS.

If the Parties elect to determine the list and trim of a LNG Vessel using the trim/list indicator then the measurement accuracy shall be within ± 0.5 percent (%) of span. The display resolution for the list shall be to the nearest 0.01° (degree) and the trim shall be to the nearest 10 millimetre.

- 3.8 The density of the LNG shall be calculated by the Seller and the Buyer using the method specified in paragraph 7.3.

4 Measurement Equipment Maintenance, Calibration and Testing

- 4.1 The Seller shall test or shall have caused to be tested the accuracy of the CTMS equipment and devices installed in each LNG Vessel prior to the LNG Vessel being brought into service in order to ensure that the equipment and devices comply with these measurement requirements.

Thereafter, the Seller shall carry out or cause to be carried out tests to ensure the accuracy of the CTMS equipment, excluding the volumetric calibration of the cargo tanks in the LNG Vessel (such calibration to be handled in accordance with paragraph 2). Such tests shall be carried out:

- when the LNG Vessel is out of service for scheduled inspection and/or repairs; or
- when the Buyer makes a request and the Seller agrees that such tests are necessary at the time in question; or
- when such tests are considered necessary by the Seller, in which case the Seller shall so notify Buyer and that notice shall be acknowledged by the Buyer; or
- via periodic, scheduled calibration tests as agreed by the Seller and the Buyer, in conjunction with the vendor equipment recommendations, as part of the regular scheduled CTMS servicing.

The tests referred to above shall be witnessed and verified, if requested by the Buyer or when considered necessary by the Seller, by an independent surveyor selected jointly by the Seller and the Buyer. The Seller shall give notice to the Buyer reasonably in advance of such tests and the Buyer shall have the right to be present at such tests.

- 4.2 The Seller shall maintain or cause to have maintained the CTMS. The Buyer and the Seller shall agree:

- a CTMS maintenance procedure;
- a schedule of maintenance;
- the form of the log of the maintenance carried out, such log to be verified by the LNG Vessel's Master or his designate, which shall be retained on board for inspection, audit etc., as requested by the Buyer, the Seller (or their representatives) or the independent surveyor;
- calibration, testing and defect correction procedures.

- 4.3 If any LNG Vessel's CTMS equipment or devices are found to be outside the allowable limits specified in paragraph 3 or are inoperable, then they shall be rectified or replaced without unreasonable delay and the Seller or the Buyer shall apply such provisions as are set out in this Schedule. Any discrepancies in invoices which are caused by the inaccuracy of any measuring equipment or device shall be corrected and agreed upon by the Buyer and the Seller accordingly. Such correction shall not be made in respect of any measurement or reading obtained before the later of (1) the date twelve (12) months before such inaccuracy was discovered and (2) the date when the relevant equipment or device was last tested

pursuant to paragraph 4.1. A correcting invoice shall be issued in accordance with Clause 15.2.4.

5 Measurement procedures

The Seller shall prepare or cause to have prepared detailed CTMS measurement procedures, which will be based on the requirements outlined below.

5.1 Quantities

5.1.1 Tank Levels

Using the primary liquid level gauging devices the liquid level of each cargo tank shall be determined by taking five (5) readings with a time interval of fifteen (15) seconds between each. The arithmetic mean value of the five (5) readings, manually rounded to the nearest millimetre, shall be used to calculate the volume of LNG in each cargo tank. The mean of the liquid level readings shall be corrected for list, trim and temperature effects when converting the mean liquid level value into the volume of LNG in each of the cargo tanks. During the period in which the readings are taken, the cargo tank being measured shall remain closed. No LNG cargo, ballast, boil-off gas, fuel oil or other cargo transfer activity will be carried out on the LNG Vessel during such measurement. Lines to the boiler room will be isolated, spray pumps and boil off gas compressors stopped, loading arms connected and ship manifold valves closed before any measurements are taken.

The initial level in each LNG tank (both primary and auxiliary readings) and the final level in each LNG tank utilising primary readings shall be logged or printed.

If the primary liquid level gauging device in a cargo tank fails to operate correctly, then the liquid level shall be determined using the auxiliary liquid level gauging device and final level in such LNG tank shall be logged or printed. If both the primary and the auxiliary devices fail to operate correctly, then the Seller and the Buyer shall discuss in good faith and agree on whatever other appropriate method or methods may be available to ascertain the liquid level or volume of the Cargo in the cargo tanks.

Upon each occasion of loading a Cargo on to an LNG Vessel, the liquid level of each cargo tank in the LNG Vessel shall be determined both before and after transfer of the Cargo. The first gauging is to be made after the loading arms have been connected to the LNG Vessel, but prior to their cool down and prior to the LNG Vessel's liquid manifold valves being opened. The second gauging shall occur no earlier than thirty (30) minutes after cessation of LNG loading and following the closure of the vessel's liquid manifold valves, the time span being necessary for the liquid level to stabilize.

Upon each occasion of unloading a Cargo from an LNG Vessel, the liquid level of each cargo tank in the LNG Vessel shall be determined both before and after transfer of the Cargo. The first gauging is to be made after the unloading arms have been connected to the LNG Vessel and prior to the LNG Vessel's liquid manifold valves being opened. The second gauging shall occur no earlier than thirty (30) minutes after cessation of LNG unloading and following the closure of the vessel's liquid manifold valves, the time span being necessary for the liquid level to stabilize.

5.1.2 Volume Calculation

By use of the levels so ascertained and the appropriate tank tables the total volume of liquid cargo in each cargo tank both before and after loading and unloading shall be calculated using 0.001 cubic metres as the smallest unit.

The total volume of cargo loaded in each cargo tank shall then be calculated and recorded. The total volume of cargo in the tanks shall also be recorded. Both these values will be shown

on the certificate of loading, as will the volume of any additional LNG used to cool down the LNG Vessel.

The total volume of liquid cargo unloaded from each cargo tank shall be calculated by subtracting the volume remaining after unloading from the volume immediately prior to unloading and the resulting figure rounded to the nearest cubic metre (m³) shall be taken as the volume of liquid cargo delivered which is to be used as the term V in paragraph 7.

If gas is used as a fuel during unloading operations, an appropriate adjustment for such gas shall be made to the volume of liquid cargo unloaded.

5.2 Temperature

The average temperature of the liquid cargo of the LNG Vessel shall be determined immediately before unloading by means of the temperature measuring instruments which are fully immersed in the liquid. This determination shall be made by taking the temperature readings of the LNG, manually rounded to the nearest 0.1°C. If more than one of the instruments is immersed in the liquid, the average of these readings will be used, and rounded to one (1) decimal place. The average liquid temperature of the entire Cargo shall be the value given to T_L used in paragraph 7.

The average temperature of the vapour of the LNG Vessel shall be determined immediately after unloading by means of such of the temperature measuring instruments which are fully surrounded by vapour. This determination shall be made by taking the temperature readings of the vapour, manually rounded to the nearest 0.1°C, and if more than one instrument is fully surrounded by the vapour, by averaging these readings, and rounded to one (1) decimal place. The average vapour temperature of all the LNG Vessel's tanks shall be the value given to T_V used in paragraph 7.

5.3 Pressure

The pressure of the vapour in the LNG Vessel shall be determined immediately before loading and immediately after unloading by means of the pressure measuring equipment. The vapour pressure shall be determined by taking the pressure readings of the vapour in each cargo tank to the nearest millibar, then averaging these readings and rounding to a whole millibar. The pressure may be taken at a common vapour header if such a facility is available upon the agreement of the Buyer and the Seller. In the absence of such agreement the average vapour pressure for the LNG Vessel shall be calculated using the average of the vapour pressures of each cargo tank. The pressure so determined after unloading shall be the value given to P_a in paragraph 7.

6 Sampling and Analysis Procedures

The Seller and the Buyer shall prepare or cause to be prepared, and shall implement, detailed sampling and analysis procedures, which will be based on the requirements listed below.

- 6.1 The design, operation and procedures for sampling and vaporisation at the Loading Facility and the Unloading Port shall generally be in accordance with the latest version of ISO 8943; however, the detailed methods adopted by the Buyer (at the Unloading Port) and the Seller (at the Loading Facility) shall be reviewed and agreed by the Buyer and the Seller.

The Buyer and the Seller shall have the right to have their representatives present when sampling and analysis are carried out and shall have the right to require check runs and other tests to ascertain that samples are representative, that the equipment is working correctly and that the validity and the compositions of the reference gas standards are accurate. Sampling and analysis shall be witnessed and verified by an independent surveyor selected jointly by the Seller and the Buyer. The Buyer (in respect of the Unloading Port) or the Seller (in respect of the Loading Facility) shall report promptly to each other the results of the analyses made.

6.2 Sample Collection and Analysis at Loading

The samples will be collected continuously at steady operating conditions and at a constant high loading rate in accordance with the latest version of ISO 8943 (i.e. not during load/unload commencement or load/unload cycle ending). A liquid sample stream shall be tapped from an appropriate point in the lines at the Loading Facility, which shall subsequently be conveyed via an insulated sampling line to a continuously operating vaporiser. Precautions shall be taken to avoid any partial vaporisation of the liquid sample before it reaches the vaporiser. The length of the sampling line shall be kept within the limits outlined in ISO 8943 or as otherwise agreed between the Buyer and the Seller. Adequate heat transfer in the vaporiser shall provide complete vaporisation of the liquid samples. The details of the methods, location and equipment for sampling and vaporisation, together with the quantities of samples to be taken, shall be agreed between the Seller and the Buyer.

At the Loading Facility the Seller shall carry out or cause to be carried out sampling and analysis of each Cargo and representative composite samples of the LNG loaded onto the LNG Vessel shall be obtained by the Seller during the loading of the LNG Vessel.

The vaporised liquid samples taken at the Loading Facility shall be used for collection of composite samples representative of the relevant Cargo and are to be analysed for:

- (a) composition (N_2 , CO_2 , and C_1 to C_{5+}) by means of gas chromatographic analysis; and
- (b) impurities in accordance with paragraph 7.7.

After completion of the loading and sampling procedures required by this paragraph 6, representative samples of vaporised LNG collected in the gas holders shall be directly transferred to three (3) clean, labelled, 500 millilitre stainless steel gas sample cylinders, which shall be used as follows:

- (a) one for analysis at the Loading Facility;
- (b) one to be sealed and sent to the Buyer with the LNG Vessel; and
- (c) one to be sealed and retained by the Seller for no less than forty five (45) days.

If, however, the sampling system fails, and samples are not obtainable, the arithmetic average of the analyses of the Seller's five (5) immediately preceding Cargoes (or if there have been less than five (5) such Cargoes, the arithmetic average of all Cargoes) at the Loading Facility shall be deemed to be the provisional composition of the LNG. Thereafter, upon request from the Seller or the Buyer to review such deemed composition, and, if appropriate, taking into account the data from on-line gas chromatograph equipment, the Seller and the Buyer shall discuss in good faith and agree on the method for reviewing and determining the final composition of the relevant Cargo.

6.3 Sample Collection and Analysis at Unloading

At the Unloading Port the Buyer shall carry out or cause to be carried out sampling and analysis of each Cargo when unloaded at the Unloading Port.

Representative samples of LNG for the purposes of on-line analysis or collection by an automatic sampling system by intermittent or continuous sampling methods shall be obtained according to the method described in the latest version of ISO 8943. The sampling period shall be as described in Section 7.1 of ISO 8943. Samples shall be taken at an even rate and only after the unloading line is full of liquid. Vaporised LNG shall be analyzed directly by an on-line gas chromatograph. Sampled gas shall also be collected in gas sample containers or constant pressure/floating piston sample containers for analysis at a laboratory. On-line gas chromatographs shall serve as the primary and secondary measurement. Samples analyzed off-line shall serve as auxiliary in the event of on-line gas chromatograph outages or a contract dispute.

The Buyer shall obtain a representative composite sample of the LNG unloaded at the Unloading Port during unloading of the LNG Vessel for off-line analysis. After unloading and completion of the sampling procedures required by this paragraph 6, the representative composite samples of vaporised LNG collected in the gas holders shall be directly transferred to three (3) clean, labelled, 500 millilitre stainless steel gas sample cylinders, which shall be used as follows:

- (a) one for analysis at the Unloading Port;
- (b) one to be sealed and returned to the Seller with the LNG Vessel (to be used for reference in case of a dispute); and
- (c) one to be sealed and retained by the Buyer for no less than forty five (45) days.

In the event that the representative composite samples cannot be obtained at the Unloading Port for off-line analysis, then during the sampling period, three (3) sample sets of Natural Gas (collected downstream of the LNG sample vaporiser at 25%, 50% and 75% of the unloaded cargo volume) shall be collected in an approved sample container for analysis at a laboratory and shall be used as follows:

- (a) one set for analysis at the Unloading Port;
- (b) one set to be sealed and returned to the Seller with the LNG Vessel (to be used for reference in case of a dispute); and
- (c) one set to be sealed and retained by the Buyer for no less than forty five (45) days.

Buyer's Facilities shall keep two on-line chromatographs in working order. Each chromatograph shall have a separate sampling system including a dedicated vaporizer and be installed on separate unloading lines. Prior to unloading, one on-line chromatograph shall be designated as primary and the other as secondary. The results from the primary shall be used unless a failure occurs during unloading.

In the event an on-line gas chromatograph is utilized then a sample shall be taken at regular intervals in line with industry practice by such on-line gas chromatograph, subject to removal of suspect or erroneous analyses. The accepted individual results of each analysis shall then be averaged to determine the final cargo composition. Prior to unloading, the on-line gas chromatograph shall be calibrated using a valid reference standard gas and the results shall comply with standard industry practices, such as GPA 2261, ASTM D 1945 or ISO 6974.

The on-line gas chromatograph shall be installed and configured to sample vaporised LNG and analyze the vaporized LNG as gas as quickly as the equipment can perform one full analysis accurately, approximately once every 4 - 10 minutes.

In the event of the failure of the primary chromatograph, all results from the primary analyzer shall be void and the results from the secondary chromatograph shall be used in their entirety.

If both on-line chromatographs are unavailable, fail, and/or have more than 5% suspect results, as determined by Buyer's Facilities, then the average of the off-line sampling shall be used to determine composition of hydrocarbons, carbon dioxide, and nitrogen.

If both the on-line chromatographic analysis and the off-line sampling fail for a Cargo, the arithmetic average of the analysis results of the three (3) immediately preceding Cargoes of the same type from the same source of supply under the Agreement delivered to the Unloading Port shall be deemed to be the composition of the LNG. In the event that there are less than three (3) Cargoes delivered, the composition at the Loading Facility shall be used as the provisional composition of LNG for such Cargo until such time as three (3) successful unloadings have been achieved.

The compositional analyses, as obtained pursuant to this paragraph 6.3 on the basis of GPA 2261, ASTM D1945 or ISO 6974, shall be used to analyze for composition (N_2 , CO_2 , and C_1 to C_{5+}) and to calculate the Gross Heating Value (mass based). The calculation for the determination of the Gross Heating Value (mass based) is given in paragraph 7.

7 Calculations

7.1

7.2 BTU Calculation of the Quantity of LNG

7.3 Density Calculation Formula

7.4 Calculation of Gross Heating Value (Volume Based)

7.5

7.6

7.6.1

7.6.2

7.6.3

7.6.4

7.6.5

7.7 Methods of Testing for Impurities

8 Quantities

8.1 Loaded

The Seller shall promptly notify the Buyer of the quantity and quality of the LNG loaded, by fax or email. The original documents shall be couriered from the Seller to the Buyer within three (3) days after the completion of loading. Such notification shall include or be accompanied by all data and documents reasonably necessary to support the calculation of the loaded quantity as follows:

- Certificate(s) of Quality
- CTMS Reports

8.2 Unloaded

8.2.1 The Buyer shall promptly, after the Completion of Unloading, notify the Seller of the quantity and quality of the LNG unloaded, by fax or email. The original documents shall be couriered from the Buyer to the Seller on a monthly batch basis. Such notification shall include or be accompanied by all data and documents reasonably necessary to support the calculation of the Quantity Delivered as follows:

- Certificate(s) of Quality
- CTMS Reports
- Calculation Sheets (from the Independent Surveyor)
- Ullage Report

8.2.2 The Seller shall calculate the Quantity Delivered or cause it to be calculated, using the results derived from the procedures specified in paragraph 7.

8.3 Records

All records of measurements carried out under this Agreement, and the computation results attained thereby, shall be preserved by the Party responsible for carrying out such measurements and held available to the other Party for a period of not less than three (3) years after such measurements and computations have been completed.

SCHEDULE E – NOT USED

SCHEDULE F – PREMIUM

SCHEDULE G - CALCULATION OF REPLACEMENT GAS COSTS

SCHEDULE H – RECEIVING TERMINALS, PRICE AND NETBACK DETERMINATION

EXHIBIT A - FORM OF PARENT COMPANY GUARANTEE

EXHIBIT B - FORM OF BUYER'S CHARTER PARTY

ANNEX H-1 – NOT USED

ANNEX H-2