

[On Pakistan Stamp Paper]

[Working Draft – Subject to Amendments by PLL]

AGREEMENT TO GOVERN THE UTILIZATION OF PLL'S UNUTILIZED CAPACITY

BY AND BETWEEN

PAKISTAN LNG LIMITED

AND

[•]

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THIS AGREEMENT is made on this [•] (the “**Effective Date**”)

BETWEEN:

- (1) **PAKISTAN LNG LIMITED**, a public company, duly organized and existing under the laws of Pakistan, with its office located at 9th Floor, Petroleum House, Ataturk Avenue, Sector G-5/2, Islamabad (hereinafter referred to as "**PLL**");
- (3) [•], (the “**Customer**”).

WHEREAS:

- (A) PLL has entered into the Terminal Use and Regasification Agreement with PLTL (“**TURA**”) pursuant to which PLTL provides LNG services to PLL.
- (B) PLL has contracted capacity with PLTL under the TURA;
- (C) PLL has, as per the Invitation and Selection Process, invited applications for the utilization of its unutilized capacity with regard to its contracted capacity, regasification services and inventory management services;
- (D) The Customer, as the successful applicant under the Invitation and Selection Process, intends to procure a cargo of LNG and avail the unutilized capacity, regasification services and inventory management services offered by PLL as per the Invitation and Selection Process.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, **THE PARTIES HERETO AGREE AS FOLLOWS:**

1. GENERAL PROVISIONS

1.1 Definitions & Principles of Interpretation

In this Agreement, all capitalized terms shall have the meaning ascribed thereto in Schedule 2 which also sets out the principles of interpretation applicable to this Agreement.

2. EFFECTIVENESS AND TERM

2.1 Except as provided in Clause 2.1, this Agreement shall become effective on the Effective Date and shall expire on the date of termination as per Clause [] (Termination) or expiry as per Clause 2.2 of this Agreement (“**Term**”).

2.2 Unless terminated earlier in accordance with Clause [] (Termination) or extended as per Clause [] (Extension), this Agreement shall expire on the later of the time period specified as part of the Invitation and Selection Process or the date on which [the entire LNG Quantity, as adjusted on account of [] as per Clause [] has been delivered or the title for which has been transferred to PLL in accordance with Clause []

3. OBLIGATIONS OF PLL

Subject to the provisions of this Agreement, during the Term, PLL shall provide to the Customer the following services:

- (a) the berthing of LNG Carriers at the LNG Import Facility in accordance with Schedule 1;
- (b) the discharge of the Customer’s LNG from Approved LNG Carriers and the receipt of the Customer’s LNG at the LNG Receipt Point in accordance with Schedule 4 [];
- (c) the analysis of the Customer’s LNG received at the LNG Receipt Point in accordance with Schedule 5 [];
- (d) inventory management as per Clauses [] to [];
- (e) the determination of Retainage in accordance with Clause [];
- (f) the regasification of Customer’s Inventory into RLNG in accordance with Schedule 1. Schedule 1 will, *inter-alia*, include the details of PLL’s Inventory, Customer’s Inventory and the inventory of other users of the Terminal;
- (g) the delivery to the Customer of RLNG at the RLNG Delivery Point in accordance with Schedule 1;
- (h) such other services as PLL may agree with the Customer,

together the “**LNG Services**”.

3.2 For the avoidance of doubt, any activity not expressly set out above shall not form part of the LNG Services to be provided by PLL under this Agreement.

4. OBLIGATIONS OF THE CUSTOMER

4.1 Subject to the provisions of this Agreement, during the Term, the Customer shall, *inter alia*, have the following obligations, in each case, as per the terms of this Agreement:

- (a) The Customer shall procure the Customer's LNG of LNG Specifications, which shall not exceed the average parcel size of 140,000 m³ +/- 2%;
- (b) The Customer shall be responsible for the transportation of the Customer's LNG up to the LNG Receipt Point at the Discharge Port from Approved LNG Carriers as per the berthing slot(s) allotted by PLL to the Customer in accordance with Schedule 1;
- (c) The Customer shall bear all costs in relation to the procurement of the Customer's LNG, including, but not limited to, duties and taxes as imposed by customs authorities, Port Authority charges, provincial taxes / levies, independent surveyor costs, applicable taxes etc. For the avoidance of doubt, any costs not billed by PLL that relate to the procurement and handling of LNG / RLNG, will be borne by the Customer;
- (d) The Customer shall provide evidence of:
 - (i) The irrevocable standby letter of credit / letter of credit issued by the Customer in favour of the LNG supplier for the procurement of the Customer's LNG; or
 - (ii) any other binding documentary evidence for procurement of Customer's LNG, to the satisfaction of PLL,at least twenty-five (25) Days before the scheduled date of the arrival of the LNG Cargo at the LNG Receipt Point.
- (e) The Customer shall off-take RLNG at the RLNG Delivery Point as per Schedule 1 on a take-or-pay basis;
- (f) The Customer shall be responsible for the off-take and transportation of RLNG beyond the RLNG Delivery Point;
- (g) The Customer shall ensure timely payment of all invoices issued by PLL for the payment of the LNG Services Price;
- (h) The Customer shall issue and maintain the SBLC;
- (i) The Customer shall ensure that it bears all costs in relation to the LNG transported to the LNG Import Facility;
- (j) Customer shall provide and bear all risks and expenses in relation to any tugs, pilots, escort or other support vessels required for the berthing, unloading and departure of the LNG Carrier

5. PRICE OF LNG SERVICES AND TAKE OR PAY

5.1 The Customer shall pay the following to PLL in relation to the LNG Services based on (i) the maximum amount of LNG to be supplied by the Customer to PLL for the purposes of

supplying the RLNG to the Customer under this Agreement; and (ii) where applicable, the mechanism applied by OGRA in calculating the OGRA determined price for the relevant components of the supply of RLNG:

- (i) Charges in relation to the regasification of LNG and the delivery of RLNG at the RLNG Delivery Point;
- (ii) PLL and PLTL margins as determined by OGRA; and
- (iii) Applicable Taxes on invoices raised by PLL

(hereinafter collectively referred to as the “LNG Services Price”)

6. CAPACITY

6.1 The amount of Daily Delivery Capacity shall be as set out in Schedule 1.

7. BERTHING

7.1 The Customer shall cause the LNG Carrier to berth and depart as safely and expeditiously as reasonably possible and in accordance with the relevant Terminal Rules

7.2 Schedule 1 shall set out the berthing schedule and the Berthing Slots in relation to the Customer’s LNG.

8. PIPELINE NETWORK REQUIREMENTS

8.1 The Customer agrees and acknowledges that PLL is required to comply with all directions given by SSGC and SNGPL for ensuring system integrity. In such circumstances, PLL shall be relieved from liability for its obligations under this Agreement, provided however that PLL will use all reasonable efforts to comply with its obligations with respect to Schedule 1.

9. INVENTORY BALANCING AND MANAGEMENT

9.1 As part of the LNG Services, PLL shall provide inventory management services to the Customer as per this Clause [9].

9.2 PLL shall periodically notify the Customer of its respective LNG Inventory.

9.3 Inventory management by PLL will be based on the following:

- (a) RLNG will be delivered by PLL at the RLNG Delivery Point from the first Day of RLNG supply as set out in Schedule 1;
- (b) The RLNG to be supplied by PLL will be based on the estimated quantity of LNG in MMBTU (up to a maximum of the LNG Quantity) to be supplied by the Customer at the LNG Services Infrastructure;

- (c) Once the Customer's LNG has been unloaded at the LNG Services Infrastructure, and the net quantity of LNG in MMBTU has been certified by the Independent Surveyor, PLL shall provide an updated Schedule 1 to the Customer. Such updated Schedule 1 shall be final and binding on the Customer;
- (d) PLL shall notify the Customer at least 24 hours before the final daily delivery of the RLNG by PLL at the RLNG Delivery Point. Such notification shall specify that the Customer, after the delivery of the final daily delivery of RLNG by PLL, would have utilized the entire quantity of RLNG in MMTBU contracted by the Customer under this Agreement, and as per Schedule 1.

9.4 The Customer acknowledges and agrees that the LNG Specifications of the LNG supplied by other users of the Terminal may be different from the LNG Specifications of the Customer's LNG. PLL's obligation in relation to delivery of RLNG to the Customer as per Schedule 1 will be based on the total quantity of LNG in MMBTU delivered by the Customer after adjustments on account of Retainage.

9.5 The Customer further acknowledges that as part of the LNG Services to the Customer, PLL is managing the LNG Inventory of the Customer and other users of the Terminal and PLL may utilize the LNG inventory of such other users of the Terminal for the purposes of supply of RLNG to each user of the Terminal as per Schedule 1. Accordingly, the Available Inventory of PLL may include the LNG inventory of PLL and all other users of the Terminal (other than the Customer) for the purposes of PLL's obligations under this Agreement. The Available Inventory of the Customer shall be treated as PLL's Available Inventory for the purposes of other similar agreements entered into between PLL and other users of the Terminal.

10. CUSTOMER DELAY AND FAILURE

10.1 The Customer acknowledges and agrees that the delivery of the Customer's LNG at the LNG Services Infrastructure as per Schedule 1 is crucial to PLL's operations and commitments.

10.2 In case of any failure (for whatsoever reason, other than (a) Force Majeure and (b) reasons solely attributable to PLL) to unload the Customer's LNG at the LNG Services Infrastructure within a reasonable period of time (to be determined solely by PLL keeping in view its other commitments):

- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
- (b) PLL shall be entitled to claim all costs from the Customer, incurred, or to be incurred by PLL in arranging alternate LNG to meet its requirements, or the requirements of its other customers;
- (c) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand.

10.3 In case of any delay (for whatsoever reason, other than (a) Force Majeure and (b) reasons solely attributable to PLL) in unloading the Customer's LNG at the LNG Services Infrastructure as per Schedule 1:

- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
- (b) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
- (c) PLL may determine that the delay in delivery of LNG amounts to a failure to deliver the LNG as per Clause [] above.

10.4 In case the LNG to be delivered by the Customer to the LNG Services Infrastructure is Off-spec LNG:

- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
- (b) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
- (c) PLL may determine that the delivery of Off-spec LNG amounts to a failure to deliver the LNG as per Clause [] above.

10.5 In case of any failure by the Customer to off-take RLNG at the RLNG Delivery Point:

- (a) PLL shall be entitled to all costs incurred by PLL in relation to the failure to off-take by the Customer on PLL's first written demand;
- (b) Customer shall forego the title to the Customer's LNG not off-taken, which shall pass onto PLL. The Customer shall have no rights in relation to the such quantities of LNG and shall not make any claim against PLL in relation to the same;
- (c) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
- (d) For the avoidance of doubt, in case PLL is unable to deliver the RLNG at the RLNG Delivery Point due to either SNGPL or SSGC notifying PLL that it is unable to accept delivery due to any reason attributable to the Customer, such inability of PLL to delivery RLNG at the RLNG Delivery Point shall amount to the Customer's failure to off-take RLNG as per the terms of this Agreement.

11. PLL DELAY AND FAILURE

11.1 The Customer acknowledges and agrees that PLL has priority rights over the use of the Terminal. Accordingly, PLL may make changes to Schedule 1 to meet its obligations and requirements. Such changes to Schedule 1 shall be final and binding on the Customer.

11.2 PLL shall not be liable in case of any failure or delay in providing the LNG Services to the Customer. The Customer shall not be entitled to claim any costs, damages or expenses from PLL in case of any failure or delay by PLL in providing the LNG Services under this Agreement.

12. TITLE AND RISK

12.1 **Title**

Title to the Customer's LNG (net LNG delivered to the LNG Receipt Point by the Approved LNG Carrier in accordance with the final discharge report provided by Independent Surveyor) and the RLNG shall remain with the Customer at all times and not pass to PLL under this Agreement other than as per Clause [10.5(b)]. Customer shall ensure that the Customer has full title to the Customer's LNG at all times and that no third-party has any claim against the Customer's LNG of whatsoever nature. The Customer shall indemnify and hold PLL harmless against any third-party claims in relation to the Customer's LNG.

12.2 **Risk**

- (a) Possession, control and risk of loss of or damage to the Customer's Inventory from the point at which (upon unloading) the LNG passes the LNG Receipt Point to the point at which (upon Delivery) the RLNG passes the RLNG Delivery Point shall be vested in PLL.
- (b) Possession, control and risk of loss of or damage to the RLNG Delivered at the RLNG Delivery Point shall pass from PLL to the Customer at the point at which that RLNG passes the RLNG Delivery Point.

13. **LNG CARRIER AND RECEIVING FACILITIES**

- 13.1 The Customer shall ensure that the LNG Carrier shall comply with the specifications of the LNG Carrier set out in Schedule 6 ("LNG Carrier Specifications").
- 13.2 Additionally, the Customer shall confirm to PLL, in writing, the final identity, dimensions and capacity of the LNG Carrier and that it is compliant with the requirements of Schedule 6 (LNG Carrier Specifications) and is compatible with the Receiving Facilities and the Terminal Rules fifteen (15) days prior to the scheduled date of delivery as per Schedule 1, unless the LNG Carrier is calling at the Discharge Port and the Receiving Facilities for the first time, in which case the relevant information shall be notified to PLL in writing twenty one (21) days prior to the scheduled date of delivery as per Schedule 1.
- 13.3 If at any time after the Customer confirms the information on the LNG Carrier as per this Clause [], PLL reasonably believes that the LNG Carrier is in such a condition that it will materially jeopardise the safety and/or normal operation of the Receiving Facilities, or that it is not compliant with the applicable Terminal Rules or the requirements of Schedule 6 (LNG Carrier Specifications), PLL shall have the right to inspect the LNG Carrier, or cause the LNG Carrier to be inspected by a third party inspector, to assure itself that such LNG Carrier is compatible with the Receiving Facilities.
- 13.4 Any such inspection shall not relieve the Customer of any obligations it has to PLL under Clause [].
- 13.5 If such inspection should prove that the approved LNG Carrier and the Receiving Facilities are not compatible or that the LNG Carrier is likely to materially jeopardise the safety and/or normal operation of the Receiving Facilities, or is not compliant with the relevant Terminal Rules or Schedule 6 (LNG Carrier Specifications), then the Parties shall consult and cooperate with a view to agreeing upon a course of action which will permit this Agreement to be performed, subject always to PLL's right to notify the Customer that it does not approve the use of the LNG Carrier until such time as it has been demonstrated to

PLL's reasonable satisfaction that the LNG Carrier has been brought into compliance with the requirements of this Agreement such that it can operate safely and in conformance with the normal operations of the Receiving Facilities.

- 13.6 If Clause [the clause above] applies, PLL shall not be liable for any costs and expenses incurred from the Customer's failure to accept, pursuant to this Clause [], the use of the relevant LNG Carrier, including costs of delays to the LNG Carrier and the Customer shall reimburse PLL for any costs incurred in inspecting the LNG Carrier.
- 13.7 Following the confirmation of the LNG Carrier details by the Customer under Clause [], neither Party shall take any action that would render the LNG Carrier and the Receiving Facilities incompatible with each other and in particular but without limiting the foregoing:
- (a) except pursuant to any change in International Standards, applicable laws, regulations, directives or orders of any Competent Authority in the countries in which the LNG Carrier will call and with which the LNG Carrier is required to comply, the Customer shall not permit or make any modification to the LNG Carrier without PLL's prior written consent; and
 - (b) except pursuant to any change in International Standards, applicable laws, regulations, directives or orders of any Competent Authority of Pakistan and with which the Receiving Facilities are required to comply, PLL shall not permit or make any modification to the Receiving Facilities in a manner that would render the LNG Carrier incompatible with the Receiving Facilities.
- 13.8 The Customer shall take full responsibility for any and all costs and expenses in respect of modifications or changes required to be made to the LNG Carrier for the following reasons:
- (a) incompatibility of the LNG Carrier with the berthing and unloading facilities of the Receiving Facilities; and
 - (b) safety or other requirements of any Competent Authority in the countries in which the LNG Carrier will call, regardless of whether such requirements differ from International Standards.
- 13.9 The Customer represents and warrants that as at the date of confirmation of the details of the LNG Carrier as per Clause [], the LNG Carrier will meet (or has obtained valid waivers in respect of) all applicable governmental or port authority requirements and has obtained or will obtain all necessary approvals for entering, operating in and exiting the territorial waters of Pakistan as well as all applicable international requirements which are in force at that date.
- 13.10 If the LNG Carrier requires assistance from, or the use in any manner of, tugs, pilots, escort vessels or other support vessels in connection with the safe berthing of the LNG Carrier, such assistance or use shall be arranged by the Customer and shall be at the sole risk and expense of the Customer.

14. SPECIFICATIONS OF LNG AND RLNG.

- 14.1 The LNG to be unloaded at the Receiving Facilities in accordance with this Agreement, when delivered by the Customer to PLL at the LNG Receipt Point shall:

- (i) comply with the specifications set out in Part 1 of Schedule 7; and
- (ii) not contain any material amounts of active bacteria or bacterial agents (including but not limited to sulphate reducing bacteria or acid producing bacteria) or hazardous, toxic substances or any other contaminants of foreign matters,

together the “**LNG Specifications**”.

(b) For the provisions of Clause [], the Customer shall:

- (i) following the departure of an LNG Carrier from the Load Port, notify to the Operator the quality of the loaded LNG and estimated quality of LNG to be unloaded at the LNG Import Facility in accordance with Clause 14.2; and
- (ii) if at any time the Customer becomes aware that the quality of LNG loaded on board a LNG Carrier en route to the LNG Import Facility, or the estimated quality of LNG to be unloaded therefrom at the LNG Import Facility, is different from the quality notified under paragraph (a) or previously notified under this paragraph (b), notify PLL accordingly as soon as practicable after becoming so aware, including details of the nature and extent of such non-compliance with the LNG Specifications.

14.2 The RLNG to be delivered by PLL at the RLNG Delivery Point in accordance with this Agreement shall comply with the specifications set out in Part 2 of Schedule 7 (the “**RLNG Specifications**”).

15. CONSEQUENCES OF OFF-SPEC LNG

15.1 The Customer shall, as soon as it becomes aware of the same, notify PLL, if the quality of the LNG to be delivered is likely to fall outside the relevant LNG Specifications (“Off-spec LNG”), including details of the extent to which such LNG fails to meet the LNG Specifications, in which case the Parties shall consult on what actions to take. In such case, the Parties shall discuss such variance and possible mitigation actions, subject to the provisions of Clauses [] (Rejection of Off-spec LNG) and [] (Acceptance of Off-spec LNG).

15.2 If the LNG delivered or to be delivered as per Schedule 1 is Off-spec LNG, PLL may reject the LNG Cargo by giving notice to the Customer to that effect. The Customer shall be deemed to have failed to deliver the quantity of Off-spec LNG rejected by PLL and be liable to PLL for such failure to deliver in accordance with Clause [] (Failure to Supply LNG).

15.3 Without prejudice to PLL's right under Clause [] to reject the Off-spec LNG, PLL shall use reasonable endeavours to accept the Off-spec LNG.

15.4 PLL shall notify the Customer of its decisions on whether or not it accepts the Off-Spec LNG as soon as reasonably practicable.

15.5 If the LNG delivered is Off-spec LNG, and PLL knowingly accepts such Off-spec LNG by notifying the Customer that PLL expressly accepts the Off-spec LNG as set out in Clause [], then the Customer shall bear all costs (of whatsoever nature) incurred by PLL and shall hold PLL harmless against any third-party claims (of whatsoever nature) and losses as a

result of accepting the Off-spec LNG on PLL's first written demand as a result of the borrowing and lending nature of this Agreement.

- 15.6 If the LNG delivered is Off-spec LNG, and PLL unknowingly accepts such Off-spec LNG or PLL knowingly accepts Off-spec LNG but discovers that the extent to which the LNG in the relevant LNG Cargo fails to comply with the LNG Specifications is greater than that notified by the Customer, then:
- (i) PLL shall promptly notify the Customer thereof;
 - (ii) the Parties may suspend the unloading of any remaining Off-spec LNG in the relevant LNG Cargo;
 - (iii) PLL may accept any Off-spec LNG already unloaded at the time of the notice referred to under Clause [], in which case the Customer shall bear all costs (of whatsoever nature) incurred by PLL and shall hold PLL harmless against any third-party claims (of whatsoever nature) and losses as a result of accepting the Off-spec LNG on PLL's first written demand.
 - (iv) PLL may reject any Off-spec LNG not yet unloaded at the time of the notice under Clause [], in which case the provisions of Clause [] shall apply in respect of such rejected Off-spec LNG.

16. CONSEQUENCES OF OFF-SPEC RLNG

- 16.1 PLL shall, as soon as it becomes aware of the same, notify the Customer, if the quality of the RLNG to be delivered is likely to fall outside the relevant RLNG Specifications ("Off-spec RLNG"), including details of the extent to which such RLNG fails to meet the RLNG Specifications.
- 16.2 The Customer, at its option, may refuse to accept delivery of any Off-spec RLNG and shall give contemporaneous notice to PLL of such refusal. PLL shall take immediate remedial action to cause the Off-spec RLNG to conform to the RLNG Specifications and until such time that such Off-spec RLNG conforms to the RLNG Specifications, such Off-spec RLNG, if off-taken, shall be deemed to have been accepted, but if not off-taken, shall not be considered to have been delivered. Notwithstanding the foregoing, in case Off-spec RLNG causes any damage, PLL shall be responsible for such damage and shall indemnify the Customer against all verifiable relevant claims in this regard, subject to Clauses [] and [], below.
- 16.3 If the RLNG delivered does not conform with the RLNG Specifications, and the Customer knowingly accepts such Off-spec RLNG, then PLL shall only reimburse the Customer for all its verifiable costs which shall not exceed twenty percent (20%) of the value of the cargo that delivers such Off-spec RLNG in proportion to the quantity of RLNG to be supplied to the Customer against the entire quantity of RLNG to be supplied by PLL to all its customers.
- 16.4 If the RLNG delivered does not conform with the RLNG Specifications, and the Customer unknowingly accepts such Off-spec RLNG, then PLL shall only reimburse the Customer for all its verifiable costs which shall not exceed hundred percent (100%) of the value of the cargo that delivers such Off-spec RLNG in proportion to the quantity of RLNG to be supplied to the Customer against the entire quantity of RLNG to be supplied by PLL to all its customers.

17. MEASUREMENTS OF LNG AND RLNG

- 17.1 LNG supplied by the Customer to PLL at the LNG Receipt Point shall be measured in accordance with the procedures set forth in Part A of Schedule 8 (Measurements).
- 17.2 RLNG supplied by PLL to the Customer at RLNG Delivery Point shall be measured in accordance with the procedures set forth in Part B of Schedule 8 (Measurements).
- 17.3 The Customer agrees and acknowledges that:
- (a) the entire volume of RLNG to be provided by PLL at the RLNG Delivery Point will be injected into the SSGC network through a common custody transfer station equipment, without any segregation of quantities of the Customer, PLL or any other users of the Terminal;
 - (b) out of the entire RLNG delivered at the RLNG Delivery Point, daily volume as per Schedule-1 will be construed to be supplied to the Customer.
 - (c) the average GCV for the respective day shall be used for energy calculation.
 - (d) In case SSGC or SNGPL have any specific metering requirements for the purposes of the delivery of RLNG by PLL at the RLNG Delivery Point, the Customer shall be responsible for making all arrangements in relation to such requirements.
- 17.4 The quantity of RLNG (in MMBtus) to be delivered at the RLNG Delivery Point shall be equivalent to the quantity of LNG imported (in MMBtus) after adjustment on account of Retainage which shall be 1.5% of the daily delivery quantity of RLNG as set out in Schedule 1.
- 17.5 The Customer agrees and acknowledges that the LNG Heel shall at all times belong to PLL and the Customer shall have no rights or obligations with respect to the same.

18. EVENTS OF DEFAULT & TERMINATION

18.1 PLL Event of Default

Without prejudice to any other rights and remedies of the Customer under this Agreement or at law, the Customer may terminate this Agreement by serving a prior [] Day written notice to PLL upon the occurrence of any of the following events (“**PLL Default**”):

- (i) the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of PLL for winding up, (ii) the appointment of a provisional liquidator in case of bankruptcy adjudged by a court of competent jurisdiction, which appointment has not been set aside or stayed within ninety (90) days of such appointment, or (iii) the making of an order winding up PLL by a court of competent jurisdiction; and
- (ii) any statement, representation or warranty made by PLL herein proving to have been incorrect, in any respect, when made or when deemed to have

been made and the circumstances that cause such failure or incorrect statement, representation or warranty to be incorrect having a material adverse effect PLL's ability to perform its obligations under this Agreement.

18.2 **Customer Event of Default**

Without prejudice to any other rights and remedies of PLL under this Agreement or at law, PLL may terminate this Agreement by serving a prior [] Day written notice to the Customer upon the occurrence of any of the following events ("**Customer Default**"):

- (a) the Customer:
 - (i) any assignment or transfer of rights and obligations under this Agreement in violation of the terms of this Agreement.
 - (ii) the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of the Customer for winding up, (ii) the appointment of a provisional liquidator in case of bankruptcy adjudged by a court of competent jurisdiction, which appointment has not been set aside or stayed within ninety (90) days of such appointment, or (iii) the making of an order winding up the Customer by a court of competent jurisdiction; and
 - (iii) any statement, representation or warranty made by the Customer herein proving to have been incorrect, in any respect, when made or when deemed to have been made and the circumstances that cause such failure or incorrect statement, representation or warranty to be incorrect having a material adverse effect the Customer's ability to perform its obligations under the GSA.
 - (iv) any material breach by the Customer of this Agreement including due to failure to supply LNG or unreasonable delay in supply of LNG or persistent failure to off-take RLNG or delivery of off-spec LNG that leads to failure to supply LNG which is not remedied within thirty (30) days after notice from the PLL, which notice (i) states that a material breach of this Agreement has occurred and is continuing which could result in the termination of this Agreement, (ii) identifies the breach in question in reasonable detail, and (iii) demands remedy thereof. Material breaches by the Customer include but are not limited to:
 - (A) Failure to supply LNG as per Schedule 1;
 - (B) Delay in supplying LNG as per Schedule 1;
 - (C) Delivery of off-spec LNG that may be consider a failure to supply LNG by PLL; and
 - (D) Persistent failure to off-take RLNG.

- (v) the revocation, withdrawal, or cancellation of regulatory approvals and/or licences required by the Customer, under the laws of Pakistan, to fulfil its obligations under this Agreement.
- (b) the Customer fails to comply with its obligations to maintain or replace the SBLC or fails to perform any obligation under this Agreement regarding the SBLC;
- (c) the SBLC expires or terminates or ceases to be in full force and effect for the purpose of this Agreement or is not maintained by the Customer prior to the satisfaction of all obligations of the Customer under this Agreement without the prior written consent of PLL and no replacement security acceptable to PLL on the same or substantially similar terms and for an equivalent outstanding value to the affected SBLC has been issued by the Customer at least ten (10) Business Days prior to the relevant expiry date or within five (5) Business Days of the occurrence of such termination or invalidity;
- (d) any representation or warranty made in Clause [] proves to have been:
 - (i) false in any material respect; or
 - (ii) misleading in any material respect,
at the time it was made unless the circumstances giving rise to the misrepresentation:
 - (iii) are capable of remedy; and
 - (iv) are remedied within thirty (30) Days from PLL giving notice of the misrepresentation;
- (e) any sum (or sums in aggregate) in excess of PKR [Insert] due by the Customer to PLL are outstanding and unpaid by the due date for payment, and such payment default is not cured within thirty (30) Days after the giving by PLL of notice of such default to the Customer;
- (f) the Customer commits a material or persistent breach of any of its other obligations under this Agreement which is not capable of being cured.
- (g) termination of the RLNG transportation arrangements from the RLNG Delivery Point of the Customer

19. EXTENSION OF TERM

- 19.1 The Term may be extended by mutual written agreement between the Parties at least thirty (30) Days prior to the expiration of the Term.

20. INVOICING AND PAYMENT

- 20.1 **Invoicing**

PLL's invoices for the supply of RLNG, including any adjustments under Clause [], shall be furnished to the Customer twice every month on a fortnightly basis. Invoice shall be payable within five (05) days from the date of issuance.

20.2 Method of Payment

Payment shall be made to PLL at the PLL's designated bank in the designated account of PLL, on or before the due date in relation to an invoice. The name of the bank and the account number of PLL shall be provided by PLL along with PLL's first invoice and shall be considered standing instruction until changed in writing by PLL.

20.3 Late Payment Surcharge

If payment of any invoice rendered by PLL to the Customer is not made by the due date, a late payment surcharge shall be applicable on any outstanding amount at one-month KIBOR plus two percent (2%) per annum, calculated for the actual number of Days which the relevant amount remains unpaid on the basis of a three hundred sixty-five (365) Day year (the "**Delayed Payment Rate**").

20.4 Suspension of Deliveries

If the Customer fails to make payment of the amount shown in the invoice by the due date, then PLL shall, in addition to its other rights and remedies, be entitled to (a) make drawdown on the SBLC equivalent to the amount shown in the invoice along with the mark-up at the Delayed Payment Rate, or (b) suspend the provision for LNG Services to the Customer, including the supply of RLNG by giving three (3) Days written notice of suspension to the Customer, which notice shall specify the amount which has not been paid, provided that such right of suspension shall only be exercised in the event that the balance amount remaining in the SBLC following any drawdown(s) in terms of this Agreement is less than the RLNG Price equivalent to [fifteen (15) days] of delivery of RLNG; provided further that PLL shall not suspend the LNG Services or the supply of RLNG if the requested amount is paid within three (3) days, and provided further that if PLL suspends the LNG Services or the supply of RLNG, PLL shall resume the LNG Services or the supply of RLNG (as applicable) within twenty four (24) hours of receiving payment of such unpaid amount, together with mark-up thereon, plus PLL's prevailing reconnection charges.

20.5 Adjustment

PLL shall reimburse to the Customer any amounts as per its determination on account of subsequent adjustments in relation to the invoice, including but not limited to, the price differential between the applicable OGRA determined price for the relevant components of the LNG Services and the invoice amount based on the mechanism applied by OGRA in calculating the OGRA determined price for such LNG Services component, where applicable.

21. SECURITY

21.1 The Customer shall provide security for its payment obligations under this Agreement in the form of an Irrevocable and Unconditional Standby Letter of Credit in Pakistani Rupees ("**SBLC**"), equal to the RLNG Price for the entire quantity of RLNG to be delivered by PLL at the RLNG Delivery Point under this Agreement, from a bank or financial institution acceptable to PLL and in a form acceptable to PLL. The SBLC shall be valid for the Term.

- 21.2 The SBLC amount shall be subject to revision if there is a 10% or more change in the RLNG Price on account of change in the exchange rate or any price revision/adjustment by the competent authority or every Ninety (90) days, whichever is earlier.
- 21.3 PLL shall communicate any revisions required in the SBLC amount as above and the Customer shall ensure that the SBLC is revised accordingly within seven (7) business days from PLL's communication.
- 21.4 Further, in case of any drawdown, the SBLC to be replenished within seven (7) business days of the said drawdown.
- 21.5 If the Customer fails to maintain or make any adjustments to the SBLC as per the requirements of this Agreement PLL shall be entitled to suspend provision of LNG Services to the Customer under this Agreement, including the supply of RLNG by giving three (3) Days written notice of suspension to the Customer; provided that the PLL shall not suspend the LNG Services or the supply of RLNG if the Customer complies with its obligations regarding the maintaining of the SBLC or any adjustments thereto under this Agreement within three (3) days, and provided further that if PLL suspends the LNG Services or the supply of RLNG, PLL shall resume the LNG Services and the supply of RLNG within twenty four (24) hours of the Customer's compliance with the requirements of this Agreement in relation to the SBLC.
- 21.6 PLL shall, in addition to other rights and remedies, have the right to immediately issue a demand under the SBLC and recover costs incurred by PLL as a result of:
- (i) failure by the Customer to pay in full any invoice within the due date of the relevant invoice;
 - (ii) failure or delay by the Customer in delivering the LNG;
 - (iii) Off-Spec LNG delivered by the Customer to the LNG Receipt Point;
 - (iv) failure by the Customer to off-take the RLNG delivered at the RLNG Delivery Point; and
 - (v) failure by the Customer to perform any other obligations under this Agreement.

22. FORCE MAJEURE

- 22.1 In this Agreement "**Force Majeure**" means any event or circumstance, or any combination of events and/or circumstances, the occurrence and/or effect of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably have been expected to have been taken by, a Party (the "**Affected Party**") and which causes or results in the Affected Party being unable to perform (in whole or in part) or being delayed in performing any of its obligations owed to the other Party under this Agreement, including:
- (i) fire, flood, drought, explosion, atmospheric disturbance, lightning, storm, tempest, hurricane, cyclone typhoon, tornado, earthquake, landslide, perils of the sea, tsunami, soil erosion, subsidence, washout, epidemic or other acts of God;

- (ii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies, piracy, invasion, embargo, trade sanctions, revolution, civil commotion, rebellion, sabotage or the serious threat of or an act of terrorism;
 - (iii) strikes, lock outs, or other industrial disturbances;
 - (iv) chemical or radioactive contamination or ionising radiation; and
 - (v) explosion, fault or failure of plant, equipment or other installation (including the FSRU) which the Affected Party could not prevent or overcome by the exercise of the relevant degree of skill, diligence, foresight and experience.
- (b) Notwithstanding Clause 34.1, the following events shall not constitute Force Majeure:
- (i) inability (however caused) of a Party to pay any amounts when due; and
 - (ii) breakdown or failure of plant or equipment that is controlled by either Party that is caused by normal wear and tear or by a failure properly to maintain such plant or equipment.
- (c) For the purposes of Clause [] (and without prejudice to the definition of Force Majeure therein), an event or circumstance shall not constitute Force Majeure affecting either Party if its occurrence or effect is not beyond the reasonable control of, and could have been avoided by steps which might reasonably have been expected to have been taken.

22.2 **Effects of Force Majeure**

- (a) The Affected Party shall be relieved from liability for any delay or failure in performance of any of its obligations, other than obligations to make payment under this Agreement, which is caused by or results from Force Majeure.
- (b) The Affected Party shall be relieved from liability under Clause [] only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations; except that a strike, lock out or other kind of labour dispute may be settled by the Affected Party at its absolute discretion.

22.3 **Notification**

- (a) Following the occurrence of Force Majeure, the Affected Party shall:
 - (i) notify the other Party in writing as soon as reasonably practicable but not later than two (2) Days after the occurrence of Force Majeure, including details of the nature of the Force Majeure, an estimate of the likely duration of the Force Majeure (to the extent possible) and the Affected Party's obligations under this Agreement that are affected by the Force Majeure;

- (ii) on a weekly basis, provide the other Party with information on any developments relating to the Force Majeure, including the measures being taken by the Affected Party to resume normal performance of its obligations under this Agreement;
- (iii) use reasonable efforts and diligence to resume normal performance of this Agreement after the occurrence of an event of Force Majeure and prior to resumption of normal performance, continue to perform its obligations under this Agreement to the extent not prevented by such event of Force Majeure; and
- (iv) promptly notify the other Party when it is once again able to perform its obligations under this Agreement.

22.4 Force Majeure affecting PLL

- (a) To the extent to which Force Majeure affecting PLL results in a partial reduction in the LNG Services which PLL can provide to the Customer:
 - (i) PLL will determine the reductions (expressed as proportions) in the total quantity of RLNG which it can make available to the Customer;
 - (ii) the amounts payable by the Customer shall be reduced by whichever is the greatest of the proportionate reductions under paragraph (i).

22.5 Termination for prolonged Force Majeure

If, as a result of Force Majeure, PLL is prevented from providing the LNG Services to the Customer, or there is a significant impact on the LNG Services PLL can provide, for a period which exceeds or can with reasonable certainty be foreseen to exceed a period of [] continuous weeks, either PLL or the Customer may terminate this Agreement by giving a Termination Notice to the other of not less than [] months.

23. TAXES

- 23.1 The LNG Services Price shall include all taxes applicable, including any GST, on the sale of RLNG in Pakistan.
- 23.2 Each Party will be responsible for or procure the payment of all taxes arising from its corporate existence or profits.
- 23.3 All sums payable by the Customer under this Agreement shall be paid to PLL free and clear of all deductions, taxes or withholdings whatsoever, save only as may be required by applicable laws, provided that, if deductions, taxes or withholdings are required by applicable law in case of the LNG Services Price, the Customer shall increase the disbursement of the LNG Services Price so as to ensure that the amount actually received and retained by the PLL is equal to the amount that would have been received and retained if no deduction, tax or withholding had been required.

24. INSURANCE

The Customer shall procure and maintain all insurances, as per international standards and practices, in relation to the Customer's LNG, including during transportation from the Loading Port to the LNG Services Infrastructure.

25. GOVERNING LAW

25.1 This Agreement shall be governed by and construed in accordance with the laws of Pakistan.

26. DISPUTE RESOLUTION (INCLUDING SETTLEMENT BY EXPERT)

26.1 Resolution by Parties

In the event that a dispute arises, the Parties shall attempt in good faith to settle the dispute by mutual discussions within thirty (30) days after the date that the disputing Party gives written notice of the dispute to the other Party.

26.2 Determination by Expert

- (a) In the event that the Parties are unable to resolve a dispute in accordance with Clause [26.1] within the time periods set forth therein, then either Party, in accordance with this Clause [26.2], may refer the dispute to an expert (the "**Expert**") for consideration of the dispute and to obtain a recommendation from the Expert as to the resolution thereof. The Party initiating submission of the dispute to the Expert shall provide the other Party with a notice stating that it is submitting the dispute to an Expert and nominating the person it proposes to be the Expert. Within fifteen (15) days of receiving such notice, the other Party shall notify the initiating Party whether such person is acceptable, and if such nominated expert is not acceptable to the responding Party, the responding Party shall propose a person to be the Expert. If the Party receiving such notice fails to respond or notifies the initiating Party that the person is not acceptable or nominates an Expert that is not acceptable to the initiating Party, the Parties shall meet within five (5) Business Days and discuss in good faith within a period of five (5) days to agree upon a person to be the Expert.
- (b) Consideration of the dispute by an Expert shall be initiated by the Party who is seeking consideration of the dispute by concurrently submitting to both the Expert and the other Party, written materials setting forth:
 - (i) a description of the dispute;
 - (ii) a statement of the initiating Party's position, and whether a hearing is requested by such Party; and
 - (iii) copies of records supporting the initiating Party's position.
- (c) Within ten (10) days of the date that a Party has submitted the materials described in Clause [26.2(b)], the other Party may submit to the Expert, with copies to the other Party:
 - (i) a description of the dispute;

- (ii) a statement of such Party's position and, if not already requested, whether a hearing is requested by such Party; and
 - (iii) copies of any records supporting the Party's position.
- (d) The Expert shall consider any such information submitted by the responding Party and may consider any additional information submitted by either Party at a later date but, in such event, the other Party shall be concurrently provided with such information and shall be allowed reasonable opportunity to respond thereto.
- (e) Each Party shall have access to the other Party's relevant records and be entitled to receive copies of the records submitted by the other Party.
- (f) Each Party shall designate one person knowledgeable about the issues in dispute who shall be available to the Expert to answer questions and provide any additional information requested by the Expert. Except for such person, a Party shall not be required to, but may, provide oral statements or presentations to the Expert or make any particular individuals available to the Expert. If a hearing is requested by either Party pursuant to Clause [28.2(b)(ii)] or [28.2(c)(ii)], the Expert shall nominate a time and place at Islamabad for a hearing of the Parties on the dispute.
- (g) The Expert shall provide a recommendation within fifteen (15) days after the ten (10) day response period provided in Clause [28.2(c)] has run, or within such further time as is agreed in writing by the Parties. If the Expert's recommendation is given within such fifteen (15) day period, as may be extended by the Parties, the Parties may review and discuss the recommendation with each other in good faith for a period of ten (10) days following delivery of the recommendation before proceeding with any other actions.
- (h) The proceedings shall be without prejudice to any Party, and any evidence given or statements made in the course of this process may not be used against a Party in any other proceedings. The process shall not be regarded as an arbitration and the Laws of Pakistan relating to commercial arbitration shall not apply.
- (i) Except as elsewhere expressly provided herein to the contrary, unless the Parties agree otherwise in writing at the time the Expert is selected the determination of the Expert shall not be binding;
- (j) Subject to Clause [28.2(i)], if a Party does not accept the recommendation of the Expert with respect to the dispute or if the Expert has not provided a recommendation within the time period specified in Clause [26.2(g)], any Party may initiate arbitration proceedings in accordance with Clause [26.3]; provided, however, that the Expert determination which have not been submitted to arbitration within thirty (30) days of the Expert providing his recommendation, the Expert's determination shall be binding and arbitration proceedings in accordance with Clause [26.3] shall not be available to resolve disputes.
- (k) The costs of engaging an Expert shall be borne equally by the Parties and each Party shall bear its costs in preparing materials for, and making presentations to, the Expert.

- (l) The failure of any Party to comply with the provisions and time periods set out in this Clause [26.2] shall not prevent (i) the Expert from proceeding; and/or (ii) any Party from requesting that the Expert proceedings be terminated and the matter referred immediately to arbitration in accordance with Clause [26.3].

26.3 Arbitration

- (a) Any dispute arising out of or in connection with this Agreement that has not been resolved following the procedures set forth in Clauses [26.1 and 26.2] shall be settled by arbitration in accordance with the Arbitration Act, 1940 by one (1) arbitrator appointed by mutual agreement of the Parties, and failing such agreement, by the Court. The arbitration proceedings shall be conducted and the award shall be rendered, in the English language.
- (b) The arbitration shall be conducted at Islamabad, Pakistan or other place agreed between the Parties. Except as awarded by the arbitrator and except as hereinafter provided, each Party shall be responsible for its own costs incurred by it in connection with an arbitration hereunder.
- (c) Any arbitral award under this Clause [26.3] shall be final and binding upon the Parties and shall be the sole and exclusive remedy between the Parties regarding all disputes, and each Party undertakes to comply with and to carry out any such arbitral award or procedural order, fully and without delay.

27. REPRESENTATIONS AND WARRANTIES

27.1 PLL represents and warrants that:

- (a) it has the right, power and authority to enter into and perform its obligations under this Agreement, and it has taken all necessary corporate or other action to authorise the execution of, and performance by it of its obligations, under this Agreement, and this Agreement constitutes valid, binding and enforceable obligations of PLL;
- (b) it will comply with all applicable laws governing or relating to its performance under this Agreement;
- (c) it will act in a reasonable and prudent manner in relation to its obligations under this Agreement;
- (d) it will maintain its corporate authority to perform its obligations under this Agreement; and
- (e) it will obtain and maintain all approvals and/or licences required by it under the laws of Pakistan, to fulfil its obligations under this Agreement.

27.2 The Customer represents and warrants that:

- (a) it has the right, power and authority to enter into and perform its obligations under this Agreement, and it has taken all necessary corporate or other action to authorise the execution of, and performance by it of its obligations, under this Agreement, and this Agreement constitutes valid, binding and enforceable obligations of the Customer;

- (b) it has full, undisputed and clean title to the Customer's LNG;
- (c) the Customer's LNG will not be subject to any dispute or claim (in each case, of whatsoever nature) by any third party.
- (d) it will comply with all applicable laws governing or relating to its performance under this Agreement;
- (e) it will act in a reasonable and prudent manner in relation to its obligations under this Agreement;
- (f) it will maintain its corporate authority to perform its obligations under this Agreement;
- (g) it will obtain and maintain all approvals and/or licences required by such Party, under the laws of Pakistan, to fulfil its obligations under this Agreement;
- (h) it has legal title to its LNG inventory at all material times during the Term;
- (i) it has kept and maintained adequate facilities for the purposes of performing its obligations under this Agreement; and
- (j) the RLNG delivered to it will be used for the purpose for which it is contracted as per the Invitation and Selection Process.

28. NOTICES

- 28.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing, shall be addressed for the attention of the persons indicated below and shall be delivered personally or sent by a reputable international courier for express delivery, registered or certified mail or facsimile. The addresses for service of the Parties and their respective facsimile numbers shall be:

If to the Customer:

Address: [Insert]
 Attention: [Insert]
 Facsimile: [Insert]

If to PLL:

Address: 9thFloor, Petroleum House, G-5, Islamabad
 Attention: The Chief Executive Officer
 Facsimile: 051-9216904

- 28.2 All notices shall be deemed delivered (a) when presented personally, (b) if received on a Business Day when transmitted by facsimile to the receiving Party's facsimile number specified above, and, if received on a Day that is not a Business Day, on the first Business Day following the date transmitted by facsimile to the receiving Party's facsimile number specified above, (c) two (2) Business Days after being delivered to a reputable international courier for express delivery, addressed to the receiving Party, at the address indicated above (or such other address as such Party may have specified by notice delivered to the delivering

Party at its address or facsimile number specified above in accordance herewith) or (d) five (5) Business Days after being deposited in a regularly maintained receptacle for the Postal Service in Pakistan, postage prepaid, registered or certified, return receipt requested, addressed to the receiving Party, at the address indicated above (or such other address as the receiving Party may have specified by notice delivered to the delivering Party at its address or facsimile number specified above in accordance herewith). Any notice given by facsimile shall be confirmed in writing delivered personally or sent by registered or certified mail, but the failure to so confirm shall not void or invalidate the original notice if it is in fact received by the Party to which it is addressed.

28.3 Either Party may by notice hereunder change the addresses, and or facsimile numbers to which such notices and communications to it are to be delivered or mailed in accordance with the provisions of this Clause.

29. MISCELLANEOUS PROVISIONS

29.1 No Waiver

- (a) No waiver by either PLL or the Customer of any default by the other under this Agreement shall (i) operate or be construed as a waiver of any other, further or future default or defaults, whether of like or different character or nature; or (ii) be effective unless in writing duly executed by a duly authorized representative of such Party.
- (b) Neither the failure by a Party to insist on any occasion upon the performance of any term, condition or provision of this Agreement nor any delay or other indulgence granted by one Party to the other shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right hereunder.

29.2 Severability

The various articles, clauses, paragraphs, provisions and clauses of this Agreement are severable. The invalidity of any portion of this Agreement shall not affect the validity of any other portion of or the entire Agreement

29.3 Amendments

No modification of this Agreement, including any modification of an exhibit hereto, shall be effective unless reduced to writing and duly executed by the Parties hereto.

29.4 Counterparts

This Agreement may be executed in two (2) or more original copies and each such copy may be executed by each of the Parties in separate counterparts, each of which copies when executed and delivered by the Parties, shall constitute an original, but all of which shall together constitute one (1) and the same instrument.

29.5 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

29.6 **Relationship of the Parties**

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

29.7 **Survival**

Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations that, by their nature, should survive such cancellation, expiration or termination, including, without limitation, warranties, remedies, promises of indemnity and confidentiality.

29.8 **Consents and Approvals**

Any consent or approval of PLL or the Customer referred to in this Agreement shall be deemed duly given if signed by the authorized official(s) for the relevant consent or approval; provided, however, that PLL or the Customer may by notice given in accordance with this Agreement, designate a different official or department for the purposes of giving any consent or approval referred to in this Agreement and not yet given.

DRAFT

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written in accordance with their respective laws.

SIGNED by _____)
)
for and on behalf of **THE CUSTOMER**)

in the presence of:-

Signature of witness:

Name of witness:

Address

Signature of witness:

Name of witness:

Address

SIGNED by _____)
)
for and on behalf of **PLL**)

in the presence of:-

Signature of witness:

Name of witness:

Address

Signature of witness:

Name of witness:

Address

DRAFT

SCHEDULE 1

DRAFT

SCHEDULE 2 DEFINITIONS

“**Affected Party**” has the meaning given in Clause [22.1].

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

“**Agreement**” means this agreement, together with the Schedules attached hereto, as the same may be amended in accordance with the terms hereof.

“**Approved LNG Carrier**” means the LNG Carrier approved by PLL as per Clause 13 and Schedule-6

“**Authorisation**” means any consent, permit, licence, approval, authorisation, registration, notification, concession, acknowledgement, clearance, decision, ruling, filing, resolution, exemption, waiver or similar permission of whatsoever nature required to be obtained by the Operator or the Customer from any Competent Authority for the performance of any of its obligations under this Agreement.

“**Available Inventory**” means the LNG inventory available with PLL in relation to the Terminal.

“**Berthing Slot**” means an entitlement of the Customer on a specific Day to berth (for the purposes of unloading) an Approved LNG Carrier at the LNG Import Facility.

“**Business Day**” means any Day that is not a Saturday or Sunday or gazetted holiday in Pakistan or a Day on which banking institutions located in Pakistan are legally required or authorised to close.

“**Competent Authority**” means any governmental, judicial, regulatory or administrative authority, including (i) any maritime and other applicable authority of Pakistan (including the State Bank of Pakistan), (ii) any maritime and other applicable authority of the country of the Registry, (iii) any maritime or other applicable international authority including IMO, OCIMF, ISO or SIGTTO (or any successor body of the same) and/or any other international recognised agency, and (iv) any other governmental (including OGRA and the Ministry of Defence), maritime, port (including the Port Qasim Authority), terminal or other applicable authority having jurisdiction over the whole or any component of the LNG Services Infrastructure or any member of the Operator Group or Customer Group, including the Classification Society and the Registry.

“**Customer**” means [].

“**Customer’s Inventory**” means the LNG inventory of the Customer at the Terminal.

“Customer’s LNG” means the LNG up to the LNG Quantity to be procured and supplied by the Customer under this Agreement for the purposes of the LNG Services.

“Day” means a twenty-four (24) hour period beginning at 00:00 hours on a calendar day and ending immediately before 00:00 hours on the next succeeding calendar day and **“Daily”** shall be construed accordingly.

“Daily Delivery Capacity” means the maximum quantity of RLNG (in MMSCFD) that the Customer is entitled (provided it has Available Inventory) to have Delivered to it as per Schedule 1, provided that the Daily Delivery Capacity shall not in any event exceed the nominated quantity for that day in MMSCFD.

“Delayed Payment Rate” has the meaning given in Clause [].

“Delivery” means the delivery of RLNG by PLL to the Customer at the RLNG Delivery Point in accordance with this Agreement and **“Deliver”** and **“Delivered”** shall be construed accordingly.

“Delivery Window” means the period specified in the relevant confirmation notice, within which the LNG Carrier is scheduled to arrive at the Discharge Port and issue a notice of readiness.

“Discharge Port” means Port Muhammad Bin Qasim in Pakistan.

“Effective Date” means the date on which this Agreement is executed by the Parties;

“Expert” means the expert appointed in accordance with Clause [26.2].

“Force Majeure” has the meaning given in Clause [22].

“FSRU” means the LNG vessel with on board regasification equipment, together with the mooring system and LNG transfer connection and including its appurtenances, machinery, equipment and fittings.

“Independent Surveyor” means [SGS - the independent surveyor company conversant with the measurement, quantification and quality determination of LNG and gas appointed in accordance with this Agreement].

“International Standards” mean the standards, practices and guidelines from time to time in force applicable to the ownership, design, equipment, operation or maintenance of LNG vessels including vessels and sea-going barges, platforms and caissons on which LNG regasification facilities are located and berthing facilities, receiving facilities, and pipelines (including cryogenic pipelines), unloading terminals and onshore regasification facilities established by any maritime or other applicable international authority including IMO, OCIMF, ISO or SIGTTO (or any successor body of the same) and/or any other internationally recognised agency, authority or organisation with whose standards, practices and guidelines it is customary for international reasonable and prudent owners and/or operators of such vessels or facilities to comply, whether or not having the force of law, and shall include all applicable World Bank Guidelines .

“Invitation and Selection Process” means the selection process carried out by PLL pursuant to its invitation to applicants published on [insert date], concluded on [insert date] for the purposes of the LNG Services.

“Law” means any law, regulation, administrative and judicial provision, constitution, decree, judgment, legislation, order, ordinance, regulation, code, directive, statute, treaty, convention or other legislative measure, in each case of any Competent Authority from time to time in force, which is legally binding on a Party (and "lawful" and "unlawful" shall be construed accordingly).

“LNG Cargo” means the cargo of the Customer’s LNG to be transported from the Loading Port to the LNG Receipt Point by the Customer through an Approved LNG Carrier.

“LNG Carrier” means an ocean going vessel suitable for transporting LNG cargoes that is nominated by the Customer, and approved by PLL, used by the Customer to transport LNG to the LNG Import Facility.

“LNG Heel” means the quantity of LNG to be retained by the FSRU for continuity of FSRU operations.

“LNG Import Facility” means the FSRU, and the Unloading Facilities, and which may, where applicable, include additions and modifications thereto that may be required to deliver the LNG Services, and references in this Agreement to any component of the LNG Import Facility shall mean either of them, as applicable.

“LNG Inventory” means the minimum quantity of LNG, expressed in cubic meters, determined by PLL, that is required to maintain the LNG Import Facility, LNG storage tanks and equipment in a sufficiently cold state so as to be able at all times to provide the relevant LNG Services or receive LNG without incurring delays or overstressing the fabric of the LNG Import Facility.

“LNG Quantity” means the entire quantity in MMBTU of LNG to be supplied by the Customer.

“LNG Services” has the meaning given to the term in Clause [].

“LNG Services Infrastructure” means [].

“LNG Services Price” has the meaning given to the term in Clause [5].

“LNG Specifications” has the meaning given to the term in Clause [].

“Load Port” means the loading port or other port where an LNG Carrier’s laden voyage to Port Qasim commences.

“OGRA” means the Oil and Gas Regulatory Authority of the Government of Pakistan, or any successor or replacement thereof.

“Parties” means the parties to this Agreement.

“Person” means any individual, firm, sole proprietorship, corporation, joint stock company, limited liability company, trust, partnership, voluntary association, joint venture, unincorporated organisation, institution, Competent Authority or any other legal entity.

“PLL’s Inventory” means PLL’s LNG inventory.

“PLTL” means Pakistan LNG Terminals Limited.

“Port Authority” means the Port Qasim Authority.

“Receiving Facilities” means those facilities at the Discharge Port necessary for the safe berthing of LNG Carrier(s) and the receipt, unloading, storage, treatment (to the extent available) and regasification of LNG and associated facilities (including the two high pressure pipeline segments linking the tailgate of the regasification terminal to the point of interconnection with the SSGC Pipeline Network) whether or not owned by PLL and whether operated directly by PLL or by any Terminal operator.

“RLNG Delivery Point” means, the custody transfer station at Port Qasim where the pipeline of Terminal connects with the SSGC pipeline network.

“RLNG Price” means the OGRA determined price for the sale of RLNG by PLL.

“Scheduled Cargo Quantity” means, with respect to each LNG cargo, the Customer’s reasonable estimate of the quantity of LNG (in m³ and in MMBTU), excluding the LNG heel of the LNG Carrier, expected to be unloaded at the LNG Receipt Point.

“Scheduled Unloading Date” means [].

“SNGPL” means Sui Northern Gas Pipelines Limited.

“SSGC” means Sui Southern Gas Company.

“Taxes” means all customs, taxes, royalties, excises, fees, duties, levies, sales and use taxes (including Sales Tax), charges and all other assessments, which may now or hereafter be enacted, levied or imposed, directly or indirectly, by a Competent Authority.

“Term” has the meaning given to the term in Clause [].

“Terminal” means the terminal contracted by PLL under the TURA.

“Terminal Rules” means all the rules and regulations applicable to the delivery of LNG at Port Qasim Port, applicable on the Receiving Facilities.

“TURA” has the meaning given to the term in the Recitals.

Interpretation

In this Agreement, unless otherwise specified:

- (a) the index, headings and captions in this Agreement are inserted for convenience only and shall be ignored in construing and interpreting this Agreement.

- (b) except where the context otherwise requires, words denoting the singular include the plural and vice versa and a reference to any gender includes the others.
- (c) where the terms "includes", "including" and "in particular" are used in this Agreement they shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- (d) the Schedules attached hereto are hereby incorporated by reference and are an integral part of this Agreement.
- (e) in the event of any discrepancy, ambiguity or inconsistency between or among this Agreement and its Schedules, the Clauses of this Agreement shall prevail over the Schedules.
- (f) this Agreement together with its Schedules has been executed in the English language, which shall be regarded as the authoritative and official text.
- (g) a reference in this Agreement to any Clause, paragraph or Schedule is respectively, except where it is expressly stated to the contrary, a reference to such Clause or paragraph of this Agreement and to the Schedules hereto.
- (h) a reference to writing includes typewriting, printing, lithography, photography and any other mode of representing or reproducing words, figures or symbols in a lasting and visible form.
- (i) words not otherwise defined herein which have well-known and generally accepted technical or trade meanings are used herein in accordance with such meaning.
- (j) any reference to this Agreement or to any contract, document or other instrument shall include (subject to any relevant Authorisations and any other provisions of this Agreement expressly concerning such contract, document or other instrument) a reference to that contract, document or other instrument as amended, supplemented, modified, substituted, revised, replaced, novated, restated, transferred or assigned.
- (k) any reference in this Agreement to any Person, whether or not a Party, includes their successors and permitted assignees or transferees and vice versa and, in the case of any Competent Authority, any Person or entity succeeding to its functions and capacities.
- (l) references to any Law shall, unless the context otherwise requires, be construed as including references to any subsequent Law directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments, or other subordinate legislation made under the relevant Law.
- (m) the terms "hereof", "herein", "hereby", "hereto" and similar words refer to the entire Agreement and not to any particular Clause or paragraph or any other subdivision of this Agreement.

- (n) in the computation of periods of time from a specified Day to a later specified Day, the word "from" means "from but excluding" and the words "until" and "to" mean "to and including".
- (o) any provision or stipulation that an action may or shall be taken within a specified number of Days shall mean that such action may or shall be taken within the number so specified starting at 00:00 hours on the Day on which the right or obligation to take such action arose.
- (p) all dates and periods of time shall be based on, and computed according to, the Gregorian calendar.
- (q) all references to time in this Agreement shall be references to Pakistan Standard Time or PST except where otherwise stated and, where applicable, to a twenty-four (24) hour clock.
- (r) any reference to "transfer" means a transfer or disposal for a cash consideration or non-cash consideration or as part of a swap or barter deal.
- (s) wherever in this Agreement there is a reference to the calculation or accrual of interest, interest shall accrue from Day to Day and be calculated on the basis of a three hundred and sixty (360) Day year.
- (t) where there is a requirement to comply with National Standards and International Standards, the standard imposing more onerous obligations shall apply, unless to do so would be in breach of an applicable Law.

Technical Interpretation

In this Agreement, the technical terms and expressions set out below shall, unless the context otherwise requires, have the meanings assigned to them in this Clause 2.1:

“**bar**” has the meaning given in ISO 1000-1981(E).

“**British Thermal Unit**” or “**BTU**” means the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine (59.0) degrees Fahrenheit to sixty (60.0) degrees Fahrenheit at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch.

“**gauge**” means, when used in relation to pressure, the pressure in excess of one (1) standard atmosphere or one decimal zero one three two five (1.01325) bar.

“**Gross Heating Value (Mass Based)**” means the quantity of heat which would be released by the complete combustion in air of a specified quantity of gas in such a way that the pressure P1 at which the reaction takes place remains constant, and all the products of combustion are returned to the same specified temperature T1 as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at T1. The quantity of gas taken into account in this definition shall be one (1) kilogram of anhydrous real gas; the combustion reference absolute pressure P1 and the combustion reference temperature T1 shall be the Reference Conditions. The Gross Heating Value (Mass Based) shall be expressed in BTU per kilogram.

“Gross Heating Value (Volume Based)” means the quantity of heat which would be released by the complete combustion in air of a specified quantity of gas in such a way that the pressure at which the reaction takes place P1 remains constant, and all the products of combustion are returned to the same specified temperature T1 as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at T1. The quantity of gas taken into account in this definition shall be one (1) Standard Cubic Foot of anhydrous real gas; the combustion reference absolute pressure P1 and the combustion reference temperature T1 shall be the Reference Conditions. The Gross Heating Value (Volume Based) shall be expressed in Megajoules per Standard Cubic Foot.

“Joule” has the meaning given in ISO 1000-1981(E);

“kilogramme” has the meaning given in ISO 1000-1981(E);

“Megajoule” means one million (1,000,000) Joules;

“MMBTU” means one million (1,000,000) BTU;

“MMSCF” means one million (1,000,000) SCF;

“MMSCFD” means one MMSCF per Day, such that any quantity expressed in MMSCFD in relation to a Day may also be expressed in MMSCF;

“MTPA” means one million (1,000,000) tonnes per annum;

“Relative Density” means the mass of a volume of dry gas divided by the mass (expressed in the same units) of an equal volume of dry standard air as defined in ISO 6976:1995 both such gases being at a temperature of fifteen (15) degrees Celsius and an absolute pressure of one decimal zero one three two five (1.01325) bar; and for the avoidance of doubt, Relative Density (REAL) shall be **REAL** as defined in ISO 6976:1995;

“Standard Cubic Foot” or **“SCF”** means the quantity of gas which at sixty degrees Fahrenheit (60⁰F) and at an absolute pressure of fourteen decimal seven three (14.73) pound per square inch (psi) and when free of water vapour occupies the volume of one (1) cubic foot;

“TBTU” means one million (1,000,000) MMBTU; and

“Wobbe Index” means when applied to gas, the calorific value divided by the square root of the Relative Density.

SCHEDULE 3

[Insert Schedule – ensure that vessel size is small]

DRAFT

SCHEDULE 4

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SCHEDULE 5

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SCHEDULE 6
LNG Carrier Specifications

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SCHEDULE 7
LNG and RLNG Specifications

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SCHEDULE 8
Measurements of LNG and RLNG

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