

RESPONSES TO BIDDERS' QUERIES

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
<u>BID DOCUMENT</u>			
1.	General	Our affiliate company [●] has paid the 10,000 RPS on behalf of [●]'s Bidding Company: [●]. Can we use this affiliate payment receipt as a valid proof of payment under Bid Document (clause 7.1.2) for [●]'s bid?	Yes.
2.	General	We note the requirement for 60 / 180 cargoes over consecutive months starting July 2017. Must Seller offer all cargoes sought by PLL during the 5/15 year term? Is it possible to offer cargoes for only part of the term?	Seller must bid for all Cargoes covering the entire Transaction under the relevant tender.
3.	General	Could you please clarify that Bidders can propose changes to the Confirmation Notice in their final offer at the time of submitting the bid without risk of seeing the bid bond enforced?	Any changes proposed up to Nov 25, 2016 will be considered by PLL and any revised versions of the documents will be made available to Bidders by Dec 8, 2016. Any changes to the (revised) Confirmation Notice other than insertion of the relevant information (i.e. any changes to the terms of the Confirmation Notice) will result in the Bid being treated as conditional and being rejected. Bid Bond will not however be enforced but will be returned in accordance with Section 7.4.11 of the Bid Document.
4.	Bidding Timetable	In case of acceptance of revisions/comments made by potential bidders, when does PLL expect to provide potential bidders with the final version of the MSPA and the CN to be included in the Technical Information envelope?	PLL expects to make available any revised versions of the documents by Dec 8, 2016.
5.	Bidding Timetable	To enable buyer to get better prices, we suggest that award time from submission deadline is reduced. Commercial offers should be opened January 6th, 2017. Award should be around Jan 17 subject to receiving performance guarantee.	It is currently not intended to amend the timetable.

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6.	Section 1.3	There are several references to a non-refundable bid payment being required (see also 7.1.2 and Annex 4) – Annex 4 suggests that this amount is 10,000 Pakistan Rupees. However it is not clear how that payment is supposed to be made and evidenced. PLL please clarify how this payment can be made. Does it need to be paid for both tenders?	<p>The non-refundable fee is required to be paid in the form of a Pay Order or Bank Draft in favour of "Pakistan LNG Limited", as indicated in the invitation to bid which was published in various newspapers on October 31, 2016.</p> <p>Yes, the fee has to be paid for each tender.</p>
7.	Section 2.1.1	Could you kindly provide financial statements of PLL and GHPL for 5 years if available?	<p>PLL was only incorporated at the end of 2015 and so does not yet have any financial statements.</p> <p>Financial statements of GHPL may be provided via email on special request, subject to confidentiality requirements.</p>
8.	Section 2.1.1	<p>Could the following information please be provided for both PLL and GHPL:</p> <ul style="list-style-type: none"> - Bank account details on letterhead of the entities - Audited accounts for the entities 	<p>Relevant bank account details may be provided on request.</p> <p>PLL was only incorporated at the end of 2015 and so does not yet have any audited accounts.</p> <p>Audited accounts of GHPL may be provided via email on special request, subject to confidentiality requirements.</p>
9.	Section 3.1.1	Should we consider the "Terminal and Cargo Operations Manual Outline" draft published on PLL website on the 14th November as the final version or do you expect any relevant adjustment by Pakistan Gas Port Consortium Limited?	<p>Bidders should not consider the Terminal and Cargo Operations Manual Outline draft published on PLL website as the final version/Terminal Regulations. The Terminal Regulations will be made available as and when completed. Currently, it is expected that the Terminal Regulations would be made available by the end of 1st quarter of 2017. Certain further information, which has been provided by PLTL, is attached as Annex A (Specifications for Quick Release), Annex B (P&ID) and Annex C (Specifications for Quay Furniture) to these responses.</p> <p>The most likely changes that can be expected to information already provided would be in the mooring arrangements with regard to the Jetty and the mooring interface between the LNGC and FSRU.</p>

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10.	Section 3.1.1	Seller cannot meet its obligation to comply with Terminal Regulations which have not yet been finalised.	Please see our response to 9 above.
11.	Section 5.1	Could PLL clarify the meaning of "printed on stamp paper"? Do we have to consider MSPA PDF copy received as the original document we have to initialize and sign?	Stamp paper is a legal formality required for documents executed in Pakistan. Yes, you may initial and sign the PDF versions of the documents.
12.	Sections 5.1 and 5.2 (i) (a)	Since only PDF version of the documentation is provided, how can we fill the MSPA and CN with the relevant information? Could you confirm that handwriting filling is acceptable?	Insertion of the relevant information by hand is acceptable. In fact, Bidders should be aware that only print outs of the PDF document (bearing PLL's stamp and signature) would be acceptable.
13.	Section 5.1 (i).	Although it is stated that Annex 1 includes two originals of the MSPA, the bid documentation downloaded from the website contains only one of those. Our understanding is that we have to print the same version of the MSPA attached in Annex 1 twice, initialize all the pages, sign where required, and then include such documents in the Technical Information envelope. Is our understanding correct?	Your understanding is correct.
14.	Section 5.2	Can Seller submit a modified CN as a part of the Technical Information? Can the validity of the CN be conditioned on the reward of the five year CN (e.g. should Seller win one, the other would not be valid)?	Submission of a modified CN would not be acceptable. As mentioned above, revised CN would be made available by Dec 8, 2016. Bidders may submit Bids under both Tenders. However, conditional Bids will be rejected as non-compliant. It may also be noted that a Bidder's Bid Bond will be forfeited if the Bidder fails to honour its commitment to enter into the contractual documents under a Tender if it is selected as the successful Bidder under that Tender.
15.	Section 6.2	Can you consider unloading quantity out of 140,000m ³ +/- 2% range? And have you experienced any cargo larger/smaller than 140,000m ³ +/-2%?	This will remain unchanged. However, estimated Cargo size will be by reference to 3,200,000 MMBtu +/- 5% and will be at a volumetric quantity of 140,000 m ³ +/- 2%.
16.	Section 6.6.3	It may not be possible for Seller to ensure compliance of the LNG carrier prior to submission of bid as the terminal rules in respect of the new terminal may not yet be published. Please advise how this will be managed.	Please see our response to 9 above. PLTL has advised that the acceptance criteria for the 2 nd terminal will remain the same as that in use for the existing EETPL LNG terminal at Port Qasim.

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17.	Sections 6.6.3 and 10	Bidders are responsible for ensuring compliance of the LNG carrier delivering the cargoes with Port Qasim parameters and the Terminal Regulations before submitting their bids: how do the relations with the port and terminal take place?	Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly through their respective web sites, emails, telephones and other means of communications, as available. Contact details are available on their respective websites.
18.	Section 6.4	Is it acceptable for you and your terminal to nominate Loading Port (=LNG Source) few days later than 30 days prior to the first day of Delivery Window(s)?	We do not intend to change this timeline.
19.	Section 6.7.	Will a bid for part of the cargoes specified under the tender be deemed invalid?	Yes.
20.	Section 7.4.11	Please refer to S&P and Moody's directly.	The Bid Bond is required to be issued by a scheduled bank operating in Pakistan. We understand that local banks are not generally rated by S&P and Moody's.
21.	Section 7.4.11	If Seller wishes to bid on both tenders, will this require posting two separate bid bonds, or will one bid bond per Seller be sufficient?	These are two separate tenders and therefore, separate Bid Bonds under each tender will be required.
22.	Section 7.4.11 (a)	The conditions seem to be very favorable to PLL. Would like to check if PLL can re-consider that the conditions will be neutral and softened.	PLL does not intend to amend the language.
23.	Section 7.4.11 (b)	Please clarify the meaning of "execution" of the CN. Does this refer to execution of the document through signature or performance in full of all obligations under the agreement?	"Execution" means execution by signature.
24.	Section 7.4.12	Performance Bond amounts to the 2 cargoes (roughly 20-30 MMUSD). Would like to check if PLL can re-consider changing from two cargoes to 1 cargo only or any designated amount to cap the amount.	PLL does not intend to change the value of the Performance Guarantee.

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25.	Sections 7.4.12 / 7.4.15	<p>7.4.12 of the Bid Document states "The Performance Guarantee will be enforced by PLL in the event of failure of the Compliant Bidder to comply with any of the conditions of the Contract, without prejudice to any rights and remedies to which PLL may be entitled under the relevant Contract."</p> <p>This is much broader than the language in 7.4.15 of the Bid Document and both 7.4.12 and 7.4.15 are not aligned with 17.2.3 of the MSPA. Please clarify if you are seeking to modify the MSA, in which case this should be reflected in clause 14 (b) of the CN.</p>	<p>We are not clear from the comment as to what conflict is being highlighted and what amendment is required as these provisions relate to different matters or supplement each other. Accordingly, PLL does not intend to change or amend the MSPA in this regard.</p>
26.	Section 7.4.14	<p>Bidders have to be compliant with regulations and policy of the GOP concerning the origin of the LNG, flag of the LNG carrier and any trade restrictions and it is their liability that all aspects of their bids are in compliance with such regulations. Which assistance and information regarding the same can PLL provide?</p>	<p>Bidders are expected to undertake their own due diligence.</p>
27.	Section 12	<p>Could English law be considered for all contracts / documentation?</p>	<p>The governing law of each of the MSPA, CN and the Performance Guarantee is English law.</p> <p>However, the Bid Document and the Bid Bond would continue to be governed by Pakistani law.</p>
28.	Appendix A – Form of Bid Bond	<p>Can Pakistan laws and the Courts of Karachi be turned into English law and LCIA like in the MSPA?</p>	<p>No. It should be noted by Bidders that the Bid Bond is only provided as security for the fact that the Bidders will provide accurate information, genuine documents and if successful, will honour the commitment to enter into the contractual documents. The Bid Bond will be returned if the Bid is not accepted or in the case of successful Bidder after the contract is entered into and the Performance Guarantee is submitted under the contract.</p>

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<u>MPSA</u>			
29.	Clause 1.1	Definition of "Business Day" - does it also include US bank holiday? Propose to include as transaction is in USD.	Concept of inclusion of US bank holiday is agreed. This modification would be reflected in the revised CN.
30.	Clause 1.1	Definition "Receiving Facilities" – exclude SSGC Pipeline Network from Receiving Facilities.	No change is proposed. The entire network is anyway not covered.
31.	Clause 1.1	Definition of Seller's Facilities – expand Seller's Facilities to include upstream areas (natural gas subsurface reservoir, wells, production, gathering, transmission, etc.)	No change is proposed.
32.	Clause 1.1	A party is only insolvent once it has been declared by a court to be so. PLL's wording is more restrictive than usual – typically, simply the fact of being unable to pay debts as they fall due (without a court determination being required) would be an insolvency event. Would you be able to reconsider and delete "as determined by a court of competent jurisdiction"?	It is not proposed to change this language.
33.	Clause 1.1	Rates are currently published around 11.45 am. We propose to remove the time of publishing as only one quote per day i.e. ...(3) month period, as quoted on the date...	As the definition is connected to the determination of the interest rates, the timing of the publication of the interest rate does not affect the definition. We will retain the existing language.
34.	Clause 1.1	Can Buyer confirm, if Buyer can issue SBLC under Article 14 (a) (i) of the Confirmation Note from Standard Chartered or Citibank Pakistan. Seller will prefer to get SBLC from these banks.	<p>SBLC opening banks for PLL are intended to be one of the following:</p> <ol style="list-style-type: none"> 1. Habib Bank Limited; 2. Muslim Commercial Bank Limited; 3. National Bank of Pakistan; 4. United Bank Limited; and 5. Allied Bank Limited. <p>All of the above banks have a long-term credit rating of AA from PACRA.</p>
35.	Clause 1.1	Could you kindly provide a list of the "Scheduled Bank"?	List of Scheduled Banks operating in Pakistan are available on the State Bank of Pakistan's website on the following link: http://www.sbp.org.pk/departments/stats/Funds_Flow/Appendix%20III.pdf .
36.	Clause 1.1	Upstream facilities are not included in the definition of Seller's Facilities. Could the words "upstream production facilities" be added to the list in the Seller's facilities definition?	PLL does not intend to extend the definition of Seller's Facilities.

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37.	Clause 1.1	Can Sellers Upstream Natural Gas production and Upstream transportation facilities be included in definition of Seller's Facilities?	PLL does not intend to extend the definition of Seller's Facilities.
38.	Clause 1.1	It is normal for the natural gas production facilities to be included in the definition of Seller Facilities.	PLL does not intend to extend the definition of Seller's Facilities.
39.	Clause 1.1	"Standard & Poor's" – modify to reflect their change of name to "S&P Global Inc."	Change may be reflected in the revised CN.
40.	Clause 1.1	<p>We believe that the conditions are too restrictive and then we propose to amend the clause as follows:</p> <p>"Insolvency Event" means with respect to a Party when such Party:</p> <p>(a) is unable to pay its debts as they fall due as determined by a court of competent jurisdiction;</p> <p>(b) enters into any proceeding to reschedule debts any composition or other arrangement for the benefit of its creditors generally or any class of creditors;</p> <p>(c) is finally and validly declared and adjudged to be liquidated, bankrupt or insolvent; or</p> <p>(d) becomes subject to an order or appointment (which is not in the nature of an interlocutory order) under or in relation to any of the proceedings referred to above, or becomes subject to or the subject of any event or proceedings (by whatever name known) under the laws of any applicable jurisdiction which has an effect equivalent or similar to any of the events specified above."</p>	It is not proposed to change this language.

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41.	Clause 1.1	<p>Adverse Weather Conditions” - Please provide a copy of the latest edition or the current draft of the regulations referred to.</p> <p>“Adverse Weather Conditions” - Please advise what factors determine the adverse weather conditions (Jetty-FRSU Excursion or FSRU-LNG/C Excursion, Fender compression, Fender Panel Hull reaction, Mooring Line loads, jetty mooring hook loads) – please provide a mooring study showing mooring line tensions and fender reaction forces between the FSRU and the LNG/C and between the FRSU and the Jetty for a range of LNG/C sizes from 148,000 cbm to QFlex. Please provide latest ‘as built’ jetty general arrangement drawing showing position of jetty mooring hooks – including SWL, number of hooks and whether hooks are quick release capable. Please confirm the number and arrangement of jetty fenders, specification e.g. SCN 2000 (RH 1.6) dimensions of fender panel and position relative to the amidships or vapor manifold position on the jetty side of the FSRU.</p> <p>“Adverse Weather Conditions” - Please provide site specific Hindcast data</p> <p>“Receiving facilities” – please clarify the term ‘tailgate of the regasification terminal’.</p> <p>“Terminal Rules” – this definition does not accurately reflect the fact that Terminal Rules are issued by the Terminal Operator and do not include the Operating Manual or the Port Authority Regulations; which may be in conflict with one another.</p>	<p>Please refer to the SOP issued by PQA on the subject matter. Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.</p> <p>Additionally, please refer to our responses to 9 and 17, above.</p>
42.	Clause 2.1.1	<p>It is our understanding that the Integrity Pact shall be executed once for each CN; at the time of execution of the CN. Please confirm this is the intention.</p>	<p>Yes, your understanding is correct.</p>

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43.	Clause 2.3.2	<p>PLL's wording of 2.3.2(a) - "that may be applicable to the sale and purchase of LNG". We request that the language in clause 2.3.2(a) "that may be applicable to the sale and purchase of LNG" - is changed to "that are applicable...".</p> <p>Otherwise PLL could subjectively claim that some Pakistan regulation "may" cause legal issues, and argue that Buyer has breached this warranty. This is a critical comment, as far as [●] is concerned. Can PLL accommodate this change?</p>	We do not propose to change the language.
44.	Clause 2.3.2	Can Buyer make this Clause reciprocal so that Buyer also warrants the matters set out in this clause. Also, the warranty should be made not only at Confirmation Date (which is only a single date when the Confirmation Notice is signed) but during the Term of the Transaction.	Since this relates only to the source of supply of LNG it cannot by its nature be applicable to Buyer. Our interpretation is that warranty applies during the term of the Transaction.
45.	Clause 2.3.2	<p>Sanctions and Anti-Bribery and Corruption provisions</p> <p>MSA clause 2.3.2: The export control / trade restriction compliance language only covers Seller's obligations with respect to sourcing gas and does not provide for Buyer's compliance obligation with respect to purchasing the LNG and sale of regasified LNG downstream, which should be subject to reciprocal arrangements.</p>	Please refer to our comment at 44, above.
46.	Clause 2.3.2	Would PLL make a list of supply sources acceptable for them?	Bidders will need to make their own determination whether a supply source is compliant with the Transaction document.
47.	Clause 2.3.2	Can PLL provide any assistance with the specific applicable rules in Pakistan?	Please refer to 46 above.
48.	Clause 2.3.2	Is there an gas supply source from which Buyer will not accept LNG, i.e. does Pakistan have any restrictions?	Please refer to 46 above.

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49.	Clause 2.4	Would PLL consider including reference to the UK Anti Bribery and Corruption Act 2010? We also suggest inclusion of references to anti-money laundering, restrictions on receiving or accepting prohibited payments, disclosure requirements and anti-inducement language.	<p>This principle is covered through the Integrity Pact to which PLL will also be a signatory.</p> <p>The form of the Integrity Pact is prescribed the Public Procurement Regulatory Authority (PPRA). Any change requires approval of PPRA. PLL has approached PPRA for certain amendments, which if approved before Dec 8, 2016 will be shared with the Bidders.</p>
50.	Clause 2.4.2	Can Buyer make the warranty to apply during the Term of the Transaction given than the Confirmation Date is only a single date when the Confirmation Notice is signed	It is our interpretation that the warranty does apply during the Term of the Transaction as the language of the Clause extends to cover the term of performance under the MSPA and CN.
51.	Clause 2.4.2 (a)	This clause states the obligations not to make, offer to make payments, etc. Could PLL consider including an obligation not to "receive"?	Please refer to 49, above.
52.	Clause 3.2.1	This clause allows for termination by Buyer at will by giving 60 days written notice. As the tenders are for a long fixed period of time (5 years), can this paragraph be deleted, as would be expected in similar mid to long term supply arrangements?	We do not see any harm in this right as the MSPA will be preserved for any Transaction entered into before the effective date of its termination. Therefore, in case of the 5-year tender, the only termination right (other than for cause) would be under paragraph 18 of the CN.
53.	Clause 4.1.1	<p>We propose to amend the article as follows:</p> <p><i>"If the Parties execute a Confirmation Notice, subject to the terms and conditions set forth in the relevant Transaction, Seller shall sell and deliver ex-ship to Buyer at the Delivery Point, and Buyer shall purchase from Seller, take and pay for, or pay for if not taken, LNG at the Delivery Point in accordance with this Master Agreement and the relevant Confirmation Notice."</i></p>	It is implied in the documents that, unless excused, the Buyer must pay for any Cargo which has not been taken by it. We do not believe any amendment is required.

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54.	Clause 4.1.2	<p>We understand the Terminal Rules are currently being prepared.</p> <p>Would it be possible at this stage for PLL to provide bidders with an outline of the likely ship-FSRU/shore liability regime that is likely to apply?</p>	Please refer to our responses to 9 and 17, above.
55.	Clause 4.1.2	We can agree that the Terminal Rules prevail over the Transportation provisions in the agreement, not the whole Transaction. Otherwise the commercial agreement in the Transaction for 5 years could potentially be overridden by the Terminal Rules. Also can we get a copy of Terminal Rules as defined in MSPA?	<p>It is not proposed to make any modifications to this provision. Please also refer to our responses on 9 and 17, above.</p> <p>Query is not clear, please elaborate. Draft terminal Rules already provided. Will be updated by Q-2017</p>
56.	Clause 4.1.2	Could PLL provide us with the Terminal Rules?	Please refer to our comment on 9, above
57.	Clause 4.1.3	Delete ", and the LNG Heel shall not serve to increase or reduce,". This language is unnecessary and adds ambiguity as the volume of Heel does affect the quantity delivered. The Seller's obligation to deliver a quantity within +/-2% of the cargo quantity as set out in clause 4.1(b) of the CN is clearly stated throughout. Seller's obligation is in no way relieved due to variation of the heel.	We do not believe that the said language creates any ambiguity. We do not intend to modify the clause.
58.	Clause 4.1.3	<p>The operational tolerance of plus or minus two percent (2%) is very tight compared to international standards.</p> <p>Given that we understand that the Gasport / BW FSRU is considerably larger than the existing Engro / Exceletrate facility, we would ask that this restriction be relaxed.</p>	We do not intend to modify the 2% tolerance.

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59.	Clause 4.2.2	<p>We propose to amend the article as follows:</p> <p><i>"If, for any reason other than Buyer Force Majeure, Adverse Weather Conditions, Buyer's rejection of the relevant Cargo in accordance with Clause 5.3 or by reasons of breach of this Agreement by the attributable to Seller, Seller's Operator, or the Transporter or master of the LNG Carrier, Buyer fails, subject to Clause 4.1.3, to take all or any part of the relevant Cargo ("Buyer's Deficiency Quantity") within the period of forty-eight (48) hours from the end of the Delivery Window (or such different period as the Parties may agree in the relevant Confirmation Notice) and the Parties were unable to reschedule the relevant Cargo under Clause 4.2.1, then Seller shall be entitled (upon notifying Buyer in writing to that respect) not to deliver such Cargo to Buyer and cause the LNG Carrier to depart the berth, if applicable."</i></p>	<p>We do not see any advantage to either Party by addition of this language and therefore, no change will be made.</p>
60.	Clause 4.2.2/4.3.2	<p>Is the time for rescheduling the cargo within the 48 hour or after the 48 hour?</p>	<p>Within the 48 hours from the end of the Delivery Window.</p>
61.	Clause 4.2.3	<p>Demurrage and boil-off to count for Buyer's account until LNG Carrier leaves the berth?</p>	<p>Yes.</p>
62.	Clause 4.2.5	<p>In some cases, like TP or OCI, we would be unable to share documentation due to confidentiality/antitrust reasons. We propose to include language around the involvement of a 3rd party to verify the mathematics of the net proceeds:</p> <p><i>"For the purpose of clause 4.2.5, if Seller is able to complete such sale, Buyer shall have the right to appoint an independent auditor to verify that the price paid is market based and purchased on arm's length commercial terms, and Seller shall make available to such auditor on a confidential basis such documentation relating to such a sale as is appropriate to enable the auditor's verification."</i></p>	<p>The existing clause would remain unchanged.</p>

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63.	Clauses 4.2.5 & 4.3.5	Transportation cost savings should not include time charter costs, as these are fixed costs that are not actually saved in the case of a diversion (the ship charter costs are paid whether or not there is a diversion). Would PLL agree to amend the calculation of the Net Proceeds in order to clarify that such savings should include variable costs only?	The existing clause would remain unchanged.

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64.	Clause 4.2.5	<p>We propose to amend the article as follows:</p> <p><i>"Seller shall use all reasonable endeavours to mitigate its losses by locating a third party purchaser for the quantity of LNG equal to Buyer's Deficiency Quantity at a price that is commercially reasonable under the circumstances. In the event Seller is able to complete such sale and Buyer has paid Seller the amount described in Clause 4.2.3, then, subject to Clause 4.2.6, Buyer shall be entitled to receive the net proceeds of such sale realized by Seller from such third party (the "Net Proceeds") determined as follows:</i></p> <p><i>NP = (TP + CS) – OCI</i></p> <p><i>Where:</i></p> <p><i>NP are the Net Proceeds;</i></p> <p><i>TP are the total proceeds actually received by Seller from the sale to a third party of the quantity of LNG equal to Buyer's Deficiency Quantity;</i></p> <p><i>CS are any costs saved, including savings related to transportation and third party costs;</i></p> <p><i>OCI are any costs incurred, such costs being any reasonable, including properly incurred and verifiable documented transportation costs (including charter hire for the LNG Carrier, cost of bunker and other costs of the LNG Carrier), capacity reservation and port costs, fees, duties, commissions and expenses, costs of resale and Taxes incurred by Seller in connection with the sale and delivery of the relevant quantity of LNG to the third party purchaser over and above those Seller would have paid had Buyer taken Buyer's Deficiency Quantity at the Receiving Facilities."</i></p>	<p>The existing clause would remain unchanged.</p>

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65.	Clause 4.2.7	With regard to Buyer's invoice to Seller, as is customary with longer term contracts, would PLL agree to issue a credit note for any amounts due from Seller to Buyer, rather than a cash payment?	The existing clause would remain unchanged.
66.	Clauses 4.2.7/4.3.5	Seller's right to appoint independent auditor to check the accounts.	No such right is contemplated.
67.	Clause 4.3.2	We believe that the cross reference to 4.1.3 is false and was actually intended to be referred to section 4.3.1. Please confirm that.	The reference is not incorrect as section 4.1.3 refers to Seller's operational tolerance. The existing clause would remain unchanged.
68.	Clause 4.3.2	It is normal and reasonable for the Seller to have a right to audit and verify the Buyer's costs. We propose to add audit rights in favor of the Seller.	The existing clause would remain unchanged. As you will appreciate that these costs will documentary support.
69.	Clause 4.3.2.	As the contractual cargo quantity is volume based, the SDQ should also be based off the ECQ. Can we define SDQ as per same principle as the BDQ in clause 4.3.2?	Yes, the mechanism for determining the SDQ will be incorporated through the necessary changes in the CN. It is proposed that through the CN, the ECQ will be assumed to be 3,200,000 MMBtu.
70.	Clause 4.3.2	Can PLL consider whether the list can be completed as follows: "for any reason other than Seller Force Majeure, Adverse Weather Conditions or reasons attributable to Buyer or the Terminal Operator or the SSGC Pipeline Network or the SNGPL Pipeline Network or PLL's end buyers' facilities"?	The existing clause would remain unchanged.
71.	Clause 4.3.2(a)	PLL's wording of 4.3.1 "BPC" definition "Buyer's documented costs incurred using reasonable efforts in procuring replacement ..." We request that the definition of "BPC" in 4.3.1 should mirror "OCI" definition in 4.2.5 - making Buyers procurement costs "reasonable, properly incurred...". Can PLL accommodate this change?	The existing clause would remain unchanged.

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72.	Clause 4.3.2(b)(i)(B) and Clause 4.3.2(b)(ii)(B)	As Seller is responsible for such costs, can PLL please clarify that these costs are "Direct" costs, and amend the language to add this word accordingly.	The existing clause would remain unchanged.
73.	Clause 4.2.3(b)(i)(B)	We request that the language in clause 4.2.3(b)(i)(B) "As are claimed by PLTL" to be changed to "properly payable to PLTL pursuant to the contract between PLL and PLTL". Can PLL accommodate this change?	No, the existing clause would remain unchanged.
74.	Clause 4.3.3	Please confirm that the cap is applicable to both cases (a) and (b) identified in article 4.3.2.	Yes.
75.	Clause 4.3.6	We propose to amend the article as follows: <i>"Sellers payment of Sellers Liability Amount, in addition to amounts dues under Clause 12.7, if applicable, shall be Buyers sole and exclusive remedy in relation to or in respect of any damages or otherwise for failure by the Seller to deliver any LNG or to deliver it in a timely manner, including in respect of any breach of contract (including any breach of any condition, representation or warranty) or any breach of any duty of care or any other cause of action whatsoever and howsoever arising, and Buyer hereby waives any other remedy other than as provided for under Clause 4.3.2 and capped by Clause 4.3.3. Each of Buyer and Seller acknowledge and agree that any such payment(s) under Clause 4.3.2 shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Buyer."</i>	The existing clause would remain unchanged.

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76.	Clauses 5.3 and 5.4	In the current wording, there is no costs estimate mechanics. As it stands, Buyer can simply reject the LNG. Is PLL able to amend the treatment mechanism of off-spec before delivery to a treatment cost estimate regime (whereby, Seller notifies Buyer of off-spec LNG, then Buyer provides a treatment cost estimate to Seller; Seller then determines whether to deliver the off-spec LNG or not)?	<p>The existing clause will remain unchanged.</p> <p>It is correct that the Buyer may reject Off Spec LNG. However, we invite your attention to cl 5.3.2 of MSPA.</p> <p>If Off Spec LNG is knowingly accepted by the Buyer, Seller is protected as it is only obliged to pay "reasonable verifiable documented costs" and this is subject to an overall cap.</p>
77.	Clause 5.3	If LNG delivered or to be delivered is Off-spec, Buyer may reject the Cargo by giving notice to Seller. However, there is no time limit for Buyer to give its notice rejecting the Cargo. Can PLL please add that Buyer should give its notice no later than 48 hours following receipt of notice from Seller?	Please refer to clause 5.3.3. No change is proposed.
78.	Clause 5.3.1.	We believe that Clause 5.3.1 contradicts the provisions set out under Clause 5.4.2 (which deals with off-spec delivered LNG). Our proposal would be to change the first sentence of clause 5.3.1 to: "If the LNG to be delivered under the relevant Transaction is Off-spec LNG, Buyer may reject the Cargo by giving notice to the Seller to that effect."	The existing clause would remain unchanged.
79.	Clause 5.3.1	<p>The start of clause 5.4.2(c) "Buyer shall accept any Off-spec LNG already unloaded" conflicts with 5.3.1 "If the LNG delivered or to be delivered under the relevant Transaction is Off-spec LNG, Buyer may reject the Cargo by giving notice to Seller to that effect".</p> <p>Suggest clause 5.3.1 is changed as follows: "If the LNG delivered or to be delivered under the relevant Transaction is Off-spec LNG"</p>	The existing clause would remain unchanged.
80.	Clause 5.3.3	We propose to insert the following sentence at the end of clause 5.3.3: " <i>In case a notice is not received within thirty-six (36) hours, the Off-spec LNG shall be considered accepted.</i> "	If the notice is not given either way by the Buyer, it will be tantamount to deemed acceptance and would fall within the purview of clause 5.4.1. The necessary clarifications may be reflected in the CN.

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81.	Clause 5.4	<p>For clarification, would PLL agree to amending the off-spec liabilities regime, to clarify that there are two cases:</p> <p>(i) notice received prior to unloading, which in such case would use the expected delivery quantity in the calculation; and</p> <p>(ii) notice received during or after the unloading, in such case the delivered quantity should be used in the calculation</p>	The existing clause would remain unchanged.
82.	Clause 5.4.1	It is normal and reasonable for the Seller to have a right to audit and verify the Buyer's costs. We propose to add audit rights in favor of the Seller.	The existing clause would remain unchanged. As you will appreciate that these costs will need to have adequate documentary support.
83.	Clause 5.4.2	Clause 5.4.2(c) needs some clarification language to prevent double counting between costs "incurred by Buyer" and costs "billed by PLTL". Can PLL accommodate this change?	Costs will be directly incurred by the Buyer. However, certain costs will be incurred by its associated company, PLTL. These costs will be billed by PLTL to PLL and PLL would seek payment of the same through the Seller.
84.	Clause 5.4.2 (c)	Seller's liability is capped at 100% of Contract Price x Estimated Contract Quantity.	It would be 100% of Contract Price x Quantity Delivered.
85.	Clause 5.5	<p>We propose to amend the article as follows:</p> <p><i>"Without affecting the application of any other provision, and save as expressly provided in Clause 5.4 (which is the Buyers sole and exclusive remedy respect of delivery of Off-Spec LNG and the consequences of that delivery) Seller is not liable to the Buyer in respect of any cost or expense, damage, liability or loss in respect of acceptance, deliver, receipt and use of any Off-Specification LNG, whether for breach of contract (including breach of warranty) or breach of any duty (including any duty of care) or any other cause of action or any claim whatsoever and howsoever arising, including in respect of any third party. Each of Buyer and Seller acknowledge and agree that any such payment(s) under Clause 5.4 shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Buyer."</i></p>	The existing clause would remain unchanged.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
86.	Clause 6.1 (a)	We request that clause 6.1 Election A (a) language gets deleted to make the sentence read as follows "...a Transaction shall pass from Seller to Buyer in international waters of Pakistan ("Title Transfer Point")." Can PLL accommodate this change in wording?	The existing clause would remain unchanged.
87.	Clause 6.1 (a)	Could you kindly confirm that the Election A which does encompass the transfer of title " <i>in international waters at the last point where the LNG Carrier is outside the territorial water of Pakistan</i> " means that Pakistan is thereby prevented, based on its domestic law, to exercise taxing rights in respect of direct and indirect taxation absent any sufficient territorial connection between the Seller and Pakistan?	The existing clause would remain unchanged.
88.	Clause 6.1	Can PLL confirm this election is at Seller's hand and provide some background with regard to the underlying rationale of that option?	Yes, Sellers have been given an option to choose either option as they deem fit. Option A was included as historically certain parties have had concerns about the title transferring at the Delivery Point rather than the international waters.
89.	Clause 6.1	The clause contains two types of point of title transfer, known as Election A or Election B. If Seller elects Election A, changes seem required to other clauses such as 6.2 and 7.2 as suggested below.	Please see below our corresponding response against clauses 6.2 and 7.2, respectively.
90.	Clause 6.1	Under Election A, title is to pass in international waters just outside the territorial waters of Pakistan. Will it be acceptable to amend the Confirmation Notice to address the transfer of title for cargoes which may not transit through international waters to Pakistan (e.g. cargoes from Oman)?	The existing clause would remain unchanged.

S NO.	CLAUSE/ SECTION NO. / ISSUE	QUERY	PLL'S RESPONSE
91.	Clause 6.1	<p>Title reverts back to Seller in some situations. However it seems this clause needs to be amended, as it does not take into account other situations when the Buyer fails to take delivery for example under clause 4.2.2 or when Seller cannot deliver under clause 4.3.2. Would PLL accept the following clarifying amendment:</p> <p><i>"(c) if, following transfer of title from Seller to Buyer under Clause 6.1(a), Buyer does not receive such Cargo or fails to take delivery under clause 4.2.2 or Seller fails to deliver under clause 4.3.2 or if such Cargo is rejected by Buyer under Clause 5.3, title to all LNG comprised in such Cargo will revert from Buyer to Seller at either:</i></p> <p><i>(i) the earlier of: (a) the first point where the LNG Carrier exits the territorial waters of Pakistan following the effectiveness of such failure to receive or failure to take delivery or Seller fails to deliver or such rejection, or (b) when the LNG Carrier departs the berth (if applicable); or</i></p> <p><i>(ii) if the LNG Carrier does not exit the territorial waters of Pakistan prior to discharging its Cargo, then immediately upon notice from Seller to Buyer of such alternative discharge but in no event later than actual discharge of the Cargo;"</i></p>	<p>The existing clause would remain unchanged.</p>
92.	Clause 6.1	<p>Please can you confirm whether the Title Transfer Point proposed under this Clause is located within or outside of Pakistan territorial waters.</p>	<p>In case of Election A, title will transfer outside Pakistan's territorial waters.</p> <p>In case of Election B, title will transfer at the Delivery Point (within Pakistan's territorial waters).</p>

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93.	Clause 6.2	<p>Title indemnity – Given the offshore title provisions, the reference to “at the Delivery Point” needs to be “at the point of title transfer” – otherwise, if title is transferred offshore, Buyer cannot give the representation and warranty that it holds title to the LNG at the Delivery Point.</p> <p>We request that the language in clause 6.2 "Seller represents and warrants that at the Delivery Point" to be changed to "... at the point of title transfer point". Can PLL accommodate this change?</p>	Please refer to paragraph 16 of the CN, which addresses this concern.
94.	Clause 6.2	<p>Seller represents and warrants that it has title at the Delivery Point. However this can only be true in the case of Election B, and does not work for Election A, because title passes to Buyer before delivery at the Delivery Point. Would PLL therefore amend this clause as follows:</p> <p><i>"Seller represents and warrants that <u>up to the point where title is transferred to the Buyer in accordance with clause 6.1 above</u>, at the Delivery Point it has title to all LNG under this Master Agreement and each Confirmation Notice, and all LNG will, <u>at the point where title is transferred to the Buyer in accordance with clause 6.1</u> the Delivery Point, be free and clear of all liens (other than liens arising under any applicable laws, of which Seller shall procure the release immediately upon delivery of the LNI\IG at the Delivery Point), charges, assessments, security interests, privileges, encumbrances and adverse claims of every description."</i></p>	No change is required. Please refer to paragraph 16 of the CN, which addresses this concern.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
95.	Clause 7.1	<p>Current wording makes Seller liable for taxes up to Delivery Point. If Election A is exercised under clause 6.1 so that Title will pass outside Pakistan in International Waters and hence no tax liability will arise. Therefore wording of clause 7.1 should be amended to tax account of the election.</p> <p>Therefore, we request PLL to include in clause 7.1 the following "...of the Delivery Point (or where Election A is selected under clause 6.1, at the Title Transfer Point)". Can PLL accommodate this change in wording?</p>	No change is contemplated.
96.	Clause 7.2	<p>Corresponding changes to those above are needed to Buyers taxes under 7.2 where Election A under 6.1 is exercised. If Seller exercises Election A (Title passing outside Pakistan in International Waters), therefore 7.2 should say that Buyer is responsible for all taxes downstream of Title Transfer Point depending on if Election A has been exercised.</p> <p>We request PLL to include in clause 7.2 the following "...of the Delivery Point (or where Election A is selected under clause 6.1, at the Title Transfer Point)". Can PLL accommodate this change in wording?</p>	Please refer to 95 above.
97.	Clause 7.1	Seller shall pay all Taxes upstream of the delivery point. Again, this is probably ok if title passes in accordance with Election B but not if title passes before as per Election A.	Please refer to 95, above.
98.	Clause 7.1	Can PLL specify what charge or levy may be imposed on the LNG Carrier in Pakistan?	Bidders are required to undertake their own research as to what charges and levies may be imposed.
99.	Clause 7.2	Can PLL amend such that Buyer bears taxes imposed on Seller in Pakistan as a result of Seller having a Permanent Establishment in Pakistan in because of this agreement?	No. If the Seller has any concern regarding creation of Permanent Establishment in Pakistan it should opt for Election A under Clause 6.1 of the MSPA and Paragraph 16 of the CN.
100.	Clause 7.2	Buyer shall pay all Taxes downstream of the delivery point. Again, this is probably ok if title passes in accordance with Election B but not if title passes before as per Election A?	Please refer to 95 above.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
101.	Clause 7.2	Can Buyer advise that if following proposed edit (in red) will be acceptable? "Buyer shall pay all Taxes (excluding any Income Tax imposed on Seller as a result of Seller's activities causing Seller to have a permanent establishment in Pakistan except to the extent that Seller's activities relate solely to the sale and delivery of LNG to Buyer under this agreement) imposed or levied downstream of the Delivery Point....."	Changes not acceptable. If the Seller has any concern regarding creation of Permanent Establishment in Pakistan it should opt for Election A under Clause 6.1 of the MSPA and Paragraph 16 of the CN.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
102.	Clause 7.2	<p>The wording of Buyer's tax indemnity in 7.2 excludes from Buyer's responsibilities any taxes levied in respect of Seller being deemed to have a permanent establishment in Pakistan. We would like to propose the below alternatives;</p> <p>a) Where Election A is used, Buyer provides an indemnity to Seller with respect to deliveries at the Delivery Point against income taxes (including any withholding taxes), interest and penalties arising from a transaction:</p> <p style="padding-left: 40px;"><i>"Buyer shall indemnify Seller for any taxes (which include all indirect taxes and customs duty and any other duty impost etc of any kind on the transaction and income taxes (including any withholding taxes), interest and penalties with respect to such taxes (including penalties arising from any non-compliance by the Seller of any requirement to file tax returns under the income tax regulation of Pakistan) imposed by the government of Pakistan on the Seller ("Tax Liability") where such Tax Liability arises from or is in consequence of the transfer of title and risk of loss for the LNG to Buyer within the territorial waters of Pakistan, and such indemnity shall not be affected by:</i></p> <p style="padding-left: 40px;"><i>a) any other liability or indemnity due by one Party to the other under a Transaction; or</i></p> <p style="padding-left: 40px;"><i>b) termination of the Transaction."</i></p> <p>b) Where Election A is used, the reference point in 7.2 should relate to taxes imposed or levied after the point of title transfer, rather than the Delivery Point.</p> <p>c) If Buyer is not willing to provide any indemnity with respect to a PE arising from transactions in the territorial waters of Pakistan, would Buyer consider transfer of title and risk in international waters?</p>	<p>Changes not acceptable. If the Seller has any concern regarding creation of Permanent Establishment in Pakistan it should opt for Election A under Clause 6.1 of the MSPA and Paragraph 16 of the CN.</p>

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
103.	Clause 7.3	Can Buyer advise that if following proposed edit (in red) will be acceptable? " Where a Party has been reimbursed by the other Party under Clause 7.1 or 7.2, as the case may be for Payments of any Taxes (excluding withholding tax) made and the recipient of such reimbursement receives or is entitled to receive a refund in respect of the same Taxes...."	No change is proposed.
104.	Clause 8.2.2 (f)	Would it be possible to extend this to 12 months as per general practice for SIRE reports?	No change is contemplated.
105.	Clause 8.2.2(i)	From the detailed engineering study please provide the technical specifications for the Emergency Shut Down Systems and Linked Ship/Shore Systems interfaces – e.g. is the system Fibre Optic and/or 37 pin copper cable interface? Between FSRU there will be ESD1 and 2, please share details of ESD philosophy for the rest of the Plant, Global ESD 4?	These specifications can only be shared upon completion of project.
106.	Clause 8.2.2 (k)	We would like to add the words "or Equivalent" following 8.2.2 (k) "at all times carry a Blue Card". Some ships in our fleet do not carry Blue Cards (eg. Spanish ships carry a Spanish Union equivalent card).	We will consider making this change.
107.	Clauses 8.2.2 & 9.2	With regard to the LNG ship, the ship should be able to unload LNG at an average rate and at a maximum pressure. It is advisable to include the number of liquid arms needed to provide sufficient return vapour to meet these requirements. Would PLL agree to include such information in the LNG ship requirements section as well as the Receiving Facilities requirements section?	It is not intended to change this provision. As regards the liquid arms, details will be provided in the Terminal Regulations.
		With regard to the requirement to show a copy of the certificate of insurance to PLL, would PLL consider deleting the obligation to show a copy of the certificate? It is not common to show proof of this certificate as this may not be able to be done on a shipment-by-shipment basis as such ship-by-ship insurance may be part of a larger insurance policy. Would PLL be okay to include only a requirement on Seller to have such insurance?	It is not intended to change this provision.

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		Would PLL agree to expand the Blue Card reference to include any other such form that is acceptable to International transport Worker's Federation?	We will consider making this change.
108.	Clause 8.3.1	How far in advance of each delivery does one have to nominate an LNG Carrier?	As provided in paragraph 2 of the CN.
109.	Clause 8.3.2	We request that the language in clause 8.3.2 "...until Buyer has inspected and approved such LNG carrier..." changed to ... "...until Buyer has, where possible , inspected and approved such LNG carrier..."	It is not intended to change this provision.
110.	Clause 8.3.2	Usually, LNG supply contracts envisage the inspection right in favor of the Buyer and not a mandatory requirement. We propose to amend the article accordingly.	The existing clause would remain unchanged.
111.	Clause 8.3.2	"Seller's use of such a Substitute LNG Carrier shall not be permitted until Buyer has inspected and approved such LNG carrier" should be redrafted to "Seller's use of such a Substitute LNG Carrier shall not be permitted until Buyer has had the opportunity to inspect and has approved such LNG carrier"	The existing clause would remain unchanged.
112.	Clause 8.3.2	The language "use a substitute LNG Carrier ("Substitute LNG Carrier") of similar cargo capacity to the LNG Carrier being so substituted" is unnecessarily restrictive and provides no value to Buyer. So long as Seller meets the obligations set out in Clause 8 regarding the LNG Ship there should be no such restriction. Suggest the clause is changed as follows: "use a substitute LNG Carrier ("Substitute LNG Carrier") of similar cargo capacity to the LNG Carrier being so substituted "	The existing clause would remain unchanged.
113.	Clause 8.3.2	If inspection of the substitute vessel cannot be performed for example on short notice or the vessel is sailing, would Buyer still requires an inspection or can it be waived ?	It is not intended to change this provision.

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114.	Clause 8.4	<p>As per 1.1 & 8.2.2(c)</p> <p>In order for seller to satisfy itself that LNG carrier is compatible with the receiving facilities please provide and/or confirm the following:</p> <p>1. Provide FSRU interface drawing or other equally acceptable data set outlining the main parameters of the FSRU</p> <p>2. Provide details of the fenders between the FSRU and the LNG/C</p> <p>3. Provide details of the fenders including the fender panels located between the FSRU and the jetty,</p> <p>4. Provide full technical specifications of the jetty mooring hooks and full technical specifications of FSRU mooring hooks</p> <p>5. Provide operating range of 'high pressure pipeline segments'</p> <p>6. Site specific environmental data – tide, current and dimensions of berth pocket including underkeel clearance.</p>	<p>This information has been requested from PLTL and will be shared once available.</p> <p>This information has been requested from PLTL and will be shared once available.</p> <p>Please find attached 'Annex C (Specifications for Quay Furniture)', which provide further details regarding the fender. These specifications are subject to final review by COWI.</p> <p>Please refer to the Annexes to the Bidder Queries, which are subject to final review by COWI.</p> <p>400-1200 psi.</p> <p>This can only be done after the IDR is completed by COWI.</p>
115.	Clause 8.4.1	<p>Compatibility testing is normally performed by the terminal operator. Seller would not normally be in a position to confirm compatibility because it is not yet in possession of sufficient information about the port and terminal.</p>	<p>PLTL has advised that this is correct to the extent of the 2nd terminal, however the port information is the same as issued for the existing 1st LNG terminal (EETPL Terminal) for which relevant information is available.</p>
116.	Clause 8.4.1	<p>Could PLL explain what role it will be playing in the compatibility assessment process?</p>	<p>No role of PLL is envisaged in compatibility assessment process.</p>

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117.	Clause 8.4.2	<p>We propose to amend the text as follows:</p> <p><i>"If at any time after executing the relevant Confirmation Notice Buyer 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, Buyer shall have the right at its own costs to inspect the LNG Carrier, or cause the LNG Carrier to be inspected by the Terminal Operator, to assure itself that such LNG Carrier is compatible with the Receiving Facilities."</i></p>	The existing clause will remain unchanged.
118.	Clause 8.4.5	Can PLL consider removing the following words: "and Seller shall reimburse Buyer for any costs incurred in inspecting the LNG Carrier in accordance with Clause 8.4.4"?	The existing clause will remain unchanged.
119.	Clause 8.4.5	With regard to compatibility inspections, it is customary that each Party bears its own cost. Would PLL amend the concept as drafted by deleting the last sentence, which refers to Seller's reimbursement of such costs, to ensure that the clause is in accordance with the common industry principle that each party bears its own costs?	The existing clause will remain unchanged.
120.	Clause 8.5.2	<p>We understand and share the principle but we propose to add a reciprocal clause, as usually envisaged by LNG contracts. Such clause should envisage that the Buyer:</p> <ul style="list-style-type: none"> • has to pay for modifications to the LNG Carriers if they make changes to the Receiving Terminal; • to pay to modify the Receiving Terminal if the LNG Carriers have to be modified to comply with International Standards. 	The existing clause will remain unchanged.
121.	Clause 8.7	It is common for the Buyer to provide assistance to the Seller to arrange these services, even if the services are at Seller's cost. We propose to integrate the provisions of this article accordingly.	The existing clause will remain unchanged.

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122.	Clause 9	The LNG ship clause specifies the Seller's position in case of modification. This is missing with regard to the receiving facilities clause and the Buyer's position in case of modification, as would be expected in a 5 year contract. Would PLL agree to include symmetrical language for modifications to the Receiving Facilities?	The existing clause will remain unchanged.
123.	Clause 9.2(a)	Please include specific reference that any FSRU facilities shall be compliant with OCIMF/SIGTTO STS Guidelines.	The FSRU facilities would be compliant with OCIMF/SIGTTO STS Guidelines. No change is therefore contemplated to the provision. For any additional queries on the same, Bidders are encouraged to contact PGPC on their own. Yes they will be compliant to above guidelines.
124.	Clause 9.2	Please provide detailed engineering studies which demonstrate that the Pakistan Gas Port LNG terminal meach each of the criteria set out at 9.2 (a) to (g) and (i).	PLTL has advised that "COWI Gulf, an international consultant is reviewing the design of EPC contractor on behalf of PGPC, to ensure that the berthing facilities are compliant to international standards. FSRU is being built at Samsung, Korea and will be delivered to BW in March 2017. Studies/tests reports with reference to re-gas facilities, discharge rate etc. will be available after March 2017. Full bridge navigation simulation studies have been carried out by Siport, Spain." Additionally, please refer to 123 above.
125.	Clause 9.3	We would propose to integrate the article so that the Buyer warrants that the Receiving Facilities meet and at all material times will continue to meet all applicable requirements and regulations, which are in force at the relevant Confirmation Date, for reception of the relevant LNG Carrier and the unloading of LNG in accordance with this Master Agreement and applicable Confirmation Notice.	No change is proposed.
126.	Clause 9.4	Can Buyer advise that the provided COU in tender documents will not change for duration of the agreement, as Seller will need to always ensure the COU is acceptable to P&I Clubs ?	The Buyer has no control over the terms of the COU as this is issued by the Port authority (PQA). PQA is an experienced port authority and a number of different types of vessels call at Port Qasim including LNG carriers.

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127.	Clause 9.4	<p>Clause 9.4 effectively binds Seller to the Conditions of Use of Port Qasim Authority (Annex 3b).</p> <p>Whilst it is understandable that these conditions should be under Pakistan law and Pakistan arbitration, this appears to be in direct conflict with the English law and London arbitration under the MSPA. Further please confirm that the Conditions of Use are insurable with the P&I clubs as the Master will refuse to sign if this is not the case.</p>	The existing clause will remain unchanged.
128.	Clause 9	If some safety incident occurs in the Discharge Port; Will Seller have the ability to reassess Seller's approval of the Discharge port?	If the safety incident falls within a force majeure event, the Seller will have the relevant FM protection.
129.	Clause 10	For clarity, would PLL agree to insert a definition for ETA as "estimated date and time of arrival"?	The existing clause remains unchanged.
130.	Clause 10.1.1 (g)	Two (2) hours' notice prior to arrival is not required under Annex 3 PQA SOP 3.	The existing clause remains unchanged.
131.	Clause 10.1.1(h)	With current wording, effectiveness of Notice of Readiness is out of Seller's control and there may be significant delay from tendering until effectiveness. Please consider amending as follows: "a notice of readiness, when the LNG Ship has arrived at the PBS (hereinafter referred to as "Notice of Readiness")".	The existing clause remains unchanged.
132.	Clause 11.2.1	As terminal clearance would be given prior to the NOR being tendered, would PLL agree to redraft this clause to clarify this point?	The existing clause remains unchanged.
133.	Clause 11.3.2 (b)	This clause lists situations where another ship can take priority over Seller's LNG Ship. One of the reasons mentioned in that clause is the "delivery of off-spec LNG by another carrier". Could this be deleted?	The existing clause remains unchanged.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
134.	Clause 12.5.3	We believe that where subsequent cargo deliveries are delayed due to events caused by the Buyer in the unloading of a previous cargo, the Seller should not be considered as responsible for such delays. It is a standard for LNG contracts and then we propose to integrate the article accordingly.	The existing clause remains unchanged.
135.	Clause 12.6	<p>We believe that there is ambiguity around calculating the additional boil off.</p> <p>Would it be possible to reword the formula to: "Contract price x (Estimated Contract Quantity x daily Boil-Off Rate) x Excess Used Laytime? Whereas "Excess Used Laytime = Used Laytime - Allowed Laytime [ignoring any extension under clause 12.3]".</p>	<p>Please refer to our comment on 136 below.</p> <p>The existing clause will remain unchanged.</p>
136.	Clause 12.6	Could PLL clarify the meaning of the last sentence of the paragraph: "the point in time when the calculation of additional boil off commenced"?	The additional boil off is calculated from the end of the Allowed Laytime.
137.	Clause 12.6	This clause states that if an LNG ship is delayed for reasons attributable to Buyer or the Terminal Operator, then Buyer reimburses Seller for excess boil off. This clause should also include reasons attributable to Buyer's other suppliers to the terminal.	The existing clause will remain unchanged.
138.	Clause 12.7	<p>We request that a mutual Demurrage clause, whereby the amount payable by Seller to Buyer is calculated on the back of the "Demurrage at the daily rate set forth in the applicable Confirmation Notice for full days or pro rata for any particular days".</p> <p>We request that the language in clause 12.7 be amended to "... then Seller shall reimburse Buyer for the Demurrage at the daily rate set forth in the applicable Confirmation Notice for full days or pro rata for any particular days and, if applicable...". Can PLL accommodate this change in wording?</p>	The existing clause remains unchanged.
139.	Clause 12.7	Please confirm that Clause 12.7 extends to one waiting vessel only.	We do not anticipate that it will be more than one vessel.

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140.	Clause 12.7	The same Demurrage rate and Boil off percentage shall apply for both reimburse by the Buyer and paid by the Seller.	For Buyer – the rates stipulated in the CN. For Seller – The demurrage rate and boil off percentage will be the actual demurrage and boil off, respectively, that results on account of the delay.
141.	Clause 12.7	Would ""another LNG carrier"" refer to ""the next scheduled LNG carrier"" only? Will the applicable demurrage rate in scenario mentioned will also be 20k per day as mentioned in CN Clause 10 ?	The reference is intended to be to another LNG carrier and not only to the next scheduled LNG carrier. The demurrage charge will be the actual demurrage as incurred on account of the delay.
142.	Clause 12.8	In case of claims (clause 12.8.2 (b) of the MSPA), would PLL agree to revise the clause to shorten the period of time (e.g. 20 days after the claim was presented instead of 60 days)?	The existing clause will remain unchanged.
143.	Clause 15.1(c)	Since it may be impossible to get copies stamped as non-negotiable from some LNG suppliers, would PLL consider deleting the requirement for ""non-negotiable""?	The existing clause will remain unchanged.
144.	Clause 15.1.1	Usually, we provide only 1 endorsed original bill of lading, this is our standard procedure. Could you please contemplate receiving only 1 original bill of lading, endorsed to PLL?	PLL requires a full set of bill(s) of lading which is usually 3 original copies. In case, a full set is less than 3 copies, PLL would be willing to accept a lesser number of original bill(s) of lading, provided they represent all original bill(s) of lading issued for that Cargo.
145.	Clause 15.1.1	<p>Whilst it is understood the importance to receive original documentation, each terminal has its own regulation and custom in place, which means that not all the requested documents might be available.</p> <p>For example:</p> <ul style="list-style-type: none"> - 15.1.1 (c) – In certain cases one original version of the Bill of Lading may be retained at source. - 15.1.1 (d) - In the case of reloads, the source LNG terminal may not produce a certificate of origin; other evidence of its source can, however, be provided. 	<p>PLL requires a full set of bill(s) of lading which is usually 3 original copies. In case, a full set is less than 3 copies, PLL would be willing to accept a lesser number of original bill(s) of lading, provided they represent all original bill(s) of lading issued for that Cargo.</p> <p>In case of reloads, the Terminal Operator at the load port may certify the origin of LNG Cargo.</p>

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146.	Clause 15.1.1(a)	provisional commercial invoice is required based on Estimated Cargo Quantity , but there is no definition of Estimated Cargo Quantity – should it be Estimated Contract Quantity as defined in Definitions section ?	Thank you for pointing this out. It is a typographical error and will be corrected.
147.	Clause 15.1.1 (b)	In 15.1.1 (b) 'At the time of raising a provisional invoice we would not be able to show a due date on it as the completion of unloading date (Section 11 of CN) would be unknown at this point in time. Can we confirm the due date later on by email?	A tentative date on the provisional commercial invoice should be mentioned. The actual date should be notified in the final invoice.
148.	Clause 15.1.1(b)	In 15.1.1 (b) 'We have to use "Estimated cargo quantity" for the provisional invoice, but it's not clear how this is derived. The quantity specified in the CN is variable @ 140,000 m ³ +/- 2% and not in MMBtu's, required to calculate value. NB This is a consequence to not having an annual scheduling process (i.e. ADP, Ninety Day Schedule). Please consider to include an industry-standard scheduling process with ADP, Ninety Day Schedule etc.	The ECQ would be assumed at 3,200,000 MMBtu. The scheduling for the first Contract Year will be notified 60 days in advance of the Cargo delivery. For subsequent years, we will give a 5 day Delivery Window by September 30, which will be reduced to a 2 day Delivery Window 60 days before the commencement of the relevant Delivery Window. It is not proposed to modify this arrangement.

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149.	Clause 15.1.1(b)	In 15.1.1 (b) 'We would always need to send a provisional invoice at the latest 72 hours prior to ETA and pricing will be based on the average of the 3 months quotes prior to the month of discharge. However, if the ETA is near the month end and expected discharge just after month end, then we would not be able to determine the provisional pricing to use and need clarification on what to do. If we wait until after month end when the pricing is known and then send the provisional invoice, it contravenes the 72 hour clause. In this scenario, could we send a provisional invoice within 2 days after the pricing is known?	No exception would be made. As per normal industry practice, the provisional price can be indicated in the provisional invoice and the actual price can be notified in the final invoice.
150.	Clause 15.1.1 (c)	Could PLL specify more accurately the identity of the entity for the order of the B/L (instead of "Karachi, Pakistan")?	The name of the consignee would be "Pakistan LNG Limited".
151.	Clause 15.1.1 (c)	Could PLL explain what it refers to when mentioning "charter party bill of lading"?	Charter party bill of lading refers to one which would be issued by the charterer of the vessel to the shipper for the goods being shipped on the vessel, so refers to a bill of lading issued by the charterer and not the owner of the vessel.
152.	Clause 15.1.1 (c)	In 15.1.1(c) Originals cannot be guaranteed prior to discharge. Please confirm scanned endorsed documents will be sufficient. Also, Bill of Lading must be made out to a legal entity, not a place. Please provide such entity.	Prior to discharge, PLL can accept copies. However, originals should be provided at the time of final invoice. Bill of lading must be in the name of "Pakistan LNG Limited".
153.	Clause 15.1.1	Seller to provide copies of the relevant documentation, not originals until after payment of cargo.	Prior to discharge, PLL can accept copies. However, originals should be provided at the time of final invoice.
154.	Clause 15.1.1 (d)	Re 15.1.1 (d) Originals cannot be guaranteed prior to discharge. Please confirm scanned endorsed documents will be sufficient. Also, Bill of Lading must be made out to a legal entity, not a place. Please provide such entity.	Prior to discharge, PLL can accept copies. However, originals should be provided at the time of final invoice. Bill of lading must be in the name of "Pakistan LNG Limited".
155.	Clause 15.1.1 (d)	Can PLL consider the following change so as to accommodate reloads: "... signed copies of the certificate of origin <u>or certificate of reloading</u> issued or countersigned ..."?	In case of reloads, the Terminal Operator, Port Authority or relevant Chamber of Commerce at the reload port may certify the origin of LNG Cargo.

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156.	Clause 15.1.1(d)	<p>A Certificate of Origin is not provided from all terminals offering a reload service as the volume is comingled and the origin of the LNG cannot be guaranteed. Please consider if this is a firm requirement as it will restrict the sources available to supply this contract.</p> <p>If such a certificate is required then please add some language such as "Where Seller nominates a Source which does not provide a Certificate of Origin, the Parties shall cooperate to find an alternative arrangement to meet such requirement."</p>	Certificate of Origin is a firm requirement. No change to the existing clause would be made.
157.	Clause 15.1.1(d)	Is this [Certificate of Origin] requirement mandatory? It is not possible to obtain those documents in case of LNG reloading operations.	Certificate of Origin is a firm requirement. No change to the existing clause would be made.
158.	Clause 15.1.1 (g)	In 15.1.1(g) Seller is unable to provide the relevant documentation as these are provided by the Independent Surveyor who issues the documentation. The independent Surveyor is appointed by the Buyer hence the documents stated in this clause should be provided by Buyer. Can PLL accommodate this change? Especially as 15.1.3 states that Buyer will provide these reports to Seller.	Independent Surveyor would be appointed jointly by the Seller and the Buyer and accordingly, Seller would have access to these documents. Therefore, the existing clause would remain unchanged.
159.	Clause 15.1.4(b)	What "relevant documents " are required ? For Quantity only or for Brent also ?	To establish the cost mechanism, Seller has to provide calculation workings. This will include all relevant data, including Brent.
160.	Clause 15.1.5	Which due date should apply for the provisional invoice if the analysis has not been completed in time, within the 48h required? We suggest it to be stated clearly in the Confirmation Notice in Clause 11.	The due date for provisional invoice will still be the date indicated in paragraph 11 of the CN even if the lab analysis is not completed within time. We believe the documents are clear in this regard and do not require any amendment.

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161.	Clause 15.1.6	<p>'Not clear as to how (or on what) the interest is calculated (e.g., even if the lab analysis takes more than 48 hours and a provisional to final invoice is raised, then as long as it is paid within 15 days of receipt of invoice there is no delay). Please clarify.</p> <p>'Defaulting party is to pay interest, but unclear as to who the defaulting party is – is it whoever causes a delay in doing the lab analysis or is it the party making the provisional to final payment? This clause is not standard because payment is linked to discharge/receipt of invoice, therefore please consider removing.</p>	<p>"Interest Rate" is defined in the Definition clause and means interest calculated at 2% above of 3 month LIBOR. Interest will only be payable if the adjusting payment is not made within the time specified, i.e. 15 days of the receipt of the final invoice by the Buyer. If the lab analysis has not been completed due to default of either Party, then interest would be payable at the "Interest Rate" by the defaulting Party. If no Party is in default, then no such interest would be applicable.</p>
162.	Clause 15.4.2	<p>Could PLL explain the reference to the words "subject to Clause 15.6"?</p>	<p>We believe this may be a typographical error and if necessary, may correct the reference in the revised CN.</p>
163.	Clause 16 – Force Majeure (16.1a & 16.2a)	<p>To clarify, what is deemed as "navigational and maritime peril" in the FM event? Please provide examples.</p>	<p>This should be taken in its natural meaning. It is not possible to describe all potential navigational and maritime perils and we don't think any purpose would be served by elaborating any such instances.</p>
164.	Clause 16.1 and Clause 16.2 / Force Majeure: Change in Law Risk	<p>Please clarify whether change in law occurring after the date of signature of the MSPA is intended to be covered by the Force Majeure events at Clause 16.1(g) and 16.2(f) in relation to Seller and Buyer respectively.</p>	<p>A change in law would only be covered to the extent performance is prevented or substantially impeded. This would not extend to any changes relating to any economic hardships. To clarify, the FM provisions would only cover the FM events subsequent to signing of the relevant CN.</p>
165.	Clause 16.3.1 (a)	<p>This clause lists Seller's related persons that will be counted towards Seller's force majeure events. This list should also include the Operator of Upstream Facilities (definition suggested below), which should be considered within the scope of Seller's FM.</p> <p>An example of a definition for "Upstream Facilities" could be as follows:</p> <p style="text-align: center;"><i>"Upstream Facilities" means all facilities for the production, gathering, processing and delivery of LNG to the Loading Port".</i></p>	<p>It is not proposed that the scope of related persons for purposes of FM is to be expanded.</p>

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166.	Clause 16.3.2	Could PLL specify any third parties FM cases inside Pakistan that could be expected to happen?	Related parties who would be covered by scope of FM are specified in 16.1.1. Any other party would be treated as a third party for FM.
167.	Clause 16.3.3	Please kindly clarify that change of economics, change in law, change in demand are not considered events of FM.	Changes in economics or demand would not fall within FM. Changes in Law would only be covered by FM if performance is prevented, delayed or impeded by such change in law.
168.	Clause 16.5	<p>PLL's wording - "If an event of Force Majeure occurs and is continuing for an uninterrupted period of forty five (45) days such that it prevents a Party from performing..."</p> <p>As the Seller is required to deliver 1 cargo per month, can PLL accommodate prolonged FM period of less than 30 days in order to terminate the sale and purchase of the affected Cargoes?</p>	Except as mentioned in 173 above, the existing clause would remain unchanged.
169.	Clause 16.5	We understand that an MSPA is usually considered for spot deliveries but in this case we are talking about a LT supply contract. We then propose to broaden the uninterrupted period from 45 days to a minimum of 6 months.	Except as mentioned in 173 above, the existing clause would remain unchanged.
170.	Clause 16.5	The period of 45 days is longer than usual for a 5 year contract term. A more appropriate period would be 30 days.	Except as mentioned in 173 above, the existing clause would remain unchanged.
171.	Clause 16.5	MSPA, "45 days" is too long compared to normal MSPA, which is usually 7-14 days. Is it possible to consider shortening the date from 45 days to 7-14 days?	Except as mentioned in 173 above, the existing clause would remain unchanged.

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172.	Clause 16.5	<p>Based on a term contract structure of 5 years, would PLL be open to revising its position on the conditions which would trigger the termination of the Confirmation Notice?</p> <p>For example, would PLL agree to the following amendment to the conditions:</p> <p>termination for prolonged FM could be considered in the case when a Party has declared Force Majeure one or more times during any 12 month period, and the interruptions resulting from such Force Majeure has resulted in the Other Party being prevented from performing (taking delivery of or delivering) at least fifty percent (50%) of the Contract Quantity?</p>	Except as mentioned in 173 above, the existing clause would remain unchanged.
173.	Clause 16.5	<p>In Clause 16.5 of the MSPA, in the case of strip (multiple cargo) transactions, is it the intention to allow either Party:</p> <ul style="list-style-type: none"> - the choice to terminate either the entire Confirmation Notice or the affected cargoes; or - just the affected cargoes only? 	The CN would be modified to clarify that in case of multiple cargoes ordered under one CN are affected, the entire Transaction under the CN may be terminated.
174.	Clause 16.5	Reduced from 45 days to 7 days for termination for prolonged FM.	Except as mentioned in 173 above, the existing clause would remain unchanged.
175.	Clause 17.1	Would PLL consider a termination right (without penalty) to allows a party to terminate if in its reasonable judgment, the other party is in breach of the representations and warranties set out in clause 2.4?	Please see section 17.1(d) of MSPA. We do not propose to limit the clause by adding a reference to "reasonable judgment".
176.	Clause 17.1	<p>Under the CN Seller has the right to suspend deliveries if the SBLC is not restored to its amount after a claim is effective.</p> <p>Is there any reason why Seller is not entitled to Suspension rights upon the occurrence of any other Event of Default? Particularly in relation to failure to provide Credit Support.</p>	It is not intended to allow suspension of deliveries under the Transaction, except in the specific instance mentioned in the CN.

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177.	Clause 17.1(a)	We propose to introduce a threshold test into this article in order to avoid that a failure to pay even \$1 will constitute an event of default that will give the other side the right to terminate. We propose to set a lower limit of 1,000,000.00 \$.	This proposal is not acceptable.
178.	Clause 17.1(b)	We deem that this provision leaves room for disputes over what is a material obligation. It is preferable to include an exhaustive list of Events of Default than rely on vague provisions such as this. The list would normally include failure to pay a specified amount, failure to provide security, insolvency, breach of assignment provisions, breach of the ABC clause and failure to take a specified amount of LNG in a CY, etc.	The existing clause would remain unchanged.
179.	Clause 17.1(d)	We propose to delete this clause since some breaches of warranty do not always justify termination.	The existing clause would remain unchanged.
180.	Clause 17.2.1	We propose to amend the clause to provide that termination is without prejudice to rights and remedies accrued prior to termination and does not affect any clause expressed to survive termination.	Please refer to clause 3 and 17.2.
181.	Clause 17.2.1	A non-defaulting party may not wish to immediately terminate. Would PLL consider the introduction of a reciprocal right for the non-defaulting party to suspend its obligation to deliver / receive (as applicable) until the event of default is remedied? This would allow performance of the contract to resume once a remedy was in place.	It is not intended to allow suspension of deliveries under the Transaction, except in the specific instance mentioned in the CN.
182.	Clause 17.2.1	It is common practice under term agreements for the Seller to have suspension rights over Buyer in the case of non-payment. We believe that this would be a more suitable option for the MSPA, rather than having purely an outright termination right.	It is not intended to allow suspension of deliveries under the Transaction, except in the specific instance mentioned in the CN.

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183.	Clauses 17.2.1 to 17.4	<p>There seem to be a conflict among the provisions of Clauses 17.2.1, 17.3 and 17.4, regarding available remedies to a Party in case of breach of the other Party and termination:</p> <ul style="list-style-type: none"> - 17.2.1 seems to entitle Parties to remedies available at law; - 17.3.3 and 17.4 seem to limit the remedies to those available under the contract only. 	We believe that the provisions are consistent with each other.
184.	Clause 17.2.2	Due to the fact that the SBLC in place as per the CN is for 105% of the Cargo Value, is there any rationale to limit the amount that Seller can claim under the credit support to Contract Price multiplied by the Estimated Contract Quantity of the relevant Cargo?	The rationale for the value of the SBLC being 105% of the value of the Cargo is to cover fluctuations in price. However, the rationale of keeping it at ECQ is in case the Cargo has not been unloaded.
185.	Clause 17.2.4	<p>This Clause seems to indicate that Payment from the SBLC should be deemed to be a Payment of the relevant amounts due.</p> <p>The relevant amounts due could actually be higher than the Payment Received from drawing on the SBLC, leaving a gap. What is intended to happen with the amount in excess of the SBLC amount?</p>	<p>If there is an amount in excess of the SBLC amount then this will be a liability of PLL. There is a mechanism for adjustment of SBLC amount every 90 days under the CN, which should provide some protection to the Parties for price fluctuations.</p> <p>No changes are required.</p>
186.	Clause 17.2.4	We recommend that wording of this clause is replicated in the SBLC form.	It is not proposed to change the form of SBLC.

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187.	Clause 17.3.1	<p>We propose to delete entirely the wording and to replace it with the following one:</p> <p><i>"Except in relation to amounts payable under Clauses 4.3 (Sellers Failure to Deliver, 5.3 (Acceptance of Off-Spec LNG) and as expressly provided for in any Confirmation Notice Seller is not liable to Buyer, and Buyer is not liable to Seller for (including in respect of any breach of contract or any breach of any duty of care or any other cause of action whatsoever and howsoever arising), and each Party hereby waives any remedy in respect of:</i></p> <p><i>(a) any actual or anticipated financial or economic loss, cost, expense or damage, including loss of profit, loss of revenue, loss of use, loss of production, loss of agreement or bargain, loss of goodwill or loss of business opportunity;</i></p> <p><i>(b) any special damage or loss;</i></p> <p><i>(c) any new or increased cost or expense, including financing, capital or operating cost or expense;</i></p> <p><i>(d) any non-achievement or inability to achieve any actual or anticipated saving in respect of any cost or expense;</i></p> <p><i>(e) any unforeseeable, remote, incidental, indirect or consequential loss;</i></p> <p><i>(f) any exemplary or punitive damages;</i></p> <p><i>(g) any cost, expense, damage or loss resulting from any liability of a Party to any third party howsoever and whensoever arising; or</i></p> <p><i>(h) to the extent permitted by Law, any liability arising under or by virtue of statute."</i></p>	The existing clause would remain unchanged.
188.	Clause 17.3.1	Remove all indirect costs to PLTL. Only liable for direct costs.	No change is proposed.

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189.	Clause 17.3.2	We propose to delete entirely the article.	This is not acceptable.
190.	Clause 17.3.3	<p>We propose to amend as follows:</p> <p><i>"Except as expressly provided for in a Confirmation Notice, a Party's sole remedy against the other Party for non-performance or breach of the relevant Transaction or for any other claim of whatsoever nature arising out of or in relation to that Transaction shall be in contract, and that as such no Party owes another Party any duty of care (including in tort) and no Party shall be liable to another Party (or its Affiliates and contractors and their respective directors, officers, employees and agents) in respect of any damages or losses suffered or claims which arise out of, under or in connection with any alleged breach of statutory duty or tortious act or omission (including negligence) or otherwise."</i></p>	The existing clause would remain unchanged.
191.	Clause 17.3.3	<p>Request deletion of "PROVIDED HOWEVER that this shall not operate to exclude any equitable remedies."</p> <p>The intent of clause 17.3.3 is to limit claims under the MSA to breach of contract claims only. The highlighted text (that we propose to delete) is inconsistent with that sentiment and creates unnecessary uncertainty for both Parties.</p>	The existing clause would remain unchanged.
192.	Clause 17.4	This clause states that the only rights of termination are under clauses 3.2 and 17.2. However clause 16.5 (Force Majeure) also contains a termination event. Would PLL add 16.5 to the list?	Thank you for pointing this out. The change would be reflected in the CN.
193.	Clause 18.1.8	Cost and expense of expert to be borne equally may is not fair to the winning party who was unnecessarily forced to defend such dispute. Propose for the cost to be borne by the losing party.	We believe that if the dispute relates to a technical matter, it would be fair for the costs to be borne equally.
194.	Clause 18.1.1	Does PLL agree that the technical disputes mentioned under 18.1.1 only refer to measurement and testing matters, and demurrage calculations?	It could cover these matters but we cannot agree up front that it would be limited to these matters.

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195.	Clauses 18.2.1 & 18.2.2	Would PLL agree to clarify Clause 18.2.2 so that it covers only those disputes not treated under 18.2.1?	If clauses 18.1.7 and 18.2.2 are read together, it is clear that only disputes not referred to the Expert would subject to arbitration.
196.	Clause 19	Please consider include Buyer's undertaking re maintenance of majority ownership in PLL by the Government of Pakistan.	The requested undertaking cannot be provided.
197.	Clause 19.4.3	<p>PLL's wording - "...shall be deemed to have been received by the close of the Business Day on which it was transmitted ..."</p> <p>Operations and e.g. off-spec notices should be received when sent, rather than deemed received a business day after sending. Can PLL accommodate this change in wording?</p>	The existing clause would remain unchanged.
198.	Clause 19.4	Can PLL accept audit rights to verify cost estimates from either party (conducted by an independent auditor)?	No amendment is proposed.
199.	Clause 19.4	As facsimile is no longer in common use for communications, would PLL agree to delete all references to facsimile for notifications and invoices, instead relying on email and paper copy delivery?	This is just an option and the parties are free to communicate through email or paper copy delivery. Therefore, we feel no need to delete the option of facsimile.
200.	Clause 19.5	Would PLL explain in what cases it intends to disclose the Confirmation Notice to Pakistan Gas Utilities?	For operational purposes.
201.	Clause 19.5.2(d)	Delete in its entirety.	No amendment is proposed.
202.	Clause 19.11	This clause only lists clauses 18.2.7 and 19.5 as clauses which survive any termination. However, it seems that more clauses should survive e.g. 1 (definitions), 17.3 (limitation of liability), 18 (dispute resolution), 19.4 (notices), 19.6 (governing law), 19.8 (amendments), 19.11 (survival), 19.13 (non-waiver) and 19.16 (waiver of immunity). Would PLL add these to the list?	We will consider if necessary, may correct the reference in the revised CN.

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203.	Annex B	<p>Requirement of zero is technically not possible, as tests are not that sensitive. Also, most LNG sources have an allowed range of 50ng/m³.</p> <p>Therefore please amend to max 50ng/m³.</p>	<p>Because the reading would indicate 0.0 even if there was some trace of Mercury (less than 0.0001 nanograms). We do not believe a change is necessary.</p>
204.	Annex B	<p>Current language "The LNG shall, when received at the Delivery Point, have a maximum temperature of -158.5 °C" should be changed to</p> <p>"The LNG shall, at custody transfer in accordance with clause 19.36.3(a) of Annex C be no warmer than -158.5C."</p>	<p>The maximum temperature is under review and may be reduced to -159 °C.</p>
205.	Annex B	<p>LNG Specification: It is practically impossible to verify Mercury to a level of 0.0. Please modify the limit to "Not Detectable", as is the industry norm.</p>	<p>Because the reading would indicate 0.0 even if there was some trace of Mercury (less than 0.0001 nanograms). We do not believe a change is necessary.</p>
206.	Annex B (LNG Specifications)	<p>Can Higher Heating Value max limit be increased to 1180 Btu/scf ?</p>	<p>No. Heating value max limit cannot be increased to 1180 Btu/scf.</p>
207.	Annex B	<p>We suggest amending higher heating value limit to 947.6-1160. This slight adjustment will enable many more sources to be delivered and lower the prices.</p>	<p>Currently no change in heating value limit is contemplated.</p>

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208.	Specification/ MSPA	<p>Would PLL be able to widen the range of Specification for HHV to an upper end of 1170 Btu/scf?</p> <p>With regard to the inclusion of Bacteria and Total Mercury as a part of the LNG specification, this is not standard and in fact neither is present in the LNG process (although we see this in natural gas pipeline specifications). Would PLL agree to delete these references?</p> <p>With regard to Hydrocarbon Dewpoint, can PLL please explain why it needs this specification? Would PLL agree to delete Hydrocarbon Dewpoint as it is not a specification included in LNG producer contracts?</p>	No change is contemplated.
209.	Annex C 19.38.2	There is a difference between gas used on Buyer's vessel that is burned for Buyer's own use or return gas vs gas Buyer is required to burn at the direction of the terminal. Our experience is that such gas burnt at the direction of the terminal can be quite high and would have a price impact. Any gas burnt at the direction of the terminal should be for Buyer's account. Please consider amending.	No change is proposed.
210.	Annex C (Measurement, Sampling and Testing)	Can you please clarify how Egas will be determined ?	Please refer to paragraph 19 of the CN. Egas will be measured as per the guidelines of GIIGNL by the measurement of the total volume of gas consumed.
211.	Annex C	Would PLL agree to revise precision rate of measurement for list and trim as well as reading?	No change is proposed.
212.	Annex C	Please verify throughout the references to paragraphs of this Annex C.	We will review and may make any necessary corrections.
213.	Annex C, Clause 19.38.2	Where is the defined term "Egas" referred to in the formula?	Please refer to paragraph 19 of CN.
214.	Annex D	Could we have some reciprocity introduced in this Pact or could the same pact be put in place in favour of Seller?	Please refer to 49, above.

215.	<p>Could PLL consider adding a reciprocal Anti-Bribery Clause such as:</p> <p>“Anti-Bribery Laws and Obligations</p> <p>Each Party hereby:</p> <p>(i) warrants that such Party has not made, offered, or authorised; and</p> <p>(ii) covenants that such Party will not make, offer, or authorise;</p> <p>any payment, gift, promise or other advantage, whether directly or through any other person or entity (including its Affiliates and/or the directors and officers of such Party or its Affiliates), to or for the use or benefit of any public official, any political party or any other individual or entity, where such payment, gift, promise or advantage would violate this Confirmation Notice, the Master Agreement or the Anti-Bribery Laws and Obligations applicable to such Party.</p> <p>Each Party shall as soon as reasonably practicable notify the other Party of any investigation or proceeding formally initiated by a governmental authority relating to an alleged violation of any applicable Anti-Bribery Laws and Obligations by such Party, or its Affiliates, or any of their directors, officers, employees, personnel of any tier, or any service providers of such Party or its Affiliates, concerning operations and activities under this Confirmation Notice or the Master Agreement. Such Party shall use reasonable efforts to keep the other Party informed as to the progress and disposition of such investigation or proceeding, except that such Party will not be obligated to disclose to the other Party any information considered legally privileged.</p> <p>Neither Party shall engage in business with any third party that is subject to Sanctions, whether under this Confirmation Notice of the Master Agreement or otherwise, to the extent that would affect the performance of this Confirmation Notice of the Master Agreement by the other Party.</p>	<p>This principle is covered through the Integrity Pact to which PLL will also be a signatory. Please also refer to 49, above.</p>
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		<p>Each Party shall, concerning matters that are the subject of this Confirmation Notice of the Master Agreement devise and maintain adequate internal controls concerning such Party's undertakings under this clause, including establishing and implementing internal policies and procedures to promote compliance with Anti-Bribery Laws and Obligations and Sanctions applicable to such Party.</p> <p>No Party is in any way authorized to take any action on behalf of the other Party that would put such Party in violation of its obligations under the Anti-Bribery Laws and Obligations or Sanctions applicable to such Party.</p> <p>In connection with the above:</p> <p>"Anti-Bribery Laws and Obligations" means all laws, rules, regulations, decrees or official governmental orders prohibiting bribery, corruption and money laundering applicable to any of the Parties or their Affiliates.</p> <p>"Sanctions" means any fiscal or other sanctions imposed by the European Union, a Member State of the European Union, the United States or the United Nations, including without limitation as set out in the lists maintained by the UN Security Council Sanctions Committee."</p>	

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<u>CONFIRMATION NOTICE</u>			
216.	General	How many CNs? 1 per cargo or one for the entire contract	One CN covering all cargoes under each tender (Transaction).
217.	Paragraph 1	We would like to introduce the following language in clause 1: "Up to 30 days prior to the Delivery Window, Seller has the right to change the Supply Source". And therefore we would like to delete "as soon as practicable after the relevant Delivery Window has been communicated"	No change is proposed.
218.	Paragraph 1	Would PLL consider Loading Port nomination at a later date, e.g. 15 days prior to the scheduled arrival of the vessel.	No change is proposed.
219.	Paragraph 1	Reduce 30 days nomination to 21 days	No change is proposed.
220.	Paragraph 1(a)	Is it acceptable for you and your terminal to nominate Loading Port (=LNG Source) few days later than 30 days prior to the first day of Delivery Window(s)?	No change is proposed. Please refer to 18, above.
221.	Paragraph 1(a)	<p>Loading Port / Seller's Facilities to be identified no later than 30 days before the relevant delivery window. There are no base load port/seller's facilities specified, so Seller would have limited FM protection until load port / seller's facilities are nominated.</p> <p>Given the term nature of the contract, we think that it Loading Port / Seller's Facilities should be identified earlier with Seller's right to substitute up to 30 days before the relevant delivery window.</p>	No change is proposed.
222.	Paragraph 1(a)	<p>Clause 1(a) refers to "the relevant Delivery Window [that] has been communicated to the Buyer in accordance with paragraph 5".</p> <p>In paragraph 5, however, the Delivery Window is to be communicated from Buyer <i>to Seller</i>.</p> <p>Which is correct?</p>	Thank you for pointing this out. Change will be reflected in the CN.

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223.	Paragraph 1(a)	Can PLL confirm that the Loading Port and Seller's Facilities may be nominated well in advance (year N-1 for the year N)?	This is Seller's prerogative.
224.	Paragraph 1(a)	With reference to Clause 5, shouldn't the Clause provide "has been communicated to the <u>Seller</u> " instead of "to the Buyer"?	Thank you for pointing this out. Change will be reflected in the CN.
225.	Paragraph 1(b)	We propose to amend the article as follows: <i>"For the avoidance of doubt, Seller shall be able to claim protection under Clause 16.1 of the MSPA for Seller's Facilities and/or Loading Port the identity of which is to be notified to Buyer under paragraph 1(a) of this Confirmation Notice as long as and to the extent that such Seller's Facilities and/or Loading Port are not, or are not to the Seller's knowledge likely to be, affected by a notice under Clause 16.4 of the MSPA at the time their identity is so notified to Buyer."</i>	No change is proposed.
226.	Paragraph 1(b)	Delete "or are not likely to be" as follows: "such Seller's Facilities and/or Loading Port are not, or are not likely to be , affected by a notice under Clause 16.4 of the MSPA"	No change is proposed.
227.	Paragraph 2	The term "Boil-Off Rate" is a defined term in the MSPA but is not given a value in the Confirmation Notice. Can PLL specify it?	Please refer to paragraph 10 of the CN.
228.	Paragraph 2(a)	It seems that Terminal is not defined, neither in the CN nor in the MSPA, even though it is in capital letter. We propose to insert the relevant definition coherent to the information provided in article 1.2 of the Bid Document.	Please refer to the definition of "Receiving Facilities". We however note your comment, any references to "Terminal" would be rationalized.
229.	Paragraph 2(a)	The physical optimisation of our portfolio often results in cargoes being redirected following loading and for this reason we suggest that the language "but in no case later than five (5) days prior to departure of that LNG Carrier from the Loading Port" is replaced with "but in no case later than five (5) days prior to the first day of the relevant Delivery Window."	No change is proposed.

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230.	Paragraph 2(a)	Will PLL provide any kind of support for purposes of the confirmation of compatibility?	PLL will only facilitate communication.
231.	Paragraph 2(a)	Seller would like to have the possibility to change the LNG Carrier after the proposed cut-off date (i.e. five days prior to departure from the Loading Port) if it is has no detrimental impact on the port and terminal compatibility assessment. Can PLL consider adding at the end of Clause 2(a): "After this date Buyer shall use reasonable endeavors to accept a change of LNG Carrier proposed by Seller."?	No.
232.	Paragraph 2(a) and (b)	Is there any possibility to shorten LNG carrier nomination timeline from 30 days prior to the first to day of Delivery Window(s) to 20~15days?	No.
233.	Paragraphs 2(a), 2(b)	"Terminal" does not appear to be defined. Can we understand this to be a reference to the "Receiving Facilities"?	Yes, it does intend to refer to Receiving Facilities. We note your comment and the references to "Terminal" will be rationalized.
234.	Paragraph 2(a), 2(b)	<p>Seller is required to confirm that the LNG Carrier is compatible:</p> <ul style="list-style-type: none"> - no later than 5 days prior to departure of the LNG Carrier from the Loading Port; and - no later than 21 days prior to the first day of the final Delivery Window. <p>Would the earlier date prevail if the two dates do not coincide?</p> <p>Do we understand correctly that Seller would potentially only have a 30-day window to nominate an LNG Carrier for first delivery to the Discharge Port/Receiving Facilities?</p>	Your understanding is correct.
235.	Paragraph 2 (b)	<p>What kind of information would the Discharge Port and the Terminal request that Buyer might need from Seller?</p> <p>Could PLL provide the list of the required information?</p>	Please refer to PLTL.

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236.	Paragraph 3	There is no language around the terminal vetting procedure and acceptance of the new facility in Port Qasim (and other new terminals as per clause 3). Seller will work closely together with PLL in order to clear and vet the new terminals but we would like to include wording around the clearance procedure of the LNG receiving facilities.	As regards the PGPL terminal, please contact PLTL/PQA. As regards any new terminals, it is premature to set a procedure at this time. Parties may mutually agree on the procedure to be adopted at the relevant time.
237.	Paragraph 3(b)	As the receiving facility is a FSRU located at Port Qasim, suggest clarification regarding alignment with Agreement Annex C, Section 19.37, such that the FSRU has the equipment and capability to capture samples of the LNG received for compositional determination, and/or is equipped with on-line gas chromatographs.	PLTL has advised that the FSRU will have On-line chromatograph for RLNG. LNG sampling will be done by Independent Surveyor. FSRU will be designed to enable the Independent Surveyor to take samples of LNG for analysis by the Independent Surveyor of such LNG.
238.	Paragraph 3(c)	We understand that in Pakistan there are currently only two LNG regas terminal and that they are one close to the other but we believe that a so short notice for a diversion could be difficult to manage for administrative compliance. In addition, given the increasing necessity for gas in the country, more LNG regas terminal are expected to be built in the next years in Pakistan and then diversions in farther terminals will turn such commitment impossible to be respected. We propose to increase such notice to 7 days.	We believe the distances even for future terminals would be such that no change is necessary.
239.	Paragraph 3(c)	The reference to the Seller at the end of line four seems to be wrong. It should be referred to buyer. Please confirm.	We believe the reference is correct.
240.	Paragraph 3(c)	As frequently requested in LNG contracts, we propose to envisage that Seller's consent shall not be unreasonably withheld but subject to various conditions, such as compatibility, schedule impacts, incremental costs, provisioning the LNG Carrier, etc.	No change is proposed.
241.	Paragraph 3(c)	We propose to include references to the invoicing and payment procedures in clauses 15.2, 15.3.2 and 15.4 of the MSPA.	No change is proposed.

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242.	Paragraph 3(c)	Regarding Buyer's right to request a diversion outside Pakistan, we would like to establish a minimum period for Buyer to communicate Seller of that intention. Could PLL take that request into consideration.	Such diversion is subject to mutual agreement of the Parties. We believe this should be sufficient to address Seller's concerns.
243.	Paragraph 3(c)	Please delete "The Seller hereby confirms that the Receiving Facility at Port Qasim operated by Engro Elengy Terminal (Private) Limited complies with the provisions of 9.2 of the MSPA." It is not possible for Seller to make such a representation for the term of this Confirmation Notice however this can be evaluated on a case by case basis.	No change is proposed. Seller should take comfort from the requirements of clause 9 of the MSPA that provides for Receiving Terminal to meet the specifications set out in clause 9.2.
244.	Paragraph 3(c)	Could PLL provide its diversion request with a reasonable notice period prior the relevant final Delivery Window?	No change is proposed to the clause. However, it may be noted that any diversions outside Pakistan are subject to mutual agreement of the Parties. We believe this should be sufficient to cater to Seller's concerns.
245.	Paragraph 3(c)	Rather than "... the Seller shall not withhold its consent such request", can PLL consider changing to "... the Seller shall not unreasonably withhold its consent to such request"?	The language will remain the unchanged.
246.	Paragraph 3(c)	What is PLL's expectation in terms of frequency of delivery to the Engro Elengy Terminal (Private) Limited LNG receiving facility?	Delivery to EETL Terminal is only envisaged as a backup.
247.	Paragraph 3(c)	Can we understand that: - diversion in Pakistan is at Buyer's sole option; while - diversion outside Pakistan is subject to mutual agreement between Buyer and Seller?	Your understanding is correct.
248.	Paragraph 3(c)	Could PLL provide: - the timeline for service of any diversion notice from Buyer; and - the timeline for ship-shore compatibility study at the diversion receiving terminal?	The timeline for diversions within Pakistan are set out in paragraph 3(c). Diversions outside Pakistan are subject to mutual agreement of the Parties.

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249.	Paragraph 3(c)	<p>Are there any critical differences between 1st and 2nd FSRU from an operational point of view?</p> <p>Seller is required to acknowledge that there is no cost increase in case of diversion to the 1st FSRU.</p> <p>Is this actually the case?</p>	<p>PLTL has advised that there are no critical differences between 1st and 2nd FSRU from an operational point of view.</p> <p>No significant cost difference is anticipated.</p>
250.	Paragraph 3(c)	<p>Seller confirms that the Receiving Facility operated by Engro Elengy Terminal (Private) Ltd complies with the Reciting Facility specifications in cl. 9.2 of the MSPA. Please clarify whether the reference to "Seller" should read "Buyer" instead – bidders are not best placed to ascertain the specifications of Engro's FSRU.</p>	<p>We believe that the reference is correct.</p>
251.	Paragraph 3(c)	<p>In case of diversion to another LNG receiving facility in Pakistan; could Buyer advise Seller with reasonable advance notice in order for Seller to confirm SSC, Sellers approval of the facility and available Shipping capacity?</p>	<p>In case of diversion to EETPL Facility Seller has given upfront approval as it is located at Port Qasim and is already operational. However, for other LNG receiving facilities PLL would expect to provide reasonable advance notice in order for Seller to confirm SSC and approval of facility as provided in Clause 9.2 of MSPA and Paragraph 3 of the CN.</p>
252.	Paragraph 3(c)	<p>Please confirm that Buyer may notify Seller at any time until the 1st day of the Delivery Window that Seller must deliver the cargo to another receiving facility within Pakistan.</p>	<p>The Buyer may notify the Seller at any time prior to the commencement of the first day of the Delivery Window.</p>
253.	Paragraph 3(c)	<p>Please confirm that Buyer may at any time request that a cargo be diverted for delivery outside of Pakistan, on a mutual agreement basis.</p>	<p>Your understanding is correct.</p>
254.	Paragraph 3(c)	<p>Would PLL please detail how PLL intends to assist Seller in obtaining the compatibility confirmation for an LNG Ship with an Unloading Port other than the Receiving Terminal at Port Qasim?</p>	<p>PLL will only facilitate communication with the port and terminal.</p>
255.	Paragraph 3(c)	<p>Buyer's written notice to divert is to be provided 60 days prior to the 1st of the Delivery Window. Would PLL consider a longer period (e.g. 90 days) for such notice?</p>	<p>The timeline for diversions within Pakistan are set out in paragraph 3(c).</p> <p>Diversions outside Pakistan are subject to mutual agreement of the Parties</p>

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
256.	Paragraph 3(c)	Please confirm that the name of Engro Elengy Terminal (Private) Limited should be replaced with Pakistan Gas Port Consortium Limited, or if the intention is to have deliveries to both facilities.	The option of Engro Elengy Terminal (Private) Limited is only provided as a backup option.
257.	Paragraph 3(c)	Would PLL consider an equal sharing mechanism for any net incremental value resulting from diversions for deliveries outside of Pakistan?	It may be noted diversions outside Pakistan are subject to mutual agreement on such terms agreed at the relevant time.

258.	Paragraph 3(c)	<p>Details with regard to the specifics of diversion economics are not included in the agreement. Would PLL be amenable to include such details in the Confirmation Notice, particularly as the tenders are for structural supplies and such detail is typically included in long term supply contracts? Such detailed language is included below, for PLL's consideration:</p> <p><i>"In addition to the foregoing, the Buyer may giving ninety (90) days prior written notice request diversion to any other discharge port outside Pakistan but such diversion shall be subject to mutual agreement of the Parties, provided that :</i></p> <ul style="list-style-type: none"> - <i>such Diversion Receiving Facility complies with the same provisions of Clause 9.2 of the MSPA referring to Receiving Facility,</i> - <i>Seller's upstream supplier's agreement, if applicable,</i> - <i>equal sharing, between the Parties, of any net incremental value ("NIV"), calculated in accordance with the following formula :</i> <p><i>$NIV = DR - BR - RC - SSD - ODC - USS$</i></p> <p><i>Where:</i></p> <p><i>(A) Diversion Revenues ("DR") means the revenues due to the Seller or to the Buyer from the sale of the Cargo to the third party buyer and shall be calculated in accordance with the following formula:</i></p> <p><i>$DR = DSP \times DQ$</i></p> <p><i>Where:</i></p> <p><i>DSP ("Diversion Sales Price") means a price, in US\$/MMBtu, applicable for the LNG delivered to the third party buyer.</i></p>	It is not intended to change this provision.
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*DQ ("Diversio**n** Quantity") means a quantity of LNG, in MMBtu, actually delivered, or deemed to be delivered to the third party buyer at Diversio**n** Receiving Facility.*

*(B) Base Revenues ("**BR**") means the deemed revenues of such Cargo if it had been delivered by the Seller to the Buyer at the Discharge Port as scheduled in the ADP or the latest Ninety Day Schedule as applicable and shall be calculated in accordance with the following formula:*

$$BR = CP \times ECQ$$

Where:

CP means the Contract Price applicable for such Cargo based on the month during which the LNG was originally scheduled to be delivered to the Discharge Port in the ADP or the latest Ninety Day Schedule as applicable as;

*ECQ ("**Estimated Contract Quantity**") means a quantity of LNG, in MMBtu, originally scheduled to be delivered to the Discharge Port in the ADP or the latest Ninety Day Schedule as applicable.*

*(C) Replacement Cost ("**RC**") means the costs, if any, incurred by the Buyer as a result of the non-delivery of such Cargo at the Discharge Port and shall be calculated in accordance with the following formula:*

$$RC = RP \times RQ - CP \times RQ$$

		<p><i>Where:</i></p> <p><i>RP ("Replacement Price") means a price, in US\$/MMBtu, applicable for such replacement LNG;</i></p> <p><i>RQ ("Replacement Quantity") means a quantity of replacement LNG, in MMBtu, actually purchased by the Buyer or deemed quantity replaced by the Buyer as agreed by the Seller, which shall not exceed ECQ;</i></p> <p><i>(D) SSD ("Seller's Shipping Differential") are the additional shipping costs incurred (SSD being positive) or shipping costs saved (SSD being negative) as applicable, incurred by the Seller in respect of the delivery of such Cargo to a Diversion Receiving Facility in comparison to the deemed shipping cost from the Loading Port to Discharge Port. SSD shall be calculated in accordance with the following formula:</i></p> <p><i>SSD = DSC - OSC</i></p> <p><i>Where:</i></p> <p><i>DSC ("Diversion Shipping Cost") means shipping cost incurred by the Seller, round trip basis, for the delivery of LNG from the Loading Port to the Diversion Receiving Facility;</i></p> <p><i>OSC ("Original Shipping Cost") means shipping cost deemed to be incurred by the Seller, round trip basis, for the delivery of LNG from the Loading Port to the Discharge Port;</i></p>	
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		<p>(E) ODC ("Other Diversion Costs") are the other costs, in addition to the RC and shipping costs already taken into account in (C) and (D) above, incurred in respect of the diversion and sale of the Cargo to the third party buyer, which shall be agreed when the Parties agree the diversion. Unless agreed by the Parties, ODC shall be considered as zero (0); and</p> <p>(F) USS ("Upstream Supplier Share") is the amount paid by Seller to its upstream supplier who originally supplied such diverted Cargo in respect of the diversion of this Cargo and calculated in accordance with the provisions of an agreement between Seller and its upstream supplier.</p>	
259.	Paragraph 4.1	Would PLL consider a wider range for deliveries with respect to both the quantity / volume of LNG to be delivered and the operational tolerance.	The ranges set out in the CN are not intended to be changed.
260.	Paragraph 4.1(a)	<p>As written there seems that Start Date can be declared before July 2017.</p> <p>Can PLL please clarify language and insert the following into the text?</p> <p>"The actual Start Date will be notified by the Buyer to the Seller no later than 1st March 2017, and shall fall between 1st July 2017 and 1st January 2018."</p>	It is not intended for the Start Date to be earlier than July 2017. However, this paragraph is under review and any revisions in the CN will be made available by December 8, 2016.
261.	Paragraph 4.1(a)	Would PLL clarify if the number of cargoes and duration of contract in Tender 01 (60 cargoes; 5 years) are fixed? Or could Seller offer any other quantity and duration?	It is clarified that the number of cargoes and duration of contract in Tender 01 are fixed.

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262.	Paragraph 4.1(a)	The Start Date for first delivery can be delayed to Jan 2018 at Buyer's sole direction, and shall be notified to Seller by Buyer no later than 1st March 2017. Does PLL intend to provide a 'narrowing down' mechanism for identifying the Start Date?	This paragraph is under review and any revisions to the CN will be made available by December 8, 2016.
263.	Paragraph 4.1(a)	Suggest to give a firm start date for 2017 deliveries as ambiguity will lead to higher prices.	Please refer to 260 above.
264.	Paragraph 4.1(a)	Can PLL confirm that in case of Start Date postponement, the period during which the SBLC is to be provided shall also be extended accordingly?	The Performance Guarantee is required to be provided by the Seller by March 1, 2017 irrespective of the Start Date.
265.	Paragraph 4.1(a)	Our understanding is that Seller shall have to deliver and Buyer shall have to take 60 cargoes regardless the effective start-up of deliveries. Is it correct?	Your understanding is correct.
266.	Paragraph 4.1(a)	Our understanding is that Buyer is not asking for any build up period and that deliveries will be for 1 cargo/month since the start-up date. Could you confirm that?	Your understanding is correct.
267.	Paragraph 4.1(b)	Can you consider unloading quantity out of 140,000m ³ +/- 2% range? And have you experienced any cargo larger/smaller than 140,000m ³ +/-2%?	Cargo size will not be changed. We do not have previous experience of larger or smaller cargoes as the cargoes under this Tender and Tender 02 will be our first cargoes.
268.	Paragraph 4.1(b)	Current parcel size (140,000m ³ +/-2%) is restrictive compared to general market for LNG vessels and particularly the larger, most efficient vessels (160-170,000+). Please consider allowing for larger parcel sizes.	Cargo size will remain unchanged. However, estimated Cargo size will be by reference to 3,200,000 MMBtu +/- 5% and will be at a volumetric quantity of 140,000 m ³ +/- 2%.
269.	Paragraph 4.1(b)	Could you provide us with more information concerning the limitation to the quantities to be delivered at 140,000 cm and the reasons underling it?	Quantities have been limited as per our requirements.
		Is it possible to increase the tolerance of ±2%?	It is not possible to increase tolerance.
		As it is not a physical restriction (FSRU capacity 170,000 m3), can we deliver the requested cargo with a bigger vessel partially loaded?	As long as the LNG Carrier meets the relevant specifications and is otherwise in line with the documents there is no restriction on using a larger partially loaded vessel.

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		Could the average LNG cargo for each contract year comply with the given quantity (instead of cargo by cargo)?	This is cargo by cargo and there is no concept of an average LNG cargo size.
		Are there some limitations of vessels size and typology? We see that there are cargos constraints, but are there any constraints on vessels both for the canal either for the port?	Please see PQA SOP and COU.
270.	Paragraph 4.1(b)	Can PLL consider a flexibility larger than 2% on the quantity of LNG in each Cargo?	The range is not proposed to be changed.
271.	Paragraph 4.1(b)	The Cargo quantity is proposed @ 140,000m ³ : would PLL consider larger Cargo sizes? Would PLL please explain its technical constraints? Regarding the tolerance proposed of +/- 2%: as this a very low variation, would PLL consider a larger variation such as +/- 5%?	Cargo size and tolerance ranges are not proposed to be changed. However, estimated Cargo size will be by reference to 3,200,000 MMBtu +/- 5% and will be at a volumetric quantity of 140,000 m ³ +/- 2%. Quantities have been limited as per our requirements.
272.	Paragraph 4.1(b)	Quantity: We suggest that 10,000 m ³ LNG be allowed to be delivered above 140,000 +2% subject to buyer agreeing. If the extra quantity is allowed, it will be subject to seller bearing cost if extra send out capacity beyond 600 mmscfd purchased by buyer.	This is currently not contemplated.
273.	Paragraph 4.1(b)	Increase from 2% to 5%	No increase is contemplated.
274.	Paragraph 4.1(c)	What is the maximum LNG Carrier size acceptable by PLL?	As long as the LNG Carrier meets the relevant specifications including the Terminal Rules and Port parameters and is otherwise in line with the MSPA and CN there is no restriction on LNG Carrier size.
275.	Paragraph 4.1(c)	Could Seller deliver a partial Cargo lot of 140,000 cbm in a larger vessel?	As long as the LNG Carrier meets the relevant specifications and is otherwise in line with the documents there is no restriction on using a larger partially loaded vessel.
276.	Paragraph 4.1(c)	Could Seller deliver a total of 1,680,000 cbm per year (140,000 cbm in 12 months), but in cargo lots different than 140,000 cbm?	Each Cargo must be within the tolerance for cargo size indicated in the CN.

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277.	Paragraph 4.1 (d)	Liabilities in the MSPA are based off the Estimated Contract Quantity (ECQ). Per the definition and according to Annex A of the MSPA this should be stated in the CN but this reference is currently missing. Can we please add a clause in the CN that refers to ECQ as per MSPA Annex A 19.20?	It is intended that through the CN, the ECQ will be assumed to be 3,200,000 MMBtu.
278.	Paragraph 4.2	Can you consider the offer without Deferred Quantity?	It is not possible to consider a Bid which excludes Deferred Quantity. However, in view of Bidders comments the Deferred Quantity provisions are under review to consider whether any reduction in Deferred Quantity is possible and if so any changes will be reflect in a revised CN.
279.	Paragraph 4.2	How will be priced the Deferred Quantity? What is the price at which the deferred cargoes will be priced?	Deferred Cargoes will be priced on the date of delivery of the Deferred Cargoes.
280.	Paragraph 4.2	We assume that deferred cargoes may be deferred and rescheduled across the calendar year.	There is no restriction on the time within which the Deferred Cargo can be rescheduled. However, there is a cap on the number of Deferred Cargoes outstanding at any one time.
281.	Paragraph 4.2	In the instance that Buyer can't take all deferred quantity cargoes in the final contract year, how would the treatment be? It is not stated.	Buyer's take or pay liability will be triggered.
282.	Paragraph 4.2	For Deferred Quantity, PLL has proposed a 120-day mechanism to notify Seller about a new Delivery Window, with an obligation for Seller to deliver the Deferred Quantity during such notified window. Would PLL consider mutual agreement for the supply of Deferred Quantities, as there are many logistical factors in the LNG chain that need to be assessed with regard to ensuring that such delivery is feasible?	We intend to retain the existing 120 day mechanism for delivery of the Deferred Quantity rather than mutually agreeing the timing of supply.
283.	Paragraph 4.2(a)-(c)	It is clear from Clause 4.2(b) of the Confirmation Notice that PLL has the <i>right</i> to take Deferred Quantity cargoes at a later date. Is it intended that PLL will be <i>obliged</i> to take such Deferred Quantity cargoes by the end of the term, or could PLL choose not to take Deferred Quantity cargoes in the end?	PLL is obliged to take the Deferred Quantity by the end of the term and if it does not do so then unless excused the take or pay provisions would be triggered.

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284.	Paragraph 4.2(a)-(c)	Can the Deferred Quantity be rolled over from one calendar year to another?	Yes.
285.	Paragraph 4.2(a)-(c)	<p>The delivery timing of a Deferred Quantity cargo is at the sole direction of the Buyer.</p> <p>The Seller does not appear to have any option to deny such request.</p> <p>Request: Would it be acceptable for the timing of delivery be subject to discussion between the parties in good faith, as Seller will need to arrange shipping to accommodate Buyer's preferred delivery slots?</p>	We intend to retain the existing 120 day mechanism for delivery of the Deferred Quantity rather than mutually agreeing the timing of supply.
286.	Paragraph 4.2(a)-(c)	<p>Based on our understanding, it is possible that Seller may be required to deliver up to three (3) cargoes (1 normal scheduled cargo + 2 Deferred Quantity cargoes) in a given month. This could cause operational difficulties in terms of cargo allocation.</p> <p>We also understand that Seller could be exposed to payment risk for up to five (5) cargoes (3 normal scheduled cargoes + 2 Deferred Quantity cargoes), assuming these are all scheduled within the 40+ day period after Completion of Unloading of a cargo, whereas the SBLC would only cover the value of one cargo.</p> <p>Request: Would it be possible for Seller to adjust the delivery of Deferred Quantity cargoes to avoid the scenarios described above?</p>	<p>PLL intends to revise these provisions to:</p> <ul style="list-style-type: none"> • reduce the payment term to 21 days; and • reduce the number of Deferred Cargoes to 1. <p>While your understanding of the mechanism is correct, your exposure would be reduced, as a result of these changes.</p>
287.	Paragraph 4.2(a)	<p>We propose to amend the first line as follows:</p> <p><i>"Notwithstanding the provisions of Clause 4 of the MSPA and subject to the Article 4.2 (c) below, the Buyer has the right not to purchase and take up to two (2) Cargoes of LNG in each...omissis..."</i></p>	No change in the language is proposed.

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288.	Paragraph 4.2(a)	Our understanding is that the Buyer can exercise its right in reduction only for maximum 2 cargoes a year. In other words, if PLL exercise its right of reduction in the Q1 and then recovers all the deferred quantity accrued during Q2, PLL will not have the right to ask for others reduction within the same year. Could you confirm such interpretation?	Your understanding is correct.
289.	Paragraph 4.2(a)	Is Buyer willing to pay a deferral fee?	No.
290.	Paragraph 4.2(b)	Insert "prior" in front of the words "written notice".	No change is intended to be made.
291.	Paragraph 4.2(b)	Does it mean that PLL has the right or the obligation to ask the Seller to deliver the Deffered Quantity accrued? Even though the use of the word "may" would suggest that PLL has a right to, the prohibition to exercise the right to reduce the quantity in the last year seems to indicate that the Deffered Quantities accrued must to be recovered. Could you please clarify the point and, if needed, amend the wording?	The language will not be amended. This paragraph means that PLL has right to ask the Seller to deliver the Deferred Quantities accrued and if these are not availed then, unless otherwise excused, will form part of the take or pay volumes.
292.	Paragraph 4.2(c)	Our understanding is that at any time the aggregate Deferred Quantity outstanding cannot exceed the amount of 2 cargoes. It means that if in the first year PLL exercises its reduction right for 2 cargoes, it cannot ask for any additional deferred reduction until it will have recovered any cargo of Deferred Quantity accrued. Please confirm such interpretation.	Your understanding is correct.
293.	Paragraph 4.2(c)	<p>As per clause 4.2(a), the Deferred Quantity is a right for 2 cargoes in each calendar year and as per clause 4.2(c), it shall not exceed 2 cargoes. Could PLL please clarify its intention?</p> <p>For instance if 1 cargo has been deferred, would PLL please clarify if it is 2 cargoes per contract year as per Clause 4.2(a) or cumulative amongst 60 cargoes? So 1 cargo deferral remains – for the year, or for the remainder of the contract? Is the deferral regime reset each year, or do deferrals carry forward each year? Is it that the cumulative balance cannot exceed 2 cargoes over the life of a contract or in any given year? Does the call on a deferred quantity reduce the balance thus enabling another deferral?</p>	<p>The right is subject to two limitations:</p> <ul style="list-style-type: none"> • The number of deferrals in any given year; and • The total number of Deferred Cargoes outstanding at any one time. <p>Deferrals will carry forward each year in which they are not made up. Accordingly, up to 2 Cargoes may be deferred in any given year but as long as 2 Cargoes remain outstanding no further deferrals will be permitted.</p> <p>However it should be noted that PLL intends to revise these provisions to:</p> <ul style="list-style-type: none"> • reduce the payment term to 21 days; and • reduce the number of Deferred Cargoes to 1

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294.	Paragraph 4.2(c)	When does a "year" commence?	The first contract year would commence on the Start Date and end at midnight of December 31 st of the year in which the Start Date occurs. For subsequent contract years, each contract year will start on January 1 st and end on December 31 st . The last contract year will end at the end of the term of the Transaction.
295.	Paragraph 5	Please clarify 5(b) and 5(c) as they are contradictory. Does 5(b) apply to deliveries in calendar year 2017 only?	We do believe these are contradictory. Paragraph 5(b) applies only to deliveries in calendar year 2017. Paragraph 5(c) applies to deliveries post the 2017 calendar year
296.	Paragraph 5	We assume PLL is aware from comments to first Pakistani tender that giving Buyer the sole right to choose and narrow Delivery Windows, will result in additions to the price paid by PLL. Standard terms would put Seller in control of scheduling, subject to rateability, and taking account of Buyer's preferences. Please consider "reasonable endeavours to schedule cargoes reasonably rateable throughout the year".	No change is proposed.
297.	Paragraph 5	Seller may have 2 cargoes on the water at any one time. Please consider request that Buyer's SBLC covers 105% of the value of 2 cargoes, same as for Seller.	The value of the Buyer's SBLC will remain unchanged.
298.	Paragraph 5	Currently, the scheduling of LNG cargoes is a unilateral process in which the Buyer has the right to determine the Delivery Window with no input from the Seller. In traditional LNG projects, the scheduling of LNG cargoes is done through a consultative mechanism between the Seller and Buyer and an Annual Delivery Programme (ADP) is issued following this consultative process. This ADP process allows for the flexibility of changing dates as it involves the mutual discussions between the Seller and the Buyer and other buyers. This ADP process is widely used in many LNG projects in the world and would greatly increase the potential supply sources for the Buyer. Can the Buyer consider a more traditional ADP process for the purpose of scheduling LNG Cargoes?	We appreciate that some contracts provide for this methodology for scheduling the delivery programme but no change to the current scheduling and delivery provisions is contemplated.

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299.	Paragraph 5	Are the deliveries expected on a ratable basis within similar calendar days of the month?	The delivery windows for one year may be fixed but the dates may change from year to year i.e. delivery window in 2017 may be between the 5 th day and 10 th day of a month but may be between the 15 th day and 20 th day for the following year.
300.	Paragraph 5	<p>Would PLL accept to have a more detailed scheduling process with ADP/NDS, which would be beneficial for both Parties (e.g. when rescheduling is required or beneficial due to unplanned events, or when PLL wants to bring a spot cargo that was not previously planned)?</p> <p>Can PLL consider changing the scheduling mechanism as follows?</p> <ul style="list-style-type: none"> • When Buyer shall inform Seller of its preferred schedule, Seller shall, after discussion with Buyer and after using reasonable efforts to accommodate Buyer's request, issue the agreed schedule of each cargo delivery. • In case of delivery amendments after the contractual 60 days (Clause 5.b), the affected Party will immediately give a notice to the other Party informing of the requested amendments and specifying the reasons. Seller and Buyer shall use all reasonable endeavours to agree in good faith. If Seller and Buyer give their consent (which shall not be unreasonably withheld) then current schedule shall be revised accordingly by Seller, and Seller shall provide a revised schedule? 	<p>No change to the current delivery programme and scheduling process is contemplated.</p> <p>However, certain clarifications will be made for the first Contract Year.</p>

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301.	Paragraph 5(a)	<p>We understand that deliveries will envisage 1 cargo a month without any constraint concerning a minimum period between one delivery and the following one. Is it correct? If yes, we propose to amend the point (a) as follows:</p> <p><i>"For each calendar year during which Cargo deliveries will be undertaken under this Confirmation Notice, Cargos shall be delivered evenly and ratably throughout the year with one (1) Cargo to be delivered in each calendar month of the relevant calendar year and not less than 28 days between the commencement of the Delivery Window of any two consecutive Cargos, subject to the provisions regarding Deferred Quantity as provided in paragraph 4.2 above."</i></p> <p>Will the allocation of the 5 days period Delivery Windows will be on a pro-rata basis (i.e. every 30 days?)</p>	<p>The delivery windows for one year may be fixed but the dates may change from year to year i.e. delivery window in 2017 may be between the 5th day and 10th day of a month but may be between the 15th day and 20th day for the following year. No change to the delivery programme and scheduling provisions is contemplated.</p>
302.	Paragraph 5(a)	<p>Are the deliveries expected on a ratable basis within similar calendar days of the month?</p>	<p>The delivery windows for one year may be fixed but the dates may change from year to year i.e. delivery window in 2017 may be between the 5th day and 10th day of a month but may be between the 15th day and 20th day for the following year.</p>
303.	Paragraph 5(a)	<p>We note that one cargo is expected to be delivered in each calendar month.</p> <p>Request : Would it be acceptable to specify that such deliveries should be made ratably over each calendar year, to limit Seller's potential exposure in any given credit cycle (please see the comment on clause 4.2(a)-(c) above in relation to Seller's potential exposure to payment risk for up to five cargoes)?</p>	<p>The delivery windows for one year may be fixed but the dates may change from year to year i.e. Delivery Window in 2017 may be between the 5th day and 10th day of a month but may be between the 15th day and 20th day for the following year.</p> <p>As regards payment risk, PLL intends to revise these provisions to:</p> <ul style="list-style-type: none"> • reduce the payment term to 21 days; and • reduce the number of Deferred Cargoes to 1.
304.	Paragraph 5(a)	<p>Will the Delivery Windows be the same for each Cargo?</p>	<p>No.</p>
305.	Paragraph 5(a)	<p>Could Seller be informed about the FSRU scheduled maintenance?</p>	<p>The delivery date will be notified after considering this.</p>
306.	Paragraph 5(b)	<p>At the start of clause 5(b) please insert "For the period from the Confirmation Date until 31 December 2017, "</p>	<p>Certain clarifications in the language of paragraph 5 of the CN will be made for the first year.</p>
307.	Paragraph 5(b)	<p>Will the successful Bidder receive a timetable with the 5 day windows for 2017?</p>	<p>Clarifications will be provided through the CN with regards to the 5-day window for the first year.</p>

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308.	Paragraph 5 (b)	Is the intention that the 5 day windows are standardized on a monthly basis and therefore these 5 day windows are reoccurring every month at the same time? Or will the planning of these windows be at PLL discretion?	<p>Clarifications will be provided through the CN with regards to the 5-day window for the first year.</p> <p>Subsequently, the five-day Delivery Window will be notified to the Seller for each calendar year. This may change from year to year. The two-day Delivery Window within that 5-day Delivery Window would be notified 60 days prior to the Delivery.</p> <p>These windows will be fixed at PLL's discretion and may vary from month to month and year to year within the above parameters.</p>
309.	Paragraph 5(b)	Regarding the nomination of the final Delivery Window 60 days in advance of such date, would PLL be open to increasing this period of time (e.g. to 90 days before such firm date of delivery in line with the issuance of the Ninety Day Schedule process)? Would PLL consider mutual agreement for the establishment of both the preliminary and final Delivery Window, or is this intended to be Buyer's sole right to choose?	No change to the scheduling provisions is contemplated except that certain clarifications for the first year will be made in the CN.
310.	Paragraph 5(b) & (c)	<p>When does the final Delivery Window have to be notified?</p> <p>Is this:</p> <ul style="list-style-type: none"> - 60 days before the first day of the relevant calendar month (in accordance with para 5(b) of the Confirmation Notice); or - 60 days before the relevant 5-day date range notified by Buyer in the preceding calendar year (in accordance with para 5(c) of the Confirmation Notice)? 	<p>Clarifications will be provided through the CN with regards to the 5 day window for the first year.</p> <p>For each year following the first year, the 5-day Delivery Window will be communicated no later than September 30. The final 2-day delivery window will be notified 60 days before first day of the relevant 5-day period.</p>
311.	Paragraph 5(b) & (c)	<p>Will a 5-day date range be provided for deliveries in 2017?</p> <p>Can Buyer notify a Delivery Window outside of the 5-day date range previously notified? (We assume not, but please confirm).</p>	<p>A 5 day range will be provided for the first year. This will be detailed in the revised CN.</p> <p>The 2-day delivery window will always lie between the 5-day delivery window originally notified.</p>

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312.	Paragraph 5(b) & (c)	Will Seller be entitled to adjust the Delivery Window advised by Buyer?	The Seller will not be entitled to adjust the Delivery Window, as advised by the Buyer.
313.	Paragraph 5(b) & (c)	According to Clause 5(b) the communication of the 2 day Delivery Window is at least 60 days before the first day of the relevant delivery month while Clause 5(c) states no later than 60 days before the first day of the 5 day period as notified by Buyer. Can PLL clarify?	The communication of the firm Delivery Window (2-day Delivery Window) must be made 60 days before the first day of the relevant 5-day Delivery Window. For e.g. if the 5-day delivery window is between 4-9 th in any particular month, the firm 2 day delivery window for October of that year would have to be communicated 60 days prior to October 4.
314.	Paragraph 5(c)	Would PLL agree to a scheduling process that finalises the ADP including the final 2-day Delivery Window prior to the beginning of a calendar year?	It is not possible to finalize the 2- day Delivery Window in advance for the entire year.
315.	Paragraph 5(c)	Can PLL confirm that the Delivery Window is a period of two days (48 hours)?	Your understanding is correct.
316.	Paragraph 5(c)	Can PLL confirm that the two day period will always fall within the five day range.	Your understanding is correct.
317.	Paragraph 5(c)	Our understanding is that the Seller shall not have the right to contribute on the scheduling of the cargoes, which will be scheduled at the Buyer's discretion only. Please confirm that.	Your understanding is correct.
318.	Paragraph 5(c)	How does the scheduling work concerning the first six months? Given that point 5.(c) refers to "each calendar year following the 2017 calendar year" do we expect to receive only the communication of the 2 days window 60 days before the beginning of the month?	Clarifications will be provided through the CN with regards to the 5 day window for the first year. For each year following the first year, the 5-day Delivery Window will be communicated no later than September 30. The final 2-day delivery window will be notified 60 days before first day of the relevant 5-day period
319.	Paragraph 6	We believe there is a wrong reference to paragraph 4(d) of the CN – shouldn't it reference to 4.1(b)?	Thank you for pointing out. We will make the necessary amendment in the CN.

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320.	Paragraph 6	<p>In order to avoid ambiguity, "The LNG Heel shall not be used to reduce or increase the Estimated Cargo Quantity beyond the tolerance set out in paragraph 4(d) of this Confirmation Notice." should be deleted as it is already covered in Clause 4.1.3 of the MSA.</p> <p>This should be inserted:</p> <p>"The LNG Heel shall be notified by Seller to Buyer five (5) days prior to the start of the Delivery Window."</p>	No change is proposed.
321.	Paragraph 6	Article 6 of CN references to Paragraph 4(d); perhaps you meant 4.1(b)?	Thank you for pointing this out. The correction in the cross-reference will be made.
322.	Paragraph 6	<p>- There is no paragraph 4(d) in Confirmation Notice. Please confirm that the paragraph is intended to refer to the tolerance set out in paragraph 4.1(b) of the Confirmation Notice.</p> <p>- "Estimated Cargo Quantity" is not defined – we assume this is meant to be a reference to "Estimated Contract Quantity". Please confirm.</p>	Thank you for pointing these out. We will make the necessary amendment in the CN.
323.	Paragraph 6	We would appreciate further clarification on the treatment of the LNG Heel.	Please refer to MSPA for further elaboration on LNG Heel.
324.	Paragraph 8	<p>Linking the Brent month in the Contract Price to commencement of discharge is non-standard. Since it leads to uncertainty right up until discharge it will result in additional cost to PLL.</p> <p>Please revise to more standard terms i.e. linked to start of Delivery Window as specified in ADP.</p>	No change is contemplated.

325.	Paragraph 8	<p>Could PLL consider adding more detail to the definition of BRICE, as follows:</p> <ul style="list-style-type: none"> • "BRICE" for a given month is the unweighted arithmetic mean of all the Specified Prices published during such month (M). BRICE will be not rounded. • "Specified Price" means the daily settlement price per barrel of ICE BRENT CRUDE OIL for the relevant ICE Futures Contract, stated in USD, as made public by ICE on the website http://data.theice.com, in the section "VIEW DATA", "Futures Report", for the product "ICE Brent Crude • Futures – North Sea", under the column labelled "Sett". • "ICE" means the Intercontinental Exchange. • "ICE Futures Contract" means the First Nearby Month Futures Contract, except that for the Last Day of quotation for the First Nearby Month Futures Contract, the ICE Futures Contract shall be the Second Nearby Month Futures Contract. • "First Nearby Month Futures Contract" means the contract appearing on the first line of the screen published by ICE. • "Second Nearby Month Futures Contract" is the contract appearing on the second line of the screen published by the ICE. • "The Last Day of quotation of the First Nearby Month Futures Contract" will be the last ICE Business day of the second month preceding the month representing the First Nearby Month Futures Contract (for illustrative purposes: the March 20YY contract month will expire on the last ICE Business Day of January 20YY). • If the day on which trading is due to cease would be either: 	No change is contemplated.
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		<ul style="list-style-type: none"> • The ICE Business Day preceding Christmas Day, or • The ICE Business Day preceding New Year's Eve, • Then trading shall cease on the next preceding ICE Business Day. • "ICE Business Day" means a trading day which is not a public holiday in England and Wales 	
326.	Paragraph 8(a)	<p>We understand this price clause contains none provisions concerning alternative statistics/modified indices. Even though it is usual and reasonable for an MSPA, we believe that for a mid to long term contract would be preferable to insert some provisions. We then propose to insert the following wording.</p> <p>"In case:</p> <p><i>i) publication that contains a rate or index used in this CN ceases to be published for any reason; or,</i></p> <p><i>ii) such a rate or index ceases to exist, is materially modified so as systematically to change its economic result and to no longer reflect its original purpose, or is disaggregated, displaced or abandoned, for any reason;</i></p> <p><i>then Parties shall promptly discuss, with the aim of jointly selecting a rate or index to be used in place of such rate or index that maintains the purpose and economic effect of those original rate or index."</i></p>	No change is contemplated.
327.	Paragraph 8(a)	Can we offer different Brent slopes?	No.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
328.	Paragraph 9	<p>Would PLL allow revisions to the Allowed Laytime extension mechanism to include the following causes for extension:</p> <p>(i) limiting inclusion of Adverse Weather Conditions as a reason for extending the Allowed Laytime to such events that occur during the Delivery Window; and</p> <p>(ii) including acts of a Governmental Authority as a reason for extending Allowed Laytime</p>	No change is contemplated.
329.	Paragraph 10	Is it considerable for you to set up demurrage rate in accordance with relevant shipping markets? \$20,000 looks too low compared with current chartered level.	The demurrage rate will be increased to \$30,000/day and the same would be reflected in CN.
330.	Paragraph 10	<p>The proposed Demurrage Rate of \$20,000 per day pro rata does not reflect the current market level and does not provide an adequate incentive for Buyer act in a timely manner to resolve any delays in discharge operations. This will also reduce any contingency which will be priced into offers under the tender and which would be paid for by Buyer for each and every cargo regardless.</p> <p>We suggest \$50,000 per day pro rata would be a more suitable level.</p>	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
331.	Paragraph 10	Could PLL consider a higher demurrage rate? 20,000 USD per day does not cover the cost of a vessel. A suggestion is to consider a spot market rate.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
332.	Paragraph 10	Would Buyer consider Demurrage rate in line with applicable market rate (i.e. higher than 20k per day) for specified duration?	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
333.	Paragraph 10	Demurrage rate is very low (20,000 USD) for such timeframe. Suggest it be as per charter party.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
334.	Paragraph 10	The rate of Demurrage is very low. Would PLL consider increasing the rate to a higher value to reflect long term charter market conditions of 80,000 \$/day?	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
335.	Paragraph 10	Regarding additional boil-off, would PLL revise the calculation to be based on the ship size rather than Estimated Contract Quantity, as larger ships may be used / partial deliver scenarios to meet the 140,000m ³ of PLL?	Boil off rate will be based on the ECQ. Change would be reflected in the revised CN.
336.	Paragraph 10	As per the mechanism and cap for demurrage for reasons attributable to Buyer, would PLL allow a symmetrical approach to be taken in cases in which "Reverse Demurrage" would be charged e.g. for reasons attributable to Seller?	Seller would also be responsible for demurrage, as contemplated in the MSPA.
337.	Paragraph 10	The proposed rate is low. Would PLL consider a market demurrage rate assessment, linked to rates published by established LNG shipping reports, as a balanced means of setting the demurrage rate over the five / fifteen year period.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
338.	Paragraph 10	Amend to reflect a floating demurrage rate or increase demurrage rate to \$70,000/day pro rata.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
339.	Paragraph 10	Demurrage rate of \$US20,000 is on the low side. Propose to revise rate by factoring in the average charter hire rate for 5 years.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
340.	Paragraph 10	The Demurrage Rate proposed at \$ 20,000 per day is significantly below the typical demurrage rate of modern carriers in today's market. We would suggest that this be amended or a "right to discuss and amend" introduced.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.
341.	Paragraph 10	The Demurrage Rate considered does not reflect the effective costs borne by the Seller in case of delays. We propose to set the Demurrage rate at level equivalent to the daily charter rate under the charter party between the Seller and the Seller's transporter for LNG vessel employed. The Demurrage rate shall be expressed in USD per day.	The demurrage rate will be increased from \$20,000/day to \$30,000/day and the same would be reflected in CN.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
342.	Paragraph 10	We propose to amend the first paragraph as follows: <i>"The rate of Demurrage for the purposes of Clause 12.5 and 12.7 of the MSPA shall be...omissis..."</i>	No change is contemplated. However, the rate of demurrage would be changed from \$20,000/day to \$30,000/day.
343.	Paragraph 11	Payment terms – 30 days after completion of unloading for LNG invoices. Payment terms for all other invoices (such as failure to take invoices, and port costs reimbursement invoices) are not specified as required to be under MSPA clause 15.3.2.	It is intended that 30 days would be reduced to 21 days.
344.	Paragraph 11	What are the intended payment terms under MSPA 15.3.2?	For invoices other than the sale and purchase of LNG, the payment would be due in 30 days. However, for LNG, the period would be reduced to 21 days.
345.	Paragraph 11	Please clarify that this is 30 'calendar' days.	It is intended to refer to calendar days but it is also intended for the 30 days to be reduced to 21 days.
346.	Paragraph 11	Would Seller consider 20 calendar days?	It is intended that 30 days would be reduced to 21 days.

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347.	Paragraph 11	<p>Can we amend and add the following text to Clause 11 in the CN:</p> <p>We would like to reduce the 30 days to 21 days, and include the following wording:</p> <p>"In the event that, seven (7) days prior to a final Delivery Window, there is an invoice outstanding from Buyer to Seller then Buyer shall immediately either:</p> <ul style="list-style-type: none"> (i) Pay such invoice; or (ii) Provide additional SBLC with a value of 105% x Estimated Contract Quantity x the Contract Price payable in respect to the relevant cargo, remaining valid until at least 30 Business Days after the Delivery Window. <p>Seller shall have the right to suspend deliveries and Clause 4.2 of the MSPA shall apply until such time that these obligations have been complied with."</p>	No change is proposed except that 30 days period would be reduced to 21 days.
348.	Paragraph 11	<p>A period of 30 days for payment provision is quite unusual for LNG contracts and it implies an unreasonable exposition for the Seller. Taking into consideration the provision of article 15.1.2., 15.1.3 and 15.1.4 of the MSPA, assuming a cargo is unloaded in day n, the Buyer provides the final quantity unloaded within 48 hours (n+2), the invoice can only be issued on day n+3. According to article 11 of the CN such invoice will have to be paid on day n+33, when is reasonable to expect that the following cargo will have been already delivered. Based on the preceding, Seller will be exposed to a potential loss of two cargoes while it will have at its disposal a SBLC, which covers only for one cargo. Because of this, we propose either to reduce the payment date to 15 days or the SBLC to be tailored on the value of two cargoes.</p>	It is intended that 30 days would be reduced to 21 days.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
349.	Paragraph 11	<p>Setting the payment due date at 30 days results in the situation whereby Seller's shall have an exposure of more than one cargo against Buyer and therefore the SBLC shall not provide adequate credit support. This will have a material impact on our ability to participate in this tender.</p> <p>This could be rectified by reducing the payment terms to a level such as 8 business days; which is an industry norm and/or including an obligation to ensure invoices are paid prior to the delivery of the next LNG cargo. Please consider your preferred route.</p>	It is intended that 30 days would be reduced to 21 days.
350.	Paragraph 11	Are payment terms of 10 days following completion of unloading (as is standard in the LNG industry) acceptable to PLL?	It is intended that 30 days would be reduced to 21 days.
351.	Paragraph 11	Payment terms are 30 days after completion of Unloading. Suggest for it to be 15 or 21 days.	It is intended that 30 days would be reduced to 21 days.
352.	Paragraph 11	<p>Could you please clarify what is the Due Date for invoices issued under 15.2 of the MSPA.</p> <p>As these invoices do not refer to the unloading of a cargo?</p>	For invoices other than the sale and purchase of LNG, the payment would be due in 30 days. However, for LNG, the period would be reduced to 21 days.
353.	Paragraph 11	Could PLL insert that the payment will be made in any event prior to the commencement of discharge of the next cargo at the Discharge Port? The credit amount of one cargo proposed by Buyer does not cover Seller's exposure since payment due date is 30 days after invoice, by which time a second delivery could have been made.	It is intended that 30 days would be reduced to 21 days. The change would be reflected in the CN.
354.	Paragraph 11	Due date for invoices other than for LNG delivery is not stated explicitly. Please define clearly in the Confirmation Notice.	For invoices other than the sale and purchase of LNG, the payment would be due in 30 days. However, for LNG, the period would be reduced to 21 days. The change would be reflected in the CN.
355.	Paragraph 14	Buyer's credit support – cover 2 cargoes and value shall be re-determined every \$5 move in Brent.	Not acceptable.

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356.	Paragraph 14(a)	Please provide a list of banks which will issue Buyer's credit support.	SBLC opening banks for PLL are intended to be one of the following: 1. Habib Bank Limited; 2. Muslim Commercial Bank Limited; 3. National Bank of Pakistan; 4. United Bank Limited; and 5. Allied Bank Limited.
357.	Paragraph 14(a) (iii)	Reduce from 14 Business Days to 7 Business Days.	No change is contemplated.
358.	Paragraph 14(a)(b)	The Credit Support system is unbalanced. We believe that Seller should be only requested to provide a letter of credit for an amount equal to one cargo instead of two, as per Buyer's requirement.	No change is contemplated.
359.	Paragraph 14(b)	Could PLL consider the possibility of Buyer to provide one SBLC to be renewed cargo per cargo instead of one SBLC to be renewed?	Not acceptable.
360.	Paragraph 14	<p>There is a discrepancy between:</p> <ul style="list-style-type: none"> - the value of the SBLC Buyer has to provide (105% of the value of one cargo); and - the value of the SBLC Seller has to provide (105% of the value of <i>two</i> cargoes) (notwithstanding Seller's liability being capped at: <ul style="list-style-type: none"> - 30% for failure to deliver (see cl. 4.3.3 of the MSPA); or - quantity delivered x price in the case of off-spec LNG (cl. 5.4.2(c)). <p>Please explain the rationale for this discrepancy, and the gap between the value of Seller's SBLC and Seller's potential liability under the MSPA.</p>	This is our requirement.

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361.	Paragraph 14	Buyer's SBLC - Kindly advise the bank to be used by Pakistan LNG Ltd.	SBLC opening banks for PLL are intended to be one of the following: 1. Habib Bank Limited; 2. Muslim Commercial Bank Limited; 3. National Bank of Pakistan; 4. United Bank Limited; and 5. Allied Bank Limited.
362.	Paragraph 14	Seller's SBLC – Is Standard Chartered an acceptable bank by Pakistan LNG Ltd?	So long as Standard Chartered meets the requirements of the MSPA, CN and related documents. It is for the Seller to determine to meet the eligibility requirements.
363.	Paragraph 14	Would PLL consider an alternative form of credit to the documentary LC form?	No.
364.	Paragraph 14	Would PLL consider either an international rating for the bank providing the credit support, or introduce a provision that Seller must be able to procure confirmation through an international bank of credit support provided by a nominated local bank?	No change is proposed. in the current requirements.
365.	Paragraph 14	Would PLL be prepared to provide an SBLC to cover sums that might be due with respect to the termination fee?	No.
366.	Paragraph 14	Given the frequency of cargoes and the payment period of 30 days, Seller is likely to have an exposure of a minimum of two or three cargoes at any one time. Would PLL consider reducing the payment terms to fifteen days or increasing the value of the SBLC provided by Buyer? We note that Buyer requires a performance guarantee to the value of two cargoes from Seller and believe a reciprocal arrangement is reasonable.	It is intended that 30 days would be reduced to 21 days. It is not intended to change the credit support provisions.
367.	Paragraph 14	Who are the SBLC issuing banks?	SBLC opening banks for PLL are intended to be one of the following: 1. Habib Bank Limited; 2. Muslim Commercial Bank Limited; 3. National Bank of Pakistan; 4. United Bank Limited; and 5. Allied Bank Limited.

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368.	Paragraph 14	<p>Please explain why Buyer's Letter of Credit is for a single Cargo whilst Seller's Performance Guarantee is for two Cargoes?</p> <p>Given that Seller is only compensated for the sale of a Cargo sometime after it has been delivered, the credit risk is actually the other way around; Seller's exposure could be roughly around 2 Cargoes at any point in time.</p>	This is our requirement.
369.	Paragraph 14	Please clarify whether the guarantee value rebalances every quarter or only once a year (90 days after the issuance date)?	It rebalances on a quarterly basis.
370.	Paragraph 14	Please explain how the equivalences between PACRA/JCR-VIS and the international credit rating agencies is established?	Please check with your bankers.
371.	Paragraph 14	<p>Given that the supply arrangement is for a period of five [or fifteen years], it is normal under such circumstances to require of Buyer (or Buyer's parent company) to guarantee its performance for the duration of the agreement. Something more in line with the Termination Amount stated in Clause 18 would be appropriate.</p> <p>The tenor for the Buyer's SBLC may not be sufficient to cover the exposure under the last cargo of the deal, as its expiry date is set to 30 days after the two day delivery window. If we take into consideration time to issue the invoice, as well as time to claim, there is a gap in the coverage.</p>	No change in credit support provisions are contemplated.
372.	Paragraph 14	What is the rationale behind the 14 business days to restore the SBLC after a claim has taken place. Due to the fact that obligations to delivery continue during this 14 day period, we believe that it would be appropriate to reduce the period to a lower amount.	This is to provide for sufficient time for the SBLC to be restored.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
373.	Paragraph 14	Would it be possible for the Ministry of Finance to offer a guarantee for PLL in the event the SBLC cannot be drawn?	No.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
374.	Paragraph 14	<p>Does PLL require a Seller Standby Letter of Credit (SBLC) or can PLL review Seller's accounts to determine if such SBLC or performance support is required? Could PLL consider requesting a Seller SBLC only if Seller's parent company has failed to maintain an acceptable credit rating (BBB Standard and Poor's or equivalent)?</p> <p>Could PLL accept a Seller parent company guarantee instead?</p> <p>Could PLL accept a lower amount for the Seller SBLC (e.g. 30% of the value of 1 cargo, in accordance with the Seller's liability cap under clause 4.3.3)?</p> <p>Is PLL open to amending the language to include criteria which would need to be met to claim on the Seller SBLC?</p> <p>Could PLL agree to shorten the period to re-determine the value of the SBLC or Performance Guarantee to 30 days?</p> <p>Could PLL accept amendments to the level of the Buyer SBLC, e.g. to 1 cargo at 110% of the estimated cargo value, rather than 105%?</p> <p>Would PLL please explain why there is a difference in terms of the value of the Buyer SBLC and the Seller SBLC? Could PLL consider a symmetrical position for both the Buyer and Seller guarantees</p> <p>Can PLL change the issuing bank for the SBLCs to a first class international bank such as JP Morgan or HSBC only (deleting reference PACRA/JCR-VIS)?</p> <p>Could PLL please clarify the mechanism in place should there be a failure to pay and if a call on credit is unsuccessful? Could PLL consider a symmetrical position for both the Buyer and the Seller SBLC restoration mechanisms?</p> <p>Could PLL please clarify the mechanism in place if the level of SBLC falls below the minimum criteria established?</p>	No change in credit support terms is contemplated. If any correction

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
375.	Paragraph 14	In the template for the Buyer's SBLC and the Seller's Performance Guarantee, such document is subject to "Uniform Customs and Practice for Documentary Credits (2007 revision) of the International Chamber of Commerce Publication No.600". This reference appears incorrect, with the appropriate reference to be made to the international standard: ISP 98. Can PLL please correct such reference?	If any correction is necessary we will make the changes through the CN.
376.	Paragraph 14	Is it possible to use a commercial bank operating outside Pakistan?	The documents provide for the bank to be a scheduled bank operating in Pakistan.
377.	Paragraph 14	For Buyer SLBC, which bank in Pakistan will be used by PLL?	SBLC opening banks for PLL are intended to be one of the following: 1. Habib Bank Limited; 2. Muslim Commercial Bank Limited; 3. National Bank of Pakistan; 4. United Bank Limited; and 5. Allied Bank Limited.
378.	Paragraph 14	Buyer's Credit Support is set at a level of 105% Cargo value. We suggest that Seller shall evaluate the average value of the relevant months of the Brent forward curve to determine the underlying Cargo value. Please confirm acceptance of this.	No change in the credit support terms is contemplated.
379.	Paragraph 14	Request: We believe the amount of accounts receivable should always within the value of the SBLC (i.e. payment for each cargo should be made by Buyer before Seller is required to deliver the next cargo). PLL's consideration on this point would be highly appreciated. Suggested options are: - to shorten the payment period from 30 days to 15 days; and/or - to require unloading of each cargo consistently to be made either in the earlier or latter half of each month. Request: We would also appreciate PLL's consideration to provide an SBLC to cover the value of any Deferred Quantity cargoes that are subsequently scheduled for delivery.	It is intended that 30 days' payment period would be reduced to 21 days. It is not intended to change the credit support provisions.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
380.	Paragraph 14	<p>- Timing of the opening of the SBLC (i.e. 5 days of signing of this Confirmation Notice) is too short for it to be confirmed by a 1st class international bank. Request: Your consideration to make it longer (say 14 business days) is appreciated.</p> <p>- In order for us to arrange confirmation, the bank issuing the SBLC will to be acceptable to the confirming bank.</p> <p>In this respect, Request: it is appreciated if the selection by the Buyer of the SBLC issuing bank could be made in consultation with the Seller.</p>	It is not intended to change the credit support provisions.
381.	Paragraph 14	<p>The SBLC needs to be kept in place until 30 days from the end of the 2 day scheduled Delivery Window for the last cargo.</p> <p>Payment for the last cargo, however, may not fall due within this period.</p> <p>Request: We would like to request that the term of the SBLC be extended to take account of this.</p>	It is not intended to change the credit support provisions. However, it is intended to reduce the payment period to 21 days.
382.	Paragraph 14	<p>Could you kindly clarify why Seller shall have to provide a performance guarantee for an amount equal to the value of 2 cargoes while Buyer shall have to provide it for an amount equal to the value of 1 cargo only? It seems that such provisions are quite unbalanced between Seller and Buyer, and, above all, they are not compliant with payment timing. We would propose to put 2 cargoes for both parties.</p>	No change is contemplated.
383.	Paragraph 14	<p>If we supply one cargo per month to you, two cargos can remain unsettled at the same time due to 30-days payment terms. Can you consider increasing SBLC coverage from 105% (for instance, to 210%)?</p>	It is not intended to change the credit support provisions. However, it is intended to reduce the payment period to 21 days.
384.	Paragraph 14	<p>Can we request you to open SBLC from an international first class bank with a certain credit rating (obviously, higher than "junk") by Moody's and Standard and Poor's?</p>	No change is contemplated.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
385.	Paragraph 14	30 days from the end of the Delivery Window of the last cargo is not sufficient. Indeed invoices are not due for payment until 30 days from receipt, an event of default does not occur until 3 Business Days after notice of default is given and Buyer fails to remedy within 10 Business Days. In total, it will take around 50 days before an SBLC may be called. We propose to increase to 60 days from the end of the two (2)-day scheduled Delivery Window of the last cargo to be delivered.	It is not intended to change the credit support provisions. However, it is intended to reduce the payment period to 21 days.
386.	Paragraph 14	Would it be possible to change 90 days to 30 days (to account for volatility in Brent for both Parties)?	No change is contemplated.
387.	Paragraph 14	In order to be consistent with the MSPA, can we change "Banking Days" to Business Days?"	Banking Days would be changed to Business Days to bring it in conformity with MSPA. Change will be reflected in the CN.
388.	Paragraph 14	The SBLC shall also have to be replaced if the bank ceases to have the required credit rating.	No change is contemplated.
389.	Paragraph 14	14 Business Days it is a too long period. It does not provide adequate security against payment risk. Seller's right to suspend does not arise until 30 days after the Buyer receives the invoice plus 14 Business Days. Two more cargos could be due for delivery in that period.	No change is contemplated.
390.	Paragraph 14	Should "...(iii) five (5) days of signing this Confirmation Notice..." read as "...(iii) five (5) days <u>after</u> signing this Confirmation Notice..."?	No change is contemplated.
391.	Paragraph 14	Can PLL consider adding the words "in accordance with the terms of this Clause" after "if at any time the SBLC is not provided"?	No change is contemplated.
392.	Paragraph 14	"All charges in relation to the SBLC inside Pakistan shall be on Buyer's account." Please confirm that this means all confirmation charges inside Pakistan will be borne by Buyer.	No. only to the extent expressly specified in the CN.
393.	Paragraph 14	Is the Seller free to choose the bank to employ for issuing the Performance Guarantee within the boundary defined with the definition of the Scheduled bank?	Yes, so long as it meets the eligibility criteria stipulated.

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394.	Paragraph 14	<p>Seller is required to provide a SBLC to the value of 105% of 2 LNG cargoes. This creates a situation whereby Seller's right to suspend in case of Buyer's non-performance is significantly diluted for fear that Buyer draws on the Seller's SBLC. This will have a material impact on our ability to participate in this tender.</p> <p>We consider it would be more appropriate for Seller's maximum Performance Guarantee to be set at the level of Seller's Failure to Deliver; 30% of the value of one cargo. This would then be balanced with Buyer's performance guarantee which is also set at the level of Buyer's Failure to Take.</p>	No change is contemplated.
395.	Paragraph 14	<p>"Scheduled Bank" is defined in the MSPA to mean "any commercial and any specialized bank operating in Pakistan".</p> <p>We understand this definition to include local branches of international commercial banks.</p> <p>Please confirm.</p>	Your understanding is correct.
396.	Paragraph 14	Would PLL be willing to consider waiver of Performance Guarantee requirement in case Seller has a satisfactory rating (e.g. investment grade per Moody's or S&P)?	No.
397.	Paragraph 14	Would PLL be willing to consider the value of one cargo instead of 2? This will improve Seller's risk profile.	No.
398.	Paragraph 14	Please harmonize the deadline for issuing the Performance Guarantee with the one of the SBLC.	No change is contemplated.
399.	Paragraph 14	<p>Seller may be required to "increase the value of the Performance Guarantee" depending on Buyer's redetermination.</p> <p>Can we understand that the Seller is not entitled to decrease the value?</p>	If the cargo value is reduced, then potentially the amount of the Performance Guarantee could be correspondingly decreased as part of the quarterly adjustment.
400.	Paragraph 14	Would it be possible to change 90 days to 30 days (to account for volatility in Brent for both Parties)?	No change is contemplated.
401.	Paragraph 14	In order to be consistent with the MSPA, can we change "Banking Days" to Business Days"?	Banking Days would be changed to Business Days to bring it in conformity with MSPA. Change will be reflected in the CN.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
402.	Paragraph 14	<p>PLL's wording - within five (5) Banking Days of the receipt.</p> <p>Timelines for chain of issuance are too short. Please replace 5 Banking Days with 7 Banking Days.</p>	<p>Banking Days would be changed to Business Days to bring it in conformity with MSPA. Change will be reflected in the CN.</p> <p>No other change is contemplated.</p>
403.	Paragraph 14	<p>There is currently no wording re the case if the value of SBLC is beyond the cargo value, which may result in unnecessary fees for the Seller. Such wording should be agreed between the Parties before execution.</p>	<p>If the cargo value is reduced, then potentially the amount of Performance Guarantee could be correspondingly decreased.</p>
404.	Paragraph 14	<p>Please amend the wording of the clause in order to make it equivalent to the one provided in the Appendix B.</p>	<p>No change is contemplated.</p>
405.	Paragraph 16	<p>Please can you confirm whether the Title Transfer Point proposed under this Clause is located within or outside of Pakistan territorial waters.</p>	<p>If the Seller opts for Election A, the Title Transfer Point would be in international waters, just outside Pakistan's territorial waters.</p>
406.	Paragraph 16	<p>The incorporation of the change to Title Transfer Point in clause 16 should also incorporate tax clauses.</p> <p>We request that the "Title Transfer Point" definition incorporates clause 7.1 of MSPA in as follows " "Title Transfer Point" has the meaning specified in clause 6.1(a), 7.1 and 7.2 of the MSPA ..." Can PLL accommodate this change in wording?</p>	<p>Please refer to 95, above.</p>
407.	Paragraph 16	<p>There is no specific Sales/VAT tax clause.</p> <p>We request PLL to add the following in clause 7 or in the CN: "All amounts referred to in a Transaction shall be exclusive of any applicable value added tax, goods and services tax or any other indirect tax". Can PLL accommodate this change in wording?</p>	<p>No change is contemplated</p>

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408.	Paragraph 17	<p>Port Charges – This definition is Port Qasim only, so does not work where a cargo is diverted elsewhere. Note that the \$500k cap on "Port Charges" does not cover other actual port costs, such as tugs, pilotage, immigration, customs clearance (unclear why Seller is responsible for customs clearance, given it is not the importing party?). "Port Charges" definition needs to reference other ports chosen by parties (either within Pakistan by Buyer or outside Pakistan by mutual agreement). Can PLL accommodate this change in wording?</p> <p>Current wording of clause 17 is too broad to allow quantification, and is likely to result in a high price to cover potential risks.</p> <p>Please consider either an overall cap on ALL charges in connection with the use of the Discharge Port/Receiving Facilities or an itemised list of additional charges that are allowed beyond Pilotage Fee.</p>	No change is contemplated.
409.	Paragraph 17	What are the additional costs to Port Charges outside of Pilotage Fees and stowage fees? Please specify in detail.	Bidders should consider their own exposure.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
410.	Paragraph 17	<p>i) Our understanding is that Port Charges definition, estimated in 500,000 \$, covers only the Pilotage fee. In case the actual amount paid by the Seller for the Port Charges will exceed 500,000 \$ the difference between the actual amount paid and 500,000 \$ will be reimbursed by the Buyer to the Seller. Could you please confirm that?</p> <p>ii) Which are exactly the voices included in the "Pilotage" costs?</p> <p>iii) Should include all "marine Services" like tugs?</p> <p>iv) Can similar mechanism be envisaged for the other expenses?</p> <p>v) Since tariffs of all the other expenses (leaving aside the Pilotage fee) are still not available, please provide us with information concerning:</p> <ul style="list-style-type: none"> • when such tariffs will be published; • an estimate of the overall amount of such expenses in \$; • an indication if PLL expects such expenses to differ significantly from those of the existing terminal of Engro Elengy Terminal (Private) Limited. • whether the tariff envisage a surcharge for deliveries to take place during the monsoon period. Being such surcharge part of the Pilotage fee we consider it subject to the cap of the point i). Please confirm. To give an example, if we consider a cost of 665.000 \$ of overall pilotage (excluding voices clearly exclude in the clause) should we be refunded of 165.00\$? (665-500k\$). 	<p>Please refer to the definition of "Port Charges". No change is proposed.</p> <p>For further information, please contact PQA.</p>
411.	Paragraph 17	<p>The language "Anything additional" at the start of the second sentence should be replaced with "Any reasonable, direct, actual costs in addition to".</p>	<p>No change is contemplated.</p>

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412.	Paragraph 17	Please confirm what additional port costs might be incurred which fall outside of the port charges definition in the CN and for which Seller would be therefore be liable beyond the \$500,000 cap?	Bidders should consider their own exposure.
413.	Paragraph 17	Will the port cost at alternative terminals, including outside Pakistan, capped at US\$500,000 as well?	Your understanding is correct. However, please note that any downward differential should be reimbursed to PLL.
414.	Paragraph 17	whether Buyer will also reimburse differential to Seller, if Port cost is more than USD 500,000 for delivery port outside Pakistan?	Your understanding is correct. However, please note that any downward differential should be reimbursed to PLL.
415.	Paragraph 17	Could PLL please confirm that (i) Seller is responsible for the payment of port charges and related services and (ii) Buyer is obligated to ensure that such services are available?	(i) Your understanding is correct; and (ii) No.
416.	Paragraph 17	Could PLL please detail what services are included in the port charges and the related cap, as usually tugs services are a part of the port charges calculation, but in the last sentence tug services would appear to be excluded?	Bidders should consider their own exposure.
417.	Paragraph 17	Can the definition of port charges be amended to include not only the port but ancillary services such as tugs, in line with industry standard language?	No change is contemplated.
418.	Paragraph 17	Would PLL be open to agreeing a lower Port Charges cap?	No change is contemplated.
419.	Paragraph 17	Could PLL consider the deletion of the concept of sharing any notional savings related to situations in which the port charges fall below the agreed cap? These are not real savings, so would result in a flow of cash directly from Seller to PLL, and such flow of cash would not otherwise exist.	No change is contemplated.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
420.	Paragraph 17	<p>The proposed Port Charges of \$ 500,000 far exceed what is normally charged for LNG movements internationally.</p> <p>Please clarify what is behind these Port Charges.</p> <p>Please list all cost and charges payable by Seller for discharging a cargo at the Discharge Port and confirm that those are included in the capped \$ 500,000.</p> <p>We would encourage Buyer to seek to reduce these charges in order to improve the price structure that potential bidders can offer.</p>	<p>Buyer believes, under the circumstances, this figure is appropriate. No change is contemplated.</p> <p>For current port charges, please refer to PQA's website.</p>
421.	Paragraph 18	<p>We understand this to be a right of voluntary termination, exercisable at any time on 90 days' notice and by payment of liquidated damages assessed at the value of six cargoes. Please confirm our understanding is correct.</p>	<p>Your understanding is correct.</p>
422.	Paragraph 18	<p>What Credit Support will you provide to cover the termination amount of 6 cargoes?</p>	<p>No additional credit support to be provided.</p>
423.	Paragraph 18	<p>Whilst the proposed liquidated damages under the new Clause 3.2.4 (equivalent of six cargoes), please note that they may not be sufficient to cover the full damage to the other Party of such early termination.</p> <p>Please clarify what is the rationale for the CN to be terminated with 90 days' notice without any cause/breach of the underlying MSPA. Surely both Parties (Seller and Buyer) should stick to what is originally agreed?</p>	<p>Buyer believes, under the circumstances, this provision is appropriate. No change is contemplated.</p>
424.	Paragraph 18	<p>In case of termination without cause, Would PLL accept a \$ value rather than a "to be calculated" amount? For example, rather than 6 cargoes, could the Parties state that the termination fee is \$200 million?</p>	<p>No.</p>

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425.	Paragraph 19	There is a difference between gas used on Buyer's vessel that is burned for Buyer's own use or return gas vs gas Buyer is required to burn at the direction of the terminal. Our experience is that such gas burnt at the direction of the terminal can be quite high and would have a price impact. Any gas burnt at the direction of the terminal should be for Buyer's account. Please consider amending.	No change is proposed.
426.	Paragraph 19	There is no Paragraph 6.2.1 of Annex C in the MSPA – We believe it should reference to Clause 19.38.2.	Thank you for pointing this out. The correction in the cross-reference will be made.
427.	Paragraph 19	Article 19 of CN references Paragraph 6.2.1 of Annex C however the relevant formula is in Paragraph 19.38.2 of Annex C.	Thank you for pointing this out. The correction in the cross-reference will be made.
428.	Paragraph 19	<p>Would PLL please provide the ISO reference that was used to establish the constants applied in the vapour return portion of the formula: 288.6, 1015.6 and 37.4?</p> <p>Would PLL please provide a formula for "Egas" as this is missing in the MSA and in the Confirmation Notice?</p>	<p>Please refer to cl. 19.38.1 of the MSPA.</p> <p>Please refer to the CN. Egas will be measured as per the guidelines of GIIGNL by the measurement of the total volume of gas consumed.</p>
429.	General	Due date for other invoices, other than for the LNG delivery, is not stated. Can it be added by PLL to the Confirmation Notice?	For invoices, other than the sale and purchase of LNG, the payment would be due in 30 days. However, for LNG, the period would be reduced to 21 days.
430.	Appendix A	So as to ensure that Buyer's commitment of Clause 14(a)(iii) of the CN is guaranteed, it is key that the following sentence is added to Appendix A ("Form of Buyer's SBLC") after the paragraph beginning with "Multiple presentations and drawings ...": "If drawings are made, the SBLC will be replenished within a maximum of fourteen (14) Business Days from the date of drawing." Can PLL consider this insertion?	No change is proposed.
431.	Appendix A	Can PLL consider specifying that arbitration seat will be London, UK?	We do not believe it is necessary to specify the seat to be London.

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432.	Appendix A, 3rd paragraph page 13	We propose to substitute the last sentence of the paragraph 3 (i.e. " <i>The presentation for demand for payment in Authenticated Swift form is also acceptable</i> ") with the following: " <i>For identification purposes the genuineness of a/m (first) written demand with signature affixed on this document has to be confirmed through an authenticated swift message from a bank</i> ".	No change is contemplated.
433.	Appendix A, 4th paragraph page 14	Given the obligation of employing a Scheduled Bank (i.e. a bank operating in Pakistan), is it envisaged PLL to bear confirming costs arising from the involvement of an international bank?	No change is contemplated.
434.	Appendix B	Can PLL consider specifying that arbitration seat will be London, UK?	Please refer to 431, above.

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435.	Appendix B Demand for Payment	<p>PLL's wording – "We hereby demand payment of sum of [] in accordance with the terms of SBLC. We certify that the amount of this drawing under the SBLC No. [-] represents funds due to us as per the Agreement as the Seller has failed to satisfy or other has contravened or failed to perform any of the conditions of the Agreement and/or the Seller has failed to renew the SBLC".</p> <p>This is in the SBLC wording for the Seller, equally we would prefer to have an invoice included into the SBLC covering payment obligations.</p> <p>Please consider to amend as follows:</p> <p>"We hereby demand payment of sum of [] in accordance with the terms of SBLC No [-].</p> <p>We certify that the amount of this drawing under the SBLC No. [-] represents funds due to us as per the Agreement No [-] and the CN No [-] and the invoice [-] as the Seller has failed to perform on [general description of the applicants breach] and/or the Seller has failed to renew the SBLC on due date."</p>	No change is contemplated.
436.	General	Can we negotiate with you about the wordings in SBLC/Performance Bond formats in accordance of our advising/issuing bank's requirements?	No.

S NO.	CLAUSE/ SECTION NO. / ISSUE	QUERY	PLL'S RESPONSE
GENERAL			
437.	General	Define and describe the environmental conditions used to grant dispensations for larger LNG tankers.	Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.
438.	General	<p>What is the over-dredge policy and the frequency of maintenance dredging?</p> <p>Please share siltation study and program for capital dredging to the new berth in Chara (Gharo) Creek.</p>	<p>PLTL has advised that the siltation study is in progress. Capital dredging for the berthing basin and approach channel from the main navigational channel to the berthing basin will be completed by Jun 30, 2017.</p> <p>However, Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.</p>
439.	General	"Condition Assessment Program (CAP) for vessels 15 years and older": would the terminal operator or the port authority be ready to consider the CAP requirement for vessels 20 years and older, as often seen in the LNG shipping industry	<p>No change is contemplated to this provision.</p> <p>NO.</p>
440.	General	Have some simulations been done to ascertain the forecasted traffic increase in Port Qasim and associated access channel (Ahshan Channel) and creeks (Phitti Creek & Kadiro Creek). Is the increase in LNG import capacity in this port likely to lead to congestion when the LNG ships are to proceed in and out according to the tide schedule?	Please refer to PQA's COU and SOPs, and to our responses at 9 and 17 above.
441.	General	Please advise the limits for the swell/wave referred to in this section.	Please refer to PQA's COU and SOPs, and to our responses at 9 and 17, above.
442.	General	Please advise why the expectation is that for a terminal yet to be built the tug response time is anticipated to be 30 minutes.	Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.
443.	General	<p>Please share passing ship study on berth and confirm that this study refers to Chara Creek – advising dimensions of passing traffic, channel width and permitted under keel clearance.</p> <p>Is capital dredging program compliant with PIANC guidelines?</p>	<p>PLTL has advised that the proposed location of the terminal does not involve any passing of usual marine cargo vessels. Nothing can be said at this time about any future planning</p> <p>Also please refer to our responses to 9 and 17, above.</p>

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444.	General	A previous version of this document dated 11 April 2015 was mentioning a recommendation to perform additional dredging between buoys T2 and G13. Has this additional dredging been since performed, to increase the width of the fairway?	Bidders should conduct their own due diligence with respect to the Terminal and the Port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.
445.	General	Which version of COU is applicable; COU in Annex 3A (SOP) or Annex 3B?	COU (attached as Annex 3B) is also an annexure to the SOP (attached as Annex 3A). They are the same.
446.	General	Could you please confirm that bidders can propose changes to the Confirmation Notice in their final offer at the time of submitting the bid? Could you please confirm that if a bidder submits an amended Confirmation Notice, doing so will not result in the bid bond being enforced just for that reason?	No. Any amendment to the CN may result in disqualification.
447.	Annex 4 to the Bid Document	Please clarify what do you mean with the expression " <i>evidence</i> "? Confidentiality constraints might prevent the disclosure of certain information and then we kindly ask you to make it clear what kind of evidence are you expecting.	<p>Supporting documents would be expected to include:</p> <ul style="list-style-type: none"> • As a producer: that the Bidder has an equity position certification from the producer concerned, that the Bidder in question has equity position in the facility, details of the Bidder's equity position and its right to the volume produced by such facility. • As a supplier having supplies from one or more operating LNG producers: the Bidder may produce evidence of the requisite supply through the relevant contracts (if necessary with confidential portions redacted) or a letter of confirmation from a senior executive of the LNG producer on its letterhead bearing the company's stamp and addressed to PLL in which they confirm that they have committed the relevant quantity on LNG to the Bidder concerned and have not imposed any restriction on the Bidder regarding the on sale of the LNG which may impact the bidder's ability to sell any part of the LNG to Pakistan and to PLL. • As a supplier with an LNG portfolio: demonstrate the relevant committed availability through contracts and/or letters of representation from relevant counter parties. Further, the evidence of delivery of cargoes as provided in Annex 4. <p>Please be aware that this is not exhaustive but meant to provide a guideline to potential Bidders.</p>
448.	Annex 4 to the Bid Document	Seller is required to "demonstrate that it has experience as LNG producer/supplier/equity owner over the last 2 years". What form should such demonstration take?	Please refer to our response to 447, above.

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449.	Annex 4 to the Bid Document	Is there any specific form/format of evidence that you require as proof of eligibility? Provide examples.	Please refer to our response to 447, above.
450.	Annex 4 to the Bid Document	Is there any specific form/format of evidence that you require as proof of eligibility? Provide examples.	Please refer to our response to 447, above.
451.	Annex 4 to the Bid Document	Is there any specific form/format of evidence that you require as proof of eligibility? Provide examples.	Please refer to our response to 447, above.
452.	Annex 4 to the Bid Document	Could PLL explain deeper the expected information under "Details of Bidder"?	Please refer to our response to 447, above.
453.	Annex 4 to the Bid Document	To evidence the availability of LNG supply, would PLL accept submissions (including letters of representation and other documents) provided to PSO as part of the Eligibility Criteria for the 2015 tender and which were accepted by PSO as compliant? Our intent would be to provide updated financial statements and other superceding documents for the rest of the information requirements.	Yes, such submissions would be acceptable but subject to any due diligence we may wish to undertake ourselves.
454.	General	Essential information such as Ship Shore Compatibility Study files/data, LNG Ship To Ship transfer questionnaire, cargo operation manual, terminal regulation handbook, exact location details in the port, HAZID study and HAZOP study are today not available. Please indicate when they will be made available.	PLTL has advised that this information would be available one month prior to commissioning of the Terminal.
455.	General	Are the number of escort crafts, escort tugs, tugs, fire-fighting tugs, pilots in Port Qasim sufficient to treat the increased traffic due to the new import terminal considering also some emergency scenarios?	Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly. Contact details are available on their respective websites.

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456.	General	Is the "statement of compliance of a port facility" to the International Ship and Port facility Security Code (ISPS Code) been already issued for this new terminal?	PLTL has advised that it has not been issued as yet. It can only be done once the terminal is commissioned.
457.	General	Could the terminal operator inform the new FSRU arrival schedule in order to plan a due diligence?	PLTL has advised that it is expected that the FSRU will be delivered to the owner by March 2017, and it will arrive at the Terminal site by mid May 2017.
458.	Appendix A – Bid bond	Would English Law be acceptable to PLL for the Bid Bond? Would PLL allow for the submission of a bid bond issued by an international bank, with a credit rating of A from Standard & Poor's or a Moody's rating of A2?	No. No, it has to be by a bank in Pakistan.
459.	Appendix A – Form of Bid Bond	We would like to clarify the bid validity date; start date and end date. Kindly advice.	Please refer to the bidding time table in the bid document. The bid should effective by submission and remain valid until 9pm (PST) on March 31, 2016.
460.	Appendix A – Form of Bid Bond	Can we understand that assignment of the Bid Bond to a third party is not allowed? If so, we hope to specify this explicitly.	No, not allowed.
461.	General	In order to limit the liabilities to only activities related and connected to this contract, can we make a reference to the MSPA in the Integrity Pact?	The form of the Integrity Pact is prescribed the Public Procurement Regulatory Authority (PPRA). Any change requires its approval. PLL has approached PPRA for certain amendments, which if approved before Dec 8, 2016 will be shared with the Bidders.
462.	General	Is Seller required to declare any arrangements with local Pakistani agents and if so, to whom and in what form?	PLL has no requirement for local agents to be disclosed unless PLL is required to interact with such local agent. PLL has no difficulty in interacting with the local agent where this is what the foreign principle requires, provided that the relevant documentation, demonstrating their authority, is supplied. Even in case of retention of a local agent, the agreement would always be with the foreign principle.
463.	General	MSA (Annex D) We propose a reciprocal Integrity Pact.	PLL is also a signatory to the Integral Pact and the form of the IP is prescribed by PPRA.

464.	General	<p>We understand that the Integrity Pact is a requirement from the PPRA to secure good and transparent procurement practices in the Pakistani Public sector and, to that scope, we confirm that [●] and its affiliates are committed to comply with all the applicable anti-corruption laws, [●]'s Code of Ethics and compliance program.</p> <p>In relation to the above:</p> <p>a) please confirm that the scope of paragraph 2 of the Integrity Pact ("<i>Without limiting the generality of the foregoing, the Seller represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone, within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP, except that which has been expressly declared pursuant hereto.</i>") should be interpreted as referring exclusively to the bid for LNG tender PLL/Imp/LNGT01 and to prevent corrupt business practices. Should our interpretation be correct, we request to include in paragraph 2 the respective clarification wording indicated in our marked-up document (see below).</p> <p>b) please confirm that the Seller's certification as per paragraph 3 of the Integrity Pact ("<i>The Seller certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GOP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.</i>") is intended to refer exclusively to the bid for LNG tender PLL/Imp/LNGT01. Should our interpretation be correct, we request to include in paragraph 3 the respective clarification wording indicated in our marked-up document (see below).</p>	<p>The form of the Integrity Pact is prescribed the Public Procurement Regulatory Authority (PPRA). Any change requires its approval. PLL has approached PPRA for certain amendments, which if approved before Dec 8, 2016 will be shared with the Bidders.</p>
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S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
		<p>c) please confirm that the option of GOP to void rights and contracts established in paragraph 4 of the Integrity Pact ("<i>It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GOP under any law, contract or other instrument, be voidable at the option of GOP.</i>") refers to any contract, right, interest, privilege or other obligation or benefit obtained or procured through any corrupt business practice. Should our interpretation be correct, we request to include in paragraph 4 the respective clarification wording indicated in our marked-up document (see below).</p> <p>d) please confirm that the indemnity and the compensation foreseen in the last paragraph of the Integrity Pact ("<i>Notwithstanding any rights and remedies exercised by GOP in this regard, the Seller agrees to indemnify GOP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GOP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Seller as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP.</i>") refer to Seller's corrupt business practices and cannot be activated at GOP's discretion but only further to Seller's corrupt business practices having been ascertained by the competent judicial authority. Should our interpretation be correct, we request to include in the last paragraph the respective clarification wording indicated in our marked-up document (see below).</p>	

465.	Integrity Pact	<p>We propose to make the following amendments to the Integrity Pact provided:</p> <p>"ANNEX D INTEGRITY PACT</p> <p>Contract Number: _____ Dated: _____ Contract Value: _____ Contract Title: _____</p> <p>The Seller hereby declares that, in relation to the bid for LNG tender [PLL/Imp/LNGT01], it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from the Government of Pakistan (GOP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GOP (hereinafter collectively called "GOP") through any corrupt business practice.</p> <p>Without limiting the generality of the foregoing, the Seller represents and warrants that, in relation to the bid for LNG tender [PLL/Imp/LNGT01], it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone, within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, configuring a corrupt business practice and whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP, except that which has been expressly declared pursuant hereto.</p> <p>The Seller certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the bid for LNG tender [PLL/Imp/LNGT01], and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.</p>	
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S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
		<p>The Seller accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured through any corrupt business practice shall, without prejudice to any other rights and remedies available to GOP under any law, contract or other instrument, be voidable at the option of GOP.</p> <p>Notwithstanding any rights and remedies exercised by GOP in this regard and provided Seller's corrupt business practices have been finally ascertained by the competent judicial authority, the Seller agrees to indemnify GOP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GOP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Seller through any corrupt business practice for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP.</p> <p>IN WITNESS WHEREOF, the Seller has executed this Integrity Pact as of the date first written above.</p> <p>EXECUTED AND DELIVERED BY THE SELLER:</p> <p>EXECUTED AND DELIVERED BY THE BUYER: "</p>	
466.	General	Could you confirm the maximum beam acceptable. Would 47.8m beam be acceptable?	Please refer to the specifications provided by PQA. No change is acceptable.
467.	General	Could PLL extend the 43.4m length for LNG ships beam or eliminate this restriction?	No change is contemplated.
468.	General	Could you confirm the maximum beam acceptable. Would 47.8m beam be acceptable?	Please refer to the specifications provided by PQA. No change is acceptable.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
469.	General	When operating 'over the tide', please confirm tidal range, window of availability and acceptable dynamic under keel clearance.	Bidders are required to do their own due diligence. Updated tide table is available with PQA.
470.	General	Current Port Limitations: LOA 295.00, Beam 43.40 We would like to include the following vessels in our fleet which exceed Current Port Limitations: Velikiy Novgorod, Pskov: LOA 299.9 ; Breadth 45.8 and Yenisei River, Lena River: Breadth: 45.8. Please confirm that these vessels will be accepted and approved.	No change is acceptable.
471.	General	If FSRU site is not ready by end Jun 2017, will PLL import LNG by using Engro FSRU from July?	This is the reason why some flexibility has been given for the Start Date timing. The EETPL may also be available for backup.
472.	General	Please kindly send GHPL's audited annual report including PLL 6-month provisional financial statement.	PLL was only incorporated at the end of 2015 and so does not yet have any financial statements. Financial statements of GHPL may be provided via email on special request, subject to confidentiality requirements.
473.	General	Seemingly, the bid evaluation of this 5year/15 year term will have to be supported by external consultants through the tender process for hiring external consultants as well. According to the result of hiring such external consultant, will the bidding timetable be also affected?	No delay in the bidding process is contemplated.

474.	General	<p>As part of portfolio sourcing and US regulations, including a section explaining US requirements is an obligation for suppliers with such sources in their portfolio. Would PLL include such required language in a Confirmation Notice with a supplier who has such sources in its portfolio?</p> <p>The following wording would be acceptable:</p> <p>"Export Authorization and Applicable Laws of the United States of America</p> <p>(a) <i>Seller may use Seller's Facilities located in the United States of America to deliver cargoes to a Receiving Facility, provided that such Receiving Facility is, at the time of delivery of an applicable Full Cargo Lot, a permissible delivery destination for exports of LNG from the Seller's Facilities under any applicable laws policies and approvals of the government of the United States of America, including the rules, regulations, orders, policies, and other determinations of the United States Department of Energy, the Office of Foreign Assets Control of the United States Department of the Treasury and the Federal Energy Regulatory Commission, and pertaining to any LNG delivered hereunder that is exported from the United States of America ("US Approvals").</i></p> <p>(b) <i>Buyer agrees to comply with the US Approvals pertaining to any LNG delivered hereunder that is exported from the United States of America, and represents and warrants that the final delivery of such LNG is permitted and lawful under the US Approvals. Buyer shall not take any action which would cause any approval related to the export of LNG from the United States of America to be withdrawn, revoked, suspended or not renewed.</i></p> <p>(c) <i>Buyer shall promptly provide to Seller all information required by Seller to comply with the US Approvals and shall provide to Seller a report that identifies the country (or countries) into which the LNG or natural</i></p>	No such change is contemplated.
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S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
		<p><i>gas was actually delivered and/or received for end use.</i></p> <p>(d) <i>Buyer acknowledges and agrees that, where Seller's Facilities are located in the United States of America, it will resell or transfer LNG purchased under this Agreement for delivery only to countries identified in the US Approvals, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Buyer shall include in any resale contract for such LNG the necessary conditions to ensure compliance with the US Approvals and that Seller are made aware of all such actual destination countries."</i></p>	

475.	General	<p>As part of portfolio sourcing and US regulations, including a section explaining US requirements is an obligation for suppliers with such sources in their portfolio. Would PLL include such required language in a Confirmation Notice with a supplier who has such sources in its portfolio?</p> <p>The following wording would be acceptable:</p> <p>"Export Authorization and Applicable Laws of the United States of America</p> <p>(a) <i>Seller may use Seller's Facilities located in the United States of America to deliver cargoes to a Receiving Facility, provided that such Receiving Facility is, at the time of delivery of an applicable Full Cargo Lot, a permissible delivery destination for exports of LNG from the Seller's Facilities under any applicable laws policies and approvals of the government of the United States of America, including the rules, regulations, orders, policies, and other determinations of the United States Department of Energy, the Office of Foreign Assets Control of the United States Department of the Treasury and the Federal Energy Regulatory Commission, and pertaining to any LNG delivered hereunder that is exported from the United States of America ("US Approvals").</i></p> <p>(b) <i>Buyer agrees to comply with the US Approvals pertaining to any LNG delivered hereunder that is exported from the United States of America, and represents and warrants that the final delivery of such LNG is permitted and lawful under the US Approvals. Buyer shall not take any action which would cause any approval related to the export of LNG from the United States of America to be withdrawn, revoked, suspended or not renewed.</i></p> <p>(c) <i>Buyer shall promptly provide to Seller all information required by Seller to comply with the US Approvals and shall provide to Seller a report that identifies the country (or countries) into which the LNG or natural</i></p>	No such change is contemplated.
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S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
		<p><i>gas was actually delivered and/or received for end use.</i></p> <p><i>(d) Buyer acknowledges and agrees that, where Seller's Facilities are located in the United States of America, it will resell or transfer LNG purchased under this Agreement for delivery only to countries identified in the US Approvals, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Buyer shall include in any resale contract for such LNG the necessary conditions to ensure compliance with the US Approvals and that Seller are made aware of all such actual destination countries."</i></p>	
476.	General	How's the delivery of this bid bond; direct issuance to Pakistan LNG on a certain date or package together with tender documents?	It has to be included within the technical bid.
477.	General	If the contract commences on July 2017, when would be the exact end date; i.e. July 2022?	June 2022.
478.	General	<p>The US Department of Energy requires that any US sourced LNG can be traced to the point of consumption, in order to ensure that the molecules no not end up in sanctioned countries.</p> <p>Would PLL be acceptable to the introduction of wording that provides for this communication from Buyer to Seller in the event that US sourced LNG is landed in Pakistan?</p>	No change is contemplated.

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
479.	General	<p>Many company's internal compliance rules require them to undertake checks regarding the counterparty to which would be contracted under any commercial arrangement.</p> <p>In summary these are:</p> <ul style="list-style-type: none"> • Certificate of incorporation and commercial register extract • Top management (board of directors) of the company • Regulatory status, if applicable <p>Please can PLL either provide this information (or the equivalent) to all potential bidders or point to where this information (or the equivalent) is available in the public domain?</p> <p>This is of particular concern because any Bids submitted by potential bidders are, effectively offers capable of acceptance.</p> <p>If this information is not available at this time, then we would suggest that the provision of all necessary information from PLL to the chosen bidder should be a condition precedent to the Confirmation Notice.</p>	<p>The names of the board members of PLL and GHPL are available on their websites (PLL: www.paklng.com) and GHPL: www.ghpl.com.pk).</p> <p>The MD/COO of PLL is Mr. Adnan Gilani. The MD/CEO of GHPL is Mr. Shahid Islam.</p> <p>Currently:</p> <ul style="list-style-type: none"> • Secretary, Ministry of Petroleum is Mr Arshad Mirza; • Secretary, Ministry of Finance is Dr Waqar Masood Khan. <p>All required information, including Certificate of Incorporation have already been uploaded on the website.</p>

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
480.	General	<p>We would need some information regarding PLL to perform KYC procedure:</p> <ul style="list-style-type: none"> - Certificate of Incorporation (copy) - Names of the Members of the Board - All beneficial owners (with >25% shareholding), up to the ultimate owner - Audited financials for the past 3 years (or since they were incorporated) - Filled KYC form (attached) <p>We appreciate if PLL can provide these as soon as possible</p>	<p>The names of the board members of PLL and GHPL are available on their websites (PLL: www.paklng.com) and GHPL: www.ghpl.com.pk).</p> <p>The MD/COO of PLL is Mr. Adnan Gilani. The MD/CEO of GHPL is Mr. Shahid Islam.</p> <p>Currently:</p> <ul style="list-style-type: none"> • Secretary, Ministry of Petroleum is Mr Arshad Mirza; • Secretary, Ministry of Finance is Dr Waqar Masood Khan. <p>All required information, including Certificate of Incorporation have already been uploaded on the website. Audited financial reports of GHPL have been sent through email along with duly filled KYC form.</p>
481.	General	<p>For KYC purposes please provide the list of names of the Executives and Board members of Pakistan LNG Ltd, as well as the names of the Executives and Board members of Government Holding Private Limited.</p>	<p>The names of the board members of PLL and GHPL are available on their websites (PLL: www.paklng.com) and GHPL: www.ghpl.com.pk).</p> <p>The MD/COO of PLL is Mr. Adnan Gilani. The MD/CEO of GHPL is Mr. Shahid Islam.</p> <p>Currently:</p> <ul style="list-style-type: none"> • Secretary, Ministry of Petroleum is Mr Arshad Mirza; • Secretary, Ministry of Finance is Dr Waqar Masood Khan;
482.	General	<p>What is the current status of the second FSRU in terms of its progress to completion and anticipated start-up date?</p>	<p>PLTL has advised that the FSRU is being built at Samsung, Korea and it is expected to be delivered to the owner in March 2017 and arrive at the Terminal site by May 2017.</p>

S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
483.	General	We note LNG is to be delivered to Pakistan Gasport Terminal at Port Qasim, which is currently in development. Given it is not possible to conduct due diligence pending the terminal's completion, would PLL consider language in the MSA / CN with respect to seller's due diligence and approval of the facility (not to be unreasonably withheld). We would ask that this language also applied to diversions to terminals within Pakistan that are not yet constructed. The specifications of clause 9.2 of MSA may not cover all eventualities with respect to the safe operation of a new terminal.	The Terminal has to meet the specifications set out in clause 9 of MSPA. This should provide comfort to the Seller. Seller will be welcomed to undertake its own due diligence on any new terminal constructed in Pakistan but this will be without prejudice to its obligations under the MSPA and CN.
484.	General	Please detail the likely constraints that would apply to LNG shipping during the monsoon season. What constraints should bidders expect in respect of: - The time required for discharge during monsoon season? - Constraints on vessel size during monsoon season?	Bidders are required to undertake their own due diligence. Please refer to PQA's SOPs and COU.
485.	General	Will the FSRU be able to accept cargoes up to 180,000 m ³ ? In such case how much longer may the vessel have to wait?	No.
486.	General	Please provide a summary of the safety situation along the shipping channel? Is the shipping channel guarded? Have there been any incidents in the past?	Bidders are required to undertake their own due diligence. However, we would mention that the shipping channel is guarded (including by Armed Forces of Pakistan) and an existing LNG terminal has already been operated, which is in close proximity.
487.	General	With bulk storage of LNG inventory on site please advise if NFPA-59A referred to in Govt of Pakistan LNG Policy 2011 is applied.	Bidders are required to undertake their own due diligence. PLTL has advised that this can only be known once IDR (Independent Design Review) is completed by COWI.
488.	General	Safety in Design – max allowable pressure of the steel main distribution is given as 100 bar; line pipe and fittings is given as safe operation up to 100 bar. In the detailed design package please advise the present design criteria.	PLTL has advised it is 100 bar.

S NO.	CLAUSE/ SECTION NO. / ISSUE	QUERY	PLL'S RESPONSE
489.	General	Please advise whether QFlex twin screw were used independently or concurrently during the simulation exercise.	Concurrently.
490.	General	Existing Tug Fleet is 4 x 80t, with the second terminal coming on line are there plans to increase the tug fleet?	Bidders should conduct their own due diligence with respect to the terminal and the port, and are encouraged to contact PQA and PLTL directly through their respective web sites, emails, telephones and other means of communications, as available. Contact details are available on their respective websites.
491.	General	Please provide: <ul style="list-style-type: none"> - P&ID for the FSRU HP manifold and a technical description of the 'high pressure pipeline segments' and where fitted, details for blowdown, depressurization, ESD 1 and ESD2 systems, - Relief and blowdown study if available to include Vapor dispersion and thermal radiation models of same, - Description of Vent stack fire suppression. 	P&ID is attached as Annex B, which is subject to final review by COWI.
492.	General	Please provide a copy of the terminal rules for the Engro Elengy LNG terminal.	Please find a copy at the following link: http://www.psopk.com/suppliers/pdf/tender1.pdf
493.	General	Based on the Receiving Facilities latest 'as-built' drawings and/or applicable 'detailed engineering study' please provide the necessary technical data to ensure, in advance of the bid closing date, that the Seller has sufficient information to confirm the interface between the LNG carriers and the unloading facilities at the Receiving Facilities.	Such data can only be made available once the Independent Design Review by COWI and FOTCO's consultants is completed. This is most likely to be end of 2017. However, for specific information and specifications, Bidders are encouraged to contact PQA and PLTL on their own.

494.	General	<p>Ship navigation and mooring</p> <p>Will the channel design comply with present PIANC guidelines in terms of width and depth?</p> <p>Please advise the access channel width and if passing will be permitted using passing places or sections of two-way channel.</p> <p>If there are to be passing places or sections of two-way channel, please advise on the width and extent of these areas.</p> <p>Please advise the diameter of the turning circle.</p> <p>Have wave and flow modelling been carried out for the new proposed dredged channel, manoeuvring areas and terminal location?</p> <p>Please advise on the measurements available of wind, waves, water levels and flows in the approaches and at the proposed terminal location.</p> <p>Has a quantitative risk assessment be carried out for the terminal and the channel transit?</p> <p>Please advise the procedures for LNG carrier movements within the channel and the port?</p> <p>Please advise on the exclusion zones that will apply around a moving LNG carrier.</p> <p>Please advise on the limiting wind, wave and current conditions for channel navigation and berthing.</p> <p>Has a marine traffic assessment been carried out for existing and future forecast traffic levels, and specifically with regard to the channel and manoeuvring area capacity?</p> <p>Please advise on the aids to navigation required for safe channel access and manoeuvring at the new terminal.</p>	Please refer to PQA's SOPs and to our responses to 9 and 17, above.
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S NO.	CLAUSE/ SECTION No. / ISSUE	QUERY	PLL'S RESPONSE
		<p>Please advise on the tug support that will be available for LNG carriers and the terminal.</p> <p>Please advise on the programme for pilot and tug master training.</p> <p>Given Pakistan is an active area which a tectonic fault reported to lie near to the site – what engineering precautions and earthquake resilience is the project designed to withstand.</p>	
495.	General	Would it be possible to send MS Word versions of MSPA and CNs?	No.
496.	General	After the tenders, are you expecting any additional SPOT tenders during 2017-2022? If yes, could you briefly tell us your current idea about tender schedule, required price formula and others?	Right now we are focusing on these two tenders only. Spot tenders are also in our portfolio but would be dealt with later.
497.	General	<ol style="list-style-type: none"> 1. Data Room access ? share FEED & DBM as soon as is practical, provide an index of the documents on file 2. Access to harbour Master 3. Access to marine service suppliers 4. Access to BW 5. Basis of Design and the Front End Engineering Design package for the berth 	<p>The detail design is under final review. As built documents will be provided to the successful bidder well in advance of the cargo supply.</p> <p>Please refer to our response to 9 and 17, above.</p>

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