

CONFIDENTIAL

MASTER Ex-Ship LNG SALES AGREEMENT

between

AND

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MASTER Ex-Ship LNG SALES AGREEMENT

THIS AGREEMENT is made the ___ day of _____, _____.

BETWEEN:

_____, a _____ company the registered office of which is situated at _____ ("_____" or "the Seller" or "the Buyer", as the case may be, as specified in the applicable Confirmation Notice) of the one part

AND

_____, a _____ company the registered office of which is situated at _____ ("_____" or "the Buyer" or "the Seller", as the case may be, as specified in the applicable Confirmation Notice) of the other part.

The Seller and the Buyer are herein also referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

- A. Either Party may have available for sale LNG during the term of this Agreement and may also have an LNG Vessel available to delivery such LNG;
- B. Either Party may wish to purchase LNG based on the terms of this Agreement and may wish to receive such LNG at the Unloading Port;
- C. The Parties may from time to time wish to enter into a transaction for the sale and purchase of LNG by executing a Confirmation Notice; and
- D. The Parties wish to enter into this Agreement to set out the general terms and conditions under which such sale and purchase shall take place, subject to the execution of a Confirmation Notice.

NOW THEREFORE the Parties have agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1(1) In this Agreement, unless the context otherwise requires:

"**Adverse Weather Conditions**" means weather and/or sea conditions actually experienced at the relevant Unloading Port that are sufficiently severe to: (a) prevent a LNG Vessel from proceeding to berth, unloading and/or departing from berth in accordance with the weather standards prescribed in published regulations in effect at the relevant Unloading Port, or by the order of the relevant harbour authority; and/or (b) cause the master of the LNG Vessel to determine that it is unsafe for the LNG Vessel or any other LNG vessel to berth, unload or depart from the berth.

"**Affiliate**" means, in relation to a Party or any other entity, a Person which directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such Party or entity. For the purposes of this definition "**control**" means (a) the right to direct the policies or operations of the particular Person; or (b) the direct or indirect ownership of, in aggregate, 50% (fifty percent) or more of the (i) equity shares, (ii) voting stock or (iii) shares carrying a right to vote at a general meeting (or its equivalent) of the particular Person.

"**Agreement**" means this Master Ex-Ship LNG Sales Agreement.

"**Allowed Laytime**" means the number of consecutive hours agreed by the Seller and the Buyer to berth and discharge an LNG Cargo at the Unloading Port, as set forth in the applicable Confirmation Notice.

"**Banking Day**" means a day (other than a Saturday, a Sunday, bank or public holidays or any other days specified in the applicable Confirmation Notice) on which banks are normally open for business in the country in which the bank of the Party that is obliged to pay the relevant invoice is located (as specified in the applicable Confirmation Notice).

"**Btu**" means British thermal unit, being the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 59 degrees Fahrenheit to 60 degrees Fahrenheit 1.01325 bar. One million Btu's is referred to as 1 MMBtu. When all units are considered at the same combustion reference temperature, 1 MMBtu is equal to 1,055.06 MJ (also equal to 1,055,060,000.0 J).

"**Cargo Underdelivery Amount**" means the amount of liquidated damages the Buyer is entitled to receive from the Seller in case the Seller fails to deliver Full Cargo Lot of LNG under a Confirmation Notice, as set forth in Sub-Clause 3(4).

"**Confirmation Notice**" means the agreement entered into, from time to time, by the Parties substantially in the form set forth in Annex A to this Agreement, such

document being a confirmation of specific terms and conditions applicable to a particular sale and purchase of a specific quantity of LNG.

"**Confidential Information**" has the meaning set forth in Sub-Clause 17(2).

"**CTMS**" means the relevant LNG Vessel's Custody Transfer Measurement System, as specified in Sub-Clause 7(1).

"**Deficiency Quantity**" means the quantity of LNG the Buyer fails to receive from the Seller, as set forth in Sub-Clause 3(3).

"**Delivery Point**" means the point of unloading of LNG at the relevant Receiving Facilities where the outlet flanges of the unloading lines of the relevant LNG Vessel connect with the inlet flanges of the receiving lines at the relevant Receiving Facilities.

"**Dispute**" has the meaning set forth in Sub-Clause 14(2).

"**Estimated Treating Costs**" means the estimate of the costs (i) to treat Off Spec LNG and (ii) to remedy any direct damage to the Receiving Facilities in relation thereto, as specified in Sub-Clause 4(2) (b).

"**ETA**" has the meaning set forth in Sub-Clause 6(1).

"**Expert**" means an independent expert qualified by education, experience and training to determine the matter in dispute, appointed to resolve a dispute of a technical nature between the Parties pursuant to Sub-Clause 7(7).

"**Ex-Ship**" means Delivered Ex-Ship (DES) as defined in Incoterms 2000 (International Rules for the Interpretation of Trade Terms, as published by the International Chamber of Commerce, edition 2000), as may be amended from time to time.

"**Force Majeure**" has the meaning set forth in Clause 12.

"**Full Cargo Lot**" means a cargo of LNG that is the maximum quantity the relevant LNG Vessel can safely load and transport (within the operational tolerances established by the captain of the LNG Vessel and the operator of the Loading Port) after deduction of boil-off resulting from the voyage between the Loading Port and Unloading Port and the LNG Heel that the Seller is entitled to retain after unloading.

"**Independent Surveyor**" has the meaning set forth in Sub-Clause 7(7).

"**International Standards**" means the international standards and practices applicable from time to time to the ownership, design, equipment, operation or maintenance of LNG vessels and liquefaction, storage facilities and unloading terminals established by:

- the International Maritime Organisation (IMO), the Oil Companies International Marine Forum (OCIMF), the Society of International Gas Tanker and Terminal Operators (SIGTTO), or the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended 1995 (STCW); or
- the International Organisation for Standardisation (ISO); or
- any other internationally recognised agency or organisation with whose standards and practices it is customary for Reasonable and Prudent Operators or owners of such vessels or of such facilities and terminals to comply.

"**LIBOR**" means the London Interbank Offered Rate as fixed by the British Bankers' Association for the offering of deposits in USD, for a three (3) month period in effect at 11:00 hours, GMT on the relevant day.

"**LNG**" means liquefied Natural Gas, being a mixture of hydrocarbons delivered from Seller's Facilities.

"**LNG Cargo**" means a cargo of LNG to be delivered by the Seller to the Buyer pursuant to a Transaction.

"**LNG Heel**" means, with respect to a given LNG Cargo, the volume or quantity of LNG specified as such in the applicable Confirmation Notice that may be retained by the LNG Vessel after the discharge.

"**LNG Price**" has the meaning set forth in Sub-Clause 9(1).

"**LNG Vessel**" means an ocean going vessel meeting the requirements of Sub-Clause 5(1)(e) and designed, constructed, equipped and maintained to load, carry and deliver LNG (whether or not owned by the Seller and whether or not operated directly by the Seller or by a Third Party), which, in respect of each delivery pursuant to a Confirmation Notice, shall be identified in the Confirmation Notice (or shall be subsequently agreed between the Parties) and used for such delivery.

"Loading Port" means the loading port where the relevant LNG Cargo is to be loaded, as specified in the applicable Confirmation Notice.

"MARPOL" means the IMO's International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto (the **"MARPOL 73-78 Convention"**), and as supplemented by amendments to the MARPOL 73-78 Convention entering into force from time to time.

"Natural Gas" means a combustible mixture of hydrocarbon gases with or without inert and/or impurities of which the major component shall be methane and all of which are substantially in the gaseous phase at a pressure of 1.01325 bar and at the temperature of zero degree Celsius.

"Nominal Quantity" means, with respect to a given LNG Cargo delivered under this Agreement, the nominal quantity specified in the Confirmation Notice applicable to such LNG Cargo after having taken into account the LNG Vessel capacity, the quality of LNG usually applicable at Seller's Facilities, the boil-off rate usually applicable for a voyage of the LNG Vessel between the Loading Port and the Unloading Port in the standard course of the LNG business, and the LNG Heel.

"Normal Cubic Meter" or Nm³ of Natural Gas means the quantity of Natural Gas which at 0 degree Celsius and at an absolute pressure of 1.01325 bar and when free of water vapour occupies the volume of 1 cubic meter.

"Notice of Readiness" or **"NOR"** means the notice given by letter, telex, email, facsimile, radio or telephone (or other similar devices mutually agreed by the Parties) by the master of the relevant LNG Vessel or its agent to the Buyer when the LNG Vessel has arrived at the PBS and has received the required clearance from customs and other governmental authorities.

"Off Spec LNG" has the meaning set forth in Sub-Clause 4(2)

"Party" means the Buyer or the Seller and **"Parties"** means both the Buyer and the Seller.

"PBS" means the customary pilot boarding station where the pilot boards the LNG Vessel at the relevant Unloading Port, as determined by the Terminal Rules.

"Person" means any individual, partnership, corporation, limited liability company, unlimited liability company, association, foundation, joint stock company, trust, joint venture, unincorporated organization, governmental entity

(or any department, agency, or political subdivision thereof) or any other entity (in each case whether or not incorporated and whether or not having a separate legal identity).

"Quality Certificate" means the certificate issued by a Party to the other Party to notify the results of the analysis carried out by the Party on the LNG, as set forth in Sub-Clause 7(4) and 7(5).

"Quantity Delivered" means the number of MMBtu contained in an LNG Cargo unloaded under a specific Confirmation Notice issued under this Agreement, calculated in accordance with Annex B.

"Reasonable and Prudent Operator" refers to the standard of care to be exercised by a Party in performing its obligations in good faith hereunder and/or under a Transaction and means the degree of diligence, prudence and foresight reasonably and ordinarily exercised by an experienced operator engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other Party.

"Receiving Facilities" means those facilities located at the relevant Unloading Port, as further specified in the applicable Confirmation Notice, that are used by the Buyer for the fulfilment of its obligations under a Transaction, which include (i) the LNG Vessel berthing facilities and the Unloading Port facilities, (ii) the LNG unloading, receipt, storage, treatment (if necessary) and regasification facilities, (iii) the natural gas (and LNG, if applicable) processing facilities and the transmission pipelines, and (iv) all ancillary equipment, whether or not owned by the Buyer and whether operated directly by the Buyer or by a Third Party.

"Rules" has the meaning specified in Sub-Clause 14(2).

"Seller's Facilities" means the upstream gas field(s) from which Natural Gas used to manufacture LNG at the relevant liquefaction plant is produced, the pipelines connecting such field(s) to the liquefaction plant and those facilities located at or proximate to the Loading Port, as further specified in the applicable Confirmation Notice, that are used by the Seller for the fulfilment of its obligations under a Transaction, which includes (i) the natural gas inlet compression, processing, treatment and liquefaction facilities, (ii) the LNG storage and loading facilities, (iii) the LNG Vessel berthing facilities and Loading Port facilities, and (iv) all ancillary equipment and utilities, whether or not owned by the Seller and whether operated directly by the Seller or by a Third Party.

"**SOLAS**" means the International Convention for the Safety of Life at Sea, 1974, and the related Protocol of 1978, both as supplemented by amendments entering into force from time to time.

"**Specifications**" has the meaning set forth in Sub-Clause 4(1).

"**Taxes**" means all taxes, charges, royalties, duties, or other imposts whatsoever, levied by any government or duly constituted authority on the purchase, sale, export, import or transportation (excluding customary port and marine charges) of LNG sold under a Transaction, or on the Natural Gas from which it was derived or derived from it, or in respect of the act, right or privilege of producing, processing, regasifying or selling that LNG or Natural Gas. However, "**Taxes**" does not include any form of taxes or duties imposed on or payable on the revenue or profits, net wealth, equity, or distributed earnings of the Seller or the Buyer.

"**Terminal Rules**" means all the rules and regulations applicable to the delivery of LNG at Receiving Facilities at the relevant Unloading Port, which are issued by the proper port authorities and/or the operator of the Receiving Facilities.

"**Third Party**" means any Person other than a Party.

"**Title Transfer Point**" means the point in international waters which is the last point where the LNG Vessel is outside the territorial waters of the country where the relevant Unloading Port is situated.

"**Transaction**" means a particular transaction between the Parties which incorporates the terms of this Agreement and the provisions contained in the relevant or applicable Confirmation Notice.

"**Unloaded Volume Certificate**" means the certificate issued by the Seller to the Buyer to notify the volume of LNG unloaded, as set forth in Sub-Clause 7(2) and 7(3).

"**Unloading Date**" means the date when unloading of the LNG Vessel is scheduled to commence, as set forth in the applicable Confirmation Notice.

"**Unloading Port**" means the unloading port where the relevant LNG Cargo is to be unloaded, as specified in the applicable Confirmation Notice.

"**USD**" means the lawful currency of the United States of America.

"**Used Laytime**" has the meaning set forth in Sub-Clause 6(8).

"Wilful Misconduct" means an any act or omission which is done or omitted to be done wilfully, intentionally or consciously having regard to, or with reckless disregard for or wanton indifference to, its foreseeable and harmful consequences.

1(2) In this Agreement and any Confirmation Notice, unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice-versa;
- (b) the index and headings to clauses in this Agreement and any Confirmation Notice are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any Confirmation Notice;
- (c) the language which governs the construction and interpretation of this Agreement and each Confirmation Notice is the English language. All notices to be given by any Party and all other communications and documentation which are in any way relevant to this Agreement or any Confirmation Notice, including any dispute resolution proceedings, shall be in the English language;
- (d) the words "include", "including" and "inclusive" are to be construed without limitation;
- (e) a reference to a "law" includes common or customary law and any constitution, decree, judgement, legislation, order, ordinance, regulation, statute, treaty, or other legislative measure, in each case of any jurisdiction whatever (and "lawful" and "unlawful" shall be construed accordingly);
- (f) any reference in this Agreement or a Confirmation Notice to any Person shall include such Person's successors and permitted assigns and in the case of any governmental authority, any Person or entity succeeding to its functions and capacities;
- (g) any reference in this Agreement or any Confirmation Notice to paragraphs, Clauses, Sub-Clauses, Annexes or Recitals, are references to such paragraph, Clause, Sub-Clause, Annex or Recital of this Agreement, the Annexes attached hereto or the applicable Confirmation Notice;
- (h) the Annexes attached hereto are hereby incorporated by reference and are an integral part of this Agreement;

- (i) in the event of any discrepancy, ambiguity or inconsistency between or among this Agreement or any Confirmation Notice and any provision of Incoterms 2000 (International Rules for the Interpretation of Trade Terms, as published by the International Chamber of Commerce, edition 2000 as may be amended from time to time), the provisions of this Agreement or the applicable Confirmation Notice (as the case may be) shall prevail; and
- (j) for the purpose of this Agreement and any Confirmation Notice, rounding shall be made according to ISO 31-0:1992(E), Annex B which relates to rules for the rounding of numbers, unless otherwise stated herein. If the value to be rounded is equally located between two numbers, rounding shall be made to the higher integer number according to ISO 31-0:1992(E), Annex B, Rule B.

1(3) If any specific provision of a Confirmation Notice conflicts with the terms contained in this Agreement, then the specific provision of the applicable Confirmation Notice shall prevail.

2. SALE AND PURCHASE

2(1) This Agreement contains terms and conditions applicable to the sale and purchase of LNG, provided, however, that neither Party shall have any obligations or liabilities with respect to the sale or purchase of a specific quantity of LNG unless and until both Parties have executed a Confirmation Notice with respect to such specific quantity of LNG.

2(2) The Seller agrees to sell and deliver LNG to the Buyer and the Buyer agrees to purchase, receive and pay the Seller for LNG in the quantities set forth in the applicable Confirmation Notice on an Ex-Ship basis at the Delivery Point, under the provisions agreed in the applicable Confirmation Notice and otherwise on and in accordance with the terms and conditions contained in the relevant Transaction.

2(3) The LNG Vessel shall be provided by the Seller, as specified in the applicable Confirmation Notice and at its expense, for the delivery of LNG pursuant to a Transaction.

3. QUANTITY AND UNLOADING SCHEDULE

3(1) LNG shall be sold and purchased under this Agreement in Full Cargo Lots unless

otherwise specified in the applicable Confirmation Notice.

3(2) The Parties shall use reasonable endeavours to avoid any conflict with other LNG vessels in berthing the LNG Vessel at the Receiving Facilities. If the LNG Vessel arrives at the Unloading Port within its Unloading Date, such LNG Vessel shall have priority over other LNG vessels (except in case the other vessel, having arrived within its scheduled unloading period, is waiting due to Force Majeure or Adverse Weather Conditions). The Buyer shall use reasonable endeavours to cause the operator of the Receiving Facilities to accept as soon as possible an LNG Vessel that arrives at the Unloading Port prior to or after (subject always to Sub-Clause 3(4)) its Unloading Date. If an LNG Vessel and another LNG vessel are due to arrive at the Unloading Port at a similar time and both vessels are outside their respective schedules, then the normal shipping industry practice of “first come, first served” shall apply, unless otherwise provided by the Terminal Rules of the Receiving Facilities.

3(3) If the Buyer is unable or fails to take delivery of an LNG Cargo scheduled for delivery under a Confirmation Notice within [] days after the end of the Unloading Date for any reason other than Force Majeure, Adverse Weather Conditions, or fault of the Seller or the transporter, the Parties shall use reasonable endeavours to reschedule the relevant LNG Cargo, subject to the Buyer reimbursing the Seller for all reasonable, documented costs and expenses arising from the rescheduling.

If the Parties are unable to reschedule the relevant LNG Cargo within [] days after the end of the Unloading Date, then the Nominal Quantity for the relevant LNG Cargo (as set forth in the applicable Confirmation Notice) shall be considered a deficiency quantity (“**Deficiency Quantity**”). The Seller shall use reasonable endeavours to sell all or part of such Deficiency Quantity to a Third Party. The Buyer shall pay the Seller an amount equal to the positive difference, if any, obtained by subtracting the resale price multiplied by the MMBtus of Deficiency Quantity sold from the sum of (i) the LNG Price multiplied by the MMBtus of Deficiency Quantity sold, (ii) documented additional transportation and logistics costs, if any, incurred by the Seller and (iii) attorney’s fee reasonably incurred by the Seller. If such amount is negative, the Buyer shall not be liable to make any payment with respect to the MMBtus of Deficiency Quantity sold and the Seller shall keep such amount. This, in addition to demurrage if any, shall be Seller’s sole and exclusive remedy with respect to MMBtus of Deficiency Quantity sold.

If, using reasonable endeavours, the Seller is not able to sell part or all of the Deficiency Quantity, then the Buyer shall pay the Seller as liquidated damages an

amount equal to the LNG Price multiplied by the MMBtus of the Deficiency Quantity which were not sold. This, in addition to demurrage if any, shall be Seller's sole and exclusive remedy with respect to MMBtus of Deficiency Quantity which were not sold.

- 3(4) If the Seller is unable or fails to deliver an LNG Cargo scheduled for delivery under a Confirmation Notice within [] days after the end of the Unloading Date for any reason other than Force Majeure or fault of the Buyer or the owner or operator of the Receiving Facilities or Unloading Port, the Parties shall use reasonable endeavours to reschedule the relevant LNG Cargo, subject to the Seller reimbursing the Buyer for all reasonable, documented costs and expenses arising from the rescheduling.

If the Parties are unable to reschedule the relevant LNG Cargo within [] days after the end of the Unloading Date, then the Buyer has the right to require the Seller not to deliver the relevant LNG Cargo. If the Buyer notifies the Seller that it requires the Seller not to deliver the relevant LNG Cargo, then the Seller shall pay to the Buyer as liquidated damages an amount (the "**Cargo Underdelivery Amount**") equal to:

- (i) if the Buyer is able to procure substitute LNG or Natural Gas at a cost that is commercially reasonable under the circumstances, the Cargo Underdelivery Amount shall be equal to the amount, if any, by which the Buyer's cost to procure substitute LNG or Natural Gas required as a result of the Seller's failure to deliver (plus documented additional transportation and logistics costs, if any, incurred by the Buyer and attorney's fee reasonably incurred by the Buyer) exceeds the LNG Price multiplied by the quantity of such substitute LNG or Natural Gas (which in any case shall not exceed the quantity of LNG which the Seller failed to deliver); or
- (ii) if the Buyer is not able to procure substitute LNG or Natural Gas within [] days after the Buyer notifies the Seller that it requires the Seller not to deliver the relevant LNG Cargo, the Cargo Underdelivery Amount shall be an amount equal to (a) [] % multiplied by (b) the LNG Price multiplied by (c) the quantity of LNG which the Seller failed to deliver;

provided, however, the Cargo Underdelivery Amount shall be limited to and not exceed the Cargo Underdelivery Amount cap set forth in the applicable Confirmation Notice, if any.

Payment of the Cargo Underdelivery Amount shall be the Buyer's sole and exclusive remedy in damages or otherwise with respect to the Seller's failure to deliver LNG in accordance with the terms of a Transaction.

4. QUALITY

- 4(1) (a) The LNG sold hereunder shall, at the time of delivery to the Buyer at the Delivery Point, comply with the specifications set forth in the applicable Confirmation Notice (the "**Specifications**").
- (b) Promptly after completion of loading, the Seller shall provide the Buyer the Quality Certificate from Seller's facilities and, upon the Buyer's request, the Seller shall provide analyses for impurities of LNG loaded which shall be carried out by the Seller (or the Seller will cause such analyses to be carried out). Sampling and analyses procedures taken by the Seller shall be in accordance with International Standards and be agreed between the Parties before the loading.
- 4(2) (a) If the Seller becomes aware that the quality of the LNG fails to comply with or is likely not to comply with the Specifications ("**Off Spec LNG**"), the Seller shall so notify the Buyer as soon as reasonably practicable.
- (b) If the Buyer, acting as a Reasonable and Prudent Operator, determines that such Off Spec LNG is acceptable to the operator of the Receiving Facilities and would not prejudice the safe and reliable operation of the Receiving Facilities, then the Buyer shall provide the Seller as soon as reasonably practicable with a reasonable and documented estimate of the costs to treat the Off Spec LNG and the costs to remedy any direct damage to the Receiving Facilities that would arise from unloading the Off Spec LNG (the "**Estimated Treating Costs**").

If the Seller accepts to pay such Estimated Treating Costs, then the Buyer shall accept the Off Spec LNG subject to the Off Spec LNG being treated as agreed. The Seller shall reimburse the Buyer for the actual documented treating costs up to an amount equal to the Estimated Treating Costs. If after completion of unloading, such LNG Cargo was indeed in compliance with the Specifications, then the Seller shall be relieved of its obligation to reimburse the Buyer pursuant to this Sub-Clause 4(2)(b).

If:

- (i) the Buyer determines in good faith that it cannot reasonably receive such Off Spec LNG at the Receiving Facilities and treat or dispose of the Off Spec LNG, the Buyer shall so notify the Seller or
- (ii) the Seller does not accept to pay the Estimated Treating Costs, the Seller shall so notify the Buyer,

the Parties shall consult and cooperate, with a view to agreeing upon a course of action which will permit the Off Spec LNG to be received at the Receiving Facilities. Should such consultations fail to result in a course of action acceptable to both Parties within forty-eight (48) hours after such notification by the Buyer or the Seller (as the case may be), the Buyer may reject such Off Spec LNG by giving the Seller notice of rejection. For the avoidance of doubt, if the Buyer rejects the Off Spec LNG in accordance with this Sub-Clause 4(2)(b), then the Seller shall be liable for failing to deliver such LNG Cargo and shall pay to the Buyer the Cargo Underdelivery Amount in accordance with Sub-Clause 3(4).

4(3) In the event that it is discovered at the time of unloading that the LNG fails to comply with the Specifications and the Seller has not provided the Buyer with the information as required pursuant to Sub-Clause 4(2)(a) or such information was not accurate, then:

- (a) if the Buyer is able, using reasonable endeavours, to correct the quality of such Off Spec LNG to meet the Specifications, the Seller shall reimburse the Buyer for any actual documented direct costs reasonably incurred by the Buyer (whether to pay Third Parties or otherwise) in treating or disposing of such Off Spec LNG received at the Receiving Facilities and in remedying any direct damage to the Receiving Facilities arising from unloading the Off Spec LNG, but not exceeding an amount equal to (i) [] percent ([] %) multiplied by (ii) the LNG Price specified in the applicable Confirmation Notice multiplied by (iii) the actual volume of LNG delivered in relation to such LNG Cargo; or
- (b) if the Buyer is unable, using reasonable endeavours, to correct the quality of such Off Spec LNG to meet the Specifications, the Buyer has the right to reject the LNG remaining on board, if any, and the Seller shall pay the Buyer: (i) any actual documented direct costs reasonably incurred by the Buyer (whether to pay Third Parties or otherwise) in treating or disposing of such Off Spec LNG in the LNG Vessel and Receiving Facilities and in remedying any direct damage to the LNG Vessel and Receiving Facilities arising from the Off Spec LNG, and (ii) the Cargo Underdelivery Amount

(only for the volumes that have not been delivered) pursuant to Sub-Clause 3(4).

- 4(4) The Buyer shall promptly invoice the Seller for amounts due under Sub-Clauses 4(2) and 4(3). The Seller shall pay the Buyer in immediately available funds within [] Banking Days after receipt of such invoice.
- 4(5) The Seller makes no representation or warranty as to the quality of the LNG delivered to the Buyer other than as to the Specifications provided in the Confirmation Notice.
- 4(6) Where the Buyer takes delivery of quantities of LNG which fail to comply with the Specifications, any payments under Sub-Clauses 4(2) and 4(3) shall be the Buyer's sole and exclusive remedy for the Seller's failure to deliver LNG that complied with the Specifications.

5. SHIPPING AND RECEIVING FACILITIES

- 5(1) (a) The Seller shall, at all times throughout the period of supply of LNG pursuant to a Confirmation Notice, provide, maintain and operate or cause to be provided, maintained and operated in good working order, the LNG Vessel, such that the Seller is able to fulfill its obligations under this Agreement and the relevant Confirmation Notice.
- (b) The LNG Vessel shall at all times meet all applicable International Standards and maritime regulations required in the countries of the LNG Vessel registry, of the authorities of the Unloading Port and in which the LNG Vessel will call including those that relate to seaworthiness, design, safety, environmental protection, navigation, and other operational matters.
- (c) The Seller shall give the Buyer a reasonable opportunity to vet and inspect the LNG Vessel at the Buyer's sole risk and cost. Any such inspection shall not relieve the Seller of any obligations it has to the Buyer pursuant to paragraph e) below.
- (d) If the LNG Vessel requires assistance from or the use in any manner of tugs, pilots, escort vessels or other support vessels in connection with the safe berthing of the LNG Vessel, such assistance or use shall be at the sole risk and expense of the Seller. The Buyer shall provide the Seller with all reasonable assistance in securing assistance from tugs, pilots, escort vessels or other support vessels.

- (e) The Seller shall ensure that, at the date of execution of the relevant Confirmation Notice, each LNG Vessel shall:
- (i) be equipped with appropriate systems for communication with the Unloading Port and Receiving Facilities, including all ship-shore communication systems normally required for the unloading of LNG;
 - (ii) be covered with reputable insurance underwriters to a level and extent which is not less than would generally be taken out on vessels of the type, including hull and machinery, protection and indemnity from a P&I Club, which is a member of the International Group of P&I Clubs, including pollution liability standard for LNG vessels. Upon request of the Buyer, the Seller shall provide a “certificate of entry” related to the LNG Vessel;
 - (iii) be constructed and maintained in accordance with the rules and regulations of, and maintained in class with, a member of the International Association of Classification Societies that has prior experience in classifying LNG vessels, and in compliance with applicable treaties, laws of the country of vessel registry, and any other laws, recommendations and guidelines with which a Reasonable and Prudent Operator of LNG vessels would comply;
 - (iv) comply in all respects with the standards established by SOLAS, the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code);
 - (v) have discharge and emission levels within MARPOL guidelines;
 - (vi) be manned with skilled and competent operators, officers and crew who (a) are suitably qualified, trained and experienced in international LNG or oil vessel operations and qualified to a minimum of IMO standards, (b) are able to communicate with regulatory authorities and operators at Receiving Facilities in written and spoken English, and (c) comply with the laws and regulations applicable to the LNG Vessel, including without limitation laws and regulations pertaining to the use of drugs and alcohol;
 - (vii) be maintained with a SIRE inspection to be carried out at the Seller’s expense at intervals of twelve (12) months or less;
 - (viii) be of such size and draught as to be fit for entering, berthing at, unloading at and leaving the Unloading Port safely and without delay;

- (ix) have obtained all required clearance(s) from customs and other governmental authorities of the country where the Unloading Port is located (provided that the Buyer shall use its best efforts to assist the Seller in receiving such required clearances). The Seller shall, at no cost to the Buyer, be responsible for obtaining all customary port approvals, marine permits and other technical and operational authorisations necessary for the use of the LNG Vessel as contemplated in the applicable Confirmation Notice; and
- (x) if she is twenty years old or over she shall have and maintain an LNG Condition Assessment Program of not less than a CAP 2 (two) rating for hull, machinery and cargo systems with a validity of 3 (three) years from the last date of the CAP survey.

5(2) The Buyer shall, at all times throughout the period of supply of LNG pursuant to a Confirmation Notice, cause the Receiving Facilities to be maintained and operated in good working order and in a safe and efficient manner by an operator which has valid insurance in place covering its professional liability in accordance with that level and type of insurance which would generally be taken out by Reasonable and Prudent Operator of LNG receiving facilities. The Buyer shall provide to the Seller, upon its request, the certificate of insurance of the operator of the Receiving Facilities.

The Buyer shall use reasonable endeavours to give the Seller an opportunity to inspect at a reasonable time and at the Seller's sole risk and cost, the Receiving Facilities.

The Receiving Facilities shall be of appropriate design and sufficient capacity to enable the receipt, storage and unloading of LNG in accordance with the applicable Transaction. Receiving Facilities shall include, without limitation, the following:

- (a) berthing facilities that comply with OCIMF and SIGTTO guidelines and are capable of receiving the LNG Vessel having the specifications set forth in the applicable Confirmation Notice and at which the LNG Vessel can safely reach, fully laden and safely depart, and at which the LNG Vessel can lie safely berthed and unload safely afloat at all times;
- (b) unloading facilities capable of receiving LNG at a rate of [] cubic meter per hour from a fully laden LNG vessel;
- (c) a vapour return line system of sufficient capacity to transfer to the LNG Vessel quantities of Natural Gas necessary for the safe unloading of the LNG at such rates, pressures and temperatures required by the LNG Vessel's design and/or good operating practice with respect to such LNG

Vessel;

- (d) LNG storage tanks of adequate capacity to receive and store a Full Cargo Lot;
- (e) regasification facilities;
- (f) appropriate systems for necessary e-mail, facsimile, telephone and radio communications with the LNG Vessel; and
- (g) emergency shutdown systems.

5(3) Prior to the execution of a Confirmation Notice, the Buyer shall provide the Seller with the specifications of the Receiving Facilities and the Seller shall provide the Buyer with the specifications of the LNG Vessel. The Buyer and the Seller shall ensure that the LNG Vessel is compatible with the Receiving Facilities. Unless otherwise agreed by the Parties, execution of the relevant Confirmation Notice shall constitute acknowledgement by the Buyer and the Seller that, as of the date of execution of such Confirmation Notice, the LNG Vessel and the Receiving Facilities are compatible with each other. Following such acknowledgement, neither Party shall take any action that would render the LNG Vessel and the Receiving Facilities incompatible with each other, subject to any applicable laws, regulations or governmental or port authority directives or orders.

6. SHIP MOVEMENT AND UNLOADING

6 (1) The Seller shall ensure that the LNG Vessel gives the Buyer and the operator of the Receiving Facilities notice of its estimated time of arrival (“ETA”) upon the departure from the Loading Port, then 72, 48 and 24 hours prior to its ETA. Upon arrival of the LNG Vessel at the PBS or appropriate anchorage off the Unloading Port and at such time as the LNG Vessel is ready to unload LNG in all respects, the master of the LNG Vessel or its agent shall give the Notice of Readiness to the Buyer and the operator of the Receiving Facilities.

6(2) Upon the arrival of the LNG Vessel at the Unloading Port for the purpose of unloading LNG hereunder, the Seller shall cause the LNG Vessel to be berthed safely and expeditiously at the berth designated by the operator of the unloading terminal. The Parties shall co-operate (and the Buyer shall cause the operator of the unloading terminal to co-operate) in the LNG Vessel's being so berthed. If requested by the Seller, the Buyer shall provide assistance to the Seller in clearing the necessary formalities required by the relevant authorities.

6(3) The Buyer shall exercise due diligence in arranging for unloading of the LNG Vessel at a safe berth which the Buyer shall provide or cause to be provided free of charge to the Seller. A safe berth being one which the LNG Vessel can safely reach and leave and at which it can lie and unload, always safely afloat and safely

moored alongside.

- 6(4) The Buyer shall commence unloading or cause it to be commenced as soon as practicable after the completion of berthing and shall complete unloading or cause it to be completed safely, effectively and expeditiously. The Seller shall cooperate and/or cause the operator or manager of the LNG Vessel to cooperate in such unloading. The Seller shall be entitled to retain the volume of LNG Heel specified in the applicable Confirmation Notice.
- 6(5) The Seller shall cause the LNG Vessel to depart safely and expeditiously from the berth after the completion of unloading and the Buyer shall co-operate, or cause the operator of the unloading terminal to co-operate, in the safe and expeditious departure of the LNG Vessel from the berth.
- 6(6) If any problem occurs or is foreseen to occur which will or may cause delay to the LNG Vessel in berthing or unloading, the Parties shall discuss it in good faith and use reasonable endeavours to minimize or to avoid the delay.
- 6(7) The Seller may, subject to prior consent of the Buyer (which shall not be unreasonably withheld), utilize an LNG vessel different than the LNG Vessel named in the applicable Confirmation Notice, provided that such substitute LNG vessel is compatible with the Unloading Port and Receiving Facilities and is in compliance with all provisions of this Agreement and the Confirmation Notice related to LNG vessels.
- 6(8) Laytime used in unloading the LNG Vessel (“**Used Laytime**”) shall commence upon:
- a) if the LNG Vessel gives Notice of Readiness within the Unloading Date, on the earlier of:
 - 1) the time at which the LNG Vessel is all fast on the berth and ready to unload, or
 - 2) six (6) hours after the time at which the LNG Vessel gave to the Buyer Notice of Readiness;
 - b) if the LNG Vessel gives Notice of Readiness before the Unloading Date, on the earlier of:
 - 1) the time at which the LNG Vessel is all fast on the berth and ready to unload, or
 - 2) at 6:00 hours (local time at the Unloading Port) of the first day of the Unloading Date; or

- c) if the LNG Vessel gives Notice of Readiness after the Unloading Date, the time at which the LNG Vessel is all fast on the berth and ready to unload;

provided however that if the Unloading Port has night-time or tidal restrictions and the LNG Vessel has issued its NOR at a time of day which does not permit the LNG Vessel to commence its voyage from the PBS to the Delivery Point under the applicable rules or regulations applying to the Unloading Port at that time, then the LNG Vessel shall be deemed to have issued its NOR at the time when the Unloading Port opens or permits the LNG Vessel to commence its voyage from the PBS to the Delivery Point.

- 6(9) The Used Laytime shall end upon completion of discharge, disconnection of unloading arms and the LNG Vessel is cleared for departure and able to depart.

- 6(10) The Allowed Laytime shall be defined in the applicable Confirmation Notice and shall be extended (for computation of demurrage) by any delay attributable to or period of time required as a result of any of the following:

- a. the action or omission of the Seller,
- b. reasons attributable to the LNG Vessel or her owner, operator or manager or crew,
- c. reasons attributable to any employee or agent of any of the foregoing described in (a) and (b) above,
- d. events of Force Majeure, and/or
- e. any delay attributable to Adverse Weather Conditions occurring after the NOR was given,

but subject to the Buyer having used reasonable endeavours to minimize any delay in the discharge of the LNG Vessel.

- 6(11) If the Used Laytime exceeds the Allowed Laytime (as extended in accordance with Sub-Clause 6(10)), the Buyer shall pay demurrage to the Seller at the daily rate specified in the Confirmation Notice pro rata for every hour.

- 6(12) If the LNG Vessel is delayed in berthing and/or commencement of unloading (for reasons attributable to the Buyer or the Buyer's operator) and if as a result thereof the commencement of unloading is delayed beyond twenty four (24) hours after the earlier of (A) six (6) hours from the time that Notice of Readiness has been given, or (B) 6:00 a.m. local time on the first day of the relevant Unloading Date (provided the LNG Vessel arrives on or prior to such date), then, as from this time and until commencement of unloading, the Buyer shall pay the Seller an amount,

on account of excess boil-off, equal to the LNG Price for the relevant LNG Cargo multiplied by the MMBtus of excess boil-off. The MMBtus of excess boil-off shall be calculated by multiplying the Nominal Quantity for the relevant LNG Cargo by the deemed daily boil-off rate set forth in the applicable Confirmation Notice by the number of days between the commencement of unloading and the time when excess boil-off commenced to count as set for in this Sub-clause 6(12).

7. MEASUREMENT, SAMPLING AND TESTING

- 7(1) The Seller shall install, maintain and operate or cause to be installed, maintained and operated in the LNG Vessel suitable and necessary equipment and devices for the purpose of measuring the volume of LNG delivered. Such equipment and devices are including but not limited to the LNG Vessel's Custody Transfer Measurement System (“**CTMS**”). The Buyer shall install, maintain and operate or cause to be installed, maintained and operated the necessary equipment and devices for the purpose of collecting the samples, analyzing the composition and testing for impurities of LNG unloaded from the LNG Vessel.
- 7(2) Before and after unloading, the Seller shall measure the volume of LNG in each cargo tank unloaded at the Delivery Point in accordance with the LNG Vessel's CTMS and associated documentation according to the handbook 'LNG Custody Transfer' published by GIIGNL (third edition 2010).
- 7(3) The Seller shall promptly give notification to the Buyer of the result of the measurement carried out in accordance with Sub-Clause 7(2) (“**Unloaded Volume Certificate**”).
- 7(4) Subject to any agreement reached by the Parties under Clause 4, the Buyer shall carry out or cause to be carried out the sampling and analysis of each cargo of LNG unloaded in accordance with the method and procedure agreed by the Parties as detailed in Annex B.
- 7(5) The Buyer shall promptly give notification to the Seller of the results of the analysis carried out in accordance with Sub-Clause 7(4) (“**Quality Certificate**”).
- 7(6) Sample bottle shall be retained for [] days by the Buyer except in case any dispute arises with respect to that analysis. In such case, the sample bottle shall be further retained until the dispute is finally resolved.
- 7(7) Not less than one week before the LNG Vessel is to arrive at the Unloading Port,

the Parties shall jointly appoint an independent surveyor (the “**Independent Surveyor**”) to witness and verify the measurement, sampling and testing of LNG. Such Independent Surveyor shall be qualified by education, experience and training to monitor such LNG activity. Neither Party shall unreasonably withhold consent to appointment of an Independent Surveyor proposed by the other Party. Either Party may have a representative present, in addition, to witness the measurement, sampling and testing of LNG. Prior to effecting such measurements, gauging and analyses, the Party responsible for such operations shall notify the representatives of the other Party and the Independent Surveyor, allowing such representative and Independent Surveyor a reasonable opportunity to be present for all operations and computations; *provided, however*, that the absence of either or both of the representative of the other Party or the Independent Surveyor after notification and reasonable opportunity to attend shall not prevent any operation or computation from being performed. The results of such Independent Surveyor's verifications shall be made available promptly to each Party. The cost of the Independent Surveyor shall be shared equally by the Parties.

If, as to the results obtained with regards to the measurement, sampling, and testing of LNG, either Party notifies a disagreement to the other Party, then the Parties shall jointly appoint an Expert to resolve the dispute. The Expert shall be required to fully disclose any interest or duty that conflicts or may conflict with his function under such appointment.

If, within [] days of receipt of the notification of disagreement, the Parties fail to jointly agree on and appoint an Expert, either Party has the right to request the International Chamber of Commerce's International Center for Expertise to appoint such Expert. Such Expert shall act as an independent expert and not as an arbitrator and his findings of fact, which shall be rendered within ninety (90) days of his appointment, shall be final and binding on the Parties except in case of fraud or manifest error or the failure by the Expert to disclose any relevant interest or duty which conflicts or may conflict with his appointment. The cost to engage such Expert shall be borne by the losing Party unless the Expert determines otherwise.

8. TRANSFER OF TITLE AND RISK

- 8(1) Except as provided in Sub-Clause 8(2), title and risk in each cargo unloaded under this Agreement shall pass from the Seller to the Buyer as the LNG passes the Delivery Point.

- 8(2) With respect to deliveries of LNG to any Unloading Port located within the United States (including within its territorial waters) or, if specifically agreed in the applicable Confirmation Notice with respect to deliveries of LNG to any other Unloading Port, title in each LNG Cargo to be unloaded pursuant to a Transaction shall pass from the Seller to the Buyer as the LNG passes the Title Transfer Point.
- 8(3) The Seller represents and warrants to the Buyer that, immediately prior to the point where title to the LNG Cargo transfers to the Buyer pursuant to a Transaction, the Seller will have title to all such LNG and covenants that it will have the right at such time to sell the same and that such LNG will be free from all liens, encumbrances, adverse claims and proprietary rights at the passing of title at the Delivery Point or Title Transfer Point (as applicable), and that no circumstances will then exist which could give rise to any such liens, encumbrances, adverse claims or proprietary rights other than those caused by acts or omissions of the Buyer.

9. PRICE AND PAYMENT

- 9(1) The price to be paid for LNG sold and purchased pursuant to a Transaction ("**LNG Price**") shall be as specified in the applicable Confirmation Notice.
- 9(2) The amount payable by the Buyer to the Seller for each cargo of LNG sold pursuant to a Transaction shall be calculated by multiplying the Quantity Delivered by the LNG Price.
- 9(3) Promptly following the completion of unloading (or [] days after the end of the Unloading Date when Sub-Clause 3(3) is applicable), the receipt by the Buyer of the Seller's Unloaded Volume Certificate calculated in accordance with Sub-Clause 7(2) and the receipt by the Seller of the Quality Certificate, the Seller shall calculate the number of Btus unloaded and delivered, in accordance with the provisions of Annex B. Promptly upon completion of such calculation, the Seller shall send to the Buyer an invoice showing the amount payable calculated pursuant to Sub-Clause 9(2) with relevant supporting documents.
- 9(4) The Seller may send an invoice by facsimile or alternative method mutually agreed by the Parties, and the Buyer shall confirm its receipt. The Seller shall confirm it by sending an original signed invoice without delay.
- 9(5) The Buyer shall pay the amount payable under an invoice within [] Banking Days from the date of the receipt of an invoice pursuant to Sub-Clause 9(4). Payment shall be made by wire transfer or letter of credit (as the case may be as

specified in Sub-Clause 9(10)) in USD or Euros, as applicable, free of all charges and without asserting any set-off or counter-claim or making any deduction, into the bank account nominated by the Seller in the applicable Confirmation Notice.

- 9(6) If, by the operation of any provision of Sub-Clause 7(7), the Quantity Delivered notified to the Buyer is not immediately determined as final, or the Buyer has not completed the laboratory analysis as required in Sub-Clause 7(4) then the Seller shall provide the Buyer with a preliminary invoice as soon as practicable after the completion of unloading. Such preliminary invoice shall be issued showing the Quantity Delivered, as estimated in good faith by the Seller. The Buyer shall pay such preliminary invoice in accordance with Sub-Clause 9(5). After final determination of the Quantity Delivered, which shall not be unreasonably delayed, the Seller shall promptly provide the Buyer with a final invoice and the appropriate adjustment payment shall be made by the Buyer or the Seller, as the case may be, to the other Party within [] Banking Days from the date of receipt of the final invoice by the Buyer.
- 9(7) Except as provided in Sub-Clauses 9(4) and 9(6), in the event that any sums of money are due from one Party to the other Party under a Transaction, then the Party to whom such sums of money are owed shall send to the other Party an invoice together with relevant supporting documents showing the basis for the calculation of such sums. Each invoice issued pursuant to this Sub-Clause shall become due and payable by the Party receiving the invoice [] Banking Days after the date of the receipt of such invoice. Payment shall be made by wire transfer or letter of credit (as the case may be as specified in Sub-Clause 9(10)) in USD or Euros, as applicable, free of all charges and without asserting any set-off or counter-claim or making any deduction, into the bank account nominated by the Party receiving payment in the applicable Confirmation Notice.
- 9(8) In the event a Party receiving an invoice disputes such invoice, it shall pay the portion of the invoice not in dispute and shall immediately notify the other Party of the reasons for such disagreement, except that in the case of an obvious or manifest error or fraud in computation, the Party shall pay the correct amount after disregarding such error or fraud. An invoice may be contested by the Party that received it, or modified by the Party that sent it, by written notice within a period of [] days after such receipt or sending, as the case may be. If no such notice is served, such invoice shall be deemed correct and accepted by both Parties. Promptly after resolution of any Dispute as to an invoice pursuant to Sub-Clause 14(2), the amount of any overpayment or underpayment shall be paid by the Seller or the Buyer, as the case may be, to the other Party, together with interest thereon at the rate and conditions provided in Sub-Clause 9(9).

- 9(9) If the Buyer or the Seller, as the case may be, fails to pay the other Party an amount due under any invoice by the due date for payment, such non-paying Party shall pay interest thereon to the other Party for the period commencing on and including the next day following the due date up to and including the day when payment is made. Interest shall be calculated at the rate of [] % above the LIBOR for payment in USD as quoted on the date when payment was due. Interest shall be calculated on the basis of three hundred sixty (360) days per year and shall be paid on the date when payment of the amount due is made.
- 9(10) In the case the Buyer does not have a Standard & Poor's credit rating of at least BBB+ or the equivalent by Moody's, the Seller is entitled to request from the Buyer in relation to delivery of an LNG Cargo(es) pursuant to a Transaction, that the Buyer provide either (i) an irrevocable letter of credit, which shall be substantially in the form attached hereto as Annex C, provided by a first class bank having a rating of at least A- from Standard & Poor's or the equivalent from Moody's, or (ii) a parent guarantee, which shall be substantially in the form attached hereto as Annex D, provided however that the company or entity giving such guarantee must be rated BBB+ or better by Standard & Poor's or the equivalent from Moody's.

10. TAXES AND CHARGES

- 10(1) Subject to Sub-Clause 10(3), all Taxes associated with this Agreement and any Transaction arising in the country where the Receiving Facilities are located shall be fully paid or borne by the Buyer. The Buyer shall reimburse the Seller for any such Taxes, which the Seller is obliged to pay. Notwithstanding the foregoing, the Seller shall pay or bear Taxes levied on the Seller's existence or establishment of a permanent presence, office, or fixed place of business in the country where the Receiving Facilities are located.
- 10(2) Taxes associated with this Agreement and any Transaction arising in the country where the Seller's Facilities are located shall be fully paid or borne by the Seller. The Seller shall reimburse the Buyer for any such Taxes which the Buyer is obliged to pay. Notwithstanding the foregoing, the Buyer shall pay or bear Taxes levied on the Buyer's existence or establishment of a permanent presence, office, or fixed place of business in the country where the Seller's Facilities are located.
- 10(3) The Seller shall pay, indemnify and hold the Buyer harmless from and against and shall receive no reimbursement of tolls, port charges, duties, fees, royalties, assessments and any other charges or levies associated with the use of the Unloading Port (and the Suez Canal, if applicable) by the LNG Vessel.

11. PERMISSIONS AND APPROVALS

- 11(1) The Seller shall obtain or cause to be obtained all necessary permissions, authorizations, approvals and other requirements to enable it to perform its obligations under each Transaction.
- 11(2) The Buyer shall obtain or cause to be obtained all necessary permissions, authorizations, approvals and other requirements to enable it to perform its obligations under each Transaction.
- 11(3) If all the permissions and approvals described in Sub-Clause 11(1) and 11(2) are not obtained prior to the execution of a Confirmation Notice, the Parties shall consult in good faith.

12. FORCE MAJEURE

- 12(1) A Party is not liable for a failure to fulfill (or a delay in fulfilling) an obligation under this Agreement or any Transaction (other than an obligation to pay money due) and is not in breach of this Agreement or any Transaction, if and to the extent to which fulfillment of such obligation has been delayed, interfered with or prevented by Force Majeure, which shall be defined as any event or circumstance whatsoever (or combination of events or circumstances) which is beyond the reasonable control of the affected Party acting as a Reasonable and Prudent Operator.
- 12(2) Provided the requirements of Sub-Clause 12(1) are met, "Force Majeure" includes but is not limited to:
- (a) The compliance by the affected Party with an act, order or demand of an international, national, port, transportation, local or other authority or agency or of any body or Person purporting to be or act for such an authority or agency, but excluding any failure to pass inspection;
 - (b) Fire, flood, atmospheric disturbance, lightning storm, typhoon, hurricane, tornado, earthquake, landslide, soil erosion, subsidence, washout, epidemic or other acts of God, shipwreck, navigational and maritime perils;
 - (c) War (whether declared or undeclared), riot, civil war, piracy, blockade,

insurrection, acts of public enemies, civil or military disturbances or act of terrorism, quarantine restriction;

- (d) A strike or any other kind of labour dispute;
- (e) Any circumstances relating to the loading of the LNG Vessel at the Loading Port and/or the Seller's Facilities or relating to the transportation of the LNG, which affect the ability of the Seller to deliver the LNG at the Receiving Facilities; and
- (f) Any circumstances relating to the unloading of the LNG Vessel at the Unloading Port and/or the Receiving Facilities, which affect the ability of the Buyer to receive, unload or use the LNG to be delivered under this Agreement.

Each of paragraphs (a), (b), (c), (d), (e), and (f) of this Sub-Clause 12(2) shall be read and construed independently.

12(3) The Party claiming Force Majeure shall give to the other Party, as soon as practicable after such Force Majeure occurs, notice of such Force Majeure. Such Force Majeure notice shall include in detail all information available about the circumstances, the relevant facts and consequences, and a statement of the steps and time believed necessary to remedy the Force Majeure situation. The Party claiming Force Majeure shall thereafter keep the other Party updated as to the event of Force Majeure, its effects and the actions being taken to overcome it.

12(4) A Party claiming Force Majeure shall use reasonable endeavours:

- (a) to eliminate or overcome the event or circumstance of Force Majeure relied on to enable it to resume full performance of its obligations; and
- (b) to minimize the effects of the event or circumstance of Force Majeure; provided however that (i) such Party claiming Force Majeure shall not be obliged to take any steps which would be beyond its reasonable control or would not be taken by a Reasonable and Prudent Operator and (ii) a strike or any other kind of labour dispute may be settled by the Party concerned at its absolute discretion.

12(5) For the purpose of Sub-Clause 12(1), unless the event or circumstance is beyond the reasonable control of the Seller itself and all of the following Persons who are in any way related to the event or circumstance (all acting as Reasonable and Prudent Operators), it is deemed to be within the reasonable control of the Seller:

- (i) The operator or delegated operator of Seller's Facilities;
- (ii) The owner, operator, manager or charterer of the LNG Vessel; and
- (iii) Employees, contractors and agents of one or more of the foregoing Persons and the Seller.

12(6) For the purpose of Sub-Clause 12(1), unless the event or circumstance is beyond the reasonable control of the Buyer itself and all of the following Persons who are in any way related to the event or circumstance (all acting as Reasonable and Prudent Operators), it is deemed to be within the reasonable control of the Buyer:

- (i) The owner, operator or delegated operator of Receiving Facilities; and
- (ii) Employees, contractors and agents of one or more of the foregoing Persons and the Buyer.

12(7) In the event that any circumstance of Force Majeure continues for [] days such that it prevents a Party from performing all or substantially all of its obligations under this Agreement or the relevant Transaction, then the other Party shall be entitled to terminate the relevant Confirmation Notice without liability to the other Party by giving written notice to the Party that claimed Force Majeure.

12(8) For the avoidance of doubt, any change in the demand of the Buyer's customers for LNG or Natural Gas shall not qualify as Force Majeure.

13. LIMITATION OF LIABILITY

13(1) Except in the case of fraud, Wilful Misconduct, or where otherwise specified in this Agreement or the relevant Confirmation Notice (if any), (a) liabilities of either Party to the other under this Agreement and any Transaction are limited to direct costs, losses or damage and (b) neither Party (including its Affiliates and the LNG Vessel) shall be liable to the other Party under this Agreement or any Transaction in contract, strict liability, tort (including negligence) or otherwise howsoever, for or in respect of any special, exemplary, punitive, incidental, indirect or consequential loss or damage, any deferment or loss of income or profits or business opportunity, any loss of goodwill and any claim, demand or action made or brought against the other Party by a Third Party, as a result of any act or omission in the course of or in connection with the performance of this Agreement or any Transaction.

14. GOVERNING LAW AND ARBITRATION

14(1) This Agreement and each Transaction shall be governed by and construed exclusively in accordance with the laws of England and Wales without reference to any choice of law principle that would result in the application of any other law. The provisions of the United Nations Convention on Contracts for the International Sales of Goods (1980) are hereby excluded from this Agreement and each Transaction.

14(2) Except for a disagreement related to Clause 7, which shall be governed by Sub-Clause 7(7), any dispute, controversy or claim arising out of or relating to this Agreement or any Transaction, or the breach, termination or invalidity thereof (a "**Dispute**"), which cannot be resolved by discussion in good faith between the Parties within sixty (60) days from notification of said dispute by one Party to the other, shall be finally settled by arbitration in accordance with the [ICC] Arbitration Rules (the "**Rules**") then in force. Unless the Parties agree on one (1) arbitrator, the number of arbitrators shall be three (3), one appointed by the Buyer and one by the Seller pursuant to the Rules, and the third appointed by the first two arbitrators. If either Party fails to appoint an arbitrator or the two arbitrators appointed by the Parties fail to agree on the choice of the presiding arbitrator, the appointing authority is the [chairperson or her/his equivalent at the ICC]. The place of arbitration is []. Any award shall be final and binding upon the Parties concerned, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction over any Party concerned. The arbitration proceedings shall be conducted and the award shall be rendered in the English language.

15. SAFETY

15(1) The Parties recognize the importance of securing and maintaining safety in all matters contemplated in this Agreement and each Transaction including the operation of facilities (for the Buyer) and the transportation of LNG (for the Seller). The Parties shall maintain high standards of safety in accordance with the generally accepted standards prevailing in the LNG industry.

15(2) The Parties shall use reasonable endeavours to ensure that their respective employees, agents, contractors and suppliers have due regard to safety and abide by the relevant regulations while they are performing works and services within and around the area of the loading and unloading terminal and on board the LNG Vessel, as the case may be.

16. TERM

This Agreement shall be in force from the date first set forth above and shall remain in force until terminated by either Party in accordance with this Sub-Clause 16 or Sub-Clause 17(4). Either Party may terminate this Agreement by giving [] days prior written notice to the other Party; provided however, that if a Confirmation Notice has been executed by the Parties and not fully performed, such termination shall only be effective once all obligations set forth in such Confirmation Notice and in this Agreement (to the extent they relate to such Confirmation Notice), have been satisfied.

Termination of this Agreement and/or a Transaction, howsoever caused or occurring shall be without prejudice to any rights or remedies that may have accrued to either Party prior to the date of such termination, and any provisions of the Agreement and/or a Transaction necessary for the exercise of such accrued rights or remedies shall survive expiry or termination of the Agreement and/or a Transaction to the extent so required.

17. GENERAL

17(1) Unless otherwise agreed, all notices to be given under this Agreement by one Party to the other Party are sufficiently given in English, in writing and either delivered in person or sent by prepaid airmail, facsimile, email, or other similar devices mutually agreed by the Parties to the other Party at its address specified in this Sub-Clause 17(1). Notice by facsimile and email shall be deemed to have been received on the same day it was transmitted, unless transmitted after close of the business day, in which case it shall be deemed received on the next day after it was transmitted. Notice by airmail shall be deemed to have been received on one business day after it was sent. Except for notification pursuant to Sub-Clause 6(1), a notice given by facsimile, email, or other similar devices mutually agreed by the Parties shall be subsequently confirmed by letter, unless otherwise agreed, but without prejudice to the validity of the original notice.

[One Party's name]

Address:

Attention:

Phone:

Fax:

Email:

[The other Party's name]

Address:

Attention:

Phone:

Fax:

Email:

- 17(2) The Parties agree to treat this Agreement and each Confirmation Notice and all information, whether written or oral, which is not known by or available to the public and which concerns the contents of this Agreement and/or any Confirmation Notice as strictly private and confidential (the "**Confidential Information**"). The Parties agree not to disclose any Confidential Information to any Third Party without the prior written consent of the other party hereto, except for such information required to be disclosed by either Party to its employees, independent contractors, agents, professional advisers and Affiliates who have a need to know such information for performing under this Agreement or any Transaction, to any court or governmental authority requiring such, or to any other appropriate Third Party to the extent necessary to comply with any legal or governmental requirement. For disclosure by either Party of Confidential Information to the operators of Receiving Facilities, Loading Port, Unloading Port or LNG Vessels to the extent necessary to comply with such Party's obligations under this Agreement or any Transaction, such prior written consent of the other Party shall not be unreasonably withheld. Except in the case of such information already forming part of the public domain, such disclosing Party shall make reasonable endeavours to ensure that the Third Party receiving such Confidential Information maintain its confidentiality. This Sub-Clause remains in force for three (3) years after the termination of this Agreement.
- 17(3) Neither Party may assign any of its rights and obligations under this Agreement or any Confirmation Notice without first obtaining the consent in writing of the other Party, such consent not to be unreasonable withheld.
- Notwithstanding the above, a Party may assign its rights and obligations in respect of a Transaction (as originated in a Confirmation Notice) to an Affiliate on prior written notice to, but without the consent of, the other Party; *provided, however*, that in such circumstances the assignor shall not be relieved of any obligations that such Affiliate fails to perform, except if prior written consent is obtained from the other Party.
- 17(4) In the event a Party:
- (a) makes a general assignment or arrangement for the benefit of creditors;

- (b) defaults in the payment of undisputed amounts due to the other Party under this Agreement or any Transaction, which default is not remedied within [] days of written notice from the Party that is owed payment;
- (c) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition files or proceeding commenced against it;
- (d) otherwise becomes bankrupt or insolvent (however evidenced);
- (e) is unable to pay its debts as they fall due; or
- (f) fails to give adequate security for or assurance of its ability to perform its further obligations under this Agreement or any Transaction within [] days of a reasonable and substantiated request from the other Party;

then, notwithstanding any provision to the contrary in this Agreement or any Confirmation Notice, the other Party has the right to either suspend its obligations under this Agreement and any Transaction or terminate this Agreement and any Transaction forthwith on written notice, in addition to any and all other remedies, available hereunder or pursuant to law.

Termination under this Sub-Clause 17(4) shall not affect any rights or obligations which may have accrued prior to termination, including any in respect of antecedent breaches, provided that neither Party shall have a claim for damages or other compensation in respect of such termination or in relation to the period for which this Agreement or any Transaction would have continued but for such termination, or any other relief or remedy which may be available but for the provisions of this Sub-Clause 17(4). The obligations of each Party which are expressed to survive termination or to take effect on termination shall continue in full force and effect notwithstanding termination of this Agreement or a Transaction.

- 17(5) The failure of either Party at any time to require performance of any provision of this Agreement or any Confirmation Notice 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 or any Confirmation Notice be deemed to be a waiver of any subsequent breach of such provision or a waiver of any other provision of this Agreement or any Confirmation Notice.

- 17(6) This Agreement and each Confirmation Notice constitute the entire agreement between the Parties relating to the subject matter contemplated by this Agreement and supersede and replace any provisions on that subject contained in any other agreement between the Parties, whether written, or oral, entered into by the Parties prior to or contemporaneously with the date of execution of this Agreement provided that nothing in this Agreement shall operate to limit or exclude any liability for fraud.
- 17(7) This Agreement may not be amended except by an instrument in writing signed by the Parties (including a Confirmation Notice executed by both Parties).
- 17(8) No term of this Agreement or any Transaction is enforceable under the English Contract (Rights of Third Parties) Act 1999 by a Person who is not a Party to this Agreement or the relevant Transaction.
- 17(9) If any provision or part of a provision of this Agreement or any Confirmation Notice is found by a court or authority of competent jurisdiction to be void or unenforceable, that provision or part of a provision shall be deemed to be deleted from this Agreement or the relevant Confirmation Notice (as applicable) and the remaining provisions shall continue in full force and effect. In such event, the Parties shall seek to agree upon a valid and enforceable provision or part of a provision to replace the provision or part of a provision found to be void or unenforceable.
- 17(10) On the date of execution of each Confirmation Notice, each Party represents and warrants to the other that (a) the execution, delivery and performance of such Transaction has been duly authorised by all necessary corporate or other organisational action on its part and do not violate or conflict with any law applicable to it, its organisational documents or any order or judgment of a court or other agency of government applicable to it or its assets; (b) its obligations under such Transaction are (subject to applicable insolvency and bankruptcy laws and general principles of equity) legally valid and binding obligations, enforceable in accordance with their terms; and (c) it has all necessary governmental and other Third Party permits, approvals and licenses required in connection with the execution, delivery and performance of such Transaction except to the extent that such permit, approvals and/or licences can only be obtained by the Seller (or the Seller's transporter) at the time the relevant LNG Vessel arrives at the Unloading Port, which permits, approvals and/or licences shall be obtained by the Seller (or the Seller's transporter) as soon as possible upon arrival at such port.
- 17(11) Other than those expressly provided in Sub-Clauses 4(5), 8(3), 17(10) and 17(12) or in a Confirmation Notice, the Parties make no representation or warranty,

written or oral, express or implied, including but not limited to, any representation or warranty that the LNG will be fit for a particular purpose, or will be of merchantable quality, and all such representations and warranties are expressly excluded to the fullest extent permitted by law.

17(12) Each Party hereby acknowledges that certain laws of the various jurisdictions where this Agreement and any applicable Transactions are to be performed, prohibit any Person from offering to make or making any payment of money or anything of value, directly or indirectly, to any governmental official, political party, candidate for political office, or official of a public international organisation for the purpose of obtaining or retaining business or providing an improper advantage. Each Party hereby represents, warrants and covenants to the other Party that, in the performance of its obligations hereunder, it has not made or offered to make, and will not make or offer to make, any such prohibited payment. In the event of a breach of any such laws, the Party in breach shall fully indemnify (on an after tax basis), protect, defend and hold harmless the other Party and its Affiliates, officers, directors, agents and employees from and against any and all claims, losses and liabilities attributable to any such breach.

17(13) Each Party hereby irrevocably and unconditionally agrees that its execution, delivery and performance of this Agreement and any Confirmation Notice constitute private and commercial acts. In furtherance of the foregoing, each Party hereby irrevocably and unconditionally agrees: (a) should the other Party bring legal proceedings (which shall be deemed to include suit, arbitration proceedings, expert determination, attachment prior to judgment, other attachment, levy, interim relief, the obtaining of judgment, execution or other enforcement) against it or its assets in connection with this Master Agreement or any Confirmation Notice, that no immunity (sovereign or otherwise) from such legal proceedings or the result of such legal proceedings shall be claimed under the laws of [*insert reference to all applicable countries/jurisdictions – e.g., where each party is incorporated, the country of the governing law, the country in which arbitration is to take place*] or any other state or jurisdiction by or on behalf of it or with respect to any of its assets; (b) to waive any right of immunity that it or any of its assets now has or may hereafter acquire under the laws of [*insert reference to all applicable countries/jurisdictions – e.g., where each party is incorporated, the country of the governing law, the country in which arbitration is to take place*] or any other state or jurisdiction; and (c) to consent generally to the giving of any relief or the issue of any process in connection with such proceedings, including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award, determination or judgment that may be made or given in such proceedings under the laws of [*insert reference to all applicable countries/jurisdictions – e.g., where*

each party is incorporated, the country of the governing law, the country in which arbitration is to take place] or any other state or jurisdiction.

[Note: any party negotiating a sovereign immunity waiver clause should take country-specific advice from an external lawyer.]

AS WITNESS whereof this Agreement has been signed by the duly authorized representative of the Parties on the day and year first above written.

Signed for and on behalf of
[_____]

By: _____

Name: _____

Title: _____

Signed for and on behalf of
[_____]

By: _____

Name: _____

Title: _____

ANNEX A

Form of Confirmation Notice

Pursuant to the Master Ex-Ship LNG Sales Agreement between [] and [] dated [], [] and [] agree upon the following sale and purchase of LNG this [] day of [], []:

The definitions set out in the Master Ex-Ship LNG Sales Agreement referred to the above shall apply in this Confirmation Notice, unless otherwise expressly stated herein.

1) Parties

The Buyer: []

The Seller: []

2) LNG Vessel to be used in relation to each LNG Cargo to be delivered pursuant to this Confirmation Notice (and corresponding IMO number): [].

3) Quantity

The number of LNG Cargoes to be delivered pursuant to this Confirmation Notice is [].

The Nominal Quantity applicable to each such LNG Cargo shall be [] MMBtu.

With respect to each such LNG Cargo, the LNG Heel that the Seller is entitled to retain after unloading shall be a maximum of [] cubic meters of LNG.

4) Allowed Laytime: [] consecutive hours.

5) Demurrage rate: [] per day.

6) Deemed daily boil-off rate: []% per day.

7) Unloading Schedule

Loading Port

Loading Date

Unloading Port

8) LNG Price

The LNG Price, in [*insert price basis; e.g., USD/MMBtu*], for each LNG Cargo is as follows: []

9) Specifications

Gross heating value: no less than [] and no more than []

Composition (molecular percentage):

Nitrogen (N ₂)	no less than [] and no more than []
Methane (C ₁)	no less than [] and no more than []
Ethane (C ₂)	no less than [] and no more than []
Propane (C ₃)	no less than [] and no more than []
Butanes + (C ₄ and heavier)	no less than [] and no more than []
Pentanes + (C ₅ and heavier)	no less than [] and no more than []

Impurities:

Hydrogen Sulphide	no more than []
Total Sulphur	no more than []

Other:

10) Cargo Underdelivery Amount cap (if any) shall be: [].

11) Bank accounts:

The Buyer:

Bank:
 IBAN:
 Swift Code:
 Address:
 Account No:
 Account Name:

The Seller:

Bank:
 IBAN:
 Swift Code:
 Address:
 Account No:
 Account Name:

IN WITNESS WHEREOF, the Parties have executed this Confirmation Notice on the date stated above.

[insert Buyer's name]

[insert Seller's name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ANNEX B

MEASUREMENT AND TESTING

1. Tank Gauge Tables

Prior to the utilization of any LNG Vessel: the relevant Party shall (a) in the case of an LNG Vessel the tanks of which have never been calibrated, arrange for such tanks to be calibrated for volume against level by an industry recognized authority agreed by the Parties, or (b) in the case of an LNG Vessel the tanks of which have previously been calibrated, provide evidence of such calibration by an industry recognized authority agreed by the Parties.

Calibration of the tanks shall be prepared in accordance with methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2010.

Calibration certificates shall state that the tank tables are determined with an uncertainty less than 0.2%.

2. Selection of Gauging Devices

2.1 Liquid Level Gauging Devices

Each LNG tank of each LNG Vessel shall be equipped with a main and an auxiliary liquid level gauging device.

The measurement uncertainty of the main liquid level gauging devices shall be +/- 7.5 millimetres and of the auxiliary liquid level gauging devices shall be +/- 10 millimetres.

Corrections from list, trim, temperature and LNG density shall be taken to determine the liquid level before and after unloading.

2.2 Temperature Gauging Devices

Each LNG tank of each LNG Vessel shall be equipped with a minimum of four (4) temperature gauging devices located on or near the vertical axis of such LNG tank. These temperature sensors shall have 100% back up redundancy in the form of spare sensors, for emergency use mounted adjacent to such temperature sensors.

The measurement uncertainty of the temperature gauging devices shall, under normal operations, be less than 0.3°C for liquid (LNG) and 2°C for gaseous phase (Return Gas).

2.3 Pressure Gauging Devices

Each LNG tank of each LNG Vessel shall have one absolute pressure gauging device.

The measurement accuracy of the pressure gauging device shall be plus or minus one percent (+/- 1%) of full-scale.

2.4 Verification of Accuracy of Gauging Devices

Gauging devices shall be verified for accuracy, and any inaccuracy of a device exceeding the permissible tolerance shall require correction of recordings and computation. All the invoices issued during such period of error shall be amended accordingly to reflect such correction and an adjustment in payment shall be made between the Parties.

3. Measurement Procedures

The quantity in cubic metres and the temperature and the pressure of the delivered LNG shall be measured with the LNG Vessel instrumentation in accordance with the methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2010.

4. Determination of LNG Composition

The mean composition of the delivered LNG is determined by utilizing Receiving Facilities' instrumentation in accordance with the methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2010.

The vapour return during the delivery operations shall be taken into account in the energy balance. The mean composition of the vapour phase return to the LNG Vessel shall be determined by utilizing Receiving Facilities' instrumentation in accordance with the methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2010 or determined by other means or taken as constant determined by experience.

5. Determination of BTU Quantity of LNG Delivered

5.1 LNG Density

The LNG density shall be calculated by use of the method of Klosek McKinley from NBS Technical Note 1030, December 1980.

The molar mass shall be determined by use of the method ISO 6976-1995, units of density shall be in kg/m³ and calculation results shall be given with 0.01 significant figures.

5.2 Gross Heating Value

(a) Gross Heating Value (Mass)

The Gross Heating Value (Mass) shall be calculated by use of the method ISO 6976-1995 with combustion reference conditions of fifteen degrees Celsius (15°C) and units of MJ/kg and 0.01 significant figures or with combustion reference conditions of sixty degrees Fahrenheit (60°F), stated in units of BTU/kg and given with 1 significant figures or as specified in the relevant Terminal Rules.

(b) Gross Heating Value (Volumetric)

The Gross Heating Value (Volumetric) shall be calculated by use of the method ISO 6976-1995 with combustion reference conditions of fifteen degrees Celsius (15°C), stated in units of MJ/Nm³ and 0.01 significant figures or with combustion reference conditions of sixty degrees Fahrenheit (60°F) and units of BTU/SCF and given with 0.1 significant figures or as specified in the relevant Terminal Rules.

5.3 Quantity Delivered

The Quantity Delivered shall be calculated in accordance with the formula given in the LNG Custody Transfer published by the GIIGNL, third edition 2010, page six (6) clause 2.1.

For the purpose of this calculation the quantity of energy is expressed in MMBtus, rounded to two (2) decimal places.

ANNEX C

LETTER OF CREDIT

To: [the Seller][the Buyer]

Attention:

Address:

Dear Madam or Sir,

By order of and for account of [name of Providing Party] , which term when used hereinafter shall include its permitted assignees and successors pursuant to the MASTER Ex-Ship LNG Sales Agreement entered into between [the Buyer][the Seller] and Beneficiary dated [] ("Master Agreement") and Confirmation Notice dated [] ("Confirmation Notice") executed thereunder, we herewith issue our irrevocable Letter of Credit No. [] ("Letter of Credit") in favour of [the Seller][the Buyer] ("Beneficiary").

1. This Letter of Credit shall be issued for value of up to USD [] for the period commencing on the [] and ending on the [], and shall be available at sight against presentation of the following documents to us at our counters:

(a) Copy of Beneficiary's signed invoice.

(b) Beneficiary's signed statement evidencing the following:

“We certify that the amount invoiced in our invoice number [] is properly due and payable in accordance with the terms and conditions of the Agreement and Confirmation Notice. We further certify that the amount of this drawing USD [] under Letter of Credit represents funds due to us as [the Buyer][the Seller] has failed to pay timely the aforementioned invoice, in full or in part in accordance with the terms and conditions of the Agreement and Confirmation Notice.”

2. We hereby agree with you that presentation of the documents specified in paragraph 1 in compliance with the terms of this Letter of Credit will on their presentation to us be duly honored by no later than the expiry date of this Letter of Credit. The presentation of the documents specified in paragraph 1 in telex form is acceptable.

3. This letter of credit shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the Agreement or Confirmation Notice to which this Letter of Credit relates.
4. The amount that may be drawn by Beneficiary under this Letter of Credit shall be automatically reduced by the amount of any drawing hereunder. Partial drawings are allowed.
5. Except as otherwise expressly provided herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 revision) ICC Publication No. 600.
6. All bank charges are for the account of [the Buyer][the Seller].
7. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at the address referred to in paragraph 1 above and shall refer to this Letter of Credit.
8. This document is the full operative credit instrument and no other advice is required.

[the Issuing Bank]

ANNEX D

PARENT GUARANTEE

This GUARANTEE AGREEMENT ("Guarantee") is made as of [] by [a parent company's name], a corporation duly organized and existing under the laws of [], with its head office located at [] ("Guarantor") for the benefit of [], a corporation organized under the laws of [], with a business office at [] (herein called "Beneficiary"). (Guarantor and Beneficiary are individually referred to herein as a "Party" and collectively as the "Parties").

Whereas

(a) Beneficiary and [] ("Counterparty") have entered into a Master Ex-ship LNG Sales Agreement, dated [] ("Agreement");

(b) under the terms of the Agreement, Counterparty's parent is obligated to provide Beneficiary with a security instrument in connection with the execution of a Confirmation Notice and payment by Counterparty in case of default as specifically contemplated in the Agreement ;

(c) Beneficiary requested this Guarantee covering payments due for default related to Confirmation Notice executed on [] between Beneficiary and Counterparty.

Now, in consideration of the premises and mutual covenants set forth herein, the Parties hereto agree as follows:

1. Subject to the terms hereof, Guarantor hereby irrevocably and unconditionally guarantees to Beneficiary that Counterparty will timely and completely perform all of the financial obligations contemplated in the Agreement and that certain Confirmation Notice dated [] to Beneficiary pursuant to and in accordance with the terms of the Agreement (hereinafter, collectively, the "Obligations"). If at any time Counterparty fails, neglects or refuses to perform any of its Obligations, then promptly upon receipt of the first demand from Beneficiary specifying the failure, Guarantor shall fully and truly perform, or cause to be performed, all such Obligations; provided that, the aggregate liability of Guarantor under this Guarantee shall not exceed USD [].
2. Except for the notice required in Section 1 above, Guarantor hereby waives:
 - a) Notice respecting the creation, existence or acquisition of all or any part of the Obligations;
 - b) Notice or consent respecting any modification of the Obligations or the Agreement;

- c) Notice of adverse change in Counterparty's financial condition or of any other fact which might increase Guarantor's risk;
 - d) Notice of presentment for payment, demand or protest and notice thereof as to any instrument;
 - e) Notice of Counterparty's default; and
 - f) All other notices and demands to which Guarantor might otherwise be entitled.
3. This is a Guarantee of payment. Guarantor waives any and all rights, by statute or otherwise, to require Beneficiary to institute suit or otherwise exhaust its rights and remedies against Counterparty. Guarantor consents and agrees that Beneficiary shall be under no obligation to marshal any assets in favour of Guarantor. Guarantor further waives any defence arising by reason of any disability, bankruptcy or insolvency of Counterparty or by reason of cessation, by any cause whatsoever, of the liability of Counterparty other than through payment or performance of the Obligations.
 4. Guarantor hereby consents and agrees that, without notice to or subsequent consent by Guarantor and without affecting or impairing the obligations of Guarantor as herein set forth, Beneficiary may, by action or inaction, compromise, settle, waive, extend, refuse to enforce, release (in whole or in part), or otherwise grant indulgences to Counterparty in respect to any or all of the Obligations and may amend, modify or extend in any manner the Agreement or any other documents or agreements relating to the Obligations other than this Guarantee.
 5. This Guarantee is a primary and original obligation of Guarantor and is an absolute, unconditional, irrevocable Guarantee and, to the extent permitted by applicable law, shall remain in full force and effect without regard to future changes in conditions, including change of law, or any invalidity or irregularity with respect to the execution and delivery of any agreement by Counterparty with respect to the Obligations, until full performance of the Obligations.
 6. The terms and provisions of this Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment or transfer of the Agreement or this Guarantee shall operate to extinguish or diminish the liability of Guarantor hereunder. Guarantor shall not assign or transfer any of its obligations under this Guarantee. Any assignment or attempted assignment in violation hereof, whether by operation of law or otherwise, shall be void.
 7. Guarantor represents and warrants that it is a corporation duly organized and in good standing under the laws of its place of formation, that it has full power and authority to enter

into this Guarantee, that its execution and delivery of this Guarantee has been duly authorized by all requisite corporate action, and that this Guarantee constitutes a legal, valid, and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms (subject to the application of bankruptcy or insolvency laws affecting the Guarantor).

8. This Guarantee shall be governed by and construed in accordance with the laws of England and Wales without reference to choice of law doctrine. All Parties agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise in connection with the creation, validity, effect, interpretation or performance of, or legal relationship established by this Guarantee and for such purposes irrevocably submit to the jurisdiction of the English Courts.

In witness whereof, Guarantor has caused its duly authorized officer to execute and deliver this Guarantee as of the date first above written.

[Name of Guarantor]

By: _____

Name: _____

Title: _____

[Name of Beneficiary]

By: _____

Name: _____

Title: _____