

LNG SALES CONTRACT

Between

Cabot LNG Corporation

and

EcoEléctrica, L.P.

**Amended and Restated
and Dated as of**

July 31, 1997

REMOVED
1/13/98 P. 234

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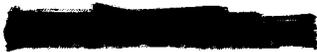
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LNG SALES CONTRACT

This LNG SALES CONTRACT ("Contract") amended and restated and dated as of July 31, 1997 is made by and between CABOT LNG CORPORATION, a corporation organized under the laws of Delaware, United States of America ("Seller"), with a place of business at 75 State Street, Boston Massachusetts, and EcoEléctrica, L.P., a Bermuda exempted limited partnership with a place of business at Plaza Scotiabank, Suite 902, Avenida Ponce de León 273, San Juan, Puerto Rico ("Buyer"). Seller and Buyer are sometimes referred to individually as a "Party" or together as the "Parties." In consideration of the mutual undertakings set out below, Seller and Buyer agree as follows:

ARTICLE 1 - SCOPE AND PURPOSE

1.1 Seller has advised Buyer that it has a contract dated as of the 27th day of July, 1995 ("Trinidad Supply Contract") for the FOB purchase of Liquefied Natural Gas (LNG) from Atlantic LNG Company of Trinidad and Tobago ("Atlantic LNG"), which will own, operate, and, as of the date of this Contract, is in the process of constructing, a single train LNG liquefaction and production plant, storage tanks, loading berth and related facilities at Point Fortin, Trinidad ("Trinidad Facilities") and may in the future construct one or more additional trains.

1.2 Seller has advised Buyer that it has made arrangements for Seller's exclusive use of an LNG Tanker, formerly registered under U.S. flag and under the name GAMMA ("GAMMA"), throughout the term of the Trinidad Supply Contract to transport LNG purchased under the Trinidad Supply Contract to LNG receiving facilities in Everett, Massachusetts ("Seller's Receiving Facilities") and other LNG receiving facilities, including the LNG receiving facilities to be constructed in Peñuelas, Puerto Rico by or on behalf of Buyer (Buyer's LNG receiving facilities in Peñuelas hereinafter referred to as "Buyer's Receiving Facilities").

1.3 Buyer has advised Seller that it intends to construct, or cause to be constructed, Buyer's Receiving Facilities to permit LNG to be imported as a fuel supply for the Power Facility in Peñuelas to be constructed, owned and operated by Buyer.

[REDACTED]

1.4 Seller wishes to sell to Buyer LNG purchased under the Trinidad Supply Contract and to transport such LNG to Buyer's Receiving Facilities, and Buyer wishes to buy such LNG from Seller for use and consumption primarily in the Power Facility.

1.5 The definitions of capitalized terms and expressions used in this Contract are set out in Appendix 1.

ARTICLE 2 - SALE AND PURCHASE

Seller agrees to sell and deliver to Buyer at the Delivery Point, and Buyer agrees to purchase, receive at the Delivery Point and pay for, LNG produced at the Trinidad Facilities in the quantities, at the price and in accordance with the other terms and conditions set forth in this Contract.

ARTICLE 3 - TERM

3.1 Term

The term of this Contract ("Term") shall commence on the date hereof and shall continue until September 30, 2019, unless earlier canceled or terminated in accordance with its provisions, or extended pursuant to Section 3.2.

3.2 Extension

In the event the Trinidad Supply Contract is extended, Seller shall promptly so notify Buyer and shall advise Buyer of the length of the extension and the quantities of LNG which Seller shall be entitled to purchase thereunder during each year of such extension. Buyer may thereupon extend the Term of this Contract for a period up to the length of the extension obtained by Seller and for annual quantities up to the lesser of (x) one-third of the quantities, including a Winter Cargo, that Seller is entitled to purchase during each year of the extension term under the Trinidad Supply Contract and (y) the ACQ hereunder, by responsive notice to Seller prior to April 1, 2018.

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3.3 Termination Prior to Initial Delivery Date

At any time prior to January 1, 1999, Buyer shall be entitled to terminate this Contract upon 30 days' notice and, except where the termination is pursuant to Sections 12.2 or 20.4(a), make payment to Seller of the sum of \$20,000,000 (twenty million dollars) if the notice is given prior to January 1, 1998, and otherwise, \$30,000,000 (thirty million dollars). If Buyer gives such termination notice prior to January 1, 1999, Seller shall have the right following the receipt of such notice to draw down and retain either \$20,000,000 or \$30,000,000 from the amount of the Letter of Credit, as appropriate. If Buyer gives no notice of termination by January 1, 1999, Buyer's right to terminate this Contract shall expire on January 1, 1999.

ARTICLE 4 - INITIAL DELIVERY

4.1 Date of Initial Supply

As of the date of this Contract, Seller's best estimate of the "Date of Initial Supply" under the Trinidad Supply Contract ("IS Date") is July 1, 1999. Seller has advised Buyer that the latest that the IS Date can occur is September 30, 1999, unless extended as a result of an event of force majeure under the Trinidad Supply Contract. Seller shall give Buyer periodic notice of its best estimate of the IS Date as follows:

(a) By May 1, 1998, Seller will give Buyer notice of a 90-day window between March 1 and September 30, 1999, in which Seller then anticipates the IS Date will occur ("First Window Period").

(b) By 150 days in advance of the first day of the First Window Period, Seller will give Buyer notice of a 60-day window falling within the First Window Period in which Seller then anticipates the IS Date will occur ("Second Window Period").

(c) By 30 days in advance of the first day of the Second Window Period, Seller will notify Buyer of the IS Date, which shall be a date falling within the Second Window Period.

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4.2 Date of First Commercial Supply

At the time Seller gives notice of the IS Date under Section 4.1(c), Seller shall provide its then current estimate of the "Date of First Commercial Supply" under the Trinidad Supply Contract ("FCS Date") which shall be no later than 121 days after the IS Date. Seller shall inform Buyer at any time its current estimate of the FCS Date changes by more than 15 days. Seller shall promptly give Buyer notice when the FCS Date has been achieved.

4.3 Date of Buyer's Receiving Facilities Completion

Buyer currently estimates that Buyer's Receiving Facilities will be able to receive LNG by December 15, 1999, and no later than February 8, 2000. Buyer shall update this estimate beginning with the first month after the date of this Contract, and every two months thereafter, as part of the progress report provided under Section 4.5, and shall give Seller notice any time the estimate changes by more than 15 days from the most recently notified dates. Buyer shall promptly give notice to Seller when Buyer's Receiving Facilities are completed and are able to receive LNG.

4.4 Commencement of Deliveries: Spot Cargoes

Buyer may request delivery of the first cargo of the Initial Contract Year in a Delivery Range commencing at any time after the latest of (i) the date Buyer's Receiving Facilities are ready to receive LNG, (ii) five (5) days following the FCS Date, and (iii) sixty (60) days after the IS Date (such latest date being the "Start Date"), and Seller shall schedule such cargo subject to the provisions of Article 7 and the other terms and conditions of this Contract.

The "Initial Delivery Date" for purposes of this Contract shall be the date of the completion of delivery of the first cargo of the Initial Contract Year; provided, however, that if Buyer has not requested delivery of a cargo in a Delivery Range commencing on or before the 15th day following the Start Date, then the Initial Delivery Date shall be deemed to occur on such 15th day and provided further that,

[REDACTED]

if the Start Date has not occurred by February 3, 2000, the Initial Delivery Date shall be deemed to be February 8, 2000, subject to Sections 4.6 and 12.2(a)(ii).

Prior to the Initial Delivery Date, Buyer may request deliveries during the period between the IS Date and the FCS Date (the "Initial Supply Period") and, if so, Seller and Buyer shall make reasonable efforts to schedule, deliver, and receive, one-third of the quantities of LNG available to Seller from the production of the Trinidad Facilities rounded to the nearest whole cargo. Buyer shall pay for each such cargo ("Spot Cargo") an amount equal to the sum of the Demand Charge Rate and Demand Surcharge Rate under Section 8.1 and the Commodity Charge Rate and Commodity Surcharge Rate under Section 8.3, applied to such Spot Cargo as if it were part of ACQ at the time it is delivered, times the MMBtu value of the Spot Cargo.

Subject to (i) the availability of LNG and LNG Tankers and (ii) agreement on price, Seller may, in its sole discretion, sell to Buyer cargoes of LNG requested by Buyer to be delivered prior to the IS Date pursuant to the other terms and conditions of this Contract.

4.5 Completion of Facilities, Interim Progress Reports

Seller and Buyer recognize that the due performance of their obligations under this Contract depends upon the successful completion of the construction, testing and start-up of the Trinidad Facilities and Buyer's Receiving Facilities and the refurbishment, testing and commencement of service of the GAMMA. Beginning on the first month after the date of this Contract and every two months thereafter, Seller and Buyer shall each furnish the other a schedule update and interim progress report as of the 15th day of such month specifying progress since the last report and expected progress towards completing the interim milestones identified in the non-binding Milestone Schedule set forth in Schedule C. The progress report shall include as applicable: (i) the status and progress of construction and an update of the construction schedule for the Trinidad Facilities and Buyer's Receiving Facilities; (ii) the status and progress of refurbishment of the GAMMA and an update of the schedule for completing such work; (iii) the status and an update of approvals, permits and authorizations not yet received but required to commence commercial operations of the Trinidad Facilities or Buyer's Receiving Facilities and to commence

[REDACTED]

service of the GAMMA; (iv) any default or stop draw notice received under any construction loans or related agreements in connection with the financing of the Trinidad Facilities, Buyer's Receiving Facilities or the Power Facility; (v) the status of any event of Force Majeure affecting a Party's obligation hereunder; and (vi) any other information which a Party may reasonably request to evaluate the status and progress of the above matters. If any material change occurs with respect to any of the above matters subsequent to the most recent report hereunder, the Party affected by such change shall promptly give notice to the other Party.

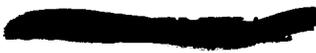
4.6 Delayed Start Up Caused by Force Majeure

Should an event or events of Force Majeure occur that may have the effect of delaying the Start Date beyond February 3, 2000, the affected Party shall promptly give notice to the other, providing all appropriate details, including an estimate of the length of delay resulting from such event or events and thereafter shall follow the procedures set out in Article 12. If an event of Force Majeure under the Trinidad Supply Contract is expected to delay the IS Date beyond September 30, 1999 (or beyond any subsequent date notified by Seller to Buyer as the expected IS Date), the IS Date and the Window Periods specified in Seller's notices under Section 4.1(a) through (c) shall be adjusted on a day-for-day basis to take account of such event(s).

ARTICLE 5 - QUANTITY

5.1 Standard Cargo

The "Standard Cargo" applicable in any Contract Year shall equal a Full Cargo Lot (in cubic meters) of LNG expected to be discharged from an LNG Tanker, assuming a Trinidad to Puerto Rico and return voyage. The "GAMMA Standard Cargo", estimated as of the date of this Contract, is 119,000 cubic meters. If during the course of the refurbishment and testing of the GAMMA prior to placement in service for this Contract, Seller determines that the actual carrying capacity of the GAMMA varies from this estimated figure, Seller shall promptly advise Buyer and the GAMMA Standard Cargo shall be adjusted accordingly no later than the IS Date and not by more than two percent. If an Alternate LNG Tanker is scheduled to deliver



a cargo under Article 7, the Standard Cargo for such LNG Tanker shall be a Full Cargo Lot for such Alternate LNG Tanker.

5.2 Annual Contract Quantities

(a) The Annual Contract Quantity or ("ACQ") shall equal 10 GAMMA Standard Cargoes, provided that Buyer shall have the option on or before the Final Determination Date to reduce the ACQ to nine GAMMA Standard Cargoes, subject to adjustment pursuant to Sections 3.2, 5.2(b) and 5.2(c). The "Final Determination Date" shall mean October 1, 1998, or if Seller has previously given notice to Buyer of an expected FCS Date later than October 1, 1999, the date one year prior to such expected FCS Date.

(b) If the Initial Contract Year or Final Contract Year is less than 365 days, the ACQ for that Contract Year shall equal the otherwise applicable ACQ multiplied by a fraction, the numerator of which is the number of days in such Contract Year and the denominator of which is 365, and then rounded to the nearest whole GAMMA Standard Cargo, but in no case less than one GAMMA Standard Cargo. The number of cargoes to be scheduled, delivered and paid for shall be governed by Articles 7 and 8.

(c) Buyer shall be entitled to reduce the ACQ by one GAMMA Standard Cargo in any Contract Year in which Buyer is conducting major scheduled maintenance on Buyer's Receiving Facilities or the Power Facility, respectively, provided, however, that this reduction shall not be made if such a reduction in respect of either or both Buyer's Receiving Facilities or the Power Facility has been made in any of the previous four Contract Years. Buyer shall give Seller notice of any such reduction simultaneously with its estimate of the LNG requirement for such Contract Year pursuant to Section 7.1(a). Such reduction shall be reflected in the calculation of the Estimated Monthly Demand Charge for the Contract Year in question.

5.3 Underdeliveries

(a) If the quantity of LNG delivered during the Winter Period in any Contract Year plus any Winter Volume Credit is less than 95% of a GAMMA Standard Cargo

[REDACTED]

(the amount of such deficiency being "Winter Underdeliveries") or if the sum of (i) the quantity of LNG deliveries in any Contract Year plus (ii) the Winter Underdeliveries, if any, is less than 98% of the ACQ (the amount of such deficiency being "Annual Underdeliveries"), then the Parties shall meet and endeavor in good faith to determine the reason for such Winter Underdeliveries and Annual Underdeliveries and apportion as between themselves their respective responsibility therefor. If any portion of such Winter Underdeliveries and Annual Underdeliveries is not the result of (i) Buyer's failure to request the scheduling of a cargo, (ii) cancellation by Buyer of a scheduled cargo, (iii) any other cause attributable to Buyer, (iv) an event of Force Majeure, or (v) non-delivery of a Winter Cargo excused pursuant to Section 12.3, then such portion shall constitute a "Winter Shortfall Quantity" or "Annual Shortfall Quantity", as the case may be, in respect of which Buyer shall be entitled to an Annual Adjustment under Section 8.2(b) as follows:

- (i) for any Winter Shortfall Quantity, by the amount by which the Propane Replacement Amount exceeds the Winter Amount; plus
- (ii) for any Annual Shortfall Quantity, by the amount by which the Propane Replacement Amount exceeds the Annual Amount;

but only to the extent the sum of such amounts exceeds the total dollar value of any price reduction applied pursuant to Section 8.3(c) for Late Delivery Days during such Contract Year.

For the purpose of this Section 5.3(a), "Propane Replacement Amount" shall be the MMBtu value of the Winter Shortfall Quantity or the Annual Shortfall Quantity, as the case may be, (calculated using the average number of MMBtus per cubic meter of LNG delivered hereunder during the Contract Year or, if no LNG was delivered in the Contract Year, 22.84 MMBtu per cubic meter) multiplied by the Propane Reference Price (calculated under Section 8.3(c) using the Mont Belvieu Gulf Coast propane prices for all Late Delivery Days during the Contract Year). The "Winter Amount" shall be the MMBtu value of the Winter Shortfall Quantity multiplied by the sum of the Demand Surcharge Rate, the Commodity Charge Rate and the Commodity Surcharge Rate applicable in that Contract Year. The "Annual Amount" shall be the MMBtu value of the Annual Shortfall Quantity multiplied by the Commodity Charge Rate applicable in that Contract Year.

[REDACTED]

(b) In addition to the adjustment under Section 5.3(a), if, in any Contract Year, Seller refuses (i) to schedule a cargo for Buyer when required to do so under this Contract, or (ii) to deliver and sell to Buyer a cargo which Seller is obligated to deliver to Buyer and instead delivers and sells such cargo to another purchaser, and if, in such Contract Year, a Winter Shortfall Quantity or Annual Shortfall Quantity occurs, all or a portion of which results from Seller's action, Buyer shall be entitled to a further Annual Adjustment under Section 8.2(b) equal to that portion of the incremental value, if any, which Seller obtains from the sale of such cargo as compared to the timely delivery and sale of such cargo to Buyer, that exceeds the sum of (A) the dollar value of any price reduction incurred pursuant to Section 8.3(c) as a result of such actions and (B) the adjustment payable under Section 5.3(a) in respect of such Winter Shortfall Quantity or Annual Shortfall Quantity (or the portion thereof attributable to Seller's action).

(c) Without prejudice to Buyer's rights under Article 20 below, this Section 5.3 and Section 8.3(c) shall provide Buyer's sole and exclusive monetary remedy for Seller's unexcused failure to meet its obligation to deliver (or to timely deliver) LNG to Buyer in accordance with this Contract, or for a breach by Seller of any other obligation under this Contract which results in such failure.

ARTICLE 6 - TRANSPORTATION AND UNLOADING

6.1 Seller's Responsibility For Transportation

Seller shall be responsible for the transportation of LNG to Buyer's Receiving Facilities and shall make arrangements to carry out this responsibility as provided in Sections 6.1 (a) - (e) below.

(a) Seller shall engage a reputable first class operator with substantial experience in the LNG industry to operate and maintain the GAMMA and any other LNG Tanker used to deliver LNG hereunder. Seller shall promptly inform Buyer when it has engaged an operator or whenever it replaces the operator. The GAMMA and any such other LNG Tanker shall comply with all regulations applicable to vessels carrying LNG to the Buyer's Receiving Facilities, including all permits and

approvals from governmental authorities required for transportation and discharge of the LNG at the Buyer's Receiving Facilities.

(b) Seller shall inform Buyer of its progress in obtaining any necessary permits or approvals required under Section 6.1(a) and shall permit Buyer to participate in any meetings or other discussions with governmental authorities or other parties related to obtaining such permits or approvals and shall give due regard to Buyer's recommendations with respect to the operations of Buyer's Receiving Facilities or the Unloading Port as they relate to the transportation and discharge of LNG.

(c) Subject to Sections 6.1(d) and (e), Seller shall use the GAMMA to transport all the LNG to be delivered hereunder. No later than May 15, 1997, Seller shall present to Buyer Seller's plan for the reconditioning and testing of the GAMMA and satisfaction of regulatory requirements for initial service. The reconditioning plan shall provide reasonable assurance to Buyer and Eco Lenders that the GAMMA will be able to meet the requirements of this Contract throughout the Term. Seller shall recondition the GAMMA consistent with such plan and shall exercise due diligence to maintain the GAMMA throughout the Term in accordance with the provisions of Sections 6.1 and 6.2. Seller shall from time to time throughout the Term, at the reasonable request of Buyer or Eco Lenders, permit Buyer or Eco Lenders access to reports or documentation in the possession of Seller concerning the condition and operation of the GAMMA and access to the GAMMA herself, so as to permit Buyer or Eco Lenders the opportunity to evaluate the then current condition of the GAMMA and its projected reliable service life.

(d) Seller shall:

- (i) employ an Alternate LNG Tanker in substitution for the GAMMA during any period it is undergoing routine maintenance or dry-docking unless the dry-docking is due to an event of Force Majeure in which case Seller shall use its reasonable efforts to employ an Alternate LNG Tanker;
- (ii) use best reasonable efforts to employ an Alternate LNG Tanker in substitution for the GAMMA during any period it has been



temporarily prevented from entering service or temporarily removed from service (unless such removal or prevention results from an event of Force Majeure, in which case Seller shall use its reasonable efforts to employ an Alternate LNG Tanker); and

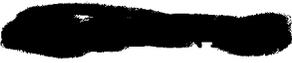
- (iii) have the right to employ an Alternate LNG Tanker in any other circumstances that are commercially reasonable and are reasonably acceptable to Buyer.

(e) If there is an actual or constructive total loss of the GAMMA (or an Alternate LNG Tanker that has permanently replaced the GAMMA in accordance with this Section 6.1), then Seller shall use best reasonable efforts (unless such prevention results from an event of Force Majeure, in which case Seller shall use its reasonable efforts) to make long-term arrangements for transportation of LNG from Trinidad to Puerto Rico acceptable to Buyer and Eco Lenders that will meet the requirements of this Contract for the balance of the Term, on terms that are commercially reasonable from Seller's perspective, taking into account insurance proceeds received by Seller related to the loss of the GAMMA (or such Alternate LNG Tanker).

Should Seller be unable to perform under this Contract as a result of the temporary or permanent loss of the GAMMA (or such Alternate LNG Tanker), Buyer may offer to Seller the use of another LNG Tanker meeting the requirements of this Contract if such an LNG Tanker can be arranged by Buyer. In such a case, Buyer and Seller shall use reasonable efforts to agree on the terms for the use of such LNG Tanker to meet the transportation requirements of this Contract.

6.2 LNG Tankers

(a) Seller shall inform Buyer, as soon as practical, of the identity of any LNG Tanker other than the GAMMA Seller intends to use to deliver LNG hereunder and shall provide all necessary details concerning the dimensions, specifications, operating characteristics and requirements of such LNG Tanker.



(b) The GAMMA and any Alternate LNG Tanker used by Seller shall, at all times, be:

- (i) maintained and safely operated to a standard customary for a first class LNG tanker operator;
- (ii) compatible with Buyer's Receiving Facilities, and capable of discharging a Full Cargo Lot within 16 hours of pumping time;
- (iii) equipped with communications equipment which shall comply with applicable regulations and permit the LNG Tanker to be in communication with land stations and Buyer's control rooms;
- (iv) equipped with adequate facilities for mooring, unmooring and handling LNG at Buyer's Receiving Facilities and related port navigation;
- (v) maintained in class with the American Bureau of Shipping, Lloyds Register of Shipping, Nippon Kaiji Kyokai, Det Norske Veritas or Bureau Veritas or other comparable classification society acceptable to Buyer;
- (vi) in compliance with all applicable laws, treaties, conventions, requirements and regulations of the country of vessel registry and the United States of America which relate to seaworthiness, safety, environmental protection, navigation, operation and similar technical and operational matters as they may be in effect with respect to the LNG Tanker from time to time;
- (vii) manned with a qualified and competent crew, including the Master and enough crew members fluent in spoken and written English and, as necessary, Spanish to coordinate with regulatory authorities and personnel at Buyer's Receiving Facilities and a Master, Chief Engineer, Chief Mate and Cargo Engineer (and such other officers having responsibilities associated with the preparation of the LNG Tanker for unloading) who are all trained

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and certified to a standard customary for a first class LNG Tanker operator and in compliance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW) and the 1995 Amendments (and any future amendments) and the STCW Code and who have all subscribed to a policy, acceptable to Buyer, precluding the unauthorized use of drugs or alcohol aboard the LNG Tanker; and

- (viii) adequately covered by all customary marine insurance policies, including the hull and machinery coverage and protection and indemnity coverage available in the English market (or other major insurance markets which may provide similar marine insurance) in the amounts and at the levels customarily maintained by first class LNG Tanker operators, such policies to include Buyer and Eco Lenders as an additional assured to the extent permitted by the insurers.

(c) Before the berthing and commencement of unloading of any LNG Tanker at Buyer's Receiving Facilities, Buyer shall have the right to conduct a safety inspection of the LNG Tanker, which Seller shall facilitate by providing Buyer or its agents reasonable access to the LNG Tanker and such information regarding its condition and operation as is reasonably requested by Buyer or its agents. If, as a result of such inspection Buyer determines in the exercise of its reasonable judgment that the condition of the LNG Tanker poses a substantial risk of injury or damage to persons or property ashore or afloat during the berthing or unloading process, or that the design or then current condition of the LNG Tanker causes it to be physically incompatible with Buyer's Receiving Facilities, so as to prevent her from berthing or unloading safely thereat, Buyer shall have the right to reject the LNG Tanker. Rejection by Buyer of an LNG Tanker pursuant to this Section 6.2(c) shall be deemed a failure by Seller to deliver the cargo scheduled for delivery on such LNG Tanker.

(d) Seller shall give notice to Buyer annually of the level and U.S. Dollar amount of coverage of hull and machinery insurance protection that it intends to obtain at least 60 days prior to the renewal date of such insurance and shall inform

[REDACTED]

Buyer whether additional amounts of coverage are available and, if so, the incremental premium cost thereof, up to full replacement value for the GAMMA (or other LNG Tanker committed to this Contract on a long-term basis pursuant to Section 6.1(e)). Buyer shall be entitled to request Seller to purchase additional insurance, up to the available coverage, in which Buyer shall be named as an additional insured, provided that Buyer reimburses Seller for the incremental premium cost relating to such additional coverage and upon receipt of such a request, Seller shall endeavor to purchase such additional coverage. If such LNG Tanker is lost or declared a constructive total loss by insurance underwriters, Seller shall pay over to Buyer any proceeds received from insurance underwriters attributable to the additional coverage purchased by the premium reimbursed by Buyer.

(e) FOB Conversion

Subject to demonstration by Buyer at the time of its request that it owns, or otherwise has control of, an LNG Tanker that meets the requirements of Section 6.2 for the then remaining Term of this Contract, Buyer may request negotiations to convert this Contract to an FOB sale and purchase agreement in which Buyer is obliged to provide the LNG Tanker necessary to load and receive LNG at the Trinidad Facilities and transport and deliver it to Buyer's Receiving Facilities. Buyer may make such request at any time but only once during the Term of this Contract, following which request Seller and Buyer shall promptly use reasonable efforts to negotiate such FOB agreement and to obtain the consent of Atlantic LNG thereto. If the Parties reach agreement on FOB terms acceptable to Atlantic LNG, this Contract shall be converted to an FOB agreement and the Parties shall proceed to implement it in accordance with such terms.

6.3 Buyer's Receiving Facilities

Buyer shall construct or cause to be constructed, and shall at all times during this Contract provide, maintain and operate, or cause to be provided, maintained and operated, Buyer's Receiving Facilities necessary for Buyer's due performance under this Contract. Buyer's Receiving Facilities shall include without limitation the following:

[REDACTED]

(a) a berth and port facilities capable of receiving LNG Tankers of the dimensions and characteristics set forth in Schedule A hereto, where such LNG Tankers may safely proceed to, lie at and depart from, always afloat at all times of the tide;

(b) unloading facilities capable of receiving LNG from the GAMMA at an average rate of approximately 9,000 cubic meters per hour at a nominal operating pressure of approximately 52 pounds per square inch gauge ("psig") at the Delivery Point, but in any event not to exceed 80 psig;

(c) a vapor return system capable of returning vapor to the GAMMA at an average rate of approximately 9,000 cubic meters per hour at a nominal operating pressure of 1.5 psig at the Delivery Point, but in any event not to exceed 15.0 psig;

(d) communications equipment which shall comply with applicable regulations and permit Buyer's control rooms to be in regular communication with the LNG Tankers;

(e) storage tanks, vaporization lines and ancillary and related facilities capable of receiving and processing the LNG to be delivered to Buyer in accordance with this Contract; and

(f) qualified and competent personnel, fluent in spoken and written English, to coordinate with the LNG Tanker during unloading operations.

6.4 Use of Buyer's Receiving Facilities: Port Charges

(a) LNG Tankers shall utilize Buyer's Receiving Facilities subject to observance of all relevant local and federal regulations, including port regulations, and applicable port conditions of use that may be established in accordance with standard industry practice. Any tugs, pilots or escort vessels required (or other support vessels required in connection with the safe berthing of an LNG Tanker or otherwise utilized at the Unloading Port) shall be employed by and at the sole expense of Seller.



(b) Seller shall be responsible for payment of amounts due for supplies and services requested by Masters of LNG Tankers and for port charges (which shall include costs for dockage and wharfage, port service charges, line handling fees, harbor dues, inspection and customs fees, telephone and postage, tonnage tax, and any other similar costs); provided, however, that Buyer shall reimburse Seller for that portion of port charges (other than items covered under Section 6.4(a)) exceeding forty thousand dollars (\$40,000) per delivery, as of January 1, 1996, such \$40,000 amount to be escalated on January 1 of each succeeding Calendar Year by multiplying by $(PR-CPI_n/PR-CPI_0)$, as such terms are defined in Section 8.1(a).

(c) Seller shall obtain or cause to be obtained all approvals required from governmental authorities for each LNG Tanker to enter and travel in the territorial waters of the United States of America, to berth and unload its cargo and to depart from Buyer's Receiving Facilities and leave the territorial waters of the United States of America.

(d) Buyer shall exercise its best reasonable efforts to assist Seller in coordinating delivery of equipment, supplies and services for the LNG Tankers subject to Section 6.5(a)(ii).

(e) If as a result of (i) acts or omissions of Seller, its agents or employees, or (ii) reasons attributable to the LNG Tanker, its Master, crew, owner or operator, the LNG Tanker occupies the berth at Buyer's Receiving Facilities during any one delivery for more than 30 hours or does not proceed promptly to the berth as soon after Notice of Readiness is effective as is permitted by port regulations and weather conditions, and if such event causes a delay in berthing at Buyer's Receiving Facilities any other vessel (including another LNG Tanker) awaiting berth and ready to proceed thereto, Seller shall compensate Buyer for any loss or costs incurred thereby, up to a maximum of \$50,000 a day multiplied by the Adjustment Factor, and pro rata for any part of a day. Buyer shall invoice Seller for any amounts due hereunder in accordance with Section 9.3(b).

6.5 Notifications of Estimated Time of Arrival

(a) In advance of each voyage to Buyer's Receiving Facilities, Seller shall give Buyer notice of the date and hour on which each LNG Tanker has departed



from the immediately preceding discharge port, its estimated time of arrival at and departure from the Loading Port, and the estimated time of arrival at the Unloading Port ("ETA"). Such notice shall be submitted immediately after the LNG Tanker's departure from the immediately preceding discharge port or, where applicable, from a shipyard. Seller shall include in such notice to Buyer a statement of:

- (i) any operational deficiencies in the LNG Tanker of which Seller is aware that may affect its performance at Buyer's Receiving Facilities; and
- (ii) requirements for nitrogen, or other items that Seller intends to have third parties deliver to the LNG Tanker while at Buyer's Receiving Facilities, provided that Buyer shall have no obligation to modify Buyer's Receiving Facilities but shall give third parties access to Buyer's Receiving Facilities for the purpose of supplying such items to the LNG Tanker at reasonable times and in a manner that does not interfere with the operation of Buyer's Receiving Facilities.

If the ETA changes by more than 24 hours from that most recently notified, Seller shall cause the LNG Tanker's Master to give notice promptly of the corrected ETA to Buyer.

(b) On each voyage to Buyer's Receiving Facilities, Seller shall cause the LNG Tanker's Master to give Buyer notice immediately after noon of each day at sea of its position in longitude and latitude at noon of that same day.

(c) 48 hours and 24 hours prior to the then expected LNG Tanker's arrival at the Unloading Port, Seller shall cause the LNG Tanker's Master to give notice by telex, facsimile or other mutually agreed form of communication to Buyer stating its then ETA. If thereafter this ETA changes by more than six hours, Seller shall cause the LNG Tanker's Master to give prompt notice to Buyer of the corrected ETA.

(d) Seller shall cause the LNG Tanker's Master to give a final ETA notice by telex, facsimile or other mutually agreed form of communication and radio five hours prior to the LNG Tanker's arrival at the Unloading Port.



(e) Seller shall cause the LNG Tanker's Master to give Buyer notice immediately upon the LNG Tanker's arrival at the Unloading Port.

For purposes of this Article 6 and Article 7 below, "Arrival at the Unloading Port" shall mean arrival at the point where a pilot is first required to be on board the LNG Tanker as established in accordance with port regulations (the "Pilot Station").

6.6 Notice of Readiness

Upon the LNG Tanker's arrival at the Pilot Station, the Master shall transmit to Buyer notice of readiness to discharge ("Notice of Readiness"). At any time after the LNG Tanker has given Notice of Readiness, Buyer shall be entitled to send a representative to board the vessel and act as an observer with respect to all activities occurring after Notice of Readiness until the completion of unloading of the LNG Tanker. Notice of Readiness shall be effective upon receipt as provided in Article 18, provided it shall not be effective before 6:00 a.m. on the Scheduled Delivery Date.

Notice of Readiness may also be given in the berth if the LNG Tanker is ready to discharge LNG in accordance with this Contract, in which case it shall be effective when received.

6.7 Unloading Time

(a) The allotted unloading time for each LNG Tanker ("Allotted Unloading Time") shall be 30 hours, subject to extension as provided in (c), below.

(b) The actual unloading time for each LNG Tanker ("Actual Unloading Time") shall commence when the Notice of Readiness is effective and shall end when the unloading and return lines of the LNG Tanker are disconnected from Buyer's Receiving Facilities' unloading and return lines.

(c) Allotted Unloading Time shall be extended by the time during which proceeding from the Pilot Station, anchorage, berthing or unloading is delayed or hindered by (i) acts or omissions of Seller, its agents or employees, (ii) reasons attributable to the LNG Tanker, its Master, crew, owner or operator, (iii) port

[REDACTED]

regulations limiting the movement of the LNG Tanker, including nighttime restrictions (except when such restrictions would not have arisen except for the events described in Section 7.2(d)(i) and (ii)), or (iv) an event of Force Majeure under this Contract.

6.8 Demurrage

If Actual Unloading Time exceeds Allotted Unloading Time (including any extension in accordance with Section 6.7(c)), Buyer shall pay Seller demurrage, in the case of LNG Tankers having a cargo capacity in excess of 110,000 cubic meters, in the amount of \$50,000 per day for the first three days of excess time, \$100,000 per day for the next three days, and \$200,000 per day for each day thereafter and, in the case of LNG Tankers having a cargo capacity equal to or less than 110,000 cubic meters, in the amount of \$30,000 per day for the first three days, \$60,000 for the next three days, and \$120,000 for each day thereafter. Such amounts shall be adjusted proportionately to account for partial days. All such demurrage figures are effective as of January 1, 1997 and shall be adjusted each January 1 thereafter by application of the Adjustment Factor as described in Section 8.1(a). Seller shall invoice Buyer for amounts due under this Section 6.8 and Buyer shall pay such invoice in accordance with Section 9.3(a).

6.9 Compensation for Excess Boil-Off

If an LNG Tanker is delayed in berthing and/or commencement of unloading for a reason which would not result in an extension of Allotted Unloading Time under Section 6.7(c), and if, as a result, the commencement of unloading is delayed beyond 30 hours after Notice of Readiness is effective, then for each full hour by which commencement of unloading is delayed beyond such 30-hour period (plus any period that Allotted Loading Time is extended pursuant to Section 6.7(c)), Buyer shall pay Seller to compensate for boil-off during such delay an amount equal to the product of the MMBtu value of such boil-off (calculated as provided in Section 5.3(a)) and the sum of the Commodity Charge Rate and, if applicable, the Commodity Surcharge Rate. The hourly boil-off rate to be applied for such purpose shall be determined by actual average boil-off experience of the LNG Tanker as determined at appropriate intervals and under similar circumstances, but the total boil-off during such delay shall never exceed the quantity of LNG on board the LNG Tanker at the

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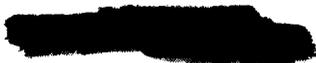
commencement of the relevant 30-hour period. Seller shall invoice Buyer for amounts due under this Section 6.9 and Buyer shall pay the invoice in accordance with Section 9.3(a).

ARTICLE 7 - SCHEDULING

7.1 Annual Scheduling Conference

(a) Seller shall offer cargoes in accordance with the scheduling parameters set out in this Article 7 and shall schedule and deliver the quantities of LNG that Buyer has requested in accordance with the provisions hereof. On or before June 1 of each Contract Year (and of the year in which the IS date is expected to occur), Seller shall notify Buyer of any anticipated scheduled maintenance of the Trinidad Facilities or the GAMMA for the coming Contract Year. On or before July 1 of each Contract Year (and of the year in which the IS Date is expected to occur), Buyer shall provide to Seller a non-binding estimate of the quantity and timing of its LNG requirements over the coming Contract Year. Such estimate shall specify if there will be major maintenance or other planned outages of Buyer's Receiving Facilities or the Power Facility and their expected dates, and Buyer shall use its best reasonable efforts to coordinate such dates with the major maintenance schedule of Seller in respect of the Trinidad Facilities and the GAMMA, to the extent consistent with Buyer's existing obligations under the Power Agreement. Buyer and Seller shall meet to discuss such estimate and Seller shall work with Atlantic LNG in accordance with the Trinidad Supply Contract to develop an annual delivery programme for the loading of TSC Cargoes at the Trinidad Facilities ("Atlantic Delivery Programme") reflecting such discussions. Seller shall use its best reasonable efforts to cause Atlantic LNG to include in the Atlantic Delivery Programme loading dates for TSC Cargoes that will permit Seller to schedule and deliver cargoes consistent with such Buyer estimate and in accordance with this Article 7.

(b) Promptly upon the establishment of the Atlantic Delivery Programme, Seller shall provide to Buyer the Atlantic Delivery Programme and the anticipated period of use, loading dates and Standard Cargo quantity of any Alternate LNG Tanker expected to be used by Seller and from time to time thereafter shall provide



to Buyer updates to the Atlantic Delivery Programme, including all ALNG Ninety-Day Schedules issued in implementation thereof.

7.2 Ninety-Day Scheduling Procedure

(a) Buyer Requests for Delivery Ranges

- (i) No later than the 12th of each month if Buyer wishes to receive a cargo during the next month, Buyer shall specify to Seller a period of at least five consecutive days in which it desires to receive such cargo ("Delivery Range") and shall also specify tentative Delivery Ranges for any cargoes it wishes to receive in the second and third following months.
- (ii) Each such Delivery Range shall be selected to provide a minimum spacing of 25 days between the day when the discharge of the immediately preceding cargo was completed (or the first day of the immediately preceding Delivery Window for a cargo that has not yet been delivered), and the first day of such Delivery Range unless a shorter or longer period is required under Section 7.2(c). If a cargo is to be delivered on an Alternate LNG Tanker, the minimum spacing between the Delivery Range for such cargo and the Delivery Range for the preceding and following cargoes shall be adjusted proportionally based on the cargo capacity of such Alternate LNG Tanker compared to the GAMMA.

(b) Seller Establishment of Ninety-Day Schedule

- (i) Promptly upon receiving Buyer's Delivery Ranges, Seller shall use reasonable efforts (without regard to any other sales obligations of Seller) in connection with the preparation of the ALNG Ninety-Day Schedule to establish a three-day period wholly within each requested Delivery Range when it will deliver the requested cargo (a "Delivery Window") or, if Section 7.2(c) applies, a Delivery Window that complies with Section 7.2(c).

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- (ii) If, in the schedule of loadings of TSC Cargoes in the ALNG Ninety-Day Schedule for the calendar month following Buyer's request for a Delivery Range, there is no TSC Cargo with a scheduled loading date that will allow Seller (without regard to any other sales obligations of Seller) to establish a Delivery Window that (i) is wholly within the requested Delivery Range, (ii) commences no earlier than the earliest day Seller can deliver that TSC Cargo to Buyer, and (iii) ends no later than the latest date the LNG Tanker can reasonably deliver that TSC Cargo to Buyer and return to the Trinidad Facilities in time to load the next scheduled TSC Cargo for Seller, then Seller shall designate date ranges for TSC Cargoes scheduled for loading immediately preceding and immediately following the Delivery Range requested by Buyer. Each such date range shall commence on the earliest day Seller can reasonably deliver a cargo based on Atlantic LNG's scheduled loading date for that cargo and end on the latest date the LNG Tanker can reasonably deliver that cargo and return to the Trinidad Facilities in time to load the next scheduled TSC Cargo for Seller. If neither of such date ranges would allow Buyer, pursuant to Section 7.2(b)(iv), to select a three-day Delivery Window wholly within the 15-day period commencing five days immediately prior to and ending five days immediately following the requested Delivery Range, then each day by which such 15-day period would have to be extended to permit such a three-day Delivery Window shall be a Late Delivery Day.
- (iii) On or before the second Business Day after Seller receives the most recent loading schedule from Atlantic LNG covering the three calendar months next following the month in which Seller receives such schedule (or corresponding 90-day period) (the "ALNG Ninety-Day Schedule"), but no later than the 20th day of each month, Seller shall deliver to Buyer a copy of the ALNG Ninety-Day Schedule and a delivery schedule for cargoes to be delivered to Buyer's Receiving Facilities during that same three-month period that includes the Delivery Windows described in (i)



above (and, if applicable, the date ranges described in (ii) above). Such delivery schedule (the "Ninety-Day Schedule") shall include the identity of each LNG Tanker scheduled to deliver a cargo (the "Scheduled LNG Tanker") to Buyer's Receiving Facilities, as well as such LNG Tanker's scheduled destinations prior to and following each such delivery and the Standard Cargo for such LNG Tanker.

- (iv) If the Ninety-Day Schedule includes date ranges under (ii), then, within five Business Days after receiving the Ninety-Day Schedule, Buyer shall notify Seller of a three-day Delivery Window wholly within either of the date ranges designated by Seller for each applicable delivery, and Seller shall thereupon promptly issue a revised Ninety-Day Schedule incorporating such Delivery Window.
- (v) Delivery Windows for cargoes to be delivered in the first calendar month of the Ninety-Day Schedule shall be final, subject to Section 7.3(b), while those thereafter shall be tentative, subject to revision in the next Ninety-Day Schedule in accordance with this Section 7.2.
- (vi) On departure of the LNG Tanker from the Trinidad Facilities to Buyer's Receiving Facilities, Seller shall give notice to Buyer of the "Scheduled Delivery Date", which shall be one of the three days within the Delivery Window (provided that, if Seller fails to specify a Scheduled Delivery Date, it will be deemed to be the middle day of the Delivery Window or, if Seller fails to specify a Delivery Window, it will be deemed to be the middle day of the requested Delivery Range).
- (vii) For the purpose of this Section 7.2(b), if a Delivery Range or a Delivery Window overlaps two calendar months, such Delivery Range or Delivery Window shall be considered as falling within the earlier of such months.



(c) Special Rules

Seller may schedule the Last Cargo of any Contract Year, the Winter Cargo and the Early Spring Cargo in accordance with the following in lieu of establishing the Delivery Window in the manner contemplated by 7.2(b).

- (i) Scheduling the Last Cargo of the Contract Year:
 - (A) On or before August 10, Seller shall notify Buyer of a 15-day period in which Seller will deliver the Last Cargo of that Contract Year. The 15-day period shall be within the period November 23 through December 15.
 - (B) On or before September 10, Seller shall notify Buyer of a 10-day period in which Seller will deliver such Last Cargo. The 10-day period shall be within the 15-day period established pursuant to clause (i)(A).
 - (C) On or before October 10, Seller shall notify Buyer of a 5-day period in which Seller will deliver such Last Cargo. The 5-day period shall be within the 10-day period established pursuant to clause (i)(B).
 - (D) On or before November 1, Seller shall inform Buyer of a 3-day Delivery Window for such Last Cargo, which shall be within the 5-day period established pursuant to clause (i)(C).
- (ii) Scheduling the Winter Cargo
 - (A) Seller may respond to Buyer's specification of a 5-day Delivery Range for the Winter Cargo under Section 7.2(a)(i) either by providing the 3-day Delivery Window contemplated by Section 7.2(b)(i) or, on or before December 16, notifying Buyer of a 5-day Delivery Window in which Seller will deliver the Winter Cargo. Such 5-day



Delivery Window shall fall wholly within the period between 40 and 50 days (provided that, if the volume in the Last Cargo is less than a GAMMA Standard Cargo, such period shall be shortened proportionately) following the earlier of December 15 and the Last Cargo Delivery Date.

- (B) If Seller fails to deliver the Last Cargo by December 31 ("Carryover Late Cargo") and such Cargo is delivered during the Winter Period of the following Contract Year, such Carryover Late Cargo shall be treated as the Winter Cargo for such following Contract Year, provided that it (x) shall not be subject to the Commodity Surcharge Rate calculated in Section 8.3(b) or the Demand Surcharge Rate calculated in Section 8.1(a), (y) shall be excluded in measuring the quantity delivered under Section 8.2(a)(ii) and (iv), and (z) shall not be subject to cancellation under Section 12.3.

(iii) Scheduling the Early Spring Cargo

Seller may respond to Buyer's specification of a five-day Delivery Range for the Early Spring Cargo under Section 7.2(a)(i) either by providing the three-day Delivery Window contemplated by Section 7.2(b)(i) or, on or before the 16th of the month in which Buyer makes its request, notifying Buyer of a five-Day Delivery Window in which Seller will deliver the Early Spring Cargo. Such five-Day Delivery Window shall fall wholly within the last 10 days of the Early Spring Period, provided, however, that if Seller fails to deliver a cargo during the Winter Period, the first cargo delivered thereafter in such Contract Year (which may be a Carryover Late Cargo or a Winter Cargo) shall be treated as the Early Spring Cargo for such Contract Year.

(d) Late Deliveries

Seller shall use best reasonable efforts to commence discharge of each cargo as early as practicable on its Scheduled Delivery Date. If a delivery has not been completed (i.e., the cargo has not been fully discharged) by 24:00 hours on the day following the Scheduled Delivery Date (the "Grace Period") then each day beyond the Grace Period that the delivery is completed shall be a Late Delivery Day. The Grace Period shall be extended hour-for-hour by the time of any delay of the LNG Tanker in arriving at the Unloading Port, proceeding from the anchorage or berthing or unloading at Buyer's Receiving Facilities which is caused by (i) acts or omissions of Buyer, its agents, or employees, (ii) the state or condition of Buyer's Receiving Facilities, (iii) port regulations limiting the movement of the LNG Tanker, including nighttime restrictions (except when such restrictions would not have arisen except for the events described in Section 6.7(c)(i) and (ii)), or (iv) an event of Force Majeure under this Contract.

(e) Short Cargo

If a cargo of LNG delivered by Seller to Buyer is less than 95% of the Standard Cargo as shown on the Ninety-Day Schedule, the difference between such cargo and such Standard Cargo shall be converted into Late Delivery Days by dividing such difference by the ACQ and then multiplying by 365. The foregoing shall not apply to the extent the cargo has been reduced by excess boil-off for which Seller is entitled to compensation pursuant to Section 6.9, or as a result of a request by Buyer to deliver less than 95% of such Standard Cargo.

(f) Seller and Buyer acknowledge and agree that the implementation of the scheduling procedures of this Section 7.2 may result in Buyer's right to request cargoes in excess of the ACQ in any one Contract Year in accordance with such scheduling procedures.

7.3 Changes to Scheduled LNG Tankers, Delivery Windows and Scheduled Delivery Dates

(a) Under circumstances contemplated in Section 6.1(d), Seller shall notify Buyer of the substitution of an Alternate LNG Tanker for the Scheduled LNG Tanker



as soon as possible in advance of the Delivery Window and, where the proposed Alternate LNG Tanker has not within the immediately preceding 12 months delivered LNG at Buyer's Receiving Facilities, such notice must be given at least seven days prior to the date Seller expects the Alternate LNG Tanker to leave the loading port on its voyage to Buyer's Receiving Facilities to provide Buyer the opportunity to inspect the Alternate LNG Tanker at such port in accordance with Section 6.2(c).

(b) The Scheduled Delivery Dates and Delivery Windows shall be subject to adjustment as provided in this Section 7.3(b).

- (i) If by reason of an event of Force Majeure affecting Seller or in circumstances giving rise to one or more Late Delivery Days under Section 7.2(d), the Delivery Date of a cargo occurs after the last day of the Delivery Window established under Section 7.2 for such cargo, then any Delivery Window that has been established for a subsequent cargo shall be automatically extended on a day-for-day basis by the number of days of delay of such Delivery Date beyond its Delivery Window, or by such lesser extension as shall be designated by Buyer in its sole discretion within 24 hours after such Delivery Date.
- (ii) Seller may propose changes to the Delivery Window including changes requested due to a change in destination of a previous cargo, changes desired due to any extension in a Delivery Window pursuant to Section 7.3(b)(i), or any other factor which would result in an early or late arrival of the Scheduled LNG Tanker at the Unloading Port. Buyer may propose changes to established Scheduled Delivery Dates or Delivery Windows, or the required spacing between Delivery Windows, including changes requested to respond to Seller's invocation of Section 12.3, to make adjustments in future deliveries required as a result of variations in actual deliveries compared to scheduled deliveries, or to reflect any changes in its expected inventory level in its storage tanks at Buyer's Receiving Facilities or consumption rate. Buyer shall inform Seller promptly whenever its expected inventory level will preclude it from receiving a cargo

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within the Delivery Window or, if established, on the Scheduled Delivery Date, and shall suggest possible methods of mitigating such event, including changes to the Delivery Window or Scheduled Delivery Date. In cases where a Party requests changes pursuant to this Section 7.3(b)(ii), the other Party shall use reasonable efforts to accommodate such requested change and, if such change cannot be so accommodated, to consider other responses, such as delivery to another facility or the delivery of a partial cargo.

7.4 Buyer's Right to Cancel

Buyer may at any time, by written notice to Seller, cancel a scheduled cargo which is part of the Ninety-Day Schedule up to 10 days prior to the middle day of its Delivery Window. Buyer may also cancel a cargo on or after the 10th day prior to the middle day of its Delivery Window and, if it is not possible for Seller to deliver that scheduled cargo to Seller's Receiving Facilities without economic loss or detriment to Seller as compared to a delivery to Buyer's Receiving Facilities, the Parties will consult on the options available with the intention of mitigating the net economic loss associated with Buyer's request, and Buyer shall be responsible for any net economic loss suffered by Seller in redelivering all or a portion of such cargo to Seller's Receiving Facilities or another terminal up to the amount that Seller would have received from Buyer had the cargo, or a portion thereof, been delivered to Buyer's Receiving Facilities.

7.5 Buyer's Annual Commitment

In respect of each Contract Year, Buyer agrees to schedule and take delivery from Seller, of a minimum of 19.46 million (19,460,000) MMBtus (which is approximately seven (7) GAMMA Standard Cargoes) or, if less, that number of MMBtus equivalent to 66% of all LNG consumed in the Power Facility (in each case, the "Annual Level"); provided that, in any Contract Year in which there occurs either (i) an Annual Shortfall Quantity or (ii) Annual Underdeliveries resulting from an event of Force Majeure affecting Seller, then the Annual Level shall be reduced (to a number not less than zero) by the number of MMBtus in such Annual Shortfall Quantity and Annual Underdeliveries multiplied by three. For this purpose,

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The "Adjustment Factor" applicable to any Contract Year shall equal

$$1 + 0.5 ((PR-CPI_n/PR-CPI_0)-1),$$

where:

PR-CPI₀ is the average of the 12 monthly values of PR-CPI for the calendar year 1995, being 137.0;

PR-CPI_n is the average of the 12 monthly values of PR-CPI for the prior Contract Year; and

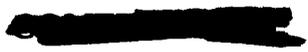
PR-CPI is the "Consumer Price Index for All Families and Revised Wage Earners' Families in Puerto Rico", as published monthly by the Puerto Rico Bureau of Labor Statistics, Department of Labor and Human Resources.

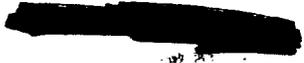
(b) The Estimated Monthly Demand Charge shall be payable hereunder for each month regardless of whether any LNG is delivered by Seller to Buyer during that month; provided, however, that Buyer shall be excused from such payment for any month if no cargo has been delivered under this Contract in the 50-day period immediately prior to such month as a result of (i) a failure of Seller to meet its delivery obligations hereunder when Seller was obligated to deliver at least one cargo during such period, or (ii) an event of Force Majeure under this Contract affecting either Buyer or Seller.

8.2 Annual Demand Charge Reconciliation

Within 45 days after the end of each Contract Year, Seller shall provide to Buyer a reconciliation of the Estimated Monthly Demand Charges paid during such Contract Year against the Annual Demand Charge for such Contract Year, as follows.

(a) The "Annual Demand Charge" payable by Buyer to Seller with respect to each Contract Year shall equal:

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- (i) the product of (x) the greater of the ACQ and the total quantity of LNG delivered during the Contract Year (in cubic meters) times (y) the weighted average heating value of the LNG delivered during such Contract Year, not to exceed 1080 Btu/scf, times (z) the Demand Charge Rate; plus
- (ii) the product of (x) the greater of a GAMMA Standard Cargo and the total quantity of LNG delivered in the Winter Cargo (in cubic meters), excluding any quantities delivered in a Carryover Late Cargo, times (y) the heating value of the Winter Cargo, not to exceed 1080 Btu/scf, times (z) the Demand Surcharge Rate; minus
- (iii) the product of (x) the amount (in cubic meters), if any, by which the ACQ exceeds the sum of the quantity of LNG actually delivered during the Contract Year plus any quantity not delivered as a result of the failure of Buyer to request the scheduling of a cargo, the cancellation by Buyer of a scheduled cargo, or from any other cause attributable to Buyer (excluding any quantity not delivered as a result of an event of Force Majeure), times (y) the weighted average heating value of the LNG delivered during such Contract Year, not to exceed 1080 Btu/scf, times (z) the Demand Charge Rate; minus
- (iv) the product of (x) the amount (in cubic meters), if any, by which a GAMMA Standard Cargo exceeds the sum of the quantity of the Winter Cargo, excluding any quantities delivered in a Carryover Late Cargo, plus any quantity not delivered as a result of the failure of Buyer to request the scheduling of a Winter Cargo, the cancellation by Buyer of a scheduled Winter Cargo, or from any other cause attributable to Buyer (excluding any quantity not delivered as a result of an event of Force Majeure), times (y) the heating value of the Winter Cargo, not to exceed 1080 Btu/scf, times (z) the Demand Surcharge Rate.



If no Winter Cargo was delivered, or if no LNG was delivered during a Contract Year, the heating value of the Winter Cargo or the LNG during that Contract Year for purposes of the above calculations shall be 22.84 MMBtu/cm.

(b) The "Annual Adjustments" to be credited to Buyer at the end of each Contract Year shall be the sum of:

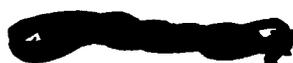
- (i) the amount of any adjustment pursuant to Section 5.3(a); plus
- (ii) the amount of any adjustment pursuant to Section 5.3(b).

(c) The amount by which the Annual Demand Charge minus the Annual Adjustments, if any, for any Contract Year exceeds or is less than the sum of the Estimated Monthly Demand Charges paid with respect to that Contract Year shall be added to or subtracted from, as the case may be, the Estimated Monthly Demand Charge for the month next following the month of completion of the Annual Demand Charge reconciliation, provided that, if the credits to be applied exceed the Estimated Monthly Demand Charge for such month, then Buyer may either subtract such excess credits from the Estimated Monthly Demand Charge in the following months, or may invoice Seller for the excess credits and Seller shall pay the invoice in accordance with Section 9.3(b). In the case of the Final Contract Year, the Party to whom the adjustment is owed shall invoice the other Party in accordance with Section 9.3(a) or 9.3(b), as the case may be.

8.3 Commodity Charge

(a) For each MMBtu of LNG delivered in any Contract Year, Buyer shall pay to Seller a "Commodity Charge Rate" (expressed in U S Dollars per MMBtu) equal to the sum of:

- (i) average of the thirty-six (36) closing prices for the NYMEX natural gas futures contracts (Henry Hub) for each month of the prior Contract Year, taking the closing prices for the last three trading days for each of the 12 such contracts; and
- (ii) the product of (x) per MMBtu times (y) the ratio of the value of $PR-CPI_n$ to the value of $PR-CPI_0$, each as defined in Section 8.1(a).



(b) In addition to the amount stated in paragraph (a), above, for each MMBtu of LNG delivered in a Winter Cargo, Buyer shall pay to Seller a "Commodity Surcharge Rate" equal to the product of (x) _____ per MMBtu and (y) the Adjustment Factor, as defined in Section 8.1(a). If commercial operations of a second liquefaction train commence at, or utilizing common facilities with, the Trinidad Facilities, then, upon commencement of such operations, the amount of _____ per MMBtu in the preceding sentence shall be reduced to _____ per MMBtu.

(c) For each Late Delivery Day, as calculated under Sections 7.2(b)(ii), 7.2(d) or 7.2(e) (except those resulting from an event of Force Majeure affecting Seller, actions or omissions attributable to Buyer, its agents or employees, or the state or condition of Buyer's Receiving Facilities), the sum of the Commodity Charge Rate and the Commodity Surcharge Rate (if any) applicable to the cargo first delivered after occurrence of such Late Delivery Day shall be reduced by the product of (i) \$0.02 per MMBtu for a Late Delivery Day under Section 7.2(b)(ii) or \$0.03 per MMBtu for all other Late Delivery Days multiplied by (ii) the Propane Index; provided, however, that:

- (i) if the cargo contains less than 2.8 million MMBtus, the amount of reduction per MMBtu shall be multiplied by a fraction equal to 2.8 million divided by the MMBtu value of such cargo;
- (ii) the aggregate price reduction for Late Delivery Days incurred for any one cargo shall not exceed the Commodity Charge Rate plus, if applicable, the Commodity Surcharge Rate;
- (iii) Late Delivery Days shall continue to accrue with respect to a Carryover Late Cargo under 7.2(c)(ii) until it is actually delivered, provided that, if there was an Annual Shortfall Quantity under Section 5.3 with respect to the prior Contract Year, the price reduction calculation shall include Late Delivery Days accruing during the prior Contract Year only to the extent that the cumulative price reduction attributable to such prior Contract Year Late Delivery Days exceeds (x) the reduction in the Annual Adjustment under Section 5.3(a) that would have occurred had

[REDACTED]

the Carryover Late Cargo been delivered on December 31 of the prior Contract Year divided by (y) the MMBtu value of the Carryover Late Cargo; and

- (iv) the number of Late Delivery Days for any one cargo incurred as a result of a delay in the scheduling or delivery of the prior cargo hereunder shall be reduced on a day-for-day basis to the extent that Late Delivery Days were incurred for such prior cargo with respect to such delay.

The "Propane Index" shall be the Propane Reference Price divided by per gallon. The "Propane Reference Price" shall be the average of the closing prices for Mont Belvieu Gulf Coast propane (non-TET) in U.S. Dollars per gallon, as published by Oil Price Information Service for each Late Delivery Day (provided that if no price is published for a day, the price most recently published will be used for that day). If the Term ends and Buyer remains entitled to a price reduction under this Section 8.3(c), then Buyer shall invoice Seller in accordance with Section 9.3(b) for the dollar value of such price reduction.

8.4 Use of Estimates

If any price or reference required to make price calculations under this Article 8 is not available at the time a price or price-related calculation must be made under this Article 8, the Parties shall make a reasonable estimate of such price or reference based on information then available. When the actual price or reference information becomes available, retroactive adjustments shall be made and the Parties shall settle any outstanding amount by issuing an invoice pursuant to Section 9.3(a) or (b), as the case may be.

8.5 Replacement of Indices

In the event that any of (i) the index PR-CPI as defined in Article 8.1(a), (ii) the prices for NYMEX natural gas futures contracts as specified in Article 8.3(a)(i), (iii) the Mont Belvieu Gulf Coast propane prices used to calculate the Propane Reference Price as defined in Section 8.3(c), or (iv) a replacement index established under this Section 8.5 (each, an "Index"), ceases to be published, Seller and Buyer

[REDACTED]

shall promptly meet and agree upon a replacement for any such Index, and failing agreement within 30 days of a request for the first meeting for such purpose, shall submit the matter to an expert pursuant to Article 16 below. Such failure to agree to a replacement for an Index shall not be deemed a breach of contract. The Parties agree that the purpose of such expert determination shall be to establish a replacement which preserves as closely as possible the structure and economic basis of the Index originally agreed upon and which yields no anticipated economic advantage to one Party at the expense of the other. Unless otherwise agreed by the Parties in writing, any replacement for an Index shall be applied retroactively from the month immediately following the month in which the information necessary to calculate the Index being replaced ceased to be published.

In the event that the authority that publishes an Index used to make calculations under this Article 8 ceases to publish such Index, but the same authority issues a conversion table by which a new Index can be related to the former Index, such new Index and conversion table shall be used hereunder.

ARTICLE 9 - INVOICING AND PAYMENT

9.1 Invoices and Documents

(a) Each Party, at the request of the other, shall supply all information reasonably available to such Party related to the preparation of any invoice hereunder. Promptly after completion of each unloading of an LNG Tanker, Seller shall furnish to Buyer copies of all gauging and measurement records prepared in accordance with Schedule B and a certificate of quantities unloaded, together with such other documents concerning the cargo as may be reasonably requested by Buyer. Thereupon, Seller shall furnish by facsimile to Buyer, with an original by mail, an invoice, stated in U.S. Dollars, in the amount of the product of (i) the Commodity Charge Rate plus, if applicable, the Commodity Surcharge Rate in effect at the time the cargo is discharged multiplied by (ii) the number of MMBtus unloaded.

(b) In the event that Seller is unable to provide the certificate of quantities unloaded under (a), Seller may issue a provisional invoice (the "Provisional Invoice") in an amount calculated on the basis of the Standard Cargo for the LNG Tanker

[REDACTED]

transporting such quantities. A Provisional Invoice shall be deemed to be an invoice issued pursuant to this Section 9.1 for the purposes of the payment obligations of Buyer. After the information referred to in this Section 9.1(b) becomes available to Seller, any adjustments that may be required to a Provisional Invoice shall be accounted for in the next invoice submitted by Seller.

9.2 Demand Charge Invoices

On or following the first day of each month beginning with the month in which the Initial Delivery Date occurs (but not before the Initial Delivery Date) and ending with the last full month in the Term, Seller shall render to Buyer an invoice for the Estimated Monthly Demand Charge showing the basis for the calculation of such charge.

9.3 Invoice Due Dates

(a) Each invoice to Buyer referred to in Section 9.1 above shall become due and payable by Buyer on the later of (i) the 10th calendar day after the date of unloading of an LNG Tanker and (ii) the 7th day following the day on which the invoice (which may be by facsimile) has been received by Buyer. Any other invoice to Buyer shall become due and payable by Buyer on the 15th calendar day after the date of Buyer's receipt of such invoice.

(b) Any invoice to Seller shall become due and payable on the 15th calendar day after Seller's receipt thereof.

(c) If any invoice due date computed pursuant to Section 9.3(a) or (b) above is not a Business Day, the due date for such invoice shall be extended to the next day that is a Business Day.

(d) If the full amount of any invoice is not paid when due, any unpaid amount shall bear Interest, compounded annually, from and including the day following the due date up to and including the date when payment is made.



9.4 Payment

Buyer shall pay, or cause to be paid, in U.S. Dollars in immediately available funds, all amounts which become due and payable by Buyer pursuant to any invoice issued hereunder to a bank account or accounts designated by and in accordance with instructions issued by Seller ("Seller's Bank Account"). Seller shall pay, or cause to be paid, in U.S. Dollars in immediately available funds all amounts which become due and payable by Seller pursuant to any invoice issued hereunder to a bank account or accounts designated by and in accordance with instructions issued by Buyer ("Buyer's Bank Account"). The paying Party shall not be responsible for a designated bank's disbursement of amounts remitted to such bank, and a deposit in immediately available funds of the full amount of each invoice in the designated account with such bank shall constitute full discharge and satisfaction of the obligation to pay such invoice under this Contract. Each payment of any amount owing hereunder shall be in the full amount due without reduction or offset for any reason, including, without limitation, taxes, exchange charges or bank transfer charges; provided, however, that a Party shall be entitled to credit against any payment due to the other Party any amount owed to it by such other Party with respect to which a Default Notice has been issued pursuant to 9.6(a).

9.5 Letter of Credit

(a) As security for Buyer's obligations under this Contract, Buyer shall establish an irrevocable standby letter of credit within five Business Days of receiving the consents referred to in Section 19.3 or as otherwise agreed (such letter of credit, any letter of credit established in replacement of such letter of credit, all as may be amended in accordance with their terms, hereinafter the "Letter of Credit") in favor of and satisfactory to Seller from a United States bank or depository institution with a Rating of A or higher in an amount equal to \$30,000,000 (thirty million dollars). Establishment of a Letter of Credit by Buyer as provided herein shall be a condition precedent to Seller's obligations under this Contract.

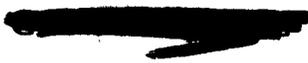
(b) The Letter of Credit shall be outstanding and in effect from the date it is established pursuant to Section 9.5(a) until the end of the tenth Contract Year unless earlier discontinued pursuant to Section 9.5(d) below. Seller shall be entitled to draw on the Letter of Credit upon written certification by Seller to the bank or

[REDACTED]

depository institution that (i) Buyer has failed to make a payment to Seller pursuant to an invoice or statement rendered by Seller to Buyer under this Contract, and Seller has made demand for such payment and such demand has not been satisfied following a notice of default ("Default Notice") from Seller to Buyer and expiration of the applicable cure period, or (ii) a monetary award or judgment has been rendered in favor of Seller pursuant to Article 16 below and Seller has not received payment of the award or judgment from Buyer following demand by Seller and expiration of the applicable payment period, if any. Seller's certification shall be accompanied by a copy of the invoice or statement concerned and of the Default Notice, or in the case of an award or judgment rendered, a copy of such award or judgment and of Seller's demand for payment thereof and confirmation, in each case, that the foregoing have been notified to Buyer in accordance with the provisions of Article 18. Seller shall send a copy of the certification and accompanying documentation to Buyer simultaneously with Seller's presentation of such certification to the bank or depository institution.

(c) If Buyer does not provide evidence that the existing Letter of Credit has been renewed or extended, or provide a new Letter of Credit no later than 30 days prior to the expiration of the existing Letter of Credit, Seller shall be entitled to draw down the full amount (or then remaining balance) of the Letter of Credit and deposit the proceeds in an escrow account (the "Escrow Account") and Seller shall be entitled thereafter to draw upon such account by certification to the escrow agent in the same manner and circumstances as apply to the Letter of Credit pursuant to section (b) above. In the event that Seller draws down and escrows the funds so drawn on the Letter of Credit as set forth in the preceding sentence, Buyer shall be entitled to establish a replacement Letter of Credit on the same terms as the original Letter of Credit. Immediately upon the establishment of such replacement Letter of Credit, Seller shall cause to be released and paid over to Buyer all amounts (including interest earned thereon) then held in escrow.

(d) If at any time during the first ten Contract Years of the Term Buyer achieves a rating of BBB+ or higher (any such Rating an "Investment Grade Rating"), Buyer shall so notify Seller and Seller shall elect, within 60 days of such notice, either (i) to continue to require the Letter of Credit (or to continue the Escrow Account, if such Account has been established) in accordance with this Section 9.5 or (ii) to discontinue the Letter of Credit (or Escrow Account), and Seller shall advise

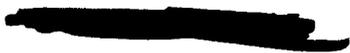


Buyer of its election by notice to Buyer within such 60-day period. If Seller does not provide Buyer notice of its election, Seller shall be deemed to have elected (ii) above. If Seller elects (i) above, the Letter of Credit or Escrow Account shall continue in accordance with this Section 9.5 but the Commodity Charge Rate payable by Buyer pursuant to Section 8.3(a) shall be reduced by \$0.015 per MMBtu commencing with the Contract Year immediately following the Year in which Seller made its election. If Seller elects (or is deemed to have elected) (ii) above, the Letter of Credit (or Escrow Account) shall be discontinued commencing with the Contract Year immediately following the Year in which Seller made (or was deemed to have made) its election; provided, however, that if at any time after the Letter of Credit or Escrow Account has been discontinued, Buyer ceases to have an Investment Grade Rating, Buyer shall, within 60 days of ceasing to have such Rating, reestablish the Letter of Credit in the full amount and in accordance with the other terms and conditions of this Section 9.5, and this Section 9.5 shall thereafter apply to the reestablished Letter of Credit as if it were the Letter of Credit initially established hereunder.

(e) For purposes of this Section 9.5, "Rating" shall mean the statistical credit rating of the bank (or other institution referred to in 9.5(a) above), or of Buyer, most recently announced by Standard and Poor's Ratings Group or, if Standard and Poor's is no longer providing statistical rating information, by another statistical rating organization of recognized international standing reasonably acceptable to Seller.

9.6 Default: Suspension of Performance

(a) If Buyer is in default with respect to any payment obligation under this Contract, Seller shall give Buyer a Default Notice and Buyer shall have five (5) Business Days following the receipt of such Default Notice to cure the default by payment in full of the amount in default, including Interest by wire transfer to Seller's Bank Account. If Seller is in default with respect to any payment obligation under this Contract, Buyer shall give Seller a Default Notice and Seller shall have five (5) Business Days following the receipt of such Default Notice to cure the default by payment in full of the amount in default, including Interest by wire transfer to Buyer's Bank Account.



(b) If, at any time, Seller, in the exercise of its rights hereunder, draws down on the Letter of Credit or the Escrow Account established under Section 9.5(c) such that the balance becomes less than \$29,000,000, Buyer shall replenish such Letter of Credit or Escrow Account by the amount so drawn down within 30 days of any such drawdown and furnish evidence thereof to Seller. If such evidence is not furnished within 30 days of such drawdown, Seller shall be entitled to suspend further deliveries to Buyer thereafter until the Letter of Credit or Escrow Account is fully funded. Commencing with the 11th Contract Year (or at any time earlier if the Letter of Credit (or Escrow Account) has been discontinued pursuant to Section 9.5(d) above or for any reason is no longer in effect), if Buyer has failed to pay to Seller, when required to do so, any amount(s) due under this Contract and Seller has invoiced Buyer for such amount(s) and has not received payment following a Notice of Default and the expiration of the applicable cure period under Section 9.6(a), or if Buyer has failed to pay Seller any award or monetary judgment rendered in favor of Seller pursuant to Article 16 below following demand for payment by Seller and expiration of any applicable payment period, Seller shall likewise be entitled thereafter to suspend further deliveries to Buyer until such amount(s) or such award or judgment, is paid in full, including accrued interest.

(c) If Seller suspends deliveries to Buyer pursuant to Section 9.6(b) and Buyer contests Seller's assertion of default or wrongful failure to pay and it is determined pursuant to Article 16 below that no default or wrongful failure to pay occurred, Seller shall again become obligated to make deliveries to Buyer and shall recommence deliveries as soon as reasonably practicable following such determination and the provisions of Sections 5.3 and 8.3(c) shall apply to the period of Seller's suspension.

9.7 Disputed Invoices

In the event of disagreement concerning any invoice or credit note, the invoiced Party or Party owing the credit, as the case may be, shall make provisional payment or credit of the total amount thereof and shall immediately notify the other Party of the reasons for such disagreement, except that in case of obvious error in computation, the correct amount shall be paid disregarding such error. Invoices and credit notes may be contested or modified only if, within a period of 12 months after receipt thereof, Buyer or Seller serves notice on the other, questioning their

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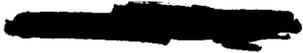
Gross Heating Value no higher than one thousand one hundred and fifty (1150) Btus per Standard Cubic Foot, contains not less than 85 molecular percentage (85 mol %) of methane (CH₄) and otherwise complies with the provisions of this Contract. Should any question regarding quality of the LNG arise, Buyer and Seller shall consult and cooperate concerning such question, but without prejudice to Buyer's right pursuant to Section 10.3 below to reject any LNG which fails to meet the above specifications.

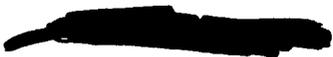
10.3 Failure to Comply with Quality Specifications

(a) Seller shall give notice to Buyer as soon as reasonably practicable of any existing or anticipated failure of the LNG available for delivery to conform to the quality specifications set forth in Sections 10.1 and 10.2 above ("Off-Spec LNG"), giving details of the nature and expected magnitude of the variance, the cause of the non-compliance and the probable duration, including the cargo(es) anticipated to be affected thereby.

(b) If Seller has given notice to Buyer prior to the commencement of unloading of a cargo that the LNG to be delivered is Off-Spec LNG, Buyer shall, within 24 hours of being so notified:

- (i) give notice to Seller that it will take delivery of all or any of the affected cargo(es); or
- (ii) reject all or any of the affected cargo(es); provided, however, that, upon Seller's request, Buyer shall use reasonable efforts to take delivery of any cargo(es) which it is entitled to reject if Buyer is able to utilize such LNG without violating any of its contractual commitments or applicable laws, regulations or permits and, if Buyer is able to and accepts such cargo(es), Seller shall reimburse Buyer for any necessary costs incurred (over and above those normally incurred) in receiving or utilizing the LNG or regasified LNG from such cargo(es) by such means as are reasonable in the circumstances.

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- (iv) damage to, or loss or failure of, an LNG Tanker or inability of an LNG Tanker to reach or to clear berth if such event is not within the reasonable control of Seller, and not within the reasonable control of the LNG Tanker owner or operator;
 - (v) damage to, or loss or failure of, Buyer's Receiving Facilities or the Power Facility if such event is not within the reasonable control of Buyer;
 - (vi) delay in completion and testing of any stage of Buyer's Receiving Facilities or the Power Facility so as to prevent the same from becoming operational on a continuing basis to the extent that such delay is caused by delay in receiving major items of equipment or materials from the manufacturer or vendor of such items, provided that Buyer shall have taken all steps reasonably available to obtain timely delivery of such items, including the placing of purchase orders by the turnkey contractors within such time as was prudent under then existing circumstances;
 - (vii) damage to, or loss or failure of, (x) natural gas reservoirs in Trinidad (other than through natural depletion by production) or production facilities from which reserves of natural gas are produced from such reservoirs to supply the Trinidad Facilities, (y) the facilities for transportation of natural gas from the production facilities to the Trinidad Facilities, or (z) the Trinidad Facilities if such event (x) through (z) is not within the reasonable control of Seller and not within the reasonable control of Atlantic LNG;
 - (viii) delay in completion and testing of any stage of the Trinidad Facilities so as to prevent the same from becoming operational on a continuing basis to the extent that such delay is caused by delay in receiving major items of equipment or materials from the manufacturer or vendor of such items, provided that Atlantic LNG shall have taken all steps reasonably available to obtain timely delivery of such items, including the placing of purchase orders



by the contractor within such time as was prudent under then-existing circumstances;

- (ix) delay in completion of any stage of refurbishment and testing of the GAMMA so as to prevent the same from becoming operational on a continuing basis by the Initial Delivery Date to the extent that such delay is not within the reasonable control of Seller and not within the reasonable control of the GAMMA's owner or operator;
- (x) acts of a governmental entity or agency, or national, port or other local authority (including the U.S. Coast Guard) having jurisdiction, including, but not limited to, the issuance or promulgation of any court order, law, statute, ordinance, rule, regulation or directive, the effect of which would prevent, delay or make unlawful a Party's performance hereunder, or would require such Party, in order to comply with such act, to take measures which are unreasonable in the circumstances; and
- (xi) inability to obtain, or the suspension, termination, adverse modification, interruption, or inability to renew, any servitude, right of way, easement, permit, license, consent, authorization or approval of any governmental entity or agency, or national, port or other local authority (including the U.S. Coast Guard) having jurisdiction.

(b) The Puerto Rico Electric Power Authority ("PREPA") is deemed not to be a "governmental entity or agency" or "national, port or other local authority" for purposes of this Article 12, and failure of the electricity generated by the Power Facility to be competitively priced, or failure of PREPA to dispatch or call for electricity from the Power Facility when the Power Facility is otherwise able to generate and transmit electricity to PREPA, shall not be an event of Force Majeure hereunder.