

### **Соглашение о транспортировке, переработке и возврату газа с месторождения X на терминал <>**

### **Agreement for the Transportation, Processing and Redelivery of X gas in the <> terminal**

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THIS AGREEMENT is made the < > day of < > < >, by and between:

< >

(together the "ABC Owners");

and

< >

(together the "XYZ Owners").

WHEREAS:

A. The XYZ Owners wish to have XYZ Gas transported, received, treated and processed in the ABC System and redelivered as Sales Gas and NGL to the Delivery Points; and

B. The ABC Owners have agreed to transport, receive, treat and process XYZ Gas in the ABC System and to redeliver Sales Gas and NGL to the Delivery Points; and

C. The ABC Owners and the XYZ Owners have agreed terms and conditions of payment by the XYZ Owners for the provision of the Services; and

D. The Parties wish to enter into this Agreement in respect of the provision of the Services on the terms and conditions provided herein.

NOW THEREFORE, for and in consideration of the premises, and the various undertakings and covenants contained in this Agreement, the Parties hereto do hereby agree as follows:

## 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

"ABC Agreement" shall mean:

(i) any agreement between the ABC Owners and any other Pipeline Group for the transportation and processing of Gas delivered to the ABC System through the pipeline owned by such Pipeline Group;

(ii) any agreement entered into by any ABC Owner for the transportation of Gas through the ABC Pipeline and/or the processing of such Gas at the ABC Terminal; and

(iii) any agreement between a ABC Owner and a purchaser of Sales Gas and/or processor of NGL in relation to Gas owned by such ABC Owner which is transported through the ABC Pipeline and processed at the ABC Terminal.

"ABC Allocation and Commingling Rules" or "ACR" shall mean those rules in force from time to time (as amended in accordance with their terms) which detail the system established by the ABC Owners for the allocation and commingling of Sales Gas in the ABC System, the current version of which is attached to this Agreement as Attachment 3.

"ABC NGL Allocation and Commingling Rules" or "NACR" shall mean those rules in force from time to time (as amended in accordance with their terms) which detail the system established by the ABC Owners for the allocation and commingling of NGL in the ABC System, the current version of which is attached to this Agreement as Attachment 4.

"ABC Operator" shall mean at the date hereof < > and thereafter the person for the time being charged by the ABC Owners with the conduct of operations in relation to the ABC System, acting as the agent for and on behalf of the ABC Owners and not as a ABC Owner.

"ABC Owners" shall mean the companies described as such on page 1 of this Agreement, their successors and assigns, acting jointly as a group holding ownership interests in the ABC System; and "ABC Owner" shall mean any one of the ABC Owners.

"ABC Pipeline" shall mean the main gas pipeline from < > to the ABC Terminal.

"ABC Representative" shall have the meaning ascribed thereto in the Allocation Rules.

"ABC System" shall mean all facilities in which the ABC Owners hold ownership interests from time to time including, without limitation:

- (i) the ABC Pipeline; and
- (ii) the ABC Terminal (including any Additional Facilities).

"ABC Terminal" shall mean all onshore processing facilities at < >, owned by the ABC Owners from time to time.

"ACR Entry Point" shall mean an "Entry Point" as defined in the Allocation Rules.

"ACR Expert" shall mean the "Expert" defined under the Allocation Rules.

"ACR Party" shall mean a "Party" defined under the Allocation Rules.

"Actual Amount" shall have the meaning ascribed thereto in Clause 8.6.2(i).

"Additional Facilities" shall have the meaning ascribed thereto in Clause 5.1(iv).

"Affiliate" shall mean in relation to each of the Parties collectively referred to as the XYZ Owners or the ABC Owners, any company or corporation that is a direct or indirect holding company or subsidiary of such Party (as the case may be) or any company or corporation that is a direct or indirect subsidiary of any holding company of such Party (as the case may be), where for the purpose of this definition "subsidiary" and "holding company" shall have the meanings respectively ascribed thereto in Section 736 of the Companies Act 1985.

"Agreement" shall mean this agreement (including the Attachments hereto).

"Allocation Rules" shall mean the ABC Allocation and Commingling Rules and the ABC NGL Allocation and Commingling Rules, as amended, replaced or superseded from time to time.

"Attachment" shall mean an attachment to this Agreement, including the notes annexed to such attachment.

"Attributable Curtailment" shall have the meaning ascribed thereto in the Allocation Rules.

"Auditor" shall mean < > or such other firm of reputable chartered accountants appointed pursuant to, and agreeable to act for the purposes of, Clause 14.7 from time to time.

"bar" shall have the meaning attributed thereto in the Allocation Rules.

"bara" shall mean pressure measured in bar absolute.

"barg" shall mean pressure measured in bar gauge.

"Base Rate" shall mean the base rate published by the head office of National Westminster Bank plc at 11:00 hours London time on the relevant day (being the next succeeding Working Day in the event that the relevant day is not a Working Day).

"Capacity" shall mean capacity (measured and expressed in MMCMD) and associated capability within the ABC System reserved or required, as applicable, to provide transportation and/or processing services in relation to Gas of a User.

"Catastrophic Force Majeure" shall mean an event of Force Majeure which is determined by the Parties claiming relief pursuant to Clause 15 to be capable of preventing the performance of their obligations hereunder for a period in excess of < > Months in accordance with Clause 15.2.

"Commencement Date" shall mean the date notified or determined pursuant to Clause 3.2.

"Commissioning" shall mean in respect of each part of the XYZ System, including the XYZ Facilities or any Additional Facilities, the setting to work of such part and shall, in the case of the XYZ Facilities or any Additional Facilities, include all checks and tests necessary to demonstrate to the reasonable satisfaction of the ABC Operator that such part is, prior to the Commencement Date or thereafter, as applicable, in full compliance with all statutory and regulatory requirements and suitable and ready for the receipt of Gas and safe and continuous operation; and the expression "Commissioned" shall be construed accordingly.

"Composition" shall mean the composition of the relevant Gas stream expressed in mol percent for each hydrocarbon component from C1 to and including C12+ and also including oxygen, nitrogen and carbon dioxide, together with the hydrogen sulphide content (expressed in ppmv) and any other chemical element or compound reasonably required to demonstrate the nature of the Gas stream.

"Contract Year" shall mean a period beginning at 06:00 hours London time on 1 October in any year and ending at 06:00 hours London time on 1 October in the next succeeding year, except that the first Contract Year shall be a period beginning at 06:00 hours London time on the Commencement Date and ending at 06:00 hours London time on the next following 1 October and the final Contract Year shall end on the date of termination of this Agreement notwithstanding that a complete period of twelve (12) Months may not have elapsed.

"Cubic Metre" and its abbreviation "CM" when applied to Gas shall mean that quantity of Gas occupying a volume of one (1) cubic metre when measured at a pressure of one decimal point zero one three two five (1.01325) bara and a temperature of fifteen (15) degrees Celsius.

"Day" shall mean a period of consecutive hours commencing at 06:00 hours London time on any Day and ending at 06:00 hours London time on the next succeeding Day; and the expression "Daily" shall be construed accordingly.

"Decline" shall mean the period following the end of the Plateau Period to termination of this Agreement.

"De-dedication Notice" shall have the meaning ascribed thereto in Clause 15.4.

"Deficiency Quantities" shall have the meaning ascribed thereto in Clause 8.5.3.3.

"degree Celsius" and "oC" shall have the meaning ascribed thereto in the Allocation Rules.

"Delivery Point(s)" shall mean, where the context so admits, either or both of the NGL Delivery Point and the Sales Gas Delivery Point (both as hereinafter defined).

"Effective Date" shall mean the date as provided in Clause 3.1.

"Excess Gas" shall mean, in respect of any Day, any XYZ Gas delivered at the XYZ Entry Point in excess of the Shipper's Reserved Capacity (SRC) then in force for such Day.

"Excess Gas Tariff" shall have the meaning ascribed thereto in Clause 8.1.4.

"Expected Annual Quantity" or "EAQ" shall mean, in respect of each Contract Year the SRC declared in relation thereto pursuant to Clause 7, multiplied by the number of Days therein, divided by the number indicated in the column headed "Swing" for such Contract Year, as set out in Attachment 6.

"Expert" shall mean a person appointed pursuant to the provisions of Clause 25 to resolve a dispute between the Parties excluding the ACR Expert.

"Force Majeure" shall have the meaning ascribed thereto in Clause 15.1

"Gas" shall mean natural gas, which shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of fifteen (15) degrees Celsius and a pressure of one decimal point zero one three two five (1.01325) bara are or is predominantly in the gaseous state, and shall (without prejudice to the foregoing) include gas from gas wells, gas produced with crude oil, residue gas resulting from processing hydrocarbons and natural gas liquids.

"Gas Receiver" shall mean British Gas p.l.c. and its successors.

"General Curtailment" shall have the meaning ascribed thereto in the Allocation Rules.

"Group" shall have the meaning ascribed thereto in the Allocation Rules.

"Independent Authority" shall have the meaning ascribed thereto in the Allocation Rules.

"Initial Profile" shall mean, in respect of any Contract Year, the number indicated in relation thereto in the column headed "Initial Profile" as set out in Attachment 6.

"ISO" shall mean the International Organization for Standardization.

"joule" shall mean the "joule" as defined in ISO 1000-1992(E).

"kilogram" or "kg" shall mean a "kilogram" as defined in ISO 1000-1992(E).

"MCM" shall mean thousands of Cubic Metres of Gas.

"MCMD" shall mean thousands of Cubic Metres of Gas per Day.

"MMCM" shall mean millions of Cubic Metres of Gas.

"MMCMD" shall mean millions of Cubic Metres of Gas per Day.

"Maintenance" shall mean the maintenance, repair, modification or replacement of the ABC System necessitating as applicable, a partial or total shut-off of the ABC System.

"megajoule" shall mean one million (1,000,000) joules.

"Minimum Bill" shall have the meaning ascribed thereto in Clause 8.6.2(ii).

"Minimum Bill Payment" shall have the meaning ascribed thereto in Clause 8.6.3.

"Minimum Bill Quantity" shall have the meaning ascribed thereto in Clause 8.5.1.

"Month" shall mean a period in any Contract Year commencing at 06:00 hours London time on the first Day of any calendar month and finishing at 06:00 hours London time on the first Day of the next succeeding calendar month.

"NGL" shall mean natural gas liquids which have been processed in the ABC Terminal for delivery at the NGL Delivery Point.

"NGL Delivery Point" shall mean the point within the ABC Terminal where NGL is made available by the ABC Owners to the XYZ Owners for sale or other disposal, all as more particularly described in Attachment 7.

"Nominations" shall mean "Nominations" as defined under the Allocation Rules and the term "Nominated" shall be construed accordingly. As used herein to describe a volume of XYZ Gas, it shall mean the volume of XYZ Gas, measured in MCMD and stated to four (4) decimal places, as Nominated by the XYZ Owners pursuant to the Allocation Rules.

"Off-Specification XYZ Gas" shall mean any XYZ Gas tendered by the XYZ Operator for delivery into the ABC System not complying with the ABC System entry specification for XYZ Gas set out in Attachment 1.

"Off-Specification Gas Event" shall mean:

(i) any occasion when Off-Specification XYZ Gas causes any other Pipeline Gas not to be delivered from the ABC Terminal as Sales Gas and/or NGL in accordance with any Nominations in force in relation thereto at such time; or

(ii) any occasion when Pipeline Gas of a Pipeline Group (other than the Pipeline Group owning the XYZ Pipeline) causes XYZ Gas delivered into the ABC System not to be delivered as Sales Gas and/or NGL complying with the specifications therefor set out, respectively, in Schedule 4 of ACR and Schedule 4 of NACR in accordance with any Nominations in force in relation thereto at such time.

"Party" shall mean the ABC Owners and the XYZ Owners as parties to this Agreement; and the expression "Parties" shall be construed accordingly.

"pence" or "p" shall mean pence sterling being the legal currency of England.

"Pipeline Gas" shall mean all Gas delivered into the ABC System in a pipeline owned by a Pipeline Group.

"Pipeline Group" shall mean any group of companies owning a pipeline which delivers Gas into the ABC System through connections separate from any other pipeline delivering Gas to the ABC System from time to time.

"Plateau Period" shall have the meaning ascribed thereto in Clause 7.4.

"Plateau Period Cumulative Volume" shall have the meaning ascribed thereto in Clause 7.4(ii).

"Plateau Period EAQ" shall have the meaning ascribed thereto in Clause 8.4.1.

"Plateau Period EAQ Bill" shall have the meaning ascribed thereto in Clause 8.6.2(ii).

"Plateau Period EAQ Payment" shall have the meaning ascribed thereto in Clause 8.6.3.

"Pounds" or "£" shall mean pounds sterling being the legal currency of England.

"Production Licences" means insofar as the same affect UKCS Blocks < >, those UKCS petroleum production licences, short particulars of which are contained in Attachment 2, as originally issued or as they may from time to time be supplemented, amended or otherwise modified, or any licence(s) issued in complete or partial substitution therefor, which entitle the XYZ Owners to produce hydrocarbons from the XYZ Development; and "Production Licence" means any one of the Production Licences.

"Quarter" shall mean a period of three (3) Months commencing on 1 January, 1 April, 1 July or 1 October; and the expression "Quarterly" shall be construed accordingly.

"Reasonable and Prudent Operator" shall mean a person seeking in good faith to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which will reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances or conditions, and the expression "Standard of a Reasonable and Prudent Operator" shall be construed accordingly.

"Re-dedication Notice" shall have the meaning given to that term in Clause 15.4(iii).

"Revised Tariff" shall have the meaning ascribed thereto in Clause 8.3.1.

"Rule" or "Rules" shall mean a reference to a rule or rules of the Allocation Rules.

"Run-In Period" shall have the meaning ascribed thereto in Clause 3.3.2.

"Run-In Start Date" shall have the meaning ascribed thereto in Clause 3.3.3.

"Sales Gas" shall mean Gas which has been processed within the ABC System for delivery at the Sales Gas Delivery Point.

"Sales Gas Delivery Point" shall mean the flange, weld or other mark agreed by the Parties where the ABC System redelivers Sales Gas to the reception terminal of the pipeline system operated by the Gas Receiver at < >.

"Schedule" shall mean a reference to a schedule of the Allocation Rules.

"Secretary" shall mean the Secretary of State for Trade and Industry or such other officer of State who is duly appointed to perform the relevant functions of the Secretary of State for Trade and Industry from time to time.

"Services" shall have the meaning ascribed thereto in Clause 6.1.

"Shipper's Reserved Capacity" or "SRC" shall mean the Capacity for XYZ Gas for a Contract Year or portion thereof reserved by the XYZ Operator in accordance with Clause 7.

"Source Owners" shall have the meaning ascribed thereto in the Allocation Rules.

"Tariff" shall have the meaning ascribed thereto in Clause 8.1.1.

"Third Party" shall have the meaning ascribed thereto in Clause 14.10.

"Tie-In Agreement" shall have the meaning ascribed thereto in Clause 5.8.3.

"Total System Cost" shall have the meaning ascribed thereto in Clause 8.3.3.

"TSRC" or "Tentative Shipper's Reserved Capacity" shall mean the Capacity within the ABC System, measured and expressed in MMCMD, provisionally reserved for XYZ Gas for a Contract Year by the XYZ Operator in accordance with Clause 7.

"UKCS" shall mean United Kingdom Continental Shelf.

"User" shall mean all persons from time to time delivering Gas into the ABC System for transportation and/or processing in the ABC System.

"Wilful Misconduct" shall have the meaning ascribed thereto in Clause 14.15.

"Work Control Area" shall have the meaning ascribed thereto in Clause 5.8.1(i).

"Working Day" shall mean any day which is neither a Saturday, Sunday, nor a public holiday in England [or in Aberdeen, Scotland].

"XYZ Development" shall mean the integrated development of the XYZ Fields and/or any adjacent fields, not comprising XYZ Fields by means of platform facilities on, or satellite field facilities tied back to, a central processing facility located over the < > reservoir.

"XYZ Entry Point" shall mean the designated mark or point where the XYZ Pipeline joins the ABC System.

"XYZ Entry Point Representative" shall mean the XYZ Operator acting as an "Entry Point Representative", as defined under the Allocation Rules, for the XYZ Pipeline.

"XYZ Facilities" shall have the meaning ascribed thereto in Clause 5.1(ii).

"XYZ Fields" shall mean the reservoirs comprising the accumulations of hydrocarbons commonly known as < > situated within one or more of Blocks < >, subject to the Production Licences, together with all parts of any sub-surface formations in which there exist hydrocarbons to the extent that the same underlie the licensed areas governed by the Production Licences and any adjacent formations in natural continuous hydrocarbon phase communication with the said reservoirs or sub-surface formations, PROVIDED THAT for the purposes hereof, any such adjacent formations shall be deemed to be in natural continuous hydrocarbon phase communication with the said reservoirs or sub-surface formations unless and until demonstrated otherwise to the reasonable satisfaction of the ABC Owners.

"XYZ Gas" shall mean all Gas won or produced and saved from the XYZ Fields.

"XYZ Group Representative" shall mean the XYZ Operator acting as a "Group Representative", as defined under the Allocation Rules, for the XYZ Owners.

"XYZ Operator" shall mean at the date hereof and thereafter the person for the time being charged by the XYZ Owners with the conduct of operations in relation to the XYZ System, acting as the agent for and on behalf of the XYZ Owners and not as a XYZ Owner.

"XYZ Owners" shall mean the companies described as such on pages 1 and 2 of this Agreement, their successors and assigns, acting jointly as a group as owners of the XYZ Development; and "XYZ Owner" shall mean any one of the XYZ Owners.

"XYZ Pipeline" shall mean the main pipeline from the XYZ Development central processing facility to the XYZ Entry Point.

"XYZ Source Representative" shall mean the XYZ Operator acting as a "Source Representative", as defined under the Allocation Rules, for the XYZ Development and in respect of all XYZ Gas delivered to the XYZ Entry Point from time to time.

"XYZ Specification Gas" shall mean any XYZ Gas tendered by the XYZ Operator for transportation and processing in the ABC System complying with the ABC System entry specification therefor, as set out in Attachment 1.

"XYZ System" shall mean all facilities owned by the XYZ Owners and utilised in the production and transportation of XYZ Gas from the XYZ Development to the XYZ Entry Point, including without limitation:

(a) the satellite field facilities installations and the central processing facility used for the production and gathering of XYZ Gas, and the XYZ Pipeline; and

(b) the XYZ Facilities.

## 1.2 Interpretation

1.2.1 Attachments 1 to 10 form an integral part of this Agreement. Any Clause containing a reference to an Attachment shall be read as if all or such part or section of the Attachment referred to was set out at length in the body of the Clause itself. In the event of any conflict between an Attachment and the main body of this Agreement, the latter shall prevail.

1.2.2 The index and any headings used in this Agreement are inserted for convenient reference only and shall be ignored in construing the meaning of any of the provisions of this Agreement.

1.2.3 Where the sense requires, words denoting the singular only shall also include the plural and vice versa. References to persons shall include any company, firm, partnership, joint venture, association, body corporate or individual. Reference to any gender shall include a reference to all other genders.

1.2.4 References to time are to the time statutorily in force in the United Kingdom.

1.2.5 References to statutory provisions (which shall include any regulation, statutory instrument, order or secondary legislation issued pursuant thereto) shall be construed as references to those provisions in effect at the date of this Agreement as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include references to any provisions of which they are re-enactments (whether with or without modification).

1.2.6 Unless the context otherwise requires, a reference to any Clause shall be construed as a reference to a Clause of this Agreement.

1.2.7 Any capitalised term appearing in the recitals of the Agreement shall have the meaning given thereto in Clause 1.1.

## 2 SCOPE, STANDARD OF PERFORMANCE AND LICENCES

2.1 Subject to and in accordance with all the terms and conditions of this Agreement, the ABC Owners undertake to receive XYZ Gas in such quantities as may from time to time be delivered by the XYZ Owners to the XYZ Entry Point and transport and process such XYZ Gas in the ABC System into Sales Gas and NGL for redelivery to the XYZ Owners at the respective Delivery Points in accordance with the Allocation Rules.

2.2 Subject to and in accordance with all the terms and conditions of this Agreement, the XYZ Owners undertake to deliver XYZ Gas to the XYZ Entry Point and to make all necessary arrangements to accept or procure the acceptance of their entitlement to Sales Gas at the Sales Gas Delivery Point and/or their entitlement to NGL at the NGL Delivery Point.

2.3 In carrying out their respective obligations and in exercising their respective rights under this Agreement, unless expressed to the contrary, the Parties, the XYZ Operator and the ABC Operator shall act in accordance with the Standard of a Reasonable and Prudent Operator and with all applicable laws and regulations of the United Kingdom.

2.4 For the purposes of this Agreement each of the ABC Operator and the XYZ Operator shall act solely as agent for and on behalf of, respectively the ABC Owners and the XYZ Owners.

2.5 This Agreement addresses primarily the services to be provided in relation to the transportation and processing of XYZ Gas and redelivery thereof as Sales Gas and/or NGL. Subject to and in accordance with Clause 5, all operations relating to the construction, tie-in and Commissioning of the XYZ System shall be addressed by the Parties under the terms of the Tie-In Agreement, further details of which are provided in Clause 5.8.3.

2.6 The XYZ Owners shall obtain and/or maintain in force for the duration of this Agreement all governmental and official permits, consents, licences and approvals required to be obtained and/or maintained in force in order for the XYZ Owners to comply with their obligations under this Agreement and which may become necessary during the lifetime of this Agreement. The XYZ Owners shall use all reasonable endeavours to obtain any relevant extension of all such permits, consents, licences and approvals, as applicable, including a Production Licence due to expire or the issue of a new Production Licence to the XYZ Owners in substitution therefor, but only in each case insofar as it affects the XYZ Development and provided that in the case of any such extension or renewal of a Production Licence, the terms thereof are no more onerous than those of the then current or expired Production Licence, as applicable.

2.7 The ABC Owners shall obtain and/or maintain in force for the duration of this Agreement all governmental and official permits, consents, licences and approvals required to be obtained and/or maintained in force in order for the ABC Owners to comply with their obligations under this Agreement and which may become necessary during the lifetime of this Agreement. The ABC Owners shall use all reasonable endeavours to obtain any relevant extension of all such permits, consents, licences and approvals due to expire but only insofar as the same affect the ABC System, and provided that the terms of any such extension are no more onerous than those then currently in force.

### 3 COMMENCEMENT, RUN-IN, DURATION AND TERMINATION

#### 3.1 Effective Date and Conditions Precedent

3.1.1 This Agreement shall take effect on the date hereof (the "Effective Date"), provided that the Parties' obligations hereunder, save for those under Clauses 3.1.2 and 19, shall be dependent upon the fulfilment of the following conditions:

- (i) obtaining formal consent and approval by the main Boards of Directors of each and all of the XYZ Owners to commit to proceed with the XYZ Development;
- (ii) obtaining formal consent and approval (in the form of a Field Development Plan or Annex B consent) by the Department of Trade and Industry authorising the XYZ Owners to proceed with the XYZ Development;
- (iii) obtaining all necessary consents, authorisations, approvals, planning permissions, and/or wayleaves required by statute, statutory instrument(s), regulation(s) or otherwise at law to locate and construct the facilities and any pipelines, cables, tie-ins and/or ancillary works at the locations notified to the Department of Trade and Industry in the application for development consent referred to in condition (ii) above; and
- (iv) obtaining approval of the main Boards of Directors or Shareholders of each ABC Owner and XYZ Owner to enter into this Agreement.

3.1.2 (i) The XYZ Owners will notify the ABC Owners on or before < > whether condition (i) of Clause 3.1.1 and condition (iv) of Clause 3.1.1 (insofar as it applies to the XYZ Owners) have been satisfied. The ABC Owners will notify the XYZ Owners on or before < > whether condition (iv) of Clause 3.1.1 (insofar as it applies to the ABC Owners) has been satisfied. Failing either such notification, either Party may give < > days notice of termination of this Agreement and if the relevant condition is not satisfied within that < > day period, this Agreement will terminate.

(ii) The XYZ Owners shall use all reasonable endeavours to fulfil conditions (ii) and (iii) of Clause 3.1.1 as soon as practicable and will notify the ABC Owners of the satisfaction or waiver of same. If either condition has not been fulfilled by < > either Party may give < > days notice of termination of this Agreement and if such condition is not satisfied or waived within that < > day period, this Agreement will terminate.

(iii) The XYZ Owners and the ABC Owners agree to provide reasonable assistance to the other Party in the fulfilment of any condition of Clause 3.1.1 if so requested by the Party responsible for fulfilling such condition.

### 3.2 Commencement Date

The date upon which the ABC Owners shall provide the Services on a firm basis and the XYZ Owners shall become obligated to utilise the Services in accordance with the terms of the Agreement (the "Commencement Date") shall be the date notified by the XYZ Owners to the ABC Owners as follows:

(i) by < >, the XYZ Owners shall notify a period of < > within the period < >;

(ii) by the date < > prior to the start of the period notified under (i) above, the XYZ Owners shall notify a period of < > within the period notified under (i) above;

(iii) by the date < > prior to the start of the period notified under (ii) above, the XYZ Owners shall notify a period of < > within the period notified under (ii) above;

(iv) by the date < > prior to the start of the period notified under (iii) above, the XYZ Owners shall notify a period of < > within the period notified under (iii) above; and

(v) by the date < > prior to the start of the period notified under (iv) above, the XYZ Owners shall notify the Commencement Date,

PROVIDED THAT in the event of failure by the XYZ Owners to provide notice under any of (i) to (v) above, the Commencement Date shall be the earlier of < > and the last date of any period previously notified by the XYZ Owners pursuant to (i) to (iv) above.

### 3.3 Commissioning and Run-In

3.3.1 Subject to Clause 3.3.5, and Clause 7.2, the XYZ Owners may deliver XYZ Gas to the XYZ Entry Point at any time for the purposes of Commissioning, provided that if Commissioning commences on a Day prior to the Commencement Date it shall be subject to the following:

(i) there is sufficient unutilised Capacity available in the ABC System at such time; and

(ii) the ABC Owners have given prior approval, such approval not to be unreasonably withheld, to the delivery of such XYZ Gas into the ABC System; and

(iii) the XYZ Owners have provided estimates and Nominations in respect of such XYZ Gas in accordance with the Allocation Rules; and

(iv) in the event of the ABC Owners requiring or the XYZ Owners requesting the flaring of any portion of such XYZ Gas from the ABC System, such flaring shall at all times not cause the maximum flare consent applicable to the ABC Terminal at such time as granted by the Department of Trade and Industry to be exceeded.

3.3.2 Subject to Clause 7.2, the XYZ Owners may deliver XYZ Gas to the XYZ Entry Point at any time from < >, for a period (the "Run-In Period") of not more than < > Days, and the ABC Owners shall provide the Services in relation thereto subject to:

(i) compliance by the XYZ Owners with the provisions of Clause 3.3.3; and

(ii) provision by the XYZ Owners of estimates and Nominations in respect of such XYZ Gas in accordance with the Allocation Rules; and

(iii) prior notice by the ABC Owners of the completion and/or readiness of the facilities to be provided by the ABC Owners in the ABC System for the processing of XYZ Gas or such other facilities in the ABC System as may have Capacity available; and

(iv) the ABC Operator and the XYZ Operator using their reasonable endeavours to co-ordinate the mix and volumes of all Gas anticipated to be delivered into the ABC System in order to optimise the testing of the XYZ Facilities with all other business being conducted in the ABC System during the Run-In Period.

3.3.3 The Run-In Period may commence on any Day (the "Run-In Start Date") from < > upon the XYZ Owners providing notice to the ABC Owners as follows:

(i) not later than the time of the notice pursuant to Clause 3.2 (iii), of the Month in which the Run-In Start Date shall commence and the intended duration of the Run-In Period; and

(ii) not less than < > Months prior to the start of the Month notified under (i) above, of a period of < > weeks within the Month notified under (i) above; and

(iii) not less than one (1) Month prior to the start of the period of < > weeks notified under (ii) above, of the Run-In Start Date with an indication of the amount of XYZ Gas to be delivered at the XYZ Entry Point during each Day of the Run-In Period, the duration of which shall not exceed the intended duration notified under (i) above save with the prior approval of the ABC Owners, such approval not to be unreasonably withheld.

3.3.4 Without prejudice to Clause 3.3.2, it is acknowledged by the ABC Owners and the XYZ Owners that either or both of the XYZ Facilities and/or the ABC System may not be completed or available for use on or by the Run-In Start Date pursuant to Clause 3.3.3(iii); and accordingly the ABC Owners and the XYZ Owners shall liaise in good faith and in a timely fashion to re-schedule the commencement of the Run-In Period, notwithstanding any Run-In Start Date previously notified in accordance with Clause 3.3.3, to such date as may be mutually agreed; and for such purposes the ABC Operator and the XYZ Operator shall co-operate in order to optimise the duration of, and the quantities of XYZ Gas to be delivered to the XYZ Entry Point during the Run-In Period.

3.3.5 The ABC Owners shall only be under a reasonable endeavours obligation to accept any XYZ Gas delivered to the XYZ Entry Point prior to the Commencement Date.

### 3.4 Duration and Termination

This Agreement, save as expressly provided herein, shall terminate on the earlier of:

(i) the expiry of not less than < > Months notice given either by the XYZ Owners to the ABC Owners or by the ABC Owners to the XYZ Owners following the declaration by the XYZ Owners of < > Shipper's Reserved Capacity for any Contract Year commencing after < >, provided that such notice shall not take effect until the end of the Contract Year for which < > Shipper's Reserved Capacity has been nominated; or

(ii) upon not less than < > days notice from either of the XYZ Owners or the ABC Owners to the other at any time following:

(a) a period of < > Months from the date of a notice (such date not to be prior to < >) from the XYZ Owners of:

(1) the date when it is intended that production from the XYZ Development will permanently cease; or

(2) the date of expiration of the Production Licences; and

(b) a period of < > days subsequent to the date of a notice from the XYZ Owners pursuant to (a) above during which the XYZ Owners have due to either of the reasons referred to in (a) above tendered no XYZ Gas for delivery to the XYZ Entry Point hereunder; or

(iii) upon not less than < > Months notice from either of the XYZ Owners or the ABC Owners to the other following:

(a) the permanent withdrawal from the XYZ Owners of any necessary licences, permissions or consents by any department or agency or government in relation to the XYZ Development, the XYZ Pipeline and/or the Production Licences; or

(b) the permanent withdrawal from the ABC Owners of any necessary licences, permissions or consents by any department or agency or government in relation to the ABC System,

provided that neither the XYZ Owners nor the ABC Owners, as applicable, have requested or caused by any means, direct or indirect, any such withdrawal or have relinquished voluntarily any such licences, permissions or consents; or

(iv) the expiry of a notice of abandonment of the ABC System by the ABC Owners pursuant to Clause 16.1; or

(v) the expiry of a notice of termination given under the provisions of Clause 15.3, provided that in the event of termination of this Agreement by the XYZ Owners pursuant to Clause 15 as a result of their delay or failure to perform any obligations hereunder for reasons of Force Majeure affecting the XYZ System, the obligations pursuant to Clause 4.1 shall survive termination of this Agreement in accordance with Clause 4.2; or

(vi) where during Decline, in circumstances which do not constitute Force Majeure and provided that the ABC Owners are not in default of their obligations hereunder so as to excuse or prevent the XYZ Owners from tendering XYZ Gas for delivery hereunder, the XYZ Owners fail to tender XYZ Gas for delivery hereunder for a continuous period of < > Months, upon notice from the ABC Owners to the XYZ Owners at any time following such period of < > Months, PROVIDED THAT in the event of termination of this Agreement under this sub-clause (vi) the obligations pursuant to Clause 4.1 shall survive such termination in accordance with Clause 4.2; or

(vii) where, in circumstances which do not constitute Force Majeure and provided that the XYZ Owners are not in default of their obligations hereunder so as to excuse or prevent the ABC Owners from providing the Services, the ABC Owners fail to provide the Services for a continuous period of < > Months, and not less than < > days notice of termination has been given by the XYZ Owners to the ABC Owners at any time following such period of < > Months, during which period of notice the ABC Owners have not resumed the provision of the Services; or

(viii) the expiry of not less than < > days notice of termination given by the ABC Owners to the XYZ Owners at any time following suspension of the Services pursuant to Clause 13.2 hereof (always providing that the XYZ Owners shall not have remedied the breach pursuant to Clause 13.2 in full during such notice period), PROVIDED THAT in the event of termination of this Agreement under this Clause 3.4(viii), the obligations pursuant to Clause 4.1 shall survive such termination in accordance with Clause 4.2; or

(ix) the expiry of a notice of termination pursuant to Clause 7.10.

### 3.5 Continuation of Rights and Obligations

Any termination of this Agreement shall be without prejudice to any rights, remedies, obligations or liabilities of any Party incurred prior to the effective date of such termination.

## 4 DEDICATION

4.1 Subject to and in accordance with all terms and conditions of this Agreement, the XYZ Owners, from the Effective Date, shall use exclusively the Services for the transportation, reception, metering, treatment and processing onshore of all XYZ Gas and the redelivery thereof as Sales Gas and/or NGL and shall not permit the production of XYZ Gas otherwise than in accordance with this Clause 4.1, save for such XYZ Gas as is consumed, shared, used for gas lift, vented, exported in any crude oil stream or re-injected by the XYZ Owners in the XYZ System in the course of production and transportation of XYZ Gas.

4.2 The provisions of Clause 4.1 shall survive in the event of termination of this Agreement pursuant to Clauses 3.4(v), 3.4(vi) and 3.4(viii) until the last to occur of:

(i) termination of this Agreement for any reason;

(ii) < >; or

(iii) the day falling < > Months after termination pursuant to Clauses 3.4(v), 3.4(vi) and 3.4(viii).

## 5 FACILITIES

### 5.1 Construction, Installation and Commissioning of XYZ Facilities

The XYZ Owners shall, at their expense:

(i) procure and carry out the design, construction, installation, Commissioning and certification of those parts of the XYZ System required for the delivery of XYZ Gas into the ABC System;

(ii) Subject to Clause 5.5, operate, maintain, repair, modify, add to and generally carry out all measures in relation to the XYZ System, to ensure that the XYZ System shall be capable of operating safely and in compliance with applicable law or regulation, to enable the XYZ Owners to meet their obligations hereunder, and to comply with all statutory and regulatory requirements applicable to the XYZ System and such other requirements as may be agreed by the Parties;

(iii) prepare, in consultation with the ABC Operator and subject to the ABC Operator's final approval, Commissioning and run-in procedures for commencing deliveries of XYZ Gas into the ABC System and thereafter comply with such Commissioning and run-in procedures; and

(iv) comply with the requirements of the ABC Operator in relation to any additional facilities to be constructed and/or installed by the ABC Operator in relation to the ABC System from time to time, including those described in Attachment 8, to enable the XYZ Owners to meet their obligations hereunder (the "Additional Facilities").

### 5.2 Compatibility

Prior to the Commencement Date and at all times thereafter, the XYZ Owners shall ensure to the reasonable satisfaction of the ABC Operator that the XYZ System is and shall remain fully compatible with the ABC System and the operational requirements and procedures of the ABC Operator to enable the XYZ Operator and/or the XYZ Owners to meet their obligations hereunder, provided always that if at any time after the Commencement Date the ABC Owners require modifications to be made to the XYZ Facilities in order to ensure the compatibility thereof with the ABC System, the ABC Owners shall pay the reasonable and actual costs of such modifications unless the same has arisen as a result of any legislation, regulations, rules, orders, licences, decrees or consents enacted or brought into effect after the Commencement Date.

### 5.3 Control of XYZ Pipeline and XYZ Facilities

The ABC Operator shall manage through the issuance of instructions to the XYZ Operator the pressure of the XYZ Pipeline at the XYZ Entry Point to enable XYZ Gas to be delivered into the ABC System for processing in order to meet the Nominations in force from time to time relating to such XYZ Gas.

### 5.4 Access

The ABC Operator shall provide access to the XYZ Operator to all XYZ Facilities for the purposes of the XYZ Operator carrying out maintenance and/or repairs in relation thereto, such maintenance and/or repairs being subject to the provisions of Clauses 5.8.1(ii) and 5.8.1(iii), applied mutatis mutandis.

### 5.5 ABC Operator Responsibilities

5.5.1 The ABC Operator shall operate at the expense of the ABC Owners any relevant XYZ Facilities.

5.5.2 In the event that the XYZ Operator requests the ABC Operator to carry out any maintenance and/or repairs in relation to any XYZ Facilities for and on behalf of the XYZ Owners, the XYZ Owners shall reimburse the costs of the ABC Owners in accordance with the provisions of Clause 5.7.

5.5.3 The ABC Operator shall be responsible for the maintenance and repair of any Additional Facilities following Commissioning thereof.

#### 5.6 Ownership and Taxation of Additional Facilities

5.6.1 Any Additional Facilities constructed and/or installed by the ABC Owners at the ABC Terminal downstream of the XYZ Entry Point shall be owned by the ABC Owners, unless agreed otherwise, notwithstanding any reimbursement by the XYZ Owners of costs incurred by the ABC Operator and/or the ABC Owners in respect thereof.

5.6.2 The ABC Owners agree that by virtue of section 153 of the Capital Allowances Act 1990 and for the purposes of that Act, any reimbursement of costs pursuant to Clause 5.7.2 shall be regarded as not having been incurred by the ABC Operator and/or the ABC Owners.

#### 5.7 XYZ Costs

5.7.1 All direct costs actually and reasonably incurred associated with the operation, maintenance and repair of the XYZ Facilities will be to the account of the XYZ Owners, save for any such costs to the account of the ABC Owners pursuant to Clause 5.5.1.

5.7.2 All direct costs actually and reasonably incurred by the ABC Owners and/or the ABC Operator in relation to:

(i) the design, construction, installation, Commissioning and certification of any Additional Facilities pursuant to Clause 5.1(iv); and/or

(ii) the maintenance or repair of XYZ Facilities pursuant to Clause 5.5, shall be reimbursed by the XYZ Owners, Monthly as incurred and charged in accordance with the standard operating procedures of the ABC Operator, multiplied by < > per cent .

5.7.3 At the request of the XYZ Owners, the ABC Owners shall provide reasonable documentary evidence in relation to the costs incurred under Clauses 5.7.1 and/or 5.7.2.

#### 5.8 Tie-In

5.8.1 All arrangements for the tie-in of the XYZ Pipeline to the XYZ Entry Point shall be carried out by and shall be at the risk of the XYZ Owners, subject to the right of the ABC Owners:

(i) to designate the ABC System and an area two hundred (200) metres from the perimeter of any part or other facilities of the ABC System, including the ABC Pipeline as the "Work Control Area";

(ii) to review and provide prior approval of all relevant design, construction and installation procedures relating to any operations to be carried out within the Work Control Area; and

(iii) to appoint up to (2) two Work Control Area representatives to be present during all work operations carried out by the XYZ Operator within the Work Control Area, with powers to cause all such work operations to cease in the event of any health, safety or emergency or operational reason, including any operations presenting a material risk to the integrity of the ABC System which, in the reasonable opinion of such representatives, requires the cessation of such operations.

5.8.2 Subject to Clause 5.1(iv), the ABC Operator shall carry out at the expense of the ABC Owners all works relating to the facilities of the ABC System necessary for the receipt and delivery of XYZ Gas up to, but not including the tie-in of the XYZ Pipeline to the ABC System at the XYZ Entry Point.

5.8.3 The ABC Owners and the XYZ Owners shall agree the terms of a separate agreement (the "Tie-In Agreement") which shall cover those portions of the XYZ Facilities and the ABC System illustrated in the plan attached hereto as Attachment 5 and shall include provisions dealing with:

(i) the matters described in this Clause 5.8 relating to the construction, tie-in and Commissioning of the XYZ System in relation to the ABC System;

(ii) obtaining sufficient builder's all risk insurance cover substantially conforming with Attachment 10, naming the ABC Owners and/or the ABC Operator and the XYZ Owners and/or the XYZ Operator as co-assureds, waiving all rights of subrogation as necessary, in relation to any loss, damage or injury caused to either of the XYZ System or the ABC System or respective employees, servants, agents, contractors or sub-contractors;

(iii) the allocation of liabilities and risks between the Parties, the XYZ Operator and the ABC Operator in relation to the performance of any tie-in operations substantially conforming with Attachment 10; and

(iv) co-ordination of tie-in operations with the scheduled operational requirements of the ABC System and the project schedule requirements of the XYZ Owners.

## 5.9 Commissioning of ABC System

Subject to Clause 5.1(iv) the ABC Owners shall, at their expense:

(i) procure and carry out the design, construction, installation, Commissioning and certification of those parts of the ABC System and any other agreed facilities required for the transportation, processing, metering and delivery of XYZ Gas in and from, as applicable, the ABC System; and

(ii) operate, maintain, repair, modify, add to and generally carry out all measures in relation to the ABC System, to ensure that the ABC System shall be capable of operating safely and in compliance with applicable law or regulation, to enable the ABC Owners to meet their obligations hereunder, and to comply with all statutory and regulatory requirements applicable to the ABC System, and such other requirements as may be agreed.

## 5.10 Works carried out prior to Commencement Date

The ABC Owners shall notify the XYZ Owners not later than < > days following the date of execution hereof of the work programme and associated budget which the ABC Owners require to be carried out up to < >, together with details of any procurement of or commitment to equipment relating thereto, for the purposes of ensuring that those parts of the ABC System and any other

agreed facilities required for the delivery, transportation, metering and processing of XYZ Gas in the ABC System are Commissioned and available prior to the Commencement Date.

## 6 SERVICES

6.1 Subject to and in accordance with the terms of this Agreement and as from the Commencement Date, the ABC Owners, acting through the ABC Operator, undertake to perform the activities referred to in this Clause 6.1 which shall collectively be known as the "Services" namely:

6.1.1 to accept and transport and process such quantity of XYZ Specification Gas delivered at the XYZ Entry Point up to the SRC in force in relation thereto at such time that when processed and delivered in accordance with this Agreement will yield at the Sales Gas Delivery Point the Sales Gas quantity Nominated by the XYZ Owners;

6.1.2 to measure, meter, analyse and allocate the entitlement of the XYZ Owners to Sales Gas and NGL at the respective Delivery Points in accordance with the Allocation Rules;

6.1.3 to deliver at the Sales Gas Delivery Point the XYZ Owners' entitlement to Sales Gas, as allocated in accordance with the Allocation Rules, complying with the specification therefor set out in Schedule 4 of ACR;

6.1.4 to deliver at the NGL Delivery Point the XYZ Owners' entitlement to NGL, as allocated in accordance with the Allocation Rules, complying with the specification therefor set out in Schedule 4 of NACR;

6.1.5 to ensure so far as is reasonably practicable that deliveries of Sales Gas and NGL pursuant to Clauses 6.1.3 and 6.1.4 are at uniform hourly rates, provided that deliveries of XYZ Gas at the XYZ Entry Point are made at equivalent uniform hourly rates;

6.1.6 to dispose of inerts, contaminants, water, liquid linefill and flare or vent gas relating to XYZ Gas; and

6.1.7 subject to Clause 7.12, to accept and process Excess Gas tendered at the XYZ Entry Point.

6.2 Subject to Clause 9.2, the ABC Operator shall use its reasonable endeavours to accept and process Off-Specification XYZ Gas delivered at the XYZ Entry Point to the qualities of Sales Gas and NGL specified in Schedule 4 of ACR and Schedule 4 of NACR respectively and shall deliver at the Sales Gas Delivery Point and the NGL Delivery Point the XYZ Owners' respective entitlements to Sales Gas and NGL resulting therefrom as allocated in accordance with the Allocation Rules.

6.3 The ABC Owners shall retain absolute discretion in respect of the acceptance or otherwise and the conditions of such acceptance into the ABC System of Pipeline Gas other than XYZ Gas, the modification of the facilities of the ABC System and the use of any part of the ABC System to process Pipeline Gas from any User, provided that the exercise of such rights by the ABC Owners shall not prevent the ABC Owners from fulfilling their obligations set out in this Agreement and shall not cause the XYZ Owners to incur additional capital expenditure.

## 7 CAPACITY RIGHTS

7.1 At no time throughout the duration of this Agreement shall the SRC exceed < > MMCMD.

7.2 Prior to the Commencement Date, the XYZ Owners may in accordance with the terms of this Agreement deliver XYZ Gas to the XYZ Entry Point for the purposes of Commissioning and/or the Run-In Period at a rate up to < > MMCMD.

7.3 For each Contract Year there shall be an SRC which shall be the maximum quantity of XYZ Gas in MMCMD reserved in the Capacity of the ABC System and which the ABC Owners shall accept at the XYZ Entry Point on a firm basis each Day during each Contract Year for the purpose of the ABC Owners providing the Services in relation thereto.

7.4 For the purposes of this Agreement, there shall be an initial period designated as the "Plateau Period" which shall commence upon the earlier of the Commencement Date and < > and shall cease upon:

(i) < >; and

(ii) the time when the aggregate of the quantities of XYZ Gas, excluding Excess Gas, delivered to the XYZ Entry Point reaches the cumulative total of < > MMCMD less any reduction to the SRC in Contract Year < > made in accordance with Clause 7.5, hereinafter referred to as the "Plateau Period Cumulative Volume".

7.5 Subject to Clause 7.6, for the Plateau Period the SRCs for XYZ Gas are:

Contract Year Shipper's Reserved Capacity (SRC)

< > < > MMCMD

The XYZ Owners may increase the SRC for any Contract Year during the Plateau Period, up to < > MMCMD, and may decrease the SRC for Contract Year < >, to not less than < > MMCMD, upon providing at least < > Months notice of such change to the ABC Owners.

7.6 Termination of Plateau Period

7.6.1 In anticipation of the cessation of the Plateau Period prior to < > during the Plateau Period pursuant to Clause 7.4, the XYZ Owners may provide at any time to the ABC Owners, on not less than < > Months notice, details of any revised SRC which the XYZ Owners would wish to come into effect for the remainder of the Contract Year in which the Plateau Period Cumulative Volume is reached.

7.6.2 In the event the Plateau Period Cumulative Volume is reached in any Contract Year prior to < > and a valid notice pursuant to Clause 7.6.1 has been given, the revised SRC declared in such notice shall take effect for the remainder of the Contract Year in question from the beginning of the Month following the Month in which the said Plateau Period Cumulative Volume is reached, and thereafter, the XYZ Owners may declare SRCs and TSRCs in accordance with Clauses 7.7 and 7.8.

7.7 Subject to Clauses 7.5 and 7.6, not later than 31 May in any Contract Year, commencing in Contract Year < > and for each Contract Year thereafter until the termination of this Agreement, the XYZ Owners shall notify the ABC Owners of the following declarations:

- (i) for the next following Contract Year ("Year 1"), a fixed SRC;
- (ii) for the second following Contract Year ("Year 2") a TSRC;
- (iii) for the third following Contract Year ("Year 3") a TSRC; and
- (iv) a full field life forecast of XYZ Gas production for each remaining Contract Year until termination of production.

7.8 Pursuant to Clause 7.7, the XYZ Owners shall declare the SRC for Year 1 and may vary the TSRCs for Years 2 and 3 in accordance with the following:

- (i) the SRC for Year 1 shall be equal to the TSRC for Year 2 notified to the ABC Owners in the previous Contract Year;
- (ii) the TSRC for Year 2 may be reduced or increased by up to a maximum of < > per cent of the TSRC for Year 3 notified to the ABC Owners in the previous Contract Year; and
- (iii) the TSRC for Year 3 may be reduced or increased by up to a maximum of < > per cent of the full field life forecast for that Contract Year notified to the ABC Owners in the previous Contract Year,

PROVIDED THAT the XYZ Owners shall have in addition the rights to establish SRCs set out in Clause 7.5 and in Clause 7.6.

7.9 Subject to Clauses 7.5, at no time shall the SRC for any Contract Year exceed the SRC for the immediately preceding Contract Year.

7.10 For any Contract Year commencing after < >, the XYZ Owners shall declare an SRC either of not less than < > MMCMD or of zero (0) MMCMD. Any declaration of an SRC purporting to be less than < > MMCMD and greater than zero (0) MMCMD, shall be deemed to be set at an SRC of < > MMCMD and if such deeming occurs in respect of any Contract Year commencing after < >, the ABC Owners may terminate this Agreement at any time thereafter upon not less than < > Months notice to the XYZ Owners.

7.11 In the event that the XYZ Owners fail to provide notice to the ABC Owners for any Contract Year pursuant to Clause 7.7, the XYZ Owners shall be deemed to have notified the SRC, the TSRCs and the full field life profile previously notified to the ABC Owners for the purposes of establishing an SRC and the TSRCs for the Contract Years in question.

7.12 The ABC Owners shall provide the Services in relation to Excess Gas on a reasonable endeavours basis in accordance with and subject to the terms and conditions of this Agreement and the Allocation Rules relating to the provision of unutilised Capacity in relation to the requirements of each Pipeline Group at such time, subject to payment of the Excess Gas Tariff pursuant to Clause 8.1.4.

7.13 Daily deliveries of, and the procedure for Nominations regarding, XYZ Gas shall be made pursuant to and in accordance with the Allocation Rules.

## 8 TARIFF AND MINIMUM BILL

### 8.1 Tariff: Excess Gas Tariff: H2S Tariff

#### 8.1.1 Tariff

A tariff of < > per MCM of XYZ Gas delivered at the XYZ Entry Point within the SRC declared for any Contract Year, adjusted and fixed for such Contract Year pursuant to Clause 8.2.1, (the "Tariff") shall be payable by the XYZ Owners to the ABC Owners subject to and in accordance with the terms and conditions of this Agreement.

#### 8.1.2 Tariff prior to Commencement Date

In relation to the Run-In Period or Commissioning, the XYZ Owners shall pay to the ABC Operator, for the account of the ABC Owners, a tariff equivalent to the Tariff per MCM of XYZ Gas delivered at the XYZ Entry Point up to a maximum of < > MMCMD for any Day during the Run-In Period or Commissioning. Any quantities of XYZ Gas delivered at the XYZ Entry Point during the Run-In Period or Commissioning in excess of < > MMCMD shall be subject to a tariff equivalent to < > percent < > of the Tariff.

#### 8.1.3 Tariff following Commencement Date

From the Commencement Date, subject to Clause 8.1.4, as applicable, the XYZ Owners shall pay to the ABC Operator, for the account of the ABC Owners, for each Month the Tariff per MCM of XYZ Gas delivered at the XYZ Entry Point on any Day within such Month.

#### 8.1.4 Excess Gas Tariff

The XYZ Owners shall pay to the ABC Operator, for the account of the ABC Owners, for each Month a tariff per MCM of Excess Gas delivered at the XYZ Entry Point on any Day within such Month of < > percent < > of the Tariff (the "Excess Gas Tariff").

#### 8.1.5 H2S Tariff

The XYZ Owners shall pay to the ABC Operator, for the account of the ABC Owners, for each Month, a tariff of < > for each part per million (ppm) by volume of hydrogen sulphide contained in each MCM < >, as adjusted and fixed pursuant to Clause 8.8, (the "H2S Tariff") in respect of each part per million (ppm) by volume per MCM of XYZ Gas delivered to the XYZ Entry Point as calculated in accordance with Attachment 9.

#### 8.1.6 Tariff for Off-Specification XYZ Gas

Without prejudice to Clause 9.2, in relation to any Off-Specification XYZ Gas delivered and accepted by the ABC Operator at the XYZ Entry Point and which the ABC Operator, on account of the quality characteristics of such Gas, is unable to process to the quality of Sales Gas, the XYZ Owners shall pay to the ABC Operator, for the account of the ABC Owners, for each Month the Tariff per MCM of such Gas so delivered on any Day within such Month.

#### 8.1.7 Payments

The XYZ Owners shall pay all amounts due in respect of Tariff, Excess Gas Tariff and H 2S Tariff under this Clause 8 in accordance with the provisions of Clause 13.

## 8.2 Adjustment of Tariff

8.2.1 The Tariff shall be adjusted effective from the start of each Contract Year for application during each Month of such Contract Year by application of the following escalation formula:

$$T_n = T_o \times \left[ \frac{PPI}{PPI_o} + [ ] + [ ] + [ ] \right] \text{ per MCM}$$

where:

(i) PPI is the arithmetic average of the monthly values of the index (herein called the "Producer Price Index") "Index of Products of manufacturing industries other than the food, beverages, petroleum and tobacco manufacturing industries, seasonally adjusted (SIC 1992) 1990 = 100 (PLLW)" for the twelve (12) Months ending three (3) Months prior to the beginning of the Contract Year as set out in the Business Monitor issued by the Central Statistical Office "(MM22 Producer Price Indices)";

(ii) PPI<sub>o</sub> is the arithmetic average of the Monthly values of the Producer Price Index for the twelve (12) Months covering the period July 1993 to June 1994 (inclusive) and which is agreed to be one hundred and fourteen decimal point six two five (114.625);

(iii) T<sub>n</sub> is the adjusted Tariff; and

(iv) T<sub>o</sub> is the Tariff at the Effective Date pursuant to Clause 8.1.1.

All intermediate calculations to ascertain the Tariff shall be made to eight (8) places of decimals, without rounding, and truncated to five (5) places of decimals; the final product shall be rounded to the fourth (4th) decimal; and a figure of five (5) or more in the fifth (5th) place of decimals shall cause a rounding up to the fourth (4th) decimal.

### 8.2.2 Rebasing of Indices

In the event that the base and/or weighting of PPI is changed:

(i) for so long as the value of PPI on the immediately preceding base is published such figure shall be used in the application of the formula set out in Clause 8.2.1; and

(ii) from the time that the value of PPI on the immediately preceding base ceases to be published, the value of PPI on the new base and/or weighting shall be used in the calculation set out in Clause 8.2.1 except that the value of PPI<sub>o</sub> shall be revised at the time by dividing the index by a conversion factor calculated by dividing the last value of PPI on the old base and/or weighting averaged over a sixty (60) Month period or such lesser period, up to the maximum available, if data for such sixty (60) Month period is not available, which in any event shall not be less than a period of twelve (12) Months by the value of PPI on the new base and/or weighting and classification for the same period.

### 8.2.3 Amendment to or Replacement of Indices

If at a relevant review period, any of the indices or price series specified in Clause 8.2.1:

(i) ceases to be published; or

(ii) is not available and is unlikely to become available for the foreseeable future; or

(iii) in the opinion of either Party, is so changed in the method or basis of calculation or in the quality or type of commodity included therein as to affect materially the validity of any index or price comparison over the terms of this Agreement; or

(iv) in the opinion of either Party, has been computed or published in an erroneous form; or

(v) has been affected by a re-classification or revision to any of the groups within the classes or the divisions which constitute the Producer Price Index (or the successor as agreed or determined to such index),

then the Party becoming aware of such change or revision, or holding such opinion shall, as soon as possible but in any event not later than twelve (12) Months from the end of such review period, notify the other in writing of such circumstances, and the Parties will forthwith meet together in an endeavour to agree upon an appropriate amendment to or substitution of a new index or indices or price series matching as closely as possible the characteristics of the missing index of the index or price series. If within two (2) Months from the date of the said notice, no such agreement has been reached, then, at the request of either Party, the matter shall forthwith be referred to an Expert for determination as provided in Clause 25 subject to Clause 8.2.7.

A change of name of an index or price series shall not, in itself, be taken to be a reason for invoking the provisions of this Clause 8.2.3. Any amendment to, or substitution of, an index or price series agreed between the Parties or determined by an Expert shall be used for all purposes of this Agreement as from the commencement of the relevant review period until such index or price series shall be further amended or replaced pursuant to this Clause 8.2.3. Any references herein to an index or price series which has been so amended or replaced shall be construed as references to such index or price series as amended or its or their replacement(s).

#### 8.2.4 Temporary Unavailability of Indices

If an amended or substitute index or indices or price series has not been agreed or determined pursuant to Clause 8.2.3 then the provisional Tariff to be applied to all deliveries of XYZ Gas at the XYZ Entry Point will be calculated in accordance with the last published values of PPI or < > (as the case may be) and the ABC Operator shall submit interim invoices to the XYZ Operator accordingly, which shall be payable in accordance with the terms of Clause 13.

#### 8.2.5 Reconciliation after Temporary Unavailability

As soon as the value of PPI and/or < > referred to in Clause 8.2.4 becomes available, or the substitute index or indices or price series referred to in Clause 8.2.3 are agreed or determined, the final Tariff to apply to all those deliveries of XYZ Gas which have been invoiced pursuant to Clause 8.2.4 shall be calculated and the ABC Operator shall submit to the XYZ Operator an invoice in respect of any further sums due, which shall be payable in accordance with the terms of Clause 13.

#### 8.2.6 Reconciliation of Overpayment during Temporary Unavailability

In the event that the final Tariff, when calculated pursuant to Clause 8.2.5 is less than the provisional Tariff referred to in Clause 8.2.4, then the ABC Operator shall promptly advise the XYZ Operator of any excess sums paid by the XYZ Operator. The XYZ Operator may, at its sole discretion and without prejudice to any other rights or remedies available to the XYZ Owners, advise the ABC Operator that such excess sums are to be:

(i) set off against subsequent tariff invoices; or

(ii) repaid to the XYZ Owners forthwith,

and the ABC Operator shall implement forthwith the election made by the XYZ Operator.

#### 8.2.7 Rules for Determination by Expert of Reference Made Pursuant to Clause 8.2.3

In any determination to be made pursuant to a reference to an Expert under Clause 8.2.3:

(i) the Expert shall have no power to change the percentage weightings in the formula set out in Clause 8.2.1;

(ii) if, in the opinion of the Expert, the value(s) of the index or price series have been computed or published in erroneous form, the Expert will confine himself to correcting that error but if the Expert determines that such value(s) have not been published in erroneous form the Tariff will be calculated under the provisions of this Clause 8 as if no reference to an Expert has taken place;

(iii) if the Expert is of the opinion that the index or price series has been permanently discontinued, he shall provide a substitute index or price series or combination of indices or price series as close as possible in its effect on the value of the Tariff or combination of indices or price series to the discontinued index or price series with only such adjustments thereto as may be necessary to reflect more closely movements of the index or price series which has been discontinued, and shall in the same manner provide an appropriate value to be used as a substitute denominator but if the Expert is of the opinion that the index or price series has not been permanently discontinued, the provisions of Clause 8.2.4 shall apply as if the relevant value(s) or price(s) for the index or price series is or are temporarily not available;

(iv) if the Expert is of the opinion that the index or price series has been changed as described in Clause 8.2.3, he may make such adjustments to the existing index or price series (and if appropriate its denominator) as may be required to restore the validity of price or index comparison over time or, if this is not possible, the Expert may, according to the criteria set out in (iii) above, substitute an alternative index or price series together with an appropriate value to be used as the denominator; and

(v) if the Expert is of the opinion that the index or price series has not been changed as described in Clause 8.2.3, the index or price series shall continue to be used in the formula set out in Clause 8.2.1.

### 8.3 Revision of Tariff

8.3.1 After < >, if:

(i) the aggregate throughput of the ABC System is less than < > MMCMD as determined in good faith by the ABC Operator having regard to the Daily throughputs of the ABC System which in its reasonable estimation are likely to occur during the Contract Year in question or part thereof;

(ii) the XYZ Owners declare an SRC of less than < > MMCMD; and

(iii) in respect of a Month, the costs associated with providing the Services (multiplied by < > percent < >) exceed the Tariff revenue and within < > days the costs are reasonably anticipated by the ABC Owners to continue to exceed the Tariff revenue received by the ABC Owners for a further period of not less than < > Months,

the ABC Owners shall have the right, upon not less than < > days' notice to the XYZ Owners, to revise such Tariff to a lump sum amount payable in respect of each Month based on the share of the Total System Cost for that Month allocatable to the Agreement multiplied by < > (the "Revised Tariff"). The share of the Total System Cost for that Month to be borne by the XYZ Owners shall be the volume of XYZ Gas accepted at the XYZ Entry Point in that Month as a proportion of the total throughput of all Pipeline Gas accepted into the ABC System in that Month.

8.3.2 Upon receipt of a notice from the ABC Owners of the Revised Tariff as aforesaid, the XYZ Owners shall, upon not less than < > days notice to the ABC Owners prior to the date when the Revised Tariff becomes effective, either

(i) terminate this Agreement; or

(ii) agree to pay the Revised Tariff.

In the absence of any notification by the XYZ Owners as aforesaid, the XYZ Owners shall be deemed to have agreed to pay the Revised Tariff.

8.3.3 For the purpose of this Clause 8.3 "Total System Cost" shall mean all costs, including leasing costs, incurred by the ABC Owners in the operation, maintenance, repair and replacement of the ABC System (but excluding abandonment costs and all capital costs related to expansion of the ABC System), provided that:

(i) costs incurred for the benefit of less than all Users shall be excluded and shall be borne exclusively by those Users for whose benefits such costs are incurred; and

(ii) in relation to any costs incurred or included in the applicable work programme and budget by the ABC Owners in the replacement of the ABC System as aforesaid the XYZ Owners may elect upon notice to the ABC Owners to reimburse the costs of any capital replacement item with a cost in excess of < > by way of charges calculated with reference to the depreciation in value of any such capital replacement item over a < > year period, together with any financing charges associated with such capital expenditure.

## 8.4 Plateau Period Payments

### 8.4.1 Minimum Payment during Plateau Period

Subject to the reductions provided by Clauses 7.5, 8.4.2.2, 8.5.2(i), 8.5.2(iii) and 8.5.2(iv), the minimum quantity of XYZ Gas, excluding Excess Gas, in respect of which the XYZ Owners are obliged to pay the Tariff for each Contract Year in the Plateau Period shall be < > MCM, (the "Plateau Period EAQ") or such proportion of the Plateau Period EAQ as is equivalent to the ratio

that the number of Days elapsed in any Contract Year up to the end of the Plateau Period pursuant to Clause 7.4(ii) bears to all the Days in such Contract Year, provided that if the aggregate of the actual deliveries of XYZ Gas, excluding Excess Gas, reaches the Plateau Period Cumulative Volume (as the same may be reduced pursuant to the application of Clauses 7.5, 8.4.2.2, 8.5.2(i), 8.5.2(ii) and 8.5.2(iv) as aforesaid) at any time prior to < >, the Plateau Period shall terminate and the obligation of the XYZ Owners to pay Tariff in respect of any further Plateau Period EAQ as aforesaid shall cease and this Clause 8.4.1 shall be superseded by Clause 8.5.

#### 8.4.2 Deficiency Payments and Excess Quantities carried forward during Plateau Period

8.4.2.1 If payment of a Plateau Period EAQ Payment is made by the XYZ Owners in accordance with Clause 8.6 the XYZ Owners shall be entitled:

(i) to carry forward < > percent of the amount of such Plateau Period EAQ Payment on a cumulative basis, with any other Plateau Period EAQ Payments previously made, to all subsequent Contract Years of the Plateau Period; and

(ii) to set off < > percent of the aggregate cash amount of such Plateau Period EAQ Payments against any amounts of Tariff, which would otherwise be due and payable in respect of any Contract Year during the Plateau Period in respect of deliveries of XYZ Gas in excess of the Plateau Period EAQ and up to the SRC on any Day for such Contract Year.

8.4.2.2 If, in respect of any Contract Year during the Plateau Period, the XYZ Owners deliver to the XYZ Entry Point quantities of XYZ Gas (other than Excess Gas) in excess of the Plateau Period EAQ, the XYZ Owners shall be entitled to deduct such quantities from any subsequent Plateau Period EAQ to reduce any Plateau Period EAQ Payment payable hereunder.

#### 8.5 Decline Payments

##### 8.5.1 Minimum Bill Quantity during Decline

Following the end of the Plateau Period, the minimum quantity of XYZ Gas, but always excluding Excess Gas, in respect of which the XYZ Owners are obliged to pay the Tariff (the "Minimum Bill Quantity") for each Contract Year during Decline shall be, < > percent < > of the SRC in force in any Contract Year, multiplied by 365, (or multiplied by such lesser number of Days outstanding in the Contract Year in which the Plateau Period terminates), less any reductions to the Minimum Bill Quantity for such Contract Year calculated in accordance with Clause 8.5.2.

##### 8.5.2 Reduction of Minimum Bill Quantity

The Minimum Bill Quantity pursuant to Clause 8.5.1 and the Plateau Period EAQ, to the extent provided by Clause 8.4.1 shall be reduced as follows:

(i) subject to sub-clause (ii) below, by a quantity equal to the quantity of XYZ Specification Gas, properly tendered for delivery by the XYZ Operator on any Day in the Contract Year in question but not accepted by the ABC Operator for any reason, and by a quantity equal to the quantity of XYZ Specification Gas which the XYZ Operator has been prevented from tendering for delivery by notice from the ABC Operator that it will be unable to accept such delivery for any reason except where such failure or inability to accept by the ABC Operator arises out of a reduction, suspension or curtailment of the acceptance of XYZ Gas pursuant to Clauses 10.1.1 and 10.1.3 to 10.1.7 (where, in the case of Clause 10.1.7, such reduction, suspension or curtailment is Attributable Curtailment attributable to the XYZ Owners) inclusive;

(ii) on any Day when Maintenance takes place pursuant to Clause 10.1.8 and Nominations from the XYZ Operator are in force, by a quantity equal to the quantity of XYZ Gas unable to be processed up to a maximum amount equal to < > per cent < > of the SRC in force for such Day;

(iii) subject to Clause 15, by a quantity equal to the quantity of XYZ Gas which the XYZ Operator has been prevented from tendering for delivery during the Contract Year in question due to an event or circumstance of Force Majeure claimed by the ABC Operator affecting the ABC System; and

(iv) subject to Clause 15 by a quantity of XYZ Gas equal to the cumulative quantity of XYZ Gas not delivered to the XYZ Entry Point during the Contract Year in question due to any event or circumstance of Force Majeure occurring directly in relation to the XYZ System, which event of Force Majeure in respect of such Contract Year:

a) is of a duration in excess of < > hours; and

b) when aggregated with all other events of Force Majeure of a duration in excess of < > hours under (a) above, in the Contract Year, does not exceed a maximum cumulative total of < > ,

PROVIDED THAT no reductions against the Minimum Bill Quantity for any Day shall be made in respect of quantities of XYZ Gas tendered for delivery in excess of the SRC then in force.

### 8.5.3 Deficiency Quantities carried forward during Decline

8.5.3.1 In respect of any Contract Year beyond the Plateau Period, if the XYZ Owners are obliged to make a Minimum Bill Payment in accordance with Clause 8.6, the XYZ Owners shall be entitled to carry forward to all subsequent Contract Years the full quantity of Gas in respect of which such Minimum Bill Payment has been made, PROVIDED THAT the maximum amount of Deficiency Quantities available in any Contract Year during Decline for set off as aforesaid shall not exceed < > percent of the EAQ in force for such Contract Year.

8.5.3.2 Any Deficiency Quantities not set off pursuant to Clause 8.5.3.1 prior to the termination of this Agreement for any reason shall cease to be recoverable on any basis upon such termination.

### 8.6 Annual Reconciliation

8.6.1 Within forty five (45) days of the commencement of any Contract Year, the ABC Operator shall notify the XYZ Operator of all calculations pursuant to Clauses 8.6.2 and 8.6.3 in respect of the previous Contract Year.

8.6.2 For the purposes of Clause 8.6.1, the ABC Operator shall calculate in respect of the previous Contract Year:

(i) the cash amount calculated by multiplying the actual quantities of XYZ Gas in MCM delivered at the XYZ Entry Point within the SRC during such Contract Year by the Tariff, (the "Actual Amount"), excluding for such purposes any amounts due in respect of Excess Gas Tariff or H2S Tariff; and

(ii) if such Contract Year occurs during the Plateau Period, the cash amount calculated by multiplying the Tariff by the applicable Plateau Period EAQ, (the "Plateau Period EAQ Bill") or, if

such Contract Year occurs during Decline, the cash amount calculated by multiplying the Tariff by the Minimum Bill Quantity, (the "Minimum Bill").

8.6.3 If, in the case of a Contract Year during the Plateau Period, the Plateau Period EAQ Bill exceeds the Actual Amount or, in the case of a Contract Year following the Plateau Period, the Minimum Bill exceeds the Actual Amount, the XYZ Owners shall be required to pay to the ABC Owners within < > days of receipt of an invoice from the ABC Operator the difference between the Plateau Period EAQ Bill and the Actual Amount (the "Plateau Period EAQ Payment") or, as applicable, the difference between the Minimum Bill and the Actual Amount (the "Minimum Bill Payment").

## 8.7 Net Payments and Taxes

All payments due from the XYZ Owners to the ABC Owners or from the ABC Owners to the XYZ Owners under this Clause 8 shall be increased by the amount, if any, of Value Added Tax (or any similar tax substituted therefor) and any other tax chargeable from time to time in respect of the Services provided hereunder, in which event a valid tax invoice or credit note shall be provided by the ABC Operator or by the XYZ Operator as appropriate.

## 8.8 H2S Escalation

8.8.1 The H2S Tariff in Clause 8.1.5 shall be adjusted and fixed from the start of each Contract Year for application during each Month of such Contract Year as follows:

(i) from the start of each Contract Year, the ABC Operator shall calculate the escalation formula applicable to the Tariff, as detailed in Clause 8.2.1 with a base period for the purposes of this Clause 8.8 for the calculation of the said escalation formula from < > (inclusive); and

(ii) from the start of each Contract Year, the ABC Operator shall calculate the percentage increase in the quoted prices for zinc oxide calculated by application of the following escalation formula:

Revised H2S Tariff = H2S Tariff x \_\_\_\_

and the ABC Operator shall apply whichever shall be the greater of (i) and (ii) to the H2S Tariff which shall be adjusted accordingly.

8.8.2 Any change in the catalyst used for the removal of hydrogen sulphide will require a rebasing of the formulae in Clause 8.8.1. Such rebasing will be agreed by the ABC Owners and the XYZ Owners such that the actual costs of removal of hydrogen sulphide will continue to be properly reflected.

## 9 QUALITY

9.1 The quality of XYZ Gas tendered by the XYZ Owners at the XYZ Entry Point shall comply with the specification set out in Attachment 1.

9.2 In the event that Off-Specification XYZ Gas is delivered at the XYZ Entry Point and:

(i) contaminates or would or is likely to contaminate Pipeline Gas; and/or

(ii) results or would or is likely to result in contamination of Sales Gas and/or NGL of other Users; and/or

(iii) results or would or is likely to result in the curtailment of or the need to curtail transportation and/or processing of Pipeline Gas in the ABC System; and/or

(iv) causes or would or is likely to cause damage to the ABC System,

the ABC Owners shall have the right to:

(a) reduce or suspend acceptance of such XYZ Gas and require the XYZ Owners to reduce or suspend deliveries thereof until such time as the XYZ Operator can verify to the ABC Operator's satisfaction that deliveries of XYZ Gas can commence in compliance with the entry specification for XYZ Gas set out in Attachment 1; and/or

(b) dispose of such XYZ Gas and/or Sales Gas and/or NGL in any manner they deem appropriate, the reasonable and actual cost of such disposal to be borne by the XYZ Owners or any credit accruing to be reimbursed to the XYZ Owners; and/or

(c) charge the XYZ Owners for any reasonable and actual additional costs incurred by the ABC Owners in processing Pipeline Gas to the Sales Gas specification set out in ACR, and/or NGL to the relevant NGL specification set out in NACR; and/or

(d) dispose of such Pipeline Gas and/or Sales Gas and/or NGL in any manner it deems appropriate, the reasonable and actual net cost of disposal to be borne by the XYZ Owners; and/or

(e) require the XYZ Owners to deliver into the ABC System an amount of XYZ Gas equivalent to any loss of hydrocarbons attributable to the XYZ Owners pursuant to and in accordance with the Allocation Rules,

and the XYZ Owners shall, subject to Clause 14, be liable to the ABC Owners accordingly.

9.3 The ABC Owners hereby undertake to take all steps reasonably necessary and available to minimise any and all losses incurred in the ABC System or by the ABC Owners in relation to the provisions of this Clause 9.

9.4 As soon as the ABC Operator becomes aware of the quality of XYZ Gas failing to comply with the quality specification provided in Attachment 1, it shall use reasonable endeavours to notify the XYZ Operator as soon as practicable, but without prejudice to the notification obligations of the XYZ Operator and the liabilities of the XYZ Owners pursuant to Clause 14.5.

9.5 The quality of Sales Gas delivered to the XYZ Owners at the Sales Gas Delivery Point shall comply with the specification referred to in Schedule 4 of ACR and the quality of NGL delivered to the XYZ Owners at any NGL Delivery Point shall comply with the relevant NGL specification set out in NACR.

## 10 REDUCTIONS, CURTAILMENT AND MAINTENANCE

10.1 The ABC Owners, in accordance with the Allocation Rules, shall have the right to reduce, suspend or curtail acceptance of XYZ Gas at the XYZ Entry Point for any of the following reasons:

10.1.1 subject to Clauses 9.2 and 9.3, if XYZ Gas is not XYZ Specification Gas; and/or

10.1.2 in the event of any environmental or safety problem or material operational problem relating to the ABC System or part thereof occurring from time to time or which the ABC Operator reasonably anticipates may occur, or any breakdown or failure of equipment within the ABC System, or any emergency involving the safeguarding of lives or property or the prevention of pollution, which in the opinion of the ABC Operator could be mitigated by a reduction, suspension or curtailment of the acceptance of Pipeline Gas including XYZ Gas into the ABC System, or by venting or flaring any XYZ Gas or Sales Gas over and above normal operational requirements or by disposing of NGL otherwise than to the NGL Delivery Point; and/or

10.1.3 in the event that the aggregate of the Nominations of all Users is less than a rate of < > MMCMD provided that the ABC Operator shall use reasonable endeavours to accept Gas when the aggregate of the Nominations of all Users is less than such rate; and/or

10.1.4 on not less than < > days prior notice to each of the XYZ Owners, if the XYZ Owners are in default of their obligation to make payments hereunder pursuant to Clause 13.2 and such default has continued for a continuous period of < > days, provided that the exercise of such right by the ABC Owners shall not constitute a waiver of any other remedies available to the ABC Owners under this Agreement, and until the default is remedied the XYZ Owners shall ensure that XYZ Gas is not delivered to the XYZ Entry Point; and/or

10.1.5 in the event that the XYZ Operator and/or the XYZ Owners (or any of the XYZ Owners) is or are in material breach (other than as specified in Clause 13.2) of any of its or their obligations under this Agreement; and/or

10.1.6 in the event that any of the XYZ Owners fails to take delivery of its entitlement to Sales Gas at the Sales Gas Delivery Point or NGL at the NGL Delivery Points; and/or

10.1.7 in other circumstances (if any) as may be set out in the Allocation Rules relating to reduction, suspension or curtailment; and/or

10.1.8 to the extent required for the Maintenance of the ABC System between 1 May and 30 September in any Contract Year; PROVIDED THAT:

(i) the ABC Owners shall consult and cooperate with the XYZ Owners to ensure that such Maintenance is so far as reasonably practicable carried out at the same time as Maintenance of the XYZ System;

(ii) in respect of any Contract Year, the ABC Owners shall notify the XYZ Owners in accordance with the Allocation Rules of the Maintenance proposed to be carried out during such Contract Year pursuant to this Clause 10.1.8; and

(iii) the ABC Owners shall have the right to a further < > Days in any Contract Year for the purposes of the tie-in of any field to the ABC System, or the relocation of any Gas receiving or delivery pipeline at the ABC Terminal, or any works required at the ABC Terminal as a result of any legislation, regulation, rule, order or direction from a governmental or regulatory body or agency.

PROVIDED THAT in each case under this Clause 10.1,

(a) the ABC Owners shall wherever practicable inform the XYZ Owners prior to exercising their rights and in any event shall notify the XYZ Owners of any reduction or suspension or curtailment of the acceptance of XYZ Gas as soon as reasonably practicable thereafter and shall provide in such notice details of the reasons for such reduction, suspension or curtailment, together with its estimate of the likely duration thereof;

(b) the ABC Owners shall take all steps reasonably necessary and available to minimise any reduction, suspension or curtailment of Pipeline Gas;

(c) the ABC Owners shall not exercise their rights where the need to reduce, suspend or curtail acceptance of XYZ Gas at the XYZ Entry Point arises out of any act or omission of any other User of the ABC System of which the ABC Owners are then aware unless the ABC Owners shall first have reduced, suspended or curtailed acceptance into the ABC System of that User's Pipeline Gas; and

(d) the ABC Owners shall use all reasonable endeavours to resume provision of the Services hereunder as soon as possible following any reduction, suspension or curtailment thereof.

10.2 If for any reason the Capacity of the ABC System is restricted including any period of Maintenance declared pursuant to Clause 10.1.8 then the ABC Owners may for the period of such reduced Capacity require the XYZ Owners to curtail or reduce delivery of XYZ Gas to the XYZ Entry Point in accordance with the Allocation Rules.

## 11 ALLOCATION

11.1 The allocation of Sales Gas and NGL, taking into account all Gas input into the ABC System and any losses incurred therein, shall be carried out by the ABC Representative pursuant to and in accordance with the Allocation Rules, which are hereby incorporated into and shall form a part of this Agreement as if expressly set out herein.

11.2 The ABC Operator shall be the ABC Representative for the purposes of the Allocation Rules.

11.3 As at the date hereof:

(i) the XYZ Owners shall be a Group and Source Owners under and for the purposes of the Allocation Rules and the ABC Owners shall procure that all rights accorded to a Group and Source Owners thereunder shall be accorded to the XYZ Owners; and

(ii) the XYZ Operator shall be the XYZ Group Representative, the XYZ Entry Point Representative and the XYZ Source Representative under and for the purposes of the Allocation Rules and the ABC Owners shall procure that all rights accorded to a Group Representative, Entry Point Representative and Source Representative shall be accorded to the XYZ Operator,

all with effect from the date hereof.

11.4 With effect from the date hereof and for the purposes of this Agreement and in particular Clause 11.3, the XYZ Owners and the XYZ Operator shall become subject to and shall have rights

and obligations under, and undertake to comply with, all provisions in the Allocation Rules, save as expressly excluded or varied by the terms of this Agreement.

11.5 In the event of any conflict between the provisions of this Agreement and the Allocation Rules, the provisions of the Allocation Rules shall prevail, save where expressly excluded or varied by the terms of this Agreement.

11.6 The ABC Owners shall propose, support and promote all necessary revisions to the Allocation Rules to take into account:

- (i) the addition of the XYZ Owners as a Group and Source Owners under the Allocation Rules;
- (ii) the delivery of XYZ Gas, including the method of delivery thereof, at the XYZ Entry Point; and
- (iii) the implementation of the provisions of Clause 11.7

11.7 The ABC Operator shall utilise the Allocation Rules, in its capacity as the ABC Representative, to determine the extent to which one or more Pipeline Groups is/are responsible for each Off-Specification Gas Event and shall advise all Pipeline Groups accordingly in a Daily Allocation Statement. In the event that any Pipeline Group disputes the determination of the ABC Operator as aforesaid, the provisions of the Allocation Rules shall apply, including in particular the reference of disputes to the ACR Expert.

## 12 MEASUREMENT AND SAMPLING

12.1 The XYZ Owners undertake upon reasonable notice to provide access to the ABC Owners and persons to whom the ABC Owners have a statutory obligation to provide such access for the purpose of inspection and/or audit of the equipment used for the measurement and sampling of XYZ Gas delivered at the XYZ ACR Entry Point. Such access shall be at the sole risk and expense of the ABC Owners.

12.2 Notwithstanding any provision to the contrary in the Allocation Rules, whenever the Independent Authority inspects any part of the Gas, Sales Gas or NGL metering systems of the ABC System, the XYZ Operator shall have the right to accompany the Independent Authority and witness any inspections carried out in relation thereto and the ABC Owners grant the XYZ Operator all necessary rights of access to the ABC System for such purposes.

12.3 For the purposes of the ABC Operator managing the operations of the ABC System, particularly with regard to the composition of Gas being processed at the ABC Terminal, the XYZ Operator shall provide the data required in the Allocation Rules, not to the metering standards required therein, but to a standard mutually acceptable to and agreed by the Parties in respect of XYZ Gas entering the XYZ Pipeline.

## 13 DEFAULT AND PAYMENT

13.1 Payments shall be made Monthly by the XYZ Operator, on behalf of the XYZ Owners, to the ABC Operator, for the account of the ABC Owners, by the < > day after receipt of an invoice following the Month for which the payment is due.

13.2 In the event of a failure by a Party ("the Defaulting Party") to make payments properly due under this Agreement:

(i) interest shall be paid at Base Rate plus < > percent < > from the due date until settlement. This rate shall not be compounded;

(ii) the Defaulting Party shall have the right to remedy its default by making payment together with all due interest; and

(iii) in the event of a failure to pay by the XYZ Owners which lasts for a period of < > days the ABC Owners may upon not less than < > days prior notice to each XYZ Owner suspend performance of the Services, PROVIDED THAT where any receivership, administration, liquidation or other proceedings of a similar nature are issued against any XYZ Owners, in the event of a failure to pay by the XYZ Owners, the ABC Owners may suspend forthwith performance of the Services. The exercise of such right shall not constitute a waiver of any other remedies available to the ABC Owners under this Agreement. Until the default is remedied the XYZ Owners shall ensure that XYZ Gas is not delivered to the XYZ Entry Point.

13.3 Payment of any portion of an invoice which is reasonably contested by the XYZ Operator may be withheld until the dispute is resolved provided that the undisputed portion of the invoice is paid in accordance with the provisions of Clause 13.1. In the event of any such dispute the XYZ Owners shall give to the ABC Owners notification of the amount in dispute at the time of making payment of the undisputed amount. Within thirty (30) days from the date of receipt by the ABC Owners of the notification of the disputed amount, the ABC Owners and the XYZ Owners shall endeavour to resolve the dispute. In the event that the dispute is not resolved the matter may be referred by either Party to an Expert pursuant to the provisions of Clause 25. Following resolution of the dispute, whether by way of agreement between the XYZ Owners and the ABC Owners, or following determination by an Expert, the difference (if any) between the amount paid by the XYZ Owners and the amount agreed or found to be payable shall be promptly paid by the XYZ Owners or the ABC Owners (as the case may be) to the other together with interest thereon calculated at the rate of < > percent < > above Base Rate from the date when payment should have been made to the date when payment is made (both dates inclusive).

## 14 LIABILITIES AND INDEMNITIES

### 14.1 Exclusion of Liability

Each Party hereby excludes any and all liability to each and any other Party for any claims, demands, losses, liabilities, damages, costs or expenses (including legal fees and sums paid by way of settlement or compromise) howsoever arising whether in equity, contract, tort or by breach of duty, statutory or otherwise, out of or in connection with or as a result of the performance, non-performance or mis-performance of this Agreement by any Party, its servants, agents, contractors or employees except and to the extent as is otherwise expressly provided for in this Agreement.

### 14.2 Reciprocal Indemnities

#### 14.2.1 Property

(i) With respect to the XYZ System, neither the ABC Operator nor the ABC Owners shall have any liability and the XYZ Owners shall indemnify and hold the ABC Owners and the ABC Operator harmless in respect of any liability for loss thereof or damage thereto arising out of or in connection with the performance, mis-performance or non-performance of this Agreement, howsoever caused, even where caused by the negligence or breach of duty, statutory or otherwise, of the ABC Operator or the ABC Owners, except:

(a) where such liability arises out of or results from any act or failure to act on the part of the ABC Owners or the ABC Operator irrespective of negligence, the ABC Owners shall indemnify the XYZ Owners against any loss or damage to the XYZ System up to a limit of < >; and

(b) where such liability arises out of or results from any Wilful Misconduct by the ABC Operator or the ABC Owners, the ABC Owners shall indemnify the XYZ Owners in accordance with Clause 14.3 hereof.

(ii) With respect to the ABC System, neither the XYZ Operator nor the XYZ Owners shall have any liability and the ABC Owners shall indemnify and hold the XYZ Owners and the XYZ Operator harmless in respect of any liability for loss thereof or damage thereto arising out of or in connection with the performance, mis-performance or non-performance of this Agreement, howsoever caused, even where caused by the negligence or breach of duty, statutory or otherwise, of the XYZ Operator or the XYZ Owners, except:

(a) where such liability arises out of or results from any act or failure to act on the part of the XYZ Owners or the XYZ Operator irrespective of negligence, the XYZ Owners shall indemnify the ABC Owners against any loss or damage to the ABC System up to a limit of < >; and

(b) where such liability arises out of or results from any Wilful Misconduct by the XYZ Operator or the XYZ Owners, the XYZ Owners shall indemnify the ABC Owners in accordance with Clause 14.4 hereof.

#### 14.2.2 Personnel

(i) The XYZ Owners shall indemnify the ABC Operator and the ABC Owners against any claim, demand, action or proceeding brought or instituted against the ABC Operator or the ABC Owners by any director, officer or employee (or dependent thereof) of any XYZ Owner or the XYZ Operator or any of their respective Affiliates, directors, officers, employees, agents and contractors, where, at the relevant time such contractors are or were, as applicable physically located within the Work Control Area for personal injuries, industrial illness or disease, death, loss of and/or damage to personal property, except that if such liability arises out of or results from any Wilful Misconduct by the ABC Operator or the ABC Owners, the ABC Owners shall indemnify the XYZ Owners in accordance with Clause 14.3 hereof.

(ii) The ABC Owners shall indemnify the XYZ Operator and the XYZ Owners against any claim, demand, action or proceeding brought or instituted against the XYZ Operator or the XYZ Owners by any director, officer or employee (or dependent thereof) of any ABC Owner or the ABC Operator or any of their respective Affiliates, directors, officers, employees, agents and contractors, where at the relevant time such contractors are or were, as applicable, physically located within the Work Control Area, for personal injuries, industrial illness or disease, death, loss of and/or damage to personal property, except that if such liability arises out of or results from any Wilful Misconduct by the XYZ Operator or the XYZ Owners, the XYZ Owners shall indemnify the ABC Owners in accordance with Clause 14.4 hereof.

### 14.2.3 Pollution

(i) The XYZ Owners shall be responsible for, indemnify and hold each of the ABC Owners and the ABC Operator harmless from and against all claims, liabilities, costs, damages or expenses of every kind or nature with respect to pollution, including clean-up costs arising out of or in connection with the performance or non-performance or mis-performance of this Agreement by the XYZ Owners or the XYZ Operator and/or any of their respective Affiliates, employees, agents or contractors or the operation, maintenance or existence of the XYZ System.

(ii) The ABC Owners shall be responsible for, indemnify and hold each of the XYZ Owners and the XYZ Operator harmless from and against all claims, liabilities, costs, damages or expenses of every kind or nature with respect to pollution, including clean-up costs, arising out of or in connection with the performance or non-performance or mis-performance of this Agreement by the ABC Owners or the ABC Operator and/or any of their respective Affiliates, employees, agents or contractors or the operation, maintenance or existence of the ABC System.

### 14.2.4 Third Parties

(i) The XYZ Owners shall be responsible for, indemnify and hold each of the ABC Owners and the ABC Operator harmless from and against all claims, liabilities, costs, damages or expenses of every kind or nature with respect to the personal injury, including fatal injury or disease, or property loss of any Third Party arising out of or in connection with the performance or non-performance or mis-performance of this Agreement or the operation, maintenance or existence of the XYZ System by the XYZ Owners or the XYZ Operator and/or any of their respective Affiliates, employees, agents or contractors, where at the relevant time such contractors are or were, as applicable physically located within the Work Control Area and/or have acted or omitted to act in relation to operations carried out within the Work Control Area resulting in the said claims, liabilities, costs, damages or expenses.

(ii) The ABC Owners shall be responsible for, indemnify and hold each of the XYZ Owners and the XYZ Operator harmless from and against all claims, liabilities, costs, damages or expenses of every kind or nature with respect to the personal injury, including fatal injury or disease, or property loss of any Third Party arising out of or in connection with the performance or non-performance or mis-performance of this Agreement or the operation, maintenance or existence of the ABC System by the ABC Owners or the ABC Operator and/or any of their respective Affiliates, employees, agents or contractors, where at the relevant time such contractors are or were, as applicable physically located within the Work Control Area and/or have acted or omitted to act in relation to operations carried out within the Work Control Area resulting in the said claims, liabilities, costs, damages or expenses.

### 14.3 ABC Wilful Misconduct

In relation to any act of Wilful Misconduct by the ABC Operator and/or the ABC Owners, the ABC Owners shall indemnify and shall hold the XYZ Owners and/or the XYZ Operator harmless against losses arising under Clause 14.2.1(i) and Clause 14.2.2(i) and those losses for which any XYZ Owner and/or the XYZ Owners and/or the XYZ Operator is/are liable directly under the terms of any gas sales and/or NGL transportation or processing contracts and/or condensate transportation or processing contracts in respect of XYZ Gas as a result of breach of such contracts caused directly by such Wilful Misconduct, limited to a maximum monetary amount not to exceed in aggregate < > in respect of all claims arising from such act of Wilful Misconduct. The damages

recoverable under this Clause 14.3 shall be in addition to any sums recovered and/or recoverable pursuant to Clause 14.2.1(i) and Clause 14.6.

#### 14.4 XYZ Wilful Misconduct

In relation to any act of Wilful Misconduct by the XYZ Operator and/or the XYZ Owners the XYZ Owners shall indemnify and shall hold the ABC Owners and/or the ABC Operator harmless against losses arising under Clause 14.2.1(ii) and Clause 14.2.2(ii) and those losses for which any ABC Owner and/or the ABC Owners and/or the ABC Operator is/are liable directly under the terms of any gas sales and/or NGL processing contracts in respect of ABC Pipeline Gas and/or any other ABC Agreement as a result of breach of such contracts caused directly by such Wilful Misconduct, limited to a maximum monetary amount not to exceed in aggregate < > in respect of all claims arising from such act of Wilful Misconduct. The damages recoverable under this Clause 14.4 shall be in addition to any sums recovered and/ or recoverable pursuant to Clause 14.2.1(ii) and Clause 14.5.

#### 14.5 Off-Specification XYZ Gas

14.5.1 Subject to Clause 11.7, if Off-Specification XYZ Gas delivered at the XYZ Entry Point causes an Off-Specification Gas Event, the XYZ Owners shall indemnify and hold the members of all other Pipeline Groups harmless from and against losses, costs, damages or expenses for which such Pipeline Group members are directly liable under the terms of any relevant gas sales and/or NGL processing contracts caused as a result of such Off-Specification Gas Event, limited to a maximum monetary amount of < > per Off-Specification Gas Event, together with any liability on the part of the XYZ Owners pursuant to Clause 14.2.1(ii).

14.5.2 Upon becoming aware or being notified of the delivery of Off-Specification XYZ Gas into the XYZ Pipeline from the XYZ Development production facilities, the ABC Operator shall have the right to issue a notice to the XYZ Operator requiring such deliveries of Off-Specification XYZ Gas to comply with such specification or be curtailed within a period of < > minutes from the time of issuance of such notice.

14.5.3 If the XYZ Operator delivers Off-Specification XYZ Gas to the XYZ Entry Point giving rise to liability in excess of that provided in Clause 14.5.1, the ABC Owners shall be entitled upon notice to the XYZ Owners and/or the XYZ Operator forthwith to suspend the Services. The resumption of the Services will be subject to the XYZ Owners verifying to the satisfaction of the ABC Owners that any and all remedial measures have been undertaken and/or any necessary equipment, controls and measurement equipment have been installed by the XYZ Owners to ensure no Off-Specification XYZ Gas can enter the XYZ Pipeline or the ABC System.

14.5.4 The ABC Owners shall be responsible for, indemnify and hold each of the XYZ Owners and the XYZ Operator harmless from and against all claims brought by any member of a Pipeline Group, other than the Pipeline Group comprising the XYZ Owners, in respect of damages or losses caused by a XYZ Off-Specification Gas Event for which the XYZ Owners have provided the fund required under Clause 14.5.1, as applicable.

14.5.5 The provisions of this Clause 14.5 shall be without prejudice to the provisions of Clause 9.2 and/or any other provisions of this Clause 14.

#### 14.6 Other Pipeline Group Off-Specification Gas

14.6.1 Subject to Clause 11.7, if an Off-Specification Gas Event affecting XYZ Gas is caused by a Pipeline Group other than the XYZ Owners, the ABC Owners shall indemnify and hold the XYZ Operator and/or the XYZ Owners harmless from and against losses, costs, damages or expenses for which the XYZ Operator and/or the XYZ Owners, as applicable is/are liable directly under the terms of any gas sales and/or NGL processing contracts in respect of XYZ Gas as a result of breach of such contracts caused directly by such Off-Specification Gas Event, as follows:

(i) the ABC Owners shall make available an amount of up to, but not exceeding in any event, < > in respect of each such Off-Specification Gas Event in satisfaction of the claims of all Pipeline Groups, including the XYZ Owners, for losses, costs, damages or expenses incurred directly under the terms of the gas sales and/or NGL processing contracts for which each Pipeline Group is liable as a result of an Off-Specification Gas Event similar (except for the identity of the parties) to that described in Clause 14.5.1;

(ii) the XYZ Operator and/or the XYZ Owners shall notify the ABC Operator of the amount of its claim pursuant to (i) above and shall accompany such claim with the certificate of the Auditor verifying such amount in accordance with Clause 14.7;

(iii) the XYZ Owners shall be entitled to recover the amount available pursuant to (i) above in the proportion that the amount of the XYZ Owners' claim bears to the amount of the equivalent claims of all other Pipeline Groups in relation to such Off-Specification Gas Event; and

(iv) payment by the ABC Operator pursuant to (iii) above shall be in full and final settlement of all and any claims the XYZ Operator and/or the XYZ Owners may have against the ABC Operator and/or the ABC Owners or any other Pipeline Group in relation to all losses, damages, costs or expenses incurred as a result of such Off-Specification Gas Event and the XYZ Operator and the XYZ Owners agree to forebear from taking any action or asserting any claim for damages against any other party in relation to such Off-Specification Gas Event.

14.6.2 The XYZ Owners shall be responsible for, indemnify and hold the ABC Owners and the ABC Operator harmless from any liabilities, costs, damages or expenses of every kind which they may suffer as a result of the breach of the undertaking provided in Clause 14.6.1(iv), including but not limited to the contractual liability which the ABC Owners may have to any other Pipeline Group or member thereof which is substantially similar to the undertaking set out in Clause 14.5.4 hereof.

14.6.3 The XYZ Operator and the XYZ Owners hereby agree and undertake:

(i) to be liable to the ABC Operator and/or the ABC Owners for any losses, costs, damages or expenses demanded by the ABC Operator pursuant to Clause 14.9; and

(ii) to surrender and disclaim, and not to assert any defence at law to, nor dispute nor challenge, the contractual or legal rights of the ABC Operator and/or the ABC Owners to seek to enforce liability of the XYZ Owners pursuant to Clause 14.5, including any defence on the grounds of lack of privity of contract, want of consideration or want of authority on the part of the ABC Operator and/or the ABC Owners,

PROVIDED THAT the XYZ Owners may refer any issue relating to the implementation by the ABC Operator and/or the ABC Owners of the provisions of Clause 14.5 to the Expert for determination in accordance with the provisions of Clause 25 and PROVIDED FURTHER THAT the XYZ Owners may dispute and/or challenge any finding or apportionment of responsibility for an Off-Specification Gas Event pursuant to and in accordance with Clause 11.7.

14.6.4 In the event of an Off-Specification Gas Event affecting XYZ Gas, the ABC Owners undertake to apply, mutatis mutandis, the provisions of Clause 9.2(e), against the defaulting Pipeline Group.

#### 14.7 Auditor

14.7.1 The quantum of any damages claimed pursuant to Clauses 14.5 and 14.6 as a result of an Off-Specification Gas Event shall be independently verified by the Auditor. For such purposes each Party seeking to submit any such claim shall provide to the Auditor copies of all relevant gas sales and/or NGL processing contracts and all documentation relating to the losses, damages, costs and expenses which have been incurred directly under the terms thereof and in respect of which the said claim is being submitted and shall provide the Auditor with full access to all and any records, data or other information to enable the Auditors to audit and verify such claims to its satisfaction.

14.7.2 For the purposes of this Clause 14, the Parties hereby:

- (i) appoint and authorise the Auditor to act pursuant to Clause 14.7.1;
- (ii) authorise the Auditor to provide its written certification of any audit carried out pursuant to Clause 14.7.1 and to the ABC Operator for the purposes of Clauses 14.5 and 14.6;
- (iii) authorise the ABC Operator to disclose any written certification of the Auditor hereunder to any User from time to time for the purposes of verifying to such User the apportionment of liability in relation to any Off-Specification Gas Event;
- (iv) agree that the certification of the Auditor of the proportion of the amounts of losses, damages, costs and expenses claimed by each Pipeline Group in respect of any Off-Specification Gas Event shall be conclusive and binding on the Parties as a final determination thereof; and
- (v) agree to use all reasonable endeavours to ensure that the Auditor maintains and keeps all matters referred to the Auditor confidential except insofar as required to deliver its written certification hereunder.

14.7.3 The Pipeline Group responsible for any Off-Specification Gas Event shall be liable for all and any costs incurred by the Auditor under this Clause 14.7.

#### 14.8 Duty to Mitigate

Neither Party shall have any liability for losses or damage incurred by the other Party to the extent that such losses or damage arise from such other Party's failure to act in good faith to mitigate its loss or damage, including in particular, the taking of all steps reasonably necessary and available to minimise any and all losses, damages, costs and expenses liable to be incurred to any purchaser of Sales Gas and/or NGL under the terms of any respective gas sales and/or NGL processing contracts.

#### 14.9 Payment

14.9.1 The XYZ Owners shall pay to the ABC Operator all sums pursuant to and in accordance with Clause 14.5.1 within sixty (60) days of receipt by the XYZ Operator of the written demand of the ABC Operator requiring payment of such sums and accompanied by the certificate of the Auditor verifying such sums pursuant to Clause 14.7.

14.9.2 The ABC Operator shall pay any amount due to the XYZ Operator within sixty (60) days of receipt of notice of a claim pursuant to Clause 14.6.1 (iv) and shall provide the XYZ Operator at such time with details of the claims of all other Pipeline Groups regarding the Off-Specification Gas Event in question, together with copies of the certificates of the Auditor relating thereto.

#### 14.10 Third Parties

For the purposes of this Clause 14, a "Third Party" shall be any Person other than:

- (i) the ABC Owners and/or the ABC Operator;
- (ii) the XYZ Owners and/or the XYZ Operator;
- (iii) each and any Affiliate of any of the ABC Owners or of any of the XYZ Owners;
- (iv) any of the aforesaid's contractors or sub-contractors where and to the extent expressly included within the provisions of Clauses 14.2.2, 14.2.3 and 14.2.4; or
- (v) the directors, officers, employees, servants or agents of any person listed above in this Clause 14.10.

#### 14.11 Relief from Liability

(i) Any relief from liability, indemnity or benefit in favour of or given to the XYZ Owners under this Clause 14 shall extend to:

- (a) the Affiliates of any of the XYZ Owners (including, without limitation, XYZ Operator Limited regardless of whether XYZ Operator Limited falls within the definition of Affiliate);
- (b) any of the aforesaid's (including the XYZ Owners') contractors or sub-contractors; and
- (c) any of the aforesaid's (including the XYZ Owners') directors, employees, servants or agents.

(ii) Any relief from liability, indemnity or benefit in favour of or given to the ABC Owners under this Clause 14 shall extend to:

- (a) the Affiliates of any of the ABC Owners;
- (b) any of the aforesaid's (including the ABC Owners') contractors or sub-contractors; and
- (c) any of the aforesaid's (including the ABC Owners') directors, employees, servants or agents.

#### 14.12 Notification of Claims

The ABC Operator and/or the ABC Owners and the XYZ Operator and/or the XYZ Owners shall advise each other as soon as reasonably practicable upon the making of any demand or claim or the bringing of any action or proceeding which the adviser considers is covered by the undertakings to hold harmless and the indemnities granted from the other in this Clause 14.

#### 14.13 Settlement of Claims

The ABC Owners and the XYZ Owners shall use all reasonable endeavours to ensure that any demand, claim, suit or proceeding, which is covered by the undertakings to hold harmless and the indemnities granted from the other in this Clause 14 is not compromised or settled without the approval of the indemnifying party (such approval not to be unreasonably withheld) but this obligation shall be without prejudice to the indemnifying party's obligation to pay any such claim or demand.

#### 14.14 Exclusion of Consequential Loss or Damage

With the exception of any liability for losses, damages, costs and expenses pursuant to and in accordance with the provisions of Clause 9.2(e) and this Clause 14, but notwithstanding any other provisions of this Agreement, neither the ABC Owners nor the XYZ Owners shall be liable to the other (either in equity, tort, contract, or for breach of duty, statutory or otherwise) for indirect or consequential loss or damage (including, by way of example but without limitation, any loss of or non-receipt of tariff income, loss of sales, loss of profits or loss of production) for any reason and without regard to cause or causes thereof, including negligence, arising out of or resulting from any performance, mis-performance or non-performance of this Agreement by the ABC Owners or the XYZ Owners or by any Affiliate, or any director, employee, servant, agent, contractor or sub-contractor thereof.

#### 14.15 Wilful Misconduct

For the purpose of this Clause 14, "Wilful Misconduct" shall mean an intentional and conscious or reckless disregard by officers, directors or employees of the relevant Party, exercising managerial or supervisory authority of any material provision of this Agreement, but shall not include any error of judgement or mistake made in good faith by such person in the exercise of any function, authority or discretion arising under or in connection with the performance of this Agreement.

#### 14.16 Shut-Off

In the event that the ABC Operator and/or the ABC Owners require a shut-off and/or total emergency shut-off of any part of the ABC System under the provisions of this Agreement or the Allocation Rules then, except for any liability arising under Clause 14.3 or Clause 14.8, neither the ABC Operator nor the ABC Owners shall have any liability whatsoever under this Agreement to the XYZ Operator and/or the XYZ Owners for any resulting disruption to the performance and provision of the Services as a result of any such shut-off and the ABC Owners and/or the ABC Operator shall incur no damages, losses, costs nor expenses to the XYZ Operator and/or the XYZ Owners in connection therewith.

#### 14.17 Joint and Several Liability

14.17.1 Each XYZ Owner shall be jointly and severally liable for the obligations and liabilities of the XYZ Owners acting as a group hereunder and shall be so liable for all acts or omissions of the XYZ Operator under or in connection with this Agreement.

14.17.2 Each ABC Owner shall be jointly and severally liable for the obligations and liabilities of the ABC Owners acting as a group hereunder and shall be so liable for all acts or omissions of the ABC Operator under or in connection with this Agreement.

#### 14.18 Breach of Warranty

The XYZ Owners shall indemnify and hold the ABC Owners harmless against any claims, demands, losses, liabilities, damages, costs or expenses (including legal fees and sums paid by way of settlement or compromise) arising from breach of the warranty provided in accordance with Clause 17.5 and/or the provisions of Clause 17.6.

#### 14.19 Escalation of Liability Limits

All of the monetary limits set out in this Clause 14 shall be escalated in accordance with the following formula:

$$L_n = L_o \times \frac{PPI}{PPI_o}$$

where:

(i)  $L_n$  is the adjusted monetary limit;

(ii)  $L_o$  is the monetary limit set out in this Clause 14;

(iii) PPI is the arithmetic average of the monthly values of the index (herein called the "Producer Price Index") "Index of Products of manufacturing industries other than the food, beverages, petroleum and tobacco manufacturing industries, seasonally adjusted (SIC 1992) 1990 = 100 (PLLW)" for the twelve (12) Months ending three (3) Months prior to the beginning of the Contract Year in which a claim under this Clause 14 is made as set out in the Business Monitor issued by the Central Statistical Office "(MM22 Producer Price Indices)"; and

(iv)  $PPI_o$  is the arithmetic average of the Monthly values of the Producer Price Index for the twelve (12) Months covering the period < > (inclusive) and which is agreed to be < >.

The provisions of Clauses 8.2.2, 8.2.3., 8.2.4, 8.2.5, 8.2.6, and 8.2.7 shall apply to the calculation of the foregoing formula, mutatis mutandis.

## 15 FORCE MAJEURE

### 15.1

15.1.1 No failure or omission on the part of a Party and/or the ABC Operator and/or the XYZ Operator to carry out or observe any of the terms or conditions of this Agreement shall, except in relation to obligations to make payments hereunder, and except as herein expressly provided to the contrary, give rise to any liability to the other Party or be deemed a breach of this Agreement if such failure or omission arises from any cause reasonably beyond the control of such Party and/or the ABC Operator and/or the XYZ Operator (herein referred to as "Force Majeure"). Events which (provided that they satisfy the requirements stated in the preceding sentence) shall constitute Force Majeure shall include (but shall not be limited to) acts of God, forces of nature, wars, insurrections, acts of terrorism, riots, fires, landslides, floods, earthquakes, explosions, seriously adverse weather conditions, acts of any governmental authority, strikes, industrial action or unrest, lock-outs and labour disputes, breakdown or accidents affecting any facilities used for implementing all or any part of this Agreement, unavailability or shortage of raw materials or energy supplies from third parties, or unavailability of transport. Subject to Clause 15.2, in the event that a Party is unable to

fulfil its obligations in the above circumstances, the obligations hereunder of such Party shall be suspended. A Party whose obligations have been suspended as aforesaid shall give notice of such suspension, as soon as reasonably possible, to the other Party stating the date and the extent of such suspension, the anticipated date of removal of such suspension, the cause thereof and such other details as may be reasonable in the circumstances. A Party whose obligations have been suspended as aforesaid shall use reasonable endeavours to resume the performance of such obligations as soon as reasonably possible and shall notify the other Party accordingly. Notwithstanding the foregoing, the settlement of labour disputes shall be within the sole discretion of the Party affected thereby.

15.1.2 Notwithstanding anything in Clause 15.1.1 (and without prejudice to the generality thereof), the following events or circumstances shall not be treated as Force Majeure or caused thereby:

(i) failure by a Party to pay money when due (though any non-payment by a Party which is caused by problems within the banking system which render the transmission of funds impossible by all reasonable means will not entitle this Agreement to be terminated during the period when such problems subsist, but in such event upon the cessation of such problems the Party claiming Force Majeure shall forthwith pay the unpaid account together with interest on any amounts due hereunder in accordance with Clause 13.2);

(ii) failure by a Party to give notice required by this Agreement unless such failure was itself due to Force Majeure affecting all means of serving notices in accordance with Clause 20.

15.2 In the event that circumstances of Force Majeure have occurred which cause a Party to determine, acting to the best of its knowledge and belief and on the basis of the best information then available at such time that as a result of such Force Majeure event it will be prevented from performing its obligations hereunder for a period in excess of < > Months, it shall notify the other Party to such effect and, as soon as reasonably practicable within a period of < > Months after the Force Majeure event, shall notify the other Party whether or not it intends to carry out all necessary work to rectify the said Force Majeure event for the purpose of resuming the full performance of its obligations hereunder.

15.3 (i) If a Party notifies the other Party pursuant to Clause 15.2 that the Force Majeure event is such that it does not intend to resume the full performance of its obligations hereunder, either Party may terminate this Agreement upon not less than < > Months notice prior to the effective date of termination; or

(ii) If a Party notifies the other Party pursuant to Clause 15.2 that the Force Majeure event is such that it does intend to resume the full performance of its obligations hereunder, and has confirmed that it will be able to do so within a period of < > Months from the date of the relevant Force Majeure event, then if such performance is not resumed within such period of < > Months, either Party may terminate this Agreement upon not less than < > Months notice prior to the effective date of termination.

15.4 In the event that circumstances of Force Majeure affecting the ABC System or any part thereof have prevented the ABC Owners accepting XYZ Gas at the XYZ Entry Point and/or processing XYZ Gas in accordance with the terms of this Agreement for a period of < > consecutive days following the Force Majeure event, at any time thereafter during the continuance of such Force Majeure event the XYZ Owners shall be entitled to give to the ABC Owners notice of their intention to make alternative arrangements for the transportation and/or processing of XYZ Gas (the "De-dedication Notice") and the XYZ Owners shall be relieved of the obligations imposed by Clause 4.1 of this Agreement and shall thereafter be entitled to make such arrangements for the

transportation and/or processing of XYZ Gas as they deem appropriate PROVIDED HOWEVER that:

(i) the XYZ Owners shall use their reasonable endeavours to have included in any temporary transportation arrangements as short a notice period as possible and in any event not to exceed < > Months (unless otherwise agreed by the ABC Owners, such agreement not to be unreasonably withheld) for the termination by the XYZ Owners of such temporary arrangements; and

(ii) the XYZ Owners shall notify the ABC Owners as soon as they have entered into any temporary transportation arrangements further to (i) above of the relevant notice periods for termination of such arrangements; and

(iii) upon the cessation of the said Force Majeure event and upon the ABC Owners being able to resume the performance of their obligations under this Agreement within the period of < > Months pursuant to Clause 15.3(ii) the ABC Owners may give to the XYZ Owners notice requiring the XYZ Owners to terminate their alternative transportation arrangements as aforesaid ("the Re-dedication Notice") and upon termination of such arrangements the XYZ Owners shall promptly resume the performance of their obligations under this Agreement.

## 16 ABANDONMENT

16.1 Upon not less than < > Months notice given by the ABC Operator to the XYZ Operator, effective not earlier than < >, the ABC Owners shall have the right to abandon the ABC System.

16.2 The ABC Owners shall (if so required to do by any competent governmental authority or at the request of the XYZ Owners) following permanent cessation of use of the XYZ Pipeline promptly remove any part of the XYZ System situated within the Work Control Area. All costs and expenses reasonably and actually incurred by the ABC Owners in effecting removal of any of the foregoing facilities shall be reimbursed by the XYZ Owners; provided always that the XYZ Owners shall be entitled to all sums received by the ABC Owners in respect of any residual value thereof or otherwise attributable to any part of the XYZ System so removed. The provisions of this Clause 16.2 shall survive termination of this Agreement.

16.3 If the ABC Owners extend the date referred to in Clause 16.1 in respect of any Pipeline Group, the ABC Owners shall treat the XYZ Owners no less favourably than any other such Pipeline Group in respect of any such extension and the right to abandonment provided in Clause 16.1 shall be extended to the equivalent date agreed in respect of any other such Pipeline Group.

## 17 RISK, PROPERTY AND INSURANCE

17.1 Notwithstanding any provisions of Clause 14 the risk and property in XYZ Gas, and the Sales Gas and NGL derived therefrom while in the ABC System shall at all times remain with the XYZ Owners who will bear any loss or damage sustained by such XYZ Gas, Sales Gas or NGL howsoever such loss or damage may be caused.

17.2 The XYZ Owners' property and risk of loss in XYZ Gas in the ABC Terminal on any Day, until the products therefrom are delivered to the XYZ Owners in accordance with this Agreement,

shall be in the proportion determined in accordance with the provisions of the Allocation Rules as applied in respect of such Day.

17.3 All insurances in respect of the ABC System, including third party risks, shall be the responsibility of the ABC Owners and the ABC Owners shall arrange for all such insurances to include a waiver of subrogation rights against each of the XYZ Owners.

17.4 All insurances in respect of the XYZ System, including third party risks, shall be the responsibility of the XYZ Owners and the XYZ Owners shall arrange for all insurances to include a waiver of subrogation rights against each of the ABC Owners.

17.5 The XYZ Owners hereby warrant that they are and shall be deemed to be entitled to transport through the XYZ Pipeline all XYZ Gas delivered to the XYZ Entry Point and that such XYZ Gas shall be free from all liens, claims, assessments, encumbrances and adverse interests of any kind and nature, (provided that any dedication pursuant to Clause 4.1 shall not be treated as an adverse interest).

17.6 The XYZ Owners shall pay or cause to be paid all royalties, taxes and other sums arising in respect of the production of XYZ Gas and shall indemnify and hold the ABC Owners harmless against any and all loss, damage and expense of every kind suffered on account of liens, claims, assessments, encumbrances and adverse interests of any kind and nature to such XYZ Gas delivered to the XYZ Entry Point or suffered on account of royalties, taxes or other charges or claims thereon applicable arising in respect of such XYZ Gas.

## 18 ASSIGNMENT

18.1 Each of the ABC Owners shall have the right to assign all of its rights and obligations hereunder to an Affiliate or to arrange for any of its rights and obligations hereunder to be performed by an Affiliate always provided that in either case the ABC Owner in question shall remain liable for the performance of all of its obligations hereunder including those assigned to or which it has arranged for an Affiliate to perform and shall notify the XYZ Owners of such assignment or arrangement as soon as practicable thereafter.

18.2 Each of the XYZ Owners shall have the right to assign all of its rights and obligations hereunder to an Affiliate or to arrange for any of its rights and obligations hereunder to be performed by an Affiliate provided that in either case the XYZ Owner in question shall remain liable for the performance of all of its obligations hereunder including those assigned to or which it has arranged for an Affiliate to perform and shall notify the ABC Owners of such assignment or arrangement as soon as practicable thereafter.

18.3 In the event that the ABC Owners wish to replace the ABC Operator as operator of the ABC System, then the ABC Owners may do so but where practicable shall give to the XYZ Owners not less than three (3) Months prior notice of same.

18.4 In the event that the XYZ Owners wish to replace the XYZ Operator as operator of the XYZ System then the XYZ Owners may do so but where practicable shall give to the ABC Owners not less than three (3) Months prior notice of same.

18.5 Any of the ABC Owners may at any time assign all or part of their interest under this Agreement if, and only if, they (at the same time) assign the corresponding interest in the ABC

System; provided that, in the case of such an assignment to a party other than an Affiliate, the XYZ Owners have consented or have not objected to such assignment hereunder in writing (which consent may not be unreasonably withheld and may only be withheld or which objection may only be made on grounds of lack of financial responsibility and capability of the proposed assignee to discharge the obligations under this Agreement as they relate to the interest to be assigned). In the absence of such consent or objection within a period of thirty (30) days from notification of any proposed assignment to a party other than an Affiliate, such consent shall be deemed given.

18.6 Any of the XYZ Owners may at any time assign all or part of their interest under this Agreement if, and only if, they (at the same time) assign the corresponding interest in the XYZ System; provided that, in the case of such an assignment to a party other than an Affiliate, the ABC Owners have consented or have not objected to such assignment hereunder in writing (which consent may not be unreasonably withheld and may only be withheld or which objection may only be made on grounds of lack of financial responsibility and capability of the proposed assignee to discharge the obligations under this Agreement as they relate to the interest to be assigned). In the absence of such consent or objection within a period of thirty (30) days from notification of any proposed assignment to a party other than an Affiliate, such consent shall be deemed given.

18.7 No assignment pursuant to Clause 18.5 or Clause 18.6 shall be effective unless and until the non-assigning Parties shall have received directly from the proposed assignee a covenant to observe and perform all the terms and conditions of this Agreement to the extent and in respect of the interest to be assigned and the ABC Operator or the XYZ Operator (as applicable) has been provided with a duly certified copy of such covenant.

## 19 CONFIDENTIALITY

19.1 The terms and conditions of this Agreement and all information obtained from a Party and/or the ABC Operator and/or the XYZ Operator in relation to this Agreement which is not in the public domain shall be held confidential and shall not be disclosed to any person, firm, company or corporation which is not a party to this Agreement without the prior written agreement of the Parties, which consent shall not be unreasonably withheld, except that each ABC Owner and each XYZ Owner may each make available, without such prior agreement, any or all of such information to:

- (i) its Affiliates; or
- (ii) its outside professional consultants; or
- (iii) any governmental authority having the statutory right to require the same or to the extent required by law; or
- (iv) any of its outside professional auditors; or
- (v) any bona fide intending assignee of all or part of its interest; or
- (vi) a bank or financial institution from whom it or its Affiliates is seeking or obtaining finance or who is advising it on financial matters; or
- (vii) any recognised Stock Exchange or the Securities Exchange Commission of the United States of America in compliance with their rules and regulations; or

(viii) any actual or prospective purchaser or processor of Sales Gas or NGL but only to the extent reasonably necessary to effect a sale or to implement a contract of sale or processing to or in favour of such purchaser or processor; or

(ix) the Auditor;

(x) the Independent Authority; or

(xi) any expert appointed under this Agreement or the Allocation Rules.

19.2 Each Party, the ABC Operator and the XYZ Operator shall procure that any information disclosed to any of its Affiliates, as applicable, pursuant to Clause 19.1(i) shall be held confidential by such Affiliate or Affiliates on the same terms as set out above. Prior to the disclosure of any data or information to any person, firm, company or corporation referred to in Clause 19.1(ii), (iv), (v), (vi), (viii), (ix), (x) or (xi) such person, firm, company or corporation shall undertake in writing to maintain such data or information confidential and not to make any further disclosure of same without obtaining the prior written agreement of the original disclosing party whose consent shall not be unreasonably withheld. Any such undertaking shall be expressed to be in favour of the ABC Owners and the XYZ Owners.

19.3 The provisions of this Clause 19 shall remain in force for a period of five (5) years subsequent to the termination of this Agreement.

## 20 NOTICES

20.1 All notices and other communications to be sent hereunder by or on behalf of the ABC Owners to the XYZ Owners shall unless otherwise specified hereunder or for the avoidance of doubt, under the Allocation Rules be sent by the ABC Operator to the XYZ Operator at the address given below provided that the XYZ Owners may at any time on giving not less than fifteen (15) days' notice designate different or further addresses to which notices and other communications are thenceforth to be sent.

The XYZ Operator: < >

Attention: Commercial Manager

20.2 All notices and other communications to be sent hereunder by or on behalf of the XYZ Owners to the ABC Owners shall unless otherwise specified hereunder or for the avoidance of doubt under the Allocation Rules be sent by the XYZ Operator to the ABC Operator at the address given below provided that the ABC Owners may at any time on giving not less than fifteen (15) days' notice designate different or further addresses to which notices and other communications are thenceforth to be sent.

The ABC Operator: < >

Attention: Commercial Manager

20.3 All notices required hereunder shall be in writing and shall have been properly served when delivered by hand, sent by mail, facsimile or telex to the address set out in Clause 20.1 or Clause

20.2, as applicable, or such different address as a Party may designate from time to time. Any notice by mail shall have first class postage prepaid.

20.4 Any notice shall be deemed to have been given:

- (i) on the day it is delivered, if delivered by hand;
- (ii) the day it is sent, if sent by facsimile or telex;
- (iii) two (2) Working Days after the date of posting, if sent by prepaid first class mail.

## 21 PROVISION OF INFORMATION

21.1 For the purposes of planning operations at the ABC System on an orderly basis, and in addition and without prejudice to the information provided pursuant to Clause 7, the XYZ Operator shall provide the ABC Operator with the following information:

- (i) by 1 June in each Contract Year, a best estimate of the average Daily operational range of Composition, quality and quantity of XYZ Gas which is expected to be delivered into the ABC System for each Month in the next following Contract Year; and
- (ii) by the twentieth (20th) day of the final Month of each Quarter:
  - (a) an estimate of the Composition, quality and entry condition of, and any other production information relating to, XYZ Gas for each Month of the next succeeding Quarter; and
  - (b) an estimate of the average Daily quantity of XYZ Gas estimated to be delivered into the ABC System for each Month for the next three (3) succeeding Quarters.

## 22 WAIVER AND MISCELLANEOUS PROVISIONS

### 22.1 Waiver

No waiver by a Party of the enforcement of any provisions of this Agreement shall be binding unless made expressly and expressly confirmed in writing. Further, any such waiver shall relate only to such matter, non-compliance or breach to which it expressly relates and shall not apply to any subsequent other matter, non-compliance or breach.

### 22.2 Amendments

Subject to Clause 22.1 above, this Agreement shall not be varied except by an instrument in writing of date even therewith or subsequent thereto signed by all signatories to this Agreement.

### 22.3 Authorisation of XYZ Operator

The XYZ Owners warrant that the XYZ Operator is duly authorised to exercise certain rights and meet certain obligations under this Agreement (as more precisely set out elsewhere herein) as

operator for and on behalf of the XYZ Owners and that any successor operator, notified to the ABC Owners pursuant to Clause 18.4 of this Agreement shall also be duly authorised.

#### 22.4 Authorisation of ABC Operator

The ABC Owners warrant that the ABC Operator is duly authorised to exercise certain rights and meet certain obligations under this Agreement (as more precisely set out elsewhere herein) as operator for and on behalf of the ABC Owners and that any successor operator, notified to the XYZ Owners pursuant to Clause 18.3 of this Agreement shall also be duly authorised.

#### 22.5 Severability

If any provision hereof is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions hereof shall be in any way affected or impaired thereby.

#### 22.6 Entire Agreement

22.6.1 This Agreement is the complete and entire agreement between the Parties and the XYZ Operator relating to the transportation and processing of XYZ Gas in the ABC System and the redelivery thereof as Sales Gas or NGL.

It supersedes and replaces any previous agreements, communications, arrangements and understandings, whether written or oral, between the Parties with respect to the aforesaid subject matter.

22.6.2 Any representation or warranty made by a Party to the other Party prior to the date of this Agreement:

(i) shall not be incorporated into this Agreement as a term or condition unless expressly so incorporated;

(ii) if it has been expressly incorporated into this Agreement as a term or condition, shall not be treated by the Party to whom it was made as a representation or warranty; and

(iii) has not, wholly or partly, either induced or been relied on by any Party to enter into this Agreement.

22.6.3 A Party to whom a false or allegedly false representation or warranty was made prior to the date of this Agreement agrees:

(i) not to hold liable, and shall indemnify and hold harmless, the Party or Parties who, innocently or negligently, made the representation or warranty; and

(ii) that this exclusion of liability is fair and reasonable for all purposes including Section 11(1) of the Unfair Contract Terms Act 1977 and any statutory provision which succeeds that Section.

#### 23 GOVERNING LAW

23.1 The construction, validity and performance of this Agreement shall be governed by English Law and the Parties, the ABC Operator and the XYZ Operator submit to the non-exclusive jurisdiction of the English Courts.

## 24 RECORDS AND AUDIT RIGHTS

24.1 The ABC Owners and the XYZ Owners shall each have the right at their own expense upon reasonable notice and at all reasonable hours to have an auditor examine the books, records and charts of the other and/or the ABC Operator and/or XYZ Operator, as applicable, relating to this Agreement to the extent necessary to verify the accuracy of any accounting statement, charge, computation or claim made in accordance with any of the provisions of this Agreement, provided:

(i) that such books, records and charts need not be preserved longer than a period of twenty-four (24) Months after the end of the Contract Year to which such books, records, or charts refer unless they relate to an outstanding bona fide dispute, in which case they will be retained until resolution of such dispute; and

(ii) that if such verification reveals any inaccuracy as aforesaid then the ABC Owners or the XYZ Owners (as the case may be) shall within fourteen (14) days after the date that such inaccuracy is established submit to the other a statement showing all necessary adjustments to the aforesaid accounting statement, charge, computation or claim, and the ABC Owners or the XYZ Owners (as the case may be) shall within fourteen (14) days after receipt of such statement make payment or repayment of any undisputed part of the sum (if any) so due; and

(iii) that such right to examine must be exercised within twenty-four (24) Months after the end of the Contract Year to which the books, records or charts being examined refer; and

(iv) that the provisions in the Allocation Rules shall apply to the verification, objection to or correction of Allocation Statements issued pursuant thereto and there shall be no additional rights to audit same pursuant to this Clause 24; and

(v) that the provisions in Clause 14.7 shall apply to claims made in accordance with Clause 14.5 or Clause 14.6 and there shall be no additional rights to audit claims made pursuant to those Clauses pursuant to this Clause 24.

24.2 All audits for and on behalf of the XYZ Owners or the ABC Owners will be performed by a joint audit group consisting of representatives from the XYZ Owners or the ABC Owners (as the case may be), and not on an individual basis.

## 25 EXPERT

### 25.1 The Expert

Whenever under this Agreement any matter is to be referred to an Expert and whenever the Parties agree that a point of difference between them shall be resolved by an Expert the provisions of this Clause shall apply unless modified by any other express provision.

### 25.2 Procedure for appointment of Expert

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

- (i) The Party wishing the appointment to be made shall give notice to that effect to the other Party and with such notice shall give details of the matter which it is proposed shall be resolved by the Expert.
- (ii) The Parties shall endeavour to agree upon a single Expert.
- (iii) If within fourteen (14) days from the service of the said notice the Parties have failed to agree upon an Expert then the matter may forthwith be referred by the Party wishing the appointment to be made to the President of the Law Society of England and Wales (herein called the "President") who shall be requested to select an Expert within twenty-one (21) days and in so doing may take such independent advice as he thinks fit.
- (iv) Upon an Expert being agreed or selected hereunder the Parties shall forthwith notify such Expert of his selection and shall request him to confirm within fourteen (14) days whether or not he is willing and able to accept the appointment and the terms upon which he would be prepared to accept such appointment.
- (v) If following notification under Clause 25.2(iv) the Expert notifies the Parties that he is unwilling or unable to accept such appointment or if all the terms of his contract of appointment shall not have been agreed between the Parties and the Expert within twenty-one (21) days of such notification then (unless the Parties are able to agree terms for the appointment of another Expert) the matter may again be referred in the manner aforesaid to the President who shall be requested to make a further selection and the process shall be repeated until an Expert is found who accepts appointment upon terms acceptable to the Parties.
- (vi) If there shall be any dispute between the Parties on the amount of remuneration to be offered to the selected Expert then such amount shall be determined by the President whose decision shall be final and binding on the Parties.

### 25.3 Qualification of Expert and Conflicts of Interest

25.3.1 An Expert may be an individual, partnership, association or body corporate and shall be an expert in the field or fields of expertise relevant to the dispute.

25.3.2 Any person appointed as the Expert shall be entitled to act as such Expert notwithstanding that at the time of execution of its contract of appointment the Expert has or may have or may have had some interest or duty which conflicts or may conflict with its function under such appointment; PROVIDED THAT:

- (i) the Expert shall before entering into its contract of appointment disclose any such interest or duty of which it is aware and the Parties shall after such disclosure have executed its contract of appointment; and
- (ii) if a Party does not execute the contract of appointment of the Expert because it considers that there is a material risk of any interest or duty (whether disclosed under Clause 25.3.2(i) or not) prejudicing his decision then any Party may apply to the President who, having first considered any submissions any Party may wish to make, shall decide whether or not such Expert shall be appointed.

25.3.3 Notwithstanding Clause 25.3.2 no person shall be appointed an Expert who at the time of proposed appointment is or during the preceding year was a director, office-holder or employee of or directly or indirectly retained as consultant to any party to this Agreement (or any Affiliate thereof) or who is the holder of shares therein (or any Affiliate thereof) unless it is a company quoted on a recognised Stock Exchange and his shareholding is less than one (1) percent of the issued share capital of any class).

#### 25.4 Dealings with the Expert and his Decision

25.4.1 Unless the procedure to be adopted by the Parties in the hearing of the dispute (including the time limits for the Parties' submissions) has been agreed previously by the Parties, as soon as practicable after execution of his contract of appointment the Expert shall (after consultation with the Parties) specify such procedure.

25.4.2 Copies of all written data, information and submissions supplied or made by any Party to the Expert shall be contemporaneously provided to the other Party which shall within twenty-eight (28) days of receipt of such data, information or submission have the right to comment in writing thereupon to the Expert, PROVIDED that copies of any such comments shall likewise be promptly supplied to the other Parties. Unless otherwise agreed by the Parties, this procedure shall permit only one submission by each Party, and one response by each such Party to the other Party's submission.

25.4.3 All oral submissions made by a Party to the Expert shall be made in the presence of the other Party who shall have the right to respond thereto and make its own submissions in response.

25.4.4 The said Expert shall give written reasons for his decision and:

(i) shall furnish the Parties a draft of his proposed decision in respect of which all Parties shall be entitled to make representations to the Expert within thirty (30) days after receipt thereof; and

(ii) as soon as practicable after the expiry of such thirty (30) days the Expert shall render his decision by delivering the same in writing to the Parties and such decision shall thereupon be deemed to be in force.

25.4.5 The Expert shall be entitled to obtain such independent professional and/or technical advice as the Expert may reasonably require.

25.4.6 If within a reasonable period (which shall not without the prior consent of the Parties exceed ninety (90) days) after the Expert has entered into his contract of appointment such Expert shall not have rendered a decision then (at the request of any Party) a new Expert shall be selected under the provisions of this Clause and on the date upon which the contract of appointment is executed by the Parties the appointment of the previous Expert shall cease;

PROVIDED THAT if the previous Expert shall have rendered a decision prior to the date upon which the contract of appointment of the new Expert is executed then such decision shall be binding upon the Parties and the instructions to the new Expert shall be withdrawn.

25.4.7 The Expert shall be deemed not to be an arbitrator but shall render his decision as an Expert and the provisions of the Arbitration Acts of 1950 and 1979 and the law relating to arbitration shall not apply to such Expert or his determination or the procedure by which he reaches his determination.

25.4.8 The decision of the Expert shall be final and binding upon the Parties save in the event of fraud, manifest error or the face of the decision, or failure by the Expert to disclose any relevant interest.

25.4.9 Each Party shall bear the costs and expenses of all lawyers, advisers, witnesses and employees retained by it but the cost and expenses of the Expert and any independent advisers to the Expert retained in connection with a decision hereunder shall be borne equally between the Parties.

25.4.10 As a condition of the appointment of the Expert the Parties shall require that the Expert shall maintain as confidential his contract of appointment, all material and submissions made to him whether written or oral, and his decision, including the reasons therefor, and the Expert shall ensure that such confidentiality shall be maintained by any independent professional or technical advisor whose assistance he may employ hereunder.

## 26 SURVIVAL

Clauses 3.5, 4.2, 5.10, 13.2, 14, 16.2, 17, 19 and 24 and any other Clauses as may be necessary for the application and enforcement of such Clauses shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the ABC Owners and the XYZ Owners have executed this Agreement as of the date first written above.

Signed for and on behalf of  
[ABC Owner]

By:

Name:

Title:

Signed for and on behalf of  
[XYZ Owner]

By:

Name:

Title:

ATTACHMENT 1  
ABC SYSTEM GAS ENTRY SPECIFICATION FOR XYZ GAS

CRICONDENBAR PRESSURE : Not exceeding < > bara.

WATER CONTENT : Not exceeding < > per million by volume.

OXYGEN CONTENT : Not exceeding < > parts per million by volume.

HYDROGEN SULPHIDE CONTENT : Not exceeding < > parts per million by volume.

CARBON DIOXIDE CONTENT : Not exceeding < > mol percent.

MINIMUM LEVEL OF INERTS : Not less than < > mol percent of inert gases (CO<sub>2</sub>, N<sub>2</sub>).

MAXIMUM INLET PRESSURE : < > bara.

MINIMUM INLET PRESSURE : < > bara.

CARBONYL SULPHIDE : Maximum of < > parts per million by volume.

MERCURY : Nil.

MERCAPTANS : Nil

DUODECANES : Nil

SEDIMENT/PURITY : Free from objectionable odours, solids, waxes, gums, and gum foaming constituents, drilling mud, acidising or fracturing fluids, extraneous platform or pipeline debris, including ferrous oxide and the like, which might cause injury or damage to or interference with the proper operation of the ABC System.

TEMPERATURE : < > o C MAX / < > o C MIN

ATTACHMENT 2

XYZ DEVELOPMENT CO-ORDINATES AND LICENCE PARTICULARS

The XYZ Development means that area within Blocks < > on the attached map of licence blocks and between the depths of < > the boundary of this is delineated by the parallels of latitude and the meridians of longitude joining the points set out below (as defined on the European First Adjustment 1950) and edged in blue on the attached map:-

Latitude Longitude

The XYZ Owners expressly warrant that the area edged in blue on the attached map and between the abovementioned depths is entirely within the Secretary's consent for the XYZ Development PROVIDED THAT if the Secretary subsequently determines the XYZ Development to be different from the above, then the XYZ Development shall be as so determined by the Secretary, and this Agreement shall be deemed amended by such subsequent determination, and provided further that in the event that the XYZ Development will have boundaries agreed by the XYZ Owners to be different from those stated herein or determined by the Secretary, then the XYZ Development shall mean that area having the boundaries as agreed pursuant to the unit agreement relating thereto (always providing that such area shall be in continuous hydrocarbon phase communication with the XYZ Development and entirely within Blocks < > as at the date hereof) and this Agreement shall be deemed amended accordingly.

#### LICENCE PARTICULARS OF THE PRODUCTION LICENCES

##### ATTACHMENT 3

##### ABC ALLOCATION AND COMMINGLING RULES

##### ATTACHMENT 4

##### ABC NGL ALLOCATION AND COMMINGLING RULES

##### ATTACHMENT 5

#### ILLUSTRATION OF XYZ/ABC TIE-IN CONFIGURATION

##### ATTACHMENT 6

##### INITIAL XYZ DEVELOPMENT PROFILE

##### CONTRACT YEAR

##### SWING

##### INITIAL PROFILE





NOTE: THE CONVERSION FACTOR IS AGREED TO BE 1 CUBIC METRE = 35.290 CUBIC FEET

ATTACHMENT 7

NGL DELIVERY POINTS

ATTACHMENT 8

ADDITIONAL FACILITIES

In accordance with Clause 5.1(iv) it is recognised that certain Additional Facilities will need to be constructed in relation to the ABC System in regard to the processing of XYZ Gas. Such Additional Facilities fall into three (3) categories:

(i) Additional Facilities identified in this Attachment 8 agreed to be carried out in accordance with Clause 5.7 to enable the ABC System to transport and process XYZ Gas delivered within the specification set out in Attachment 1;

(ii) other extra equipment, such as installation of telemetry, reprogramming of monitoring screens etc., to be installed to enable the ABC Operator to:

a) operate the XYZ Facilities;

b) receive and monitor the data relating to volume and composition of XYZ Gas being delivered into the XYZ Pipeline; and

c) monitor the XYZ Pipeline integrity monitoring system; and

(iii) certain activities related to the Commissioning and tie-in of the XYZ Pipeline.

The Additional Facilities identified pursuant to paragraph (i) above are the following:

< >

#### ATTACHMENT 9

#### HYDROGEN SULPHIDE REMOVAL EXCESS H<sub>2</sub>S REMOVAL (EHRC) CALCULATION PROCEDURE

#### ATTACHMENT 10

#### ILLUSTRATIVE DRAWING OF LEASE ARRANGEMENTS FOR THE XYZ PROJECT AT ABC

#### ATTACHMENT 11

#### LIABILITY ARRANGEMENTS FOR THE TIE-IN AGREEMENT

1. ABC to indemnify and hold XYZ harmless against all loss and damage and claims relating to the physical property in and the facilities for XYZ (including Additional Facilities owned by ABC) in relation to the ABC System in respect of construction, tie-in and Commissioning, save in the event of XYZ Wilful Misconduct.

2. XYZ to indemnify and hold ABC harmless against all loss and damage and claims relating to the physical property in the XYZ Facilities and XYZ Pipeline (i.e. XYZ owned equipment) in respect of construction, tie-in and Commissioning of the XYZ Pipeline, save in the event of ABC Wilful Misconduct.

3. Mutual indemnity and hold harmless provisions in respect of the death or personal injury, or loss/damage to the property of all personnel involved in the respective ABC and XYZ construction operations in 1 and 2 above, including respective contractors and sub-contractors, save in the event of Wilful Misconduct by any person in whose favour indemnification is given.

4. Each of ABC and XYZ shall arrange comprehensive Builders All Risks policies of insurance in respect of its own construction operations, naming the other as co-assureds.

5. Notwithstanding 1 above, XYZ shall indemnify ABC in respect of;

(i) any loss or damage to the existing "live" ABC plant caused by construction, tie-in and Commissioning operations carried out by XYZ; and

(ii) liabilities incurred by the ABC Owners in respect of all consequential loss or damage, which shall include but not be limited to loss or deferment of profit, loss of trading revenue, loss of production, loss of use and business interruption, suffered or incurred by the ABC Owners and/or the ABC Operator as a result of XYZ acts or omissions;

PROVIDED THAT such liability under (i) and (ii) shall be subject always to a maximum amount of < > per event or series of connected events.

6. The liability regime of the XYZ Processing Agreement shall apply and shall supersede the above liability regime upon operational acceptance following Commissioning of the XYZ Facilities. Liabilities arising from incidents prior to such operational acceptance shall be governed under the above regime.