

REQUEST FOR PROPOSAL(S) ("RFP")

Request for Proposals for supply LNG Cargoes to Israel Electric Corporation

December 2019

1. INTRODUCTION

The Israel Electric Corporation Ltd. (IEC) wishes to purchase liquefied natural gas cargoes (LNG), to be shipped and transferred by ship-to-ship (STS) transfer to an LNG vessel with regasification capabilities with a maximum capacity of 138,000 m³.

The Maximum LNG volume of the LNGC shall be limited to 151,000 m³.

The purpose of this RFP is to enable potential suppliers (each a **Participant or Supplier**), willing and able to supply LNG to IEC, to submit a proposal and to participate in a non-exclusive, competitive process to be conducted by IEC on the terms set out below.

This purchase process will be conducted in accordance with the terms set out in section 3 below. **The deadline for submission of proposals is 14:00 Israeli time on January 13, 2020, as set out in more detail in section 3 below.**

2. TERMS OF LNG SUPPLY

2.1 Contract and Proposals

Any Participant whose proposal has been selected will sign a contract with IEC in the form attached hereto as Schedule 5 and including the provisions set forth in Article 2 hereinafter. Participants shall be entitled to provide a price proposal for any **and/or** for all of the requested LNG cargoes, as detailed in Art. 2.2 below (the "Base Cargo/es"). In addition to the price proposal for the Base Cargoes, Participants shall be entitled to provide a price proposal for the Additional Cargoes on an Express Basis, as detailed in Art. 2.3 below. Participants shall provide a price proposal for all cargoes included in its proposal, according to the price mechanisms described in Article 2.4 hereinafter. IEC shall have the right to accept the proposal it deems, at its sole discretion, to be the most advantageous to IEC; IEC may choose to accept a proposal for all or for any number of cargoes out of the Participant's proposal.

Supplier shall provide IEC with a parent company guarantee in accordance with the provisions of Schedule 6.

2.2 Quantities and Delivery Windows for the Base Cargo/es

The Supplier shall provide IEC with proposals for the supply for the following Base Cargo/es on DES basis:

Two (2) LNG cargoes with a volume between 125,000 m³ and 129,000 m³ (between 2,810,000 and 2,902,000 mmbtu), as follows:

One (1) LNG cargo with the Delivery Window between May 4 and 18 2020,

One (1) LNG cargo with the Delivery Window between September 22 and 29 2020,

At least forty-five (45) Days prior to the commencement of the Delivery Window for each LNG cargo, IEC shall specify the 48 hours window period which shall fall within the Delivery Window.

2.3 Additional Cargoes with Express Delivery Requirement

2.3.1 During the period beginning on February 1st 2020 and ending on December 31st 2020, IEC may request the Supplier to deliver additional cargo/es, on an "Express Basis". Express basis shall mean that the first additional cargo ordered shall be delivered within two (2) weeks from IEC's notice to the Supplier, and any subsequent additional cargoes ordered on an express basis shall be delivered at a rate of no more than one (1) cargo per week, for the period indicated by IEC to the Supplier in its notice (hereinafter "Additional Cargoes on an Express Basis"). The price of the Additional Cargoes on an Express Basis shall be the price quoted in the Supplier's proposal for Additional Cargoes on an Express Basis.

Base Cargo(es) – refers to the cargoes set forth in Article 2.2 above which the winning Supplier has undertaken to supply to IEC and IEC has committed to purchase as result of this purchase procedure.

2.3.2 Should IEC decide to initiate purchase proceedings for purchasing Additional Cargo/es on an Express Basis from the Supplier, IEC shall send the Supplier a notification by email. The Supplier shall inform IEC by email within not later than two days from the receipt of the IEC notification (or such other period as agreed upon between IEC and Supplier) upon the agreement to supply the Additional Cargoes on an Express Basis. Should IEC accept Supplier's proposal for Additional Cargo/es, the parties shall amend the relevant contract between them accordingly.

Participants are requested to submit price proposals for the Additional Cargo(es) on an Express Basis as aforesaid, according to the terms detailed in Article 2.4.2 below.

2.4 Price

2.4.1 The Price applicable for each of the Base LNG cargoes in US\$/MMBtu shall be calculated in accordance with the following formula:

$$P = NBP \pm XX$$

Where:

“**P**” means the contract price for the relevant LNG Cargo expressed in US\$ per MMBtu;

“**NBP**” means the settlement price (expressed in pence per therm) of the ICE UK Natural Gas NBP Futures Contract for delivery in the Pricing Month on the expiration date of such contract as published on the ICE website (www.theice.com) and converted to US\$/MMBtu using the following formula:

$$\text{US\$/MMBtu} = (\text{pence per therm}/10) * CR;$$

“**Pricing Month**” means the calendar month in which the Arrival Period of the relevant LNG Cargo is scheduled to begin;

“**ICE**” means the InterContinental Exchange; and

“**CR**” means the daily spot Sterling to US Dollar exchange rate of the Bank of England quoted for the expiration date of the relevant ICE UK Natural Gas NBP Futures Contract, as reported on the Bank of England website (www.bankofengland.co.uk) under the reference name XUDLUSS.

“**XX**” means premium or discount (\$/mmbtu) from the NBP price, to be submitted by Participant.

2.4.2 The Price applicable for each of the Additional Cargoes on an Express Basis in US\$/MMBtu shall be calculated in accordance with the following formula:

$$P = NBP \pm YY$$

Where:

“**P**” means the contract price for the relevant LNG Cargo expressed in US\$ per MMBtu;

“**NBP**” means the settlement price (expressed in pence per therm) of the ICE UK Natural Gas NBP Futures Contract for delivery in the Pricing Month on the expiration date of such contract as published on the ICE website (www.theice.com) and converted to US\$/MMBtu using the following formula:

$$\text{US\$/MMBtu} = (\text{pence per therm}/10) * \text{CR};$$

“**Pricing Month**” means the calendar month in which the Arrival Period of the relevant LNG Cargo is scheduled to begin;

“**ICE**” means the InterContinental Exchange; and

“**CR**” means the daily spot Sterling to US Dollar exchange rate of the Bank of England quoted for the expiration date of the relevant ICE UK Natural Gas NBP Futures Contract, as reported on the Bank of England website (www.bankofengland.co.uk) under the reference name XUDLUSS.

“**YY**” means premium or discount (\$/mmbtu) from the NBP price, to be submitted by Participant.

2.5 STS transfer

Supplier shall have the capability and shall be committed to supply the LNG cargoes by STS transfer **on the STL buoy in the Hadera Port** (the "Delivery Location"). The STS shall be conducted according to **Schedule 1** hereto.

Supplier shall reimburse IEC the sum of \$ 350,000 for arranging all facilities and mooring master to conduct the STS operation.

Supplier shall be required to provide the Israel National Gas Ltd. the Israeli national gas transport company and owner and operator of the buoy, with a COU in the format of **Schedule 4** attached hereto, at least 5 business days prior to the conduct of the STS.

2.6 Transfer of Title and Risk

Title to and risk of any quantities of LNG delivered shall be transferred from the Supplier to IEC at the Delivery Location at the point in which the flange coupling of the receiving vessel (the "**Receiving Vessel**") connects to the flange coupling of the LNG discharging line of the Supplier's LNG vessel.

2.7 LNG Specification

LNG quality for all Base Cargo/es must be lean gas, as set out in **Schedule 2**.

For Additional Cargoes on an Express Basis, the methane content may be reduced to >94% and Wobbe Index shall not be above 0.04896 MMBTU/Cubic Meter (**51.659 MJ/Sm³**).

All other parameters remain as set out in **Schedule 2**.

Supplier shall also include detailed provisions on measurement and testing.

Only proposals offering lean gas for Base cargoes (not less than 96% Methane) in accordance with Schedule 2 will be considered by IEC; Proposals of LNG not in accordance with the Schedule 2 methane content will be disqualified from further consideration.

2.8 LNG Carrier Compatibility

Any LNG carrier used by the Supplier must be approved in advance by IEC, under the compatibility protocol set out in **Schedule 3** in due time for the STS of the first Basic Cargo deliverable hereunder.

2.9 Information to be provided by each Participant

Each Participant shall provide the following information in its proposal.

- (a) Name, corporate registration number (if any) and registered address of the Participant.
- (b) Credit support (such as parent company guarantees) offered by the Participant.
- (c) Experience in the LNG industry and trade during the last five years.
- (d) Volumes of LNG supplied during the last 5 years.
- (e) Price of DES Israel supply of the Base Cargo/es.
- (f) Confirmation of the IEC proposed form of contract for LNG supply attached hereto as **Schedule 5**, or any comments thereto. However, Suppliers who have previously signed contracts with IEC may propose to base the transaction on the previously signed contract.

3. TERMS OF THIS RFP

3.1 Submission of Proposals

Any proposal shall include the Participant's response to the IEC terms as above and shall be duly signed by the Participant.

Any proposal must be submitted either by hand, in a sealed envelope marked "Proposal for Sale of LNG" and placed in box no. 4, situated in room 009 on the ground floor of the IEC Head Office, 1 Netiv Haor St., Haifa, Israel **or** by secured fax no. 972-72-3428706, by no later than **14:00 (Israeli time) January 13, 2020.**

IEC may, by written notice to each Participant at any time prior to the date of submission, postpone the deadline for submission of the proposals.

The proposal will remain valid and irrevocable until (and including) 14:00 Israeli time on January 30th, 2020 or until such later date as may be agreed by the parties.

Any proposal submitted by a Participant which is made by more than one legal entity shall be signed by all such entities. Any legal entity signing on behalf of another legal entity must attach relevant documentation evidencing authorisation to sign.

Proposals submitted after the deadline set forth above shall not be opened, considered or reviewed by IEC.

3.2 Proposal evaluation

3.2.1 IEC may accept one or more proposals or part of any proposal which is most advantageous to it taking into account the proposals for Base Cargo(es) and Additional Cargo(es) on an Express Basis as set forth below. IEC shall have the right to determine, at its sole discretion, which proposal(s) or parts thereof is/are most advantageous to it, taking into account any commercial, technical, financial, operational and/or other considerations.

3.2.2 IEC is not bound to accept the lowest proposal or any part thereof, or any proposal.

3.2.3 In the event Participant offers a price for Base Cargo(es) and for Additional Cargo(es) on an Express Basis, IEC's evaluation of such proposals shall be based 90% on the price proposal for the Basic Cargo(es) price and 10% on the price proposal for the Additional Cargo(es) on an Express Basis.

3.2.4 In the event Participant offers a price for the Base Cargo(es) only, and IEC elects to purchase only Base Cargo(es), the IEC evaluation shall be based solely thereupon.

3.2.5 IEC shall not be permitted to contract with a Participant solely for the Additional Cargo(es) on an Express Basis, i.e., to choose one Participant as winner for the Base Cargo(es) and another Participant as winner for the Additional Cargo(es) on an Express Basis. For clarification, IEC may contract with a winning Participant for both the Basic Cargo(es) and the Additional Cargo(es) on an Express Basis included in such Participant's proposal, or, at IEC's sole discretion and subject to Articles 3.2.3 and 3.2.4 above, IEC may contract for the Basic Cargo(es) with a winning Participant who only included in its proposal the Basic Cargo(es).

3.2.6 IEC reserves the right to negotiate with any or all of the Participants prior to accepting any proposal, in accordance with the provisions of the law.

3.2.7 IEC will have the right to request and receive clarifications and/or information from any Participant, when such clarifications and/or information are, in IEC's opinion, necessary.

3.2.8 IEC shall not be liable, under any law, towards a Participant in connection with any of its decisions in connection with this Article 3.2. and Participant shall not be entitled to any form of compensation whatsoever from IEC in connection with any of IEC decisions in connection with this Article 3.2.

3.3 Procedures for award of contract

The acceptance of a proposal or any part thereof will be notified to Participant(s) in writing.

The acceptance of a proposal shall be the basis for proceeding to the negotiation and drafting of a full contract.

The parties will negotiate in good faith to conclude the contract by not later than February 13th, 2020.

If IEC reaches the conclusion that the negotiation of the full contract was not successful, IEC will be entitled to take any measures, in its sole discretion, including the cancellation of any notice of award/acceptance and in such event, IEC reserves the right to accept the proposal or any part thereof of any other Participant.

IEC shall not be liable to a Participant, under any law, in connection with the cancellation of any notice of award/acceptance and/or the acceptance of the proposal or any part thereof of any other Participant and Participant shall not be entitled to any form of compensation whatsoever from

IEC in connection with the cancellation of any notice of award/acceptance and/or the acceptance of the proposal or any part thereof.

3.4 Purchase Process Cancellation

In addition to circumstances under which IEC is entitled to cancel this purchase process or any part thereof by law, IEC will also be entitled to cancel this purchase process for any reason and without explanation, including in any of the following cases:

should IEC decide, for any reason whatsoever, not to purchase LNG; or

when IEC discovers any material error or omission in the RFP document or in any other purchase process document; or

when there is a change of circumstances including, without limitation, a change in IEC's fuel needs, which warrants, in IEC's opinion, the cancellation of this purchase process; or

when IEC has grounds to suspect that the proposals have been coordinated between Participants or that Participants have otherwise acted illegally; or

none of the proposals is reasonably priced, based upon IEC's discretion, reasonably exercised; or

any other cause which renders this purchasing process, in IEC's discretion, reasonably exercised irrelevant or burdensome.

By submitting a proposal each Participant irrevocably waives any and all demands for compensation of any kind in connection with any cancellation, suspension or change of this purchasing process.

3.5 Further legal considerations

- (a) This purchase process is exempt from tender under the Mandatory Tenders Law and Regulations.
- (b) The Mandatory Tenders Regulations (Preference for Israeli Products), 1995 do not, in IEC's opinion, apply to the present purchase process.
- (c) This purchase process shall be governed, interpreted and enforced in accordance with the laws of Israel and the Israeli courts situated in Tel-Aviv shall have exclusive jurisdiction regarding any dispute arising between IEC and a Participant with respect hereto. By

submitting its proposal, the Participant agrees to this provision and binds itself to submit to the exclusive jurisdiction of the said courts.

- (d) This RFP does not constitute any commitment on the part of IEC to negotiate or purchase any quantities of LNG and IEC may suspend or terminate any negotiations and/or purchase process at any time, without incurring any liability whatsoever.
- (e) The cost of preparing and submitting a proposal and any further costs incurred by the Participant prior to the entry into any contract shall be solely for the Participant's own account.

3.6 Impropriety

3.6.1 The Participant and any person on its behalf, hereby undertakes and declares as follows:

that it shall neither directly nor indirectly offer and/or give and/or receive any benefit and/or funds and/or anything of value in order to influence, directly and/or indirectly, the decision and/or action and/or inaction of IEC or of an officer of IEC and/or an employee of IEC and/or any person on the behalf thereof and/or any other persons, in connection with this procurement procedure and/or any contract/order placed consequent thereto;

that it shall neither directly nor indirectly solicit and/or co-operate with any officer of IEC and/or employee of IEC and/or any person on the behalf thereof and/or any other persons in order to obtain restricted/confidential information in connection with the Procurement Procedure and/or any contract/order placed consequent thereto;

that it shall neither directly nor indirectly solicit and/or co-operate with any officer of IEC and/or employee of IEC and/or any person on the behalf thereof and/or any other factor in order to establish prices in an artificial and/or non-competitive manner;

that it is not a Family Member and does not employ or intend to employ for purposes of this purchasing process and consequent contract, any "Family Member" (as such term is defined in the Government Corporations Regulations [Rules Pertaining to the Employment of Family Members], 5765-2005) insofar as such employment may be construed as constituting a conflict of interests between the Participant and any officers or employees of IEC;

3.6.2 In the event of reasonable suspicion that the Participant failed to comply with the provisions above, IEC reserves the right, in its exclusive discretion, to:

exclude Participant from this purchasing process and/or from any future purchasing procedure (hereinafter: and/or

reject its proposal submitted in this purchasing process; and/or

at any time cancel its award in the purchasing process and/or at any time cancel the contract placed consequent thereto.

3.6.3 In the event the Participant is a Family Member and/or employs a Family Member as detailed above, the Participant shall make full disclosure in writing to IEC of details of the identity and position held by such employee and no such Family Member shall be in any way connected with the performance of this contract/order without receiving the prior written consent of IEC .

3.6.4 The Participant is required to bring the provisions of this Article to the attention of its employees, subcontractors, representatives, agents and any person on the behalf thereof involved in any manner in this purchasing process and/or contract/order placed consequent thereto.

3.7 Clarifications

All commercial clarifications should be addressed to Mr. Yaron Ronai, Head of Natural Gas & Coal Department, Israel Electric Corporation Ltd, Email: aron.ronai@iec.co.il.

All technical clarifications, regarding LNG quality and shipping issues should be addressed to Dr. Amiel Herszage, Natural Gas & Coal Department, Israel Electric Corporation Ltd, Email: amiel.herszage@iec.co.il, with a copy to Mr. Yaron Ronai.

We look forward to receiving your proposal.

Shimshon Brokman

HEAD OF FUEL MANAGEMENT DEPARTMENT

ISRAEL ELECTRIC CORPORATION LTD.

SCHEDULE 1 -STS TRANSFER PROTOCOL

Examples of guidelines for STS

- OCIMF Ship to Ship Transfer Guide (Liquefied Gases), Second Edition 1995
- SIGTTO Liquefied Gas Handling Principles on Ships and in Terminals, Second Edition
- SIGTTO LNG Ship to Ship Transfer Guidelines
- Lloyds Hazop “Ship to Ship Cargo Transfer Hazard Operability Study”, Revision 3, May 2005
- Bureau Veritas Operational Manual for Partial Filling Operation in Gulf of Mexico Site, March 13, 2005
- GTT document No. 2961 “Calculation of maximum loading flow rate considering two by two cargo tanks configuration”.
- STS Cargo Hazard Operability Study II, November 2006 by Lloyds

SCHEDULE 2 - Specification for Gas Quality

Natural Gas tendered for delivery shall at the Delivery Point comply with the following requirements and the requirements of the Transporter as at the date of this Agreement.

1. Gas made available for transport shall be free from odors, foreign materials, dust or other solid and liquids, waxes, gums and gum forming constituents.
2. Without prejudice to the generality of the provisions of Paragraph 1 above, gas at the Delivery Point shall conform to the parameters of Table 1.
3. Sampling of natural gas for continuous automatic and periodic laboratory analysis shall be in accordance with ISO 10715.
4. Gas Chromatography, Energy Calculations & Reports: Natural gas composition shall be monitored using a gas-chromatograph measuring up to at least C6-plus and compatible with ISO 6974-5. Gas analysis shall be used for further calculations of gas mixture molecular weight, Higher Heating value, density, compressibility, energy & Wobbe Index at reference conditions and at actual line conditions (according to relevancy). Physical properties used to configure chromatographs and perform calorific value and relative density calculations shall be derived from the latest version of GPA Standard 2145/ISO 6976
 - Gas density at Standard Conditions shall be calculated in accordance with AGA Report No.8:1994/ISO-12213-1:1997
 - Gas density at Line Conditions shall be calculated in accordance with AGA Report No.8:1994/ISO-12213-1:1997
5. The heating value of C6 shall be applied for all C6-plus compounds as long as laboratory measurements justify this simplicity
6. Calorific value in MJ/m³ units shall be reported to the 2nd decimal. A factor of 1055.056 MJ/MMBTU shall be used for unit conversion (AGA Report No. 8 & GPA 2172). Values in MMBTU/m³ shall be reported to the 5th decimal figure. (Wobbe index shall be reported accordingly). Compression factor, density and relative density shall be reported (If required) to the 4th decimal figure.

Table 1: Parameters limits

Parameter	Requirement	Units	Remarks
Water Dew Point (WDP) At any pressure up to and including 80 bar (g)	≤ 0 (Zero)	(°C)	(a)
Hydrocarbon Dew Point (HCDP) At any pressure up to and including 80 bar(g)	≤ 5	(°C)	(b)
Total Sulphur (as S)	< 100	(ppm Weight)	(c)
Hydrogen Sulphide (as H ₂ S)	< 5	(ppm Volume)	(d)
Carbon Dioxide	≤ 1.0	(Mole percent)	(e)
Total Inerts [N ₂ +CO ₂ +Ar]	≤ 5.0	(Mole percent)	(f)
Oxygen	≤ 0.01	(Mole percent)	(g)
Methane	≥ 96	(Mole percent)	(h)
Glycol	No free liquid to be present in gas at Delivery Point	--	(i)
Methanol	≤ 100	(ppm volume)	(j)
Higher Heating Value @ 15/15 °C & 101.325 Kpa	0.03599 - 0.03699	MMBTU/Cubic Meter	(k)
Wobbe Index @ 15/15 °C & 101.325 Kpa	Max 0.0487	MMBTU/Cubic Meter	(l)

Methods & Remarks

a) Water Dew Point (WDP)

Moisture shall be measured according to *ASTM D 5454* - using a water concentration analyzer. The sensor should operate at a fixed controlled temperature greater than the maximum gas stream temperature. The gas sample stream should operate at a controlled pressure no greater than 3 bar (g). Calculation of WDP from the measured water concentration shall be based on equations (or commercial calculators) which produce results that are in agreement with the data given in table C.1 of appendix C to *ISO 18543:2004; Natural gas — Correlation between water content and water dew point*. Direct measurement of WDP according to *ISO 6327-1981 (E)* is permitted. Manual measurement according to *ASTM D 1142* (chilled mirror) shall be the reference method.

b) Hydrocarbon Dew Point (HCDP)

HCDP shall be measured by a chilled mirror instrument working in pressure ranges of 28 ± 3 bar(g), capable of measuring HCDP up to +20 deg C. Manual measurement according to *ASTM D 1142* shall be the reference method.

c) Total Sulfur and Sulfur species.

. Sulfur species concentrations shall be identified and compared with the concentration of total sulfur. If, however, concentrations greater than 6 mg/m³ of COS or RHS or any corrosive sulfur species (as S) shall be found at any time then total Sulfur shall be measured using an ASTM standard (ASTM D7493 or ASTM D7165 – 10).

A full laboratory Sulfur species analysis shall be performed with any significant change of gas quality.

d) Hydrogen Sulphide

H₂S shall be monitored by automatic instruments complying with *ASTM D4084 (Lead acetate reaction rate method)*.

e, f & g) Oxygen and Total Inerts (N₂+CO₂+Ar)

N₂, O₂, Ar & CO₂ shall be measured by a GC with a lower detection limit not greater 0.005 % mole, using Helium as a carrier and a suitable column to split N₂ and O₂.

The limiting value for Oxygen in Table 1 is required during normal operations. Higher values are allowed during commissioning of new pipelines. Such values and durations of irregularity shall be agreed upon by all parties before commissioning.

h) Methane

The limiting value of Table 1 is valid.

i) Glycol

No free liquid glycol shall be detected while determining the water and/or hydrocarbon dew point using the Bureau of Mines/chilled mirror device.

j) Methanol

Analysis for methanol content will only be required during periods when methanol is being injected for operational reasons. Buyer will be advised when used. Methanol content will be determined using a mutually agreed procedure.

k) Higher Heating Value

Higher Heating Value - means the superior calorific value calculated as described in *ISO: 6976:1995 (E)* of one Cubic Meter of Natural Gas at the reference condition of 15/15 Degrees Celsius and 1.01325 Bar(a) for the actual natural gas in the real state. Full precision, definitive mode shall be used.

l) Wobbe Index

Wobbe Index shall be calculated according to *ISO: 6976:1995 (E)* at the reference condition of 15/15 Degrees Celsius and 1.01325 Bar (a) for the actual natural gas in the real state.

SCHEDULE 3 - LNG CARRIER COMPATIBILITY PROTOCOL

The following procedure shall be the method for formal approval of LNG Carrier compatibility with the Vessel:

A. Initial Request

Upon request to the COMPANY from any LNG Carrier owner, manager or operator to run Compatibility Studies to any ship within their fleet, COMPANY will request EE to perform such Compatibility Studies. To such extent, COMPANY shall provide the following information as received from the interested LNG Carrier owner, manager or operator:

1. Exchange Initial Information Package
 - i. General Arrangement
 - ii. Gas Form C
 - iii. Mooring Plan
 - iv. Capacity Plan
 - v. Typical Compatibility Data (Manifolds, Strainers, etc.)
 - vi. Checklists
 - vii. LNG STS Compatibility Questionnaire
 - viii. Crew matrix
 - ix. Optimoore vessel file
 - x. Photos of manifold area
 - xi. Any additional information requested by EE

B. Definition

Without limitation, the Compatibility Studies shall include:

1. Preliminary STS Layout
 - i. Side By Side Comparison
 - ii. Mooring Arrangement
 - iii. Hull Clearances
 - iv. Initial Compatibility Spreadsheet
2. Preliminary Risk Assessment
 - i. Tentative Location
 1. Environmental Data
 2. Met-Ocean Data
 - ii. Deviation From Standard Operation
 - iii. Auxiliary Support Services
 - iv. Participation By Operators And Vessel Staff
3. Implement Mitigations
 - i. Potential Vessel Modifications
 - ii. Potential STS Equipment Modifications
4. Vessel Site Visit
 - i. Compatibility Checklist

5. Second-Level Risk Assessment
 - i. Close Outstanding Issues From Preliminary Risk Assessment
6. Voyage Management
 - i. Voyage / Cargo Instructions
 - ii. Laden Leg Cargo Management
 - iii. Daily Exchange Of Cargo Condition
7. Final Risk Assessment – Day Of Operation
 - i. Identify Non-Standard Conditions
 - ii. Mitigate Any Identified Risks

The Supplier/ Ship Owner will not answer the RFP, without having verified that all Classification Society or any other requirements- which fulfillment be necessary for the approval of STS at the Hadera site- have been effectively satisfied.

iii.

C. Timing

Within 5 business days of reception of the above mentioned information, EE shall either confirm to COMPANY if the information provided is complete or if any additional information is required to run the Compatibility Studies.

Within 12 weeks of reception of the complete information, EE shall either:

- a) confirm the LNG Carrier under analysis is fully compatible or,
- b) inform COMPANY of any potential modification or additional assessments required to fulfil the Compatibility Studies. COMPANY will pass on this request to the LNG Carrier owner, manager, or operator for response.

Within 5 days of EE being informed that the required modifications or additional assessments are fulfilled, EE shall confirm the LNG Carrier under analysis is fully compatible.

D. Training

As part of the Compatibility Studies EE shall facilitate the following training to the interested LNG Carrier owners, managers or operators:

- iv. Familiarization Of Sts Process
 1. Mooring Operation
 2. Hose Handling
 3. Cargo Operations
 4. Emergency Procedures
 5. Personnel Transfer And Logistics
 6. Full-Mission Bridge Simulation
- v. Exchange STS Operations Manual
- vi. Exchange STS Checklists

E. Costs

All costs and expenses arising from running Compatibility Studies will be borne by the interested LNG Carrier owner, manager or operator. Independent third party costs for studies, training, and compatibility support are pass-through to COMPANY without mark-up. All third party costs are subject to prior approval.

F. General Notes

In the event that Compatibility Studies are run to sister LNG Carriers owned or managed by the same company, the approval of one LNG Carrier of the series will mean all LNG Carriers are approved provided each sister vessel is confirmed as having no material modification to fittings, systems and critical cargo equipment.

In the event an LNG Carrier has not participated in a STS operation within the previous two years, the validity of each series of Compatibility Studies for a given fleet shall remain, pending confirmation there have been no material modifications to fittings, systems and critical cargo equipment.

EE shall have the right, but not the obligation, to conduct any additional SIRE vetting inspections of such LNG Carrier, it being understood that the costs of such additional SIRE vetting inspection shall be borne by EE.

The Parties agree to regularly meet and confer regarding the Compatibility Protocol contained in this Schedule in order to determine the need to adjust it.

Schedule 4 - CONDITIONS OF USE OF BUOY AGREEMENT

THIS CONDITIONS OF USE OF BUOY AGREEMENT (this “**Agreement**”) is effective as of _____, 2017, and is made by and between, Israel Natural Gas Lines Ltd, an Israeli Corporation (“**Buoy Owner**”), and _____, a company incorporated under the laws of _____ (“**Vessel Owner**”).

RECITALS

WHEREAS, Vessel Owner, using the LNG carrier [INSERT DETAILS OF VESSEL] set forth below under its name and signature (“**Vessel**”), intends to provide LNG carriage and ship-to-ship services to Israel Electric Corporation Ltd (“**IEC**”) (subject and according to an LNG sale and purchase agreement with IEC) by delivering liquefied natural gas to the FSRU (floating storage and regasification unit) which provides LNG storage and regasification services to IEC by delivering liquefied natural gas in its regasified state to the Buoy Owner at its buoy-based LNG marine terminal facilities located offshore of Hadera, Israel (as more fully defined below, the “**Buoy**”) (the entire ship-to-ship operation in connection with the Buoy, hereinafter the “**STS Operation**”); and

WHEREAS, the Vessel Owner and Buoy Owner (collectively, the “**Parties**” and individually a “**Party**”) have agreed to allocate the risk of and responsibility for loss and damage resulting from an incident between the Vessel and the Buoy in the following manner.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions.

The following terms shall have the following meanings when used herein:

“**Affiliate**” means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or otherwise. For purposes of this Agreement, when used with respect to the Buoy Interests, the term Affiliate shall include, but not be limited to the State of Israel.

“**Buoy**” means an APL-manufactured submerged turret loading system LNG-receiving buoy, which buoy is located in the Mediterranean Sea approximately 10 kilometers west of Hadera, Israel, along with the pertinent subsea facilities and equipment related to the

Buoy, including the manifold, mooring lines, suction anchors, and flexible riser to the downstream flange of the pipeline and manifold.

“**Buoy Interests**” mean: (i) the Buoy Owner; (ii) all Affiliates of the Buoy Owner; and (iii) Buoy Interests’ Personnel and agents of all Persons referred to in this definition.

“**Buoy Interests’ Personnel**” mean the employees of the Buoy Owner and of the Affiliates of the Buoy Owner.

“**Person**” means any individual, firm, corporation, trust, partnership, association, joint venture (incorporated or unincorporated), or other business entity.

“**Vessel Interests**” mean: (i) the Vessel Owner; (ii) all Affiliates of the Vessel Owner; and (iii) the Vessel Interests’ Personnel and agents of all Persons referred to in this definition.

“**Vessel Interests’ Personnel**” mean the employees (including the crew of the Vessel) of the Vessel Owner and of Affiliates of the Vessel Owner.

2. **Responsibility of Master.**

In all circumstances, the master of the Vessel shall remain solely responsible on behalf of the Vessel Interests for the proper navigation and safety of the Vessel and her cargo.

3. **Liability Provisions.**

a. **Knock for Knock.**

i) Vessel Owner shall indemnify and hold Buoy Interests harmless from and against any liability, claims, demands or expenses (including attorney’s and other professional fees) for damage to the Vessel (including the LNG cargo on board the Vessel where such cargo is owned by the Vessel Interests at the time of such damage), irrespective of whether the damage is caused wholly or partially by the act, neglect or default of any of the Buoy Interests.

ii) Buoy Owner shall indemnify and hold the Vessel Interests harmless from and against any liability, claims, demands or expenses (including attorney’s and other professional fees) for damage to the Buoy, irrespective of whether the damage is caused wholly or partially by the act, neglect or default of any of the Vessel Interests.

b. **No Consequential Loss.**

Neither the Buoy Owner nor Vessel Owner shall be liable to each other for any indirect, consequential or special loss or damage (“**Consequential Loss**”) arising out of or in relation to this Agreement and the STS Operation. Consequential Loss within the meaning of this Clause shall include (but shall not be limited to) any loss of business opportunity, earnings, income or profits

incurred, whether directly or indirectly and whether by the Parties hereto or any other party whatsoever.

c. Convention Limitations

In the event that as a result of any proceedings being brought between the Buoy Interests and Vessel Interests, the knock for knock provisions of Clause 3.a. are invalidated or otherwise not enforced or in the event of other claims being made which are not subject to the limitations of this Agreement, then the Parties' liability shall be as set out in the applicable limitation conventions as ratified or applied by the State of Israel.

4. Insurance.

The Vessel Owner shall keep the Vessel fully entered with a P&I Association which is a member of the International Group of P&I Associations and shall pay all premiums, fees, dues and other charges of such P&I Association and comply with all of its rules, terms, and warranties. The Vessel Owner shall use best endeavours to have INGL included for misdirected arrow cover as Additional Assureds under the Vessel's P&I Association entry for the liabilities that are properly the responsibility of the Vessel Owner. The Vessel Owner shall notify INGL at least 7 days prior to the STS Operation in the event that such endeavours were not successful. As a condition precedent to the Vessel conducting the STS Operation, the Vessel Owner shall provide a certificate of entry with the applicable P&I Association.

5. Governing Law and Arbitration.

The substantive law of England and Wales, without regard to any conflicts of law principles that could require the application of any other law, shall govern the interpretation of this Agreement and any dispute, controversy, or claim arising out of, relating to, or in any way connected with this Agreement, including, without limitation, the existence, validity, performance, or breach hereof. Any dispute under this Agreement shall be conducted in London under the Rules of the London Court of International Arbitration. The language of such arbitration proceedings shall be English.

7. Invalidity.

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid

provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the date first set forth above.

BUOY OWNER

Israel Natural Gas Lines, LTD

By: _____

Title: _____

VESSEL OWNER

By: _____

Title: _____

Schedule 5 - Master DES LNG Sale and Purchase Agreement

(this “**Agreement**”)

dated as of ____th _____ 2019 (“**Effective Date**”)

between

The Israel Electric Corporation Ltd.

a company organised and existing under the laws of Israel having its registered office at

1 Netiv Haor St. Haifa, 31000

(“**Buyer**”)

and

_____ having its registered office at

(“**Supplier**”)

In this Agreement, Buyer and Supplier may be individually referred to as a “Party” or collectively as the “Parties” and in Transactions they shall be identified, as applicable to the terms of each such Transaction, as either Buyer or Supplier.

Master DES LNG Sale and Purchase Agreement

TABLE OF CONTENTS

	Page
§1 Definitions and Interpretation	1
1.1 Certain Defined Terms.....	1
1.2 Other References.....	7
1.3 Rounding of Numbers.....	8
§2 Contracting Procedure	8
2.1 Entering into Transactions	8
2.2 Single Agreement	8
2.3 Limited Undertaking.....	8
§3 Quantity.....	9
3.1 Quantity for Each Confirmation Notice.....	9
3.2 Contract Quantity.....	9
§4 Obligations for Purchase and Sale of LNG.....	9
4.1 Sale and Purchase	9
4.2 Operational Variations	9
§5 Agreement Term	9
§6 LNG Quality	10
6.1 Quality Specifications.....	10
6.2 Quality Notice.....	10
6.3 Acceptance or Rejection	10
6.4 Supplier's Mitigation	11
6.5 Buyer's Mitigation.....	11
6.6 Sole Remedy	11
§7 Testing and Measurement	11
7.1	11
§8 Facilities.....	13
8.1 Buyer's Receiving Facilities	13
8.2 Supplier's Vessel	13
§9 Transportation and Discharge	13
9.1 Supplier's Responsibility for Transportation.....	13
9.2 Vessel Requirements.....	14
9.3 Compatibility between the Receiving Facility and the Vessel.....	15
9.4 Shipping Notices.....	16
9.5 Documentation.....	17
9.6 Tank Pressure for Discharge.....	17
9.7 Discharge of Cargo	17
9.8 Demurrage	18
9.9 Excess Boil-Off.....	19
9.10 Cooperation to Ensure Timely Discharge and Departures.....	19
9.11 Departure	19
9.12 Substitution of Vessel	19
9.13 Safety	19
§10 Transfer of Title and Risk	20
10.1 Title Transfer	20
10.2 Title Warranty.....	20
10.3 Title Transfer in International Waters.....	20
§11 Contract Price.....	21
§12 Billing and Payment.....	21
12.1 Invoices; Payment.....	21

12.2	Disputed Invoices or Payments.....	22
12.3	Interest on Late Payments and Overpayments.....	22
12.4	Late Payment and Suspension of Deliveries.....	22
12.5	Invoices and Other Documents.....	22
12.6	Netting and Set off.....	22
§13	Taxes and Charges.....	23
13.1	Buyer's Taxes.....	23
13.2	Supplier's Taxes.....	23
13.3	Exclusion.....	23
13.4	Information and Cooperation.....	23
§14	Representation and Warranties.....	23
14.1	Permissions, Authorizations and Approvals.....	23
14.2	Corporate Good Standing and Validity.....	23
§15	Liabilities.....	24
15.1	General.....	24
15.2	Limitation of Liabilities.....	24
15.3	Supplier's Liability for Failure to Deliver.....	24
15.4	Buyer's Liability for Failure to Take.....	26
15.5	Audit Rights.....	27
§16	Events of Default; Termination' Set-off.....	27
16.1	Event of Default Defined.....	27
16.2	Set-off.....	28
§17	Force Majeure.....	29
17.1	Definition of Force Majeure.....	29
17.2	Release from Delivery and Acceptance Obligations.....	29
17.3	Notification and Mitigation of Force Majeure.....	30
17.4	Effect of Force Majeure on Other Party.....	30
17.5	Reasonable Endeavours to Effect Delivery.....	30
17.6	Related Parties.....	30
§18	Confidentiality.....	31
18.1	Confidentiality.....	31
18.2	Permitted Disclosures.....	31
18.3	Survival.....	31
§19	Credit Terms.....	32
§20	Resolution of Disputes.....	32
20.1	Jurisdiction.....	
§21	Notice Provisions.....	32
21.1	Form of Notices.....	32
§22	Miscellaneous.....	33
22.1	Compliance with Laws; Corrupt Practices.....	33
22.2	Governing Law.....	33
22.3	Binding Effect; Assignment.....	34
22.4	Entire Agreement, Amendments and Counterparts.....	34
22.5	No Third-Party Beneficiaries.....	34
22.6	Severability.....	35
22.7	Default and Non-Waiver.....	35
22.8	No Partnership or Other Relationship.....	35
22.9	Language.....	35
22.10	Survival.....	35
22.11	Waiver of Immunity.....	35
EXHIBIT A	FORM OF CONFIRMATION NOTICE.....	37
EXHIBIT B	MEASUREMENT, ANALYSIS AND CALCULATION.....	39
EXHIBIT C	FORM OF ESTIMATED QUALITY NOTICE.....	49

Master DES LNG Sale and Purchase Agreement

WHEREAS, *the Parties from time to time may, but shall not be obligated to, enter into Transactions (as defined below) for the sale and purchase of LNG by executing Confirmation Notices as detailed below; and*

WHEREAS, *the Parties desire to enter into this Agreement to set forth the general terms and conditions relating to all such sale and purchase of LNG under such Confirmation Notices;*

NOW, THEREFORE, *in consideration of the mutual covenants contained herein, the Parties, intending to be legally bound, agree as follows:*

§1

DEFINITIONS AND INTERPRETATION

1.1 Certain Defined Terms

Except to the extent otherwise expressly provided herein, the following terms shall have the following meanings when used in this Agreement:

“Actual Laytime” means the period of time commencing upon:

- (A) if the Notice of Readiness is issued before the Arrival Period, on the earlier of:
 - (i) six (6) hours after start of the Arrival Period; or
 - (ii) at the time the Vessel is connected to the Receiving Facility;
- (B) if the Notice of Readiness is issued during the Arrival Period, on the earlier of:
 - (i) six (6) hours after Notice of Readiness is tendered; or
 - (ii) at the time the Vessel is connected to the Receiving Facility;
- (C) if the Notice of Readiness is issued after the expiry of the Arrival Period, at the time the Vessel is connected to the Receiving Facility,

and ending in all cases upon the earlier of (x) the Completion of Discharge for such Cargo, or (y) where the Vessel has arrived at the Discharge Location and a Notice of Readiness has been issued, in the event delivery of such Cargo is cancelled for any reason hereunder, immediately upon such cancellation.

“Adverse Weather Conditions” means weather and/or sea conditions actually experienced that are sufficiently severe to: (a) prevent a Vessel from proceeding to the Delivery Point, loading or unloading (as the case may be) and/or departing from the Delivery Point in accordance with the weather standards prescribed in published regulations in effect at the Discharge Location, or by the order of the relevant harbour master; and/or (b) cause an actual determination by the Master of the Vessel that it is unsafe for the Vessel to arrive at the Delivery Point, unload or depart from the Delivery Point.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, (a) owns or controls the first Person, (b) is owned or controlled by the first Person or (c) is under common ownership or control with the first Person, where “own” means ownership of more than fifty percent (50%) of the equity interests, shares, quotas or rights to distributions on

account of equity or similar interests of the Person, and “control” means the direct or indirect power to direct the management or policies of the Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” means this Master DES LNG Sales and Purchase Agreement (including all Exhibits attached hereto).

“**Allowed Laytime**” means the amount of time, set forth in the Confirmation Notice, allowed by Supplier to Buyer to permit connecting to the Receiving Facility and discharging the Cargo.

“**Arrival Period**” means, with respect to the given Cargo, the period of time specified in the Confirmation Notice (or such range of time as may be subsequently amended or agreed in writing by the Parties) for the Cargo in which the Vessel is scheduled to give its Notice of Readiness at the Discharge Location.

“**British Thermal Unit**” or “**Btu**” means the amount of heat necessary to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at an absolute pressure of fourteen decimal six nine six pounds per square inch (14.696 psia).

“**Business Day**” means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any payment or delivery of Credit Support or Performance Assurance (other than parent company guaranty), in the place where the relevant account for payment is located and, if different, in the principal financial centre, if any, of the currency of such payment, and (b) in relation to any notice or other communication or in relation to Credit Support or Performance Assurance in the form of parent company guaranty, in the city specified in the address for notice provided by the recipient in §21.

“**Buyer**” is a Party to this Agreement defined as such in the Confirmation Notice.

“**Buyer’s Taxes**” means any form of Tax, levy, impost, duty or similar fee or charge, whether direct or indirect, of a Government Entity from time to time imposed or payable;

- (a) on account of the existence of Buyer as a legal entity or in respect of the revenue or profits of Buyer; or
- (b) on account of (i) the importation by Buyer of LNG into Israel, or (ii) the ownership, transportation, use, purchase or other disposition of LNG or Regasified LNG after (1) delivery at the Delivery Point; or (2) the transfer of title of the LNG to Buyer.

“**Cargo**” means the cargo of LNG to be sold by Supplier and purchased by Buyer pursuant to a Confirmation Notice.

“**Claim**” or “**Claims**” means, with respect to a particular event or set of circumstances, all claims, demands, losses, damages, liabilities, costs and expenses (including attorneys’ fees) arising out of or resulting from such event or set of circumstances.

“**Commencement of Discharge**” means, with respect to a given Cargo, the time at which the connection of the cargo manifold on the Vessel to the flange coupling of the receiving line at the Receiving Facility is completed and discharge of the Cargo has commenced.

“**Completion of Discharge**” means, with respect to a given Cargo, the time at which the cargo manifold on the Vessel is disconnected from the flange coupling of the discharge line at the Receiving Facility after such Cargo has been fully unloaded from the Vessel.

“Completion of Loading” means, with respect to a given Cargo, the time at which the cargo manifold on the Vessel is disconnected from the flange coupling of the loading line at the Production Terminal after the Cargo has been fully (subject to retention of heel as specified in this Agreement) loaded onto the Vessel.

“Confidential Information” has the meaning specified in 18.1.

“Confirmation Notice” means any agreement entered into, by the Parties substantially in the form specified in Exhibit A to this Agreement, such document being a confirmation of additional terms and conditions applicable to the sale and purchase of a specific quantity of LNG.

“Consequential Loss” means, with respect to each Party, any Claims for loss of income, loss of profits, business interruption, loss of business opportunity, special damages, punitive damages, any Claims made or brought against the Party by a Third Party and any and all indirect or consequential Claims of whatever kind and nature arising under or in connection with this Agreement and the relevant Confirmation Notice, however caused (including by the default or negligence of another party or breach of any duty owed in Law by another party) and whether or not foreseeable at the date of this Agreement or the relevant Confirmation Notice.

“Contract Price” has the meaning specified in §11.

“Contract Quantity” has the meaning specified in 3.2.

“Cost” or **“Costs”** means, with respect to a particular event or set of circumstances, all documented costs, charges, losses, damages, expenses and any other liabilities arising out of or resulting from such event or set of circumstances.

“Credit Support” has the meaning specified in §19.

“Credit Support Provider” has the meaning specified in §19.

“Day” means a twenty-four (24) hour period beginning at 0:00 on any calendar day and ending at 23:59 on the calendar day.

“Deemed Daily Boil-off Rate” has the meaning specified in 9.9

“Deemed Delivery Amount” has the meaning specified in 15.4(d)(ii)

“Delivery Period” means, with respect to a given Cargo, the period of time specified in the Confirmation Notice for the Cargo in which the Vessel is scheduled to discharge its Cargo.

“Delivery Point” means, with respect to a given Cargo, the point at the Discharge Location where the cargo manifold on the Vessel connects to the flange coupling of the receiving line of the Receiving Facility.

“Demurrage” has the meaning specified in 9.8(a).

“Demurrage Rate” means the demurrage rate as specified in the Confirmation Notice to compensate Supplier for delays to the Vessel.

“DES” or **“Ex-Ship”** means the terms and conditions of delivery specified as Delivered Ex-Ship in Incoterms 2000 (International Rules for the Interpretation of Trade Terms, as published by the International Chamber of Commerce, edition 2000), as such terms and conditions for delivery are modified by the terms and conditions of this Agreement or any Confirmation Notice.

“Discharge Location” means, with respect to a given Cargo, the location specified as such in the Confirmation Notice for delivery by way of ship-to-ship transfer.

“Discharge Rate” means, with respect to a given Cargo, the discharge rate for such Cargo as specified in the relevant Confirmation Notice.

“Dispute” has the meaning specified in 20.1

“Effective Date” has the meaning specified in the preamble hereto.

“Estimated Quality Notice” has the meaning specified in 6.2.

“ETA” means the estimated time of arrival of the Vessel at the Discharge Location.

“ETA Notice” has the meaning specified in 9.4(a).

“Event of Default” has the meaning specified in 16.1.

“Expert” means an independent expert appointed to resolve a dispute between the Parties pursuant to 7.1(i).

“Force Majeure” has the meaning specified in 17.1.

“Government Entity” means any legislative, judicial, regulatory or executive body (including any agency, bureau, department, commission or office) of the government of any sovereign state or any political subdivision thereof or the institutions of the European Union including the European Commission.

“Gross Heating Value (Mass Based)” means the quantity of heat, expressed in Btu per kilogram, produced by the complete combustion in air of one kilogram of anhydrous Natural Gas, at a temperature of fifteen degrees Celsius (15°C) and an absolute pressure of one thousand and thirteen decimal two five (1,013.25) millibars, with the air at the same temperature and pressure as the Natural Gas, after cooling the products of the combustion to the initial temperature of the Natural Gas and air, and after condensation of the water formed by combustion

“Gross Heating Value (Volume Based)” means the quantity of heat, expressed in Btu per standard cubic meter, produced by the complete combustion in air of one standard cubic meter of anhydrous Natural Gas, at a temperature of fifteen degrees Celsius (15°C) and an absolute pressure of one thousand and thirteen decimal two five (1,013.25) millibars, with the air at the same temperature and pressure as the Natural Gas, after cooling the products of the combustion to the initial temperature of the Natural Gas and air, and after condensation of the water formed by combustion.

“Independent Surveyor” means a surveyor appointed in accordance with 7.1(f).

“Laws” means all applicable laws, treaties, conventions, statutes, rules, regulations, decrees, ordinances, licenses, permit compliance requirements, decisions, orders, directives and policies that are enforceable through regulatory and/or judicial process of any Government Entity.

“LIBOR” means in relation to any period in respect of which an interest rate is to be determined as (a) the London interbank offered rate as fixed by the British Bankers’ Association for deposits in United States Dollars for one month which is quoted on the “LIBOR01” page on the Reuter Monitor Money Rates Service (or such other page as may replace such page on such service for the purpose of displaying London interbank offered rates for deposits in United States Dollars) at or about 1100 London time on the first day of such period; or (b) if no such

rate is quoted at the relevant time, the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by the principal London offices of Lloyds TSB Bank plc, Barclays Bank plc and HSBC Bank plc to prime banks in the London interbank market at or about 1100 London time on the first day of such period for deposits in United States Dollars, or if the rates referred to in (a) and (b) above are not available in respect of the relevant period for any reason, such comparable rate and the Parties may agree.

“Liquefied Natural Gas” or **“LNG”** means Natural Gas in a liquid state at or below its boiling point and at or near a pressure of approximately one (1) atmosphere absolute.

“LNG Capacity” means, with respect to a Vessel, the maximum quantity of LNG, expressed in cubic meters, as stated in the relevant Confirmation Notice, which the Vessel can safely load and transport (within the operational tolerance established by the master of the Vessel and the operator of the Loading Port facilities), allowing for boil-off (resulting from the voyage between Loading Port and Discharge Location along standard course), required draught upon arrival and retention, where appropriate, of the LNG Heel quantity.

“LNG Heel” means, with respect to a given Cargo, the volume of LNG heel specified as such in the Confirmation Notice to be retained by the Vessel after discharge.

“Loading Port” means, with respect to a given Cargo, the port specified as such in the relevant Confirmation Notice.

“MMBtu” means one million (1,000,000) Btu.

“Natural Gas” means any hydrocarbon or mixture of hydrocarbons consisting predominantly of methane and including other combustible and non-combustible gases in a gaseous state.

“Net Proceeds” has the meaning specified in 15.4(d)(ii).

“Notice of Readiness” has the meaning specified in 9.4(b)(iii).

“Off-Spec LNG” means LNG in the Cargo that in any respect does not comply with the Quality Specifications.

“Off-Spec Notice” has the meaning specified in 6.2(b)0.

“Party” and **“Parties”** have the meaning specified in the preamble hereto.

“Payee” has the meaning specified in 12.1(b).

“Payor” has the meaning specified in 12.1(b).

“Person” includes any natural person, corporation, company, partnership (general or limited), limited liability company, business trust, Government Entity or other entity or association.

“Production Terminal” means the plant for liquefaction of Natural Gas specified in the relevant Confirmation Notice, together with all associated facilities (both inside and outside the plant), including: (a) Natural Gas processing facilities; (b) Natural Gas metering within the plant and pressure control facilities; (c) LNG trains consisting of gas treating units, a liquefaction unit and related facilities; (d) LNG storage and loading facilities; and (e) LNG tanker berthing and loading facilities.

“Quality Specifications” has the meaning specified in 6.1.

“Quantity Delivered” means, with respect to a given Cargo, the quantity of LNG, expressed in MMBtu, delivered by Supplier to Buyer from such Cargo at the Delivery Point, as determined pursuant to §7 and Exhibit B.

“Reasonable and Prudent Operator” means a Person who in good faith seeks to perform its contractual obligations under this Master Agreement and a Transaction, and who, in so doing, and in the general conduct of its undertaking, exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances and conditions.

“Receiving Facility” means, with respect to a given Cargo, the energy bridge regasification vessel (EBRV) chartered by Buyer and nominated in accordance with the Confirmation Notice.

“Regasified LNG” means Natural Gas derived from LNG.

“Return Gas” means, with respect to a given Cargo, the Natural Gas that, during the discharge of such Cargo, is returned to the Vessel delivering such Cargo.

“Supplier” is a Party to this Agreement defined as such in the Confirmation Notice.

“Supplier’s Taxes” means any form of Tax, levy, impost, duty or similar fee or charge, whether direct or indirect, of a Government Entity from time to time imposed or payable:

- (a) on account of the existence of Supplier as a legal entity or in respect of the revenue or profits of Supplier; or
- (b) on account of: (i) the production and transportation of Natural Gas to the Production Terminal; (ii) the ownership and/or operation of the Production Terminal; (iii) the export of the LNG from its country of origin; (iv) the ownership, use, sale or other disposition of LNG before delivery at the Delivery Point to Buyer; (v) the transportation of LNG before delivery at the Delivery Point to Buyer; or (vi) the ownership and/or operation of the Vessels.

“Supplier’s Transporter” means with respect to any Vessel, the owner, charterer, operator and crew of such Vessel, and each of their respective agents, employees and assigns;

“Specified Rate” means, for any period for which interest is to be calculated as a rate of interest per annum for each Day during that period equal to two (2) percent over LIBOR.

“Standard Cubic Meter” or **“SCM”** means the amount of Natural Gas, free of water vapour, occupying a volume of one (1) Cubic Meter at a temperature of fifteen degrees Celsius (15°C) and an absolute pressure of one thousand and thirteen decimal two five (1,013.25) millibars.

“Tax” means any national, federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar excises), unemployment, disability, ad valorem, real property, personal property, sales, use, transfer, registration, value added, consumption, alternative, add-on minimum, or estimated taxes, charges, royalties, duties, imposts or other tax of any kind whatsoever, including any interest, penalty or addition thereto.

“Title Transfer Point” has the meaning specified in 10.3(a).

“Third Party” means any Person not a party to this Agreement.

“Transaction” means an agreement for a specific sale and purchase of the cargo of LNG to be supplied by Supplier to Buyer pursuant to the terms and conditions of this Agreement and the relevant Confirmation Notice.

“Treatment Cap” has the meaning specified in 6.3(b).

“Undelivered Quantity” means a quantity in MMBtus equal to the difference between the Contract Quantity and the volume actually delivered (if any).

“USD” or **“US\$”** means the legal currency of the United States of America.

“Upstream Facilities” means all facilities for the production, gathering, processing, and delivery of Natural Gas to the Production Terminal from the gas field(s) including wells, production platforms, transportation, compression, and treatment facilities and pipelines.

“Variation Amount” means an amount of LNG (if any) that the Parties agree and specify in the Confirmation Notice to be a reasonable allowance for variation in the actual Quantity Delivered from the estimate comprising the Contract Quantity and which shall include operational variations, other than the operational tolerance already taken into account under LNG Capacity and established by the master of the Vessel and the operator of the Loading Port facilities or the Production Terminal.

“Vessel” means, with respect to the Cargo to be sold and purchased pursuant to the Confirmation Notice, the ocean-going LNG tanker specified in that Confirmation Notice to be used by Supplier to deliver such Cargo.

“Vessel Taxes and Charges” means any Taxes in respect of the Vessels, the ownership or operation of the Vessels, or the marine transportation of LNG hereunder, including any port charges, harbour dues, utilisation fees and similar fees or charges, whether direct or indirect, of a Government Entity or properly constituted port authority.

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

1.2 Other References

Unless the context of this Agreement otherwise requires, the following rules of interpretation shall apply with respect to this Agreement:

- (a) references to this Agreement or any other agreement, deed, instrument, license, Law, code or other document of any description shall be construed as a reference to this Agreement or such other agreement, deed, instrument, license, Law, code or other document as the same may have been or may be amended, varied, supplemented, modified, superseded, restated or novated from time to time;
- (b) references to any Person shall include such Person’s successors and permitted assigns;
- (c) references to a particular Section (§) or Exhibit shall be a reference to that Section (§) or Exhibit in or to this Agreement;
- (d) the headings are inserted for convenience only and are to be ignored for the purposes of construction;
- (e) the words “include” and “including” are to be construed without limitation;

- (f) references in the singular shall include references in the plural and vice versa;
- (g) references to any gender shall include all others if applicable in the context;
- (h) any definition of one part of speech of a word, such as a definition of the noun form of that word, shall have a comparable meaning when used as a different part of speech, such as the verb form of that word; and
- (i) no presumption shall apply to the advantage or disadvantage of the drafter of this Agreement or any Confirmation Notice.
- (j) any reference to a time of day shall mean the local time at the Receiving Facility.

1.3 Rounding of Numbers

For the purpose of this Agreement, rounding shall be done according to ISO Standard 80000 – 1:2009.

§2

CONTRACTING PROCEDURE

2.1 Entering into Transactions

The Parties shall enter into a Transaction by executing this Agreement and the Confirmation Notice in the form set forth in Exhibit A hereto.

2.2 Single Agreement

This Agreement and the Confirmation Notice form a single integrated agreement between the Parties as to the terms and conditions of the Transaction concerned. If the terms of a Confirmation Notice vary from this Agreement, the terms of such Confirmation Notice shall prevail to the extent of the variation for the purpose of the Transaction.

2.3 Limited Undertaking

Unless and until both Parties execute a Confirmation Notice, except as to obligations of confidentiality (pursuant to §18 hereof), neither Party shall have any rights, obligations or liabilities under this Agreement.

§3

QUANTITY

3.1 Quantity for the Confirmation Notice

Either one (1) Cargo, or three (3) Cargoes.

3.2 Contract Quantity

3.2.1 Contract Quantity means the quantity of LNG expressed in MMBtu, specified in the Confirmation Notice applicable to such Cargo that Supplier agrees to sell to Buyer, and Buyer agrees to purchase from Supplier, at the Delivery Point. The Contract Quantity shall be calculated according to Exhibit B.

3.2.2 The Contract Quantity of the Cargo shall have a volume between 120,000 m³ and up to 130,000 m³ of LNG (2,500,000 to 3,000,000 MMBtu). Buyer shall notify Supplier of the actual Contract Quantity by no later than 3 weeks prior to required delivery date. Such notice shall be deemed an automatic amendment of the Confirmation Notice.

§4

OBLIGATIONS FOR PURCHASE AND SALE OF LNG

4.1 Sale and Purchase

Upon the execution of the Confirmation Notice and subject to the terms and conditions of this Master Agreement and such executed Confirmation Notice, Supplier agrees to sell and deliver ____ Cargo(es) to Buyer and Buyer agrees to purchase, receive and pay Supplier for the Quantity Delivered, in accordance with the terms of the Confirmation Notice and this Master Agreement.

4.2 The Confirmation Notice shall incorporate and be read together with this Master Agreement (including the Schedules to this Master Agreement), and together shall constitute a single integrated agreement between the Parties for a Transaction.

4.3 Operational Variations

The sale and delivery of the Quantity Delivered in accordance with the terms of this Agreement and the relevant Confirmation Notice shall (without prejudice to §6) satisfy Supplier's obligation to sell and deliver the Contract Quantity, and the purchase and receipt of such Quantity Delivered shall satisfy Buyer's obligation to purchase and take the Contract Quantity, provided that the Quantity Delivered is no less than the Contract Quantity minus the Variation Amount and no more than the Contract Quantity plus the Variation Amount.

§5

AGREEMENT TERM

This Agreement shall become effective as of the Effective Date, and shall remain in force until terminated by either Party upon thirty (30) Days' prior written notice or terminated pursuant to §5 of this Agreement; provided that termination of this Agreement and, pursuant to §5, any Transactions, shall be without prejudice to the accrued rights and liabilities of the Parties under this Agreement and any Transactions prior to or as a result of such expiry or termination.

LNG QUALITY

6.1 Quality Specifications

The LNG delivered to Buyer at the Receiving Facility shall, when converted into a gaseous state, satisfy the quality specifications set forth in **Exhibit D** attached hereto (the “Quality Specifications”).

6.2 Quality Notice

- (a) Supplier shall keep Buyer informed of the quality and material changes in the quality of LNG liquefied at the Loading Port in "Certificate of Quality on Loading" and included in Exhibit C. Within forty-eight (48) hours after the Completion of Loading of the Cargo, Supplier shall promptly deliver to Buyer a notice in the form attached hereto as Exhibit C or in any other form agreed between the Parties setting forth the quality specifications of such Cargo at the time of loading and the estimated quality specifications of such Cargo at the time of discharge after transportation to the Receiving Facility (an “Estimated Quality Notice”). If such estimated quality specifications do not comply with the Quality Specifications, such LNG shall be deemed to be Off-Spec LNG.
- (b) In addition, if at any time before or after Supplier’s preparation of an Estimated Quality Notice Supplier becomes aware that the LNG of the Cargo to be delivered is reasonably expected to be Off-Spec LNG, Supplier shall promptly deliver to Buyer a reasonably detailed notice explaining the nature and extent of the quality non-conformity (an “Off-Spec Notice”).

6.3 Acceptance or Rejection

- (a) Buyer will use reasonable endeavours to accept Off-Spec LNG where, in Buyer’s reasonable opinion, the Off-Spec LNG would be acceptable to the operator of the Israel national gas transmission system and the operators of the Buyer's relevant power stations and would not prejudice the safe and reliable operation of the Israel national gas transmission system and Buyer's relevant power stations. If Buyer determines in good faith that it cannot reasonably take, transport or use such Off-Spec LNG, it may reject such Off-Spec LNG by giving Supplier notice of rejection within forty-eight (48) hours of receipt of Supplier’s notice and Supplier shall be deemed to have failed to deliver the Off Spec LNG for the purposes of 15.3 and the provisions of 15.3 shall apply to such failure.
- (b) If Off-Spec LNG is accepted by Buyer in accordance with 6.3(a) and is unloaded at the Receiving Facility then Supplier shall reimburse Buyer for any actual documented costs incurred by Buyer (whether to pay Third Parties or otherwise) in treating of such Off-Spec LNG received at the Receiving Facility by reason of it being out of specification, in an amount not exceeding twenty percent (20%) of the amount payable for the Quantity Delivered at the Contract Price (the “Treatment Cap”); provided that Buyer shall be entitled to reject such Off-Spec LNG by giving notice to that effect to Supplier within 48 hours of Buyer becoming aware that the costs incurred or likely to be incurred by Buyer in the acceptance of such Off-Spec LNG exceed or are likely to exceed such Treatment Cap, in which case Supplier shall be deemed to have failed to deliver the Off Spec LNG for the purposes of 15.3 and the provisions of 15.3 shall apply to such failure.
- (c) If Off-Spec LNG is delivered at the Delivery Point without Buyer being made aware by Supplier that it does not comply with the Quality Specifications (or otherwise becoming

aware of it), or without Buyer being made aware by Supplier of the actual extent to which it does not comply with the Quality Specifications then:

- (i) if Buyer is able (using reasonable endeavours to do so) to correct the specifications of such Off-Spec LNG to meet the Quality Specifications, Supplier shall reimburse Buyer for any actual documented costs incurred by Buyer (whether to pay Third Parties or otherwise) in treating such Off Spec LNG received at the Receiving Facility by reason of its failure to comply with the Quality Specifications; or
- (ii) if Buyer is unable (using reasonable endeavours to do so) to correct the specifications of such Off-Spec LNG to meet the Quality Specifications, Supplier shall be deemed to have failed to deliver such Off Spec LNG for the purposes of 15.3 and the provisions of 15.3 shall apply to such failure. Supplier shall reimburse to Buyer and indemnify it in respect of all loss, damage, costs and expenses incurred by Buyer (whether to pay to Third Parties or otherwise) in consequence of the unloading of such Off-Spec LNG, including damage to the Receiving Facility, to the Israel national natural gas transmission system, or to Buyer's power stations, costs and losses in respect of the treatment, loss or disposal of such Off-Spec LNG or other natural gas contaminated by it, and any subsequent delay or inability in unloading LNG ships at the Discharge Location provided that Supplier's liability to reimburse and indemnify Buyer pursuant to this 6.3(c)(ii) shall not exceed one hundred percent (100%) of the value of the Cargo at the Contract Price.

6.4 Supplier's Mitigation

Without prejudice to 6.1, 6.2 and 6.3, Supplier shall, as soon as possible after becoming aware that any LNG scheduled for delivery hereunder may fail to comply with the Quality Specifications, notify Buyer and shall bring such LNG within the Quality Specifications or shall procure and deliver to Buyer replacement LNG from a source reasonably acceptable to Buyer that conforms to the Quality Specifications.

6.5 Buyer's Mitigation

Without prejudice to 6.1, 6.2 and 6.3, where Supplier tenders Off-Spec LNG for delivery, Buyer shall use commercially reasonable endeavours (i) to take such LNG on a timely basis, (ii) to make a decision under 6.3(a) on a timely basis, (iii) to minimise any costs and expenses that are subject to reimbursement by Supplier pursuant to 6.3(b) and 6.3(c), and (iv) if Buyer rejects LNG, to cooperate with Supplier with respect to the disposition of the LNG.

6.6 Sole Remedy

Any payments under §6 and (if applicable under 15.3) made by Supplier to Buyer shall be Buyer's sole and exclusive remedy (in tort (including negligence) and contract) for Supplier's failure to comply with the Quality Specifications.

§7

TESTING AND MEASUREMENT

7.1

- (a) All LNG delivered by Supplier to Buyer pursuant to this Agreement shall be tested and measured in accordance with the procedures set forth in this §7 and Exhibit B.

- (b) The volume in cubic meters of LNG delivered under a Transaction shall be measured at the Delivery Point by or on behalf of Supplier following the procedures described in Exhibit B. Supplier shall, within forty-eight (48) hours following the completion of unloading, notify Buyer in writing of the volume of LNG unloaded in the format issued and signed by the independent surveyor and agreed upon in advance.
- (c) n/a
- (d) Supplier shall calculate the Quantity Delivered or cause it to be calculated, using the results derived from the procedures specified in Exhibit B and Article 7.1, and the method described in Exhibit B. Supplier shall promptly notify Buyer of such Quantity Delivered. Such notification shall include all data and documents necessary to support the calculation of the Quantity Delivered.
- (e) For the purposes of measurement and testing, Supplier (for the purposes of 7.1(b)) shall supply, operate and maintain, or cause to be supplied, operated and maintained, devices required for determining the quantity of the delivered LNG.
- (f) The Parties shall use reasonable endeavours to jointly appoint an Independent Surveyor to witness and verify the measurement, sampling and testing of LNG delivered. Such Independent Surveyor shall be qualified by education, experience and training to monitor such LNG activity. Should the Parties fail to agree upon the appointment then the Secretariat of the European Federation of Energy Traders may appoint the Independent Surveyor on the application of either Party. The cost of the Independent Surveyor shall be shared equally by the Parties. Either Party may have a representative present or appoint their own Independent Surveyor, in addition to the jointly appointed Independent Surveyor (if any), to witness the measurement, sampling and testing of LNG provided that the Party appointing their own Independent Surveyor bears all fees and charges associated with their own Independent Surveyor.
- (g) Prior to effecting such measurements, gauging and testing, Supplier & Buyer shall notify each other and the Independent Surveyor(s), allowing representatives of both and such Independent Surveyor(s) a reasonable opportunity to be present for all operations and computations, unless such access is not allowed for safety and security purposes at the Load Port or at the Receiving Facility; provided however that the absence of such representatives, if applicable, and/or such Independent Surveyor(s) after notification and reasonable opportunity to attend shall not prevent any operation or computation from being performed. The results of all the Independent Surveyors' verifications shall be made available promptly to each Party.
- (h) All records of measurements and the computation results shall be preserved by both Parties, responsible for effecting such measurements and held in accordance with the relevant operational procedures referred to in Exhibit B, as applicable.
- (i) To the extent there are any discrepancies between the measurements and test results determined by the Parties and the Independent Surveyor(s), the determination of the jointly appointed Independent Surveyor shall prevail. If the Parties have not jointly appointed an Independent Surveyor and each Party has appointed an Independent Surveyor and the Independent Surveyors do not jointly agree on a determination, either Party may notify the other of such disagreement and the Parties shall jointly appoint a third Independent Surveyor to resolve the matter. Such person shall be qualified by education, experience and training to determine the matter in dispute. The cost of the third Independent Surveyor shall be shared equally by the Parties.

§8

FACILITIES

8.1 Buyer's Receiving Facilities

- (a) Buyer shall provide, operate and maintain, or cause to be provided, operated and maintained, in good working order and in compliance with all relevant Laws, all such facilities as are necessary to enable it to fulfill its obligations to take the Contract Quantity under each relevant Transaction, including the following:
 - (i) Receiving Facility capable of receiving the Vessel at the Discharge Location and receiving LNG at the Discharge Rate (which shall be up to six thousand (6,000) cubic meters per hour from a fully laden Vessel) at a safe operating pressure;
 - (ii) LNG storage tanks of adequate capacity to take and store the agreed quantity of cargo of LNG to complete the unloading of the Vessel;
 - (iii) generally accepted communication systems for communication with the Vessel to ensure safe and smooth unloading;
 - (iv) emergency shut down systems;
 - (v) suitable means for personnel access.

8.2 Supplier's Vessel

Supplier shall provide, operate and maintain, or cause to be provided, operated and maintained, in good working order and in compliance with all relevant Laws and regulations, and in compliance with §9, the Vessel.

§9

TRANSPORTATION AND DISCHARGE

9.1 Supplier's Responsibility for Transportation

- (a) Supplier shall be responsible for the transportation of the Cargo to the Delivery Point and shall provide, maintain and operate or cause to be provided, maintained and operated, at no cost to Buyer, the Vessel required for such transportation.
- (b) Supplier shall be responsible for the payment of all costs related to transporting the Cargo to the Discharge Location, connecting to the Receiving Facility at the Discharge Location and discharging all LNG at the Delivery Point, including costs related to the use of any tugs, pilots, escort vessels or other support vessels required in connection with the safe connection of a Vessel to the Receiving Facility.
- (c) Supplier shall be responsible for arranging all the tugs, fire boats, pilots and other services that Supplier and Buyer deem necessary for the purposes of conducting the STS safely and efficiently and in compliance with the Laws at the Discharge Location. If requested by Supplier, Buyer shall use reasonable endeavours to assist Supplier with respect to the same. Unless otherwise agreed to, Supplier shall have the responsibility for contracting these services, and all charges for these services are for the account of Supplier pursuant to 9.1(b).
- (d) Supplier shall, at no cost or expense to Buyer, obtain and maintain, or cause to be obtained and maintained, all approvals (including all port approvals, marine permits, and other

technical and operational authorizations) required from Government Entities for the delivering Vessel to enter and travel in the territorial waters of the country where the Discharge Location is located, to enter the Discharge Location, to unload its Cargo, to depart from the Discharge Location, and to leave the territorial waters of the country where the Discharge Location is located.

- (e) n/a.
- (f) Supplier shall be responsible for payment of amounts due for supplies and services requested by masters of Vessels.
- (g) In order to facilitate the smooth and timely performance of Supplier's obligation to provide transportation of LNG sold and purchased under this Agreement, Buyer and Supplier shall provide reasonable assistance to each other in obtaining necessary approvals from Government Entities, in obtaining information on the terms and costs of support vessels, and in coordinating the connection of a Vessel to the Receiving Facility and the unloading of LNG.
- (h) The Vessel shall utilize the Discharge Location and the Receiving Facility subject to observance of all relevant rules and regulations in force at the Discharge Location and the Receiving Facility.

9.2 Vessel Requirements

Supplier shall procure that all Vessels used by Supplier for the purposes of any relevant Transaction, whether any Vessel is owned and operated by Supplier, or owned and/or operated by a Third Party (including Affiliates of Supplier), shall:

- (a) be in every way fit to carry and discharge LNG;
- (b) be equipped with adequate facilities for mooring, unmooring and handling cargo in accordance with the recommendations of OCIMF and SIGTTO;
- (c) be in full conformity with any applicable requirements of the country of the Discharge Location;
- (d) be constructed and maintained in accordance with the rules and regulations of, and maintained in class with, a ship classification society that is a member of the International Association of Classification Societies and in compliance with applicable treaties, laws of the country of vessel registry, and any other laws, recommendations and guidelines with which a Reasonable and Prudent Operator of LNG vessels would comply;
- (e) comply with relevant regulations and guidelines issued by the IMO, OCIMF and SIGTTO;
- (f) comply with the requirements of the International Safety Management Code established by Chapter IX of the International Convention for the Safety of Life at Sea;
- (g) be manned with a full complement of master, officers and crew (1) who are fully qualified and who are experienced and competent to serve in the capacity for which they are hired; (2) who are able to comply with 22.9 and (3) who have subscribed to a policy precluding the use of drugs or alcohol aboard the Vessel and (4) are able to communicate in written and spoken English;
- (h) have a crew whose terms and conditions of employment are either approved by or acceptable in all respects to the International Transportation Federation;

- (i) be covered by Protection and Indemnity Insurance and cover for pollution liability, provided by a member of the International Group of P&I Clubs to a level and extent which is not less than would generally be taken out on vessels of its type.
- (j) equipped with appropriate systems for communication with the Discharge Location and the Receiving Facility, including all ship-shore communication systems normally required for the discharge of LNG;
- (k) operated in accordance with a plan that is consistent with the IMO's Ship/Shore Safety Checklist for discharging LNG and which has been agreed in writing with Buyer before the commencement of unloading operations; and
- (l) in possession of a valid ISM, ISPS and any other applicable international certificate.

9.3 Compatibility between the Receiving Facility and the Vessel

- (a) Prior to the execution of the Confirmation Notice with respect to any proposed Transaction,
 - (i) Supplier and Buyer shall promptly exchange information, as necessary, to confirm the compatibility of the proposed Vessel and the Receiving Facility and/or to identify any incompatibilities as well as methods of resolving any incompatibilities on a cost-effective basis; such cooperation shall, where required, include the exchange of the usual compatibility data between appropriate representatives of the Buyer, the operator of the EBRV, the Supplier (as charterer) and if different the LNG ship owner/operator.

Except as otherwise agreed in the Confirmation Notice, execution of the Confirmation Notice shall be considered to constitute Supplier's approval, without prejudice to sub-clause 9.3 (c), of any Receiving Facility as specified in the Confirmation Notice and shall constitute acknowledgement by Buyer and Supplier that, as of the date of execution of the Confirmation Notice, the Vessel and the Receiving Facility are compatible with each other. Following such acknowledgement, neither Party shall (save where otherwise required to do so by applicable law or applicable international standards) take any action that would render the Vessel and the Receiving Facility incompatible with each other and Supplier shall not permit or make any modification to the Vessel and Buyer shall not permit or make any modification to the Receiving Facility following such acknowledgement, without the other Party's consent.

- (ii) Buyer (and its representatives) shall have the right, upon reasonable written advance notice, to inspect the proposed Vessel with cost and risk for such inspection being for Buyer's account;
- (iii) Supplier (and its representatives) shall have the right, upon reasonable advance notice, to inspect the proposed Receiving Facility with cost and risk for such inspection being for Supplier's account;
- (iv) In such inspection, (A) Buyer (and its representatives) shall be given reasonable access to all spaces on the Vessel in question without interference with or hindrance to the Vessel's safe operation, to its log and other ship documents reasonably required to determine compatibility, to officers and to responsible personnel of the operator, and (B) Supplier (and its representatives) shall be given reasonable access to all areas of the Receiving Facility which relate to compatibility between the Vessel and the Receiving Facility, to design and operational documentation of the Receiving Facility reasonably required to determine compatibility, and to

responsible personnel of Buyer and the operator of the Receiving Facility. Execution of the Confirmation Notice shall constitute acknowledgement by Buyer and Supplier that, as of the date of execution of the Confirmation Notice, the Vessel and the Receiving Facility are compatible with each other; and

- (v) Following such acknowledgement and until the completion of the Transaction, Supplier shall ensure that no modification is made to the Vessel and Buyer shall ensure that no modification is made to the Receiving Facility that would render the Vessel and the Receiving Facility incompatible with each other, without the other Party's prior written consent.
- (b) Buyer has the right to refuse to permit a Vessel to connect to the Receiving Facility if (i) the Vessel does not comply with the requirements of 9.2, and/or, (ii) the Vessel is not compatible with the Receiving Facility as a result of a modification prohibited under 9.3(a)(v)) and/or (iii) the Vessel is not in condition to connect and unload safely. In such event, (A) Supplier shall use all reasonable endeavours to cause the Vessel to be restored to a condition permitting it to connect and unload and to meet the requirements of 9.2 and/or 9.3(a); and (B) subject always to Buyer's obligation to take steps to mitigate, Supplier's obligation to deliver LNG shall not be affected by such refusal and to the extent that Supplier is unable to deliver LNG as required hereunder as a result of such refusal, Supplier shall be deemed for all purposes of the relevant Transaction, to have failed to deliver such LNG and the provisions of 15.3 shall apply (including 15.3(b)).
- (c) Supplier has the right to refuse to connect a Vessel if (i) the Receiving Facility does not comply with the requirements of 8.1 and 9.2 or (ii) the Receiving Facility is not compatible with the Vessel as the result of a modification to the Receiving Facility prohibited under 9.3(a)(iv). In such event, (A) Buyer shall use all reasonable endeavours to cause the Receiving Facility to be restored to a condition permitting connection and unloading of the Vessel and to meet the requirements of 8.1; and (B) subject always to Supplier's obligation to mitigate, Buyer's obligation to take LNG shall not be affected by such refusal and to the extent that Buyer is unable to take LNG as required hereunder as a result of such refusal, Buyer shall be deemed for all purposes of the relevant Transaction, including 15.4 and 15.5, to have failed to take such LNG and the provisions of 15.4 shall apply (including 15.4(b)).

9.4 Shipping Notices

- (a) Upon Vessel's departure from the Loading Port, Supplier shall procure that the Vessel's master shall issue to Buyer a notice (the "ETA Notice") of such Vessel's estimated time of arrival at the Discharge Location. Such ETA Notice shall include (i) a statement of any operational deficiencies in the Vessel that may affect its performance in the Discharge Location; and (ii) the estimated volume, expressed in **cubic metres of LNG which is to be** unloaded from the Vessel at the Receiving Facility; and (iii) estimated draught upon arrival. Each further ETA Notice given by Supplier pursuant to this 9.4 shall include details of any significant change in such information since the last such Notice was given.
- (b) Unless expressly stated otherwise in the applicable Confirmation Notice, Supplier shall further procure that the Vessel's master shall:
 - (i) update the Vessel's ETA Notice to Buyer
 - (A) One hundred and sixty-eight (168) hours;
 - (B) seventy-two (72) hours;
 - (C) forty-eight (48) hours; and

(D) twenty-four (24) hours

prior to the Vessel's arrival at the Discharge Location;

- issue a final update to the Vessel's ETA Notice to Buyer six (6) hours prior to the Vessel's arrival at the Discharge Location and upon arrival of the LNG Ship within one (1) nautical mile of the Discharge Location.

(ii) n/a;

(iii) issue a notice of readiness ("Notice of Readiness") to Buyer when the Vessel has arrived at the Discharge Location and is in all respects ready to discharge. Such NOR may be tendered either by letter, telex, email or fax.

(c) Should the ETA stated in the ETA Notice given under:

(i) 9.4(a) or 9.4(b)(i)(A) change by more than twelve (12) hours;

(ii) 9.4(b)(i)(B) or 9.4(b)(i)(C) change by more than six (6) hours; or

(iii) 9.4(b)(i)(D) change by more than one (1) hour;

Supplier shall procure that an updated ETA Notice is given in writing to Buyer.

9.5 Documentation

In connection with the discharge of the Cargo, Supplier shall provide to Buyer documents concerning such Cargo as may be reasonably requested by Buyer or Buyer's agent for the purpose of customs clearance (which documents shall be provided to Buyer or Buyer's agent prior to the departure of the Vessel from the Receiving Facility). Buyer shall provide to Supplier the Certificate of Quality and a complete laboratory analysis and calculations to determine the quality and heating value of the LNG unloaded in accordance with §7 within forty-eight (48) hours of the Completion of Discharge.

9.6 Tank Pressure for Discharge

Each Vessel shall, upon such Vessel's arrival at the Discharge Location, have LNG piping and tank pressures that are in a condition to permit continuous and safe discharge of LNG at the Discharge Location.

9.7 Discharge of Cargo

- (a) Supplier shall cause, at its expense, all LNG to be sold and purchased hereunder to be (i) pumped at the Discharge Rate for such Cargo provided shore facilities and safe operations permit, and (ii) subject to, 4.3, 6.3 and 17.5 and §15, unloaded in full cargo lots only; provided, however, that Supplier shall be entitled to retain the LNG Heel for such Cargo. During discharge, Buyer shall arrange with the Receiving Facility for the return to the Vessel of Return Gas in such quantities and quality as Supplier reasonably determines is necessary for the safe discharge of the LNG at such rates, pressures and temperatures as may be required by the Vessel's design.
- (b) Buyer shall use reasonable endeavours to operate, or cause to be operated, the Receiving Facility so as to permit safe connection. Supplier and Buyer shall cooperate to cause the

Commencement of Discharge to occur as soon as practicable after the completion of connection, and cause the Completion of Discharge to be completed safely, effectively and expeditiously.

- (c) Buyer shall cooperate with Supplier and the Supplier's Transporter in the discharge of the Cargo. Supplier shall cooperate and shall cause the Supplier's Transporter to cooperate with Buyer in the discharge of the Cargo.

9.8 Demurrage

- (a) If the Actual Laytime for a given Cargo of LNG exceeds the Allowed Laytime for such Cargo, which may be extended as described in paragraph (b) below, Buyer shall pay to Supplier (in US\$) demurrage for each Day or portion thereof of such delay equal to the Demurrage Rate (prorated for partial Days)("Demurrage"). Aggregate periods of any delay in the start of Actual Laytime attributable to Buyer for reasons other than as set forth below in 9.8(b) shall be added to Actual Laytime. Payment of Demurrage shall be Supplier's sole and exclusive remedy in respect of delay of the Vessel.
- (b) Only for the purpose of 9.8(a) above, Allowed Laytime shall be extended by the time during which proceeding from the Discharge Location, anchorage, connection to the Receiving Facility, or discharge is delayed or hindered by:
 - (i) acts or omissions of Supplier;
 - (ii) reasons attributable to the Vessel or the Supplier's Transporter;
 - (iii) reasons attributable to any employee, servant or agent of any of the foregoing Persons described in paragraphs (i) and (ii) listed above;
 - (iv) instructions of the port authority for reasons beyond the reasonable control of Buyer, or compliance with Discharge Location regulations,; or
 - (v) any event of Force Majeure.
- (c) If (A) the discharge of the Vessel is not completed within the Allowed Laytime for reasons attributable to Supplier, the Vessel or the Supplier's Transporter, or any employees, servants or agents of the same and (B) as a result of such delay, another LNG vessel (which would have been unloaded had this delay not occurred) is prevented from or delayed in discharge, then Supplier shall reimburse to Buyer the costs reasonably incurred by Buyer as a result of such delay, up to but not exceeding an amount equal to the Demurrage Rate set forth in the Confirmation Notice (prorated for partial Days) multiplied by the number of Days (or partial Days) of such delay; provided, however, that Supplier shall not be obligated to reimburse Buyer for costs incurred by Buyer in respect of delays as a result of:
 - (i) acts or omissions of Buyer;
 - (ii) reasons attributable to the Receiving Facility or its owner, operator or manager;
 - (iii) reasons attributable to any employee, servant or agent of any of the foregoing Persons described in paragraphs (i) and (ii) listed above;
 - (iv) Adverse Weather Conditions;
 - (v) instructions of the port authority for reasons beyond the reasonable control of Supplier and the Supplier's Transporter, or compliance with Discharge Location Regulations,; or

(vi) any event of Force Majeure.

Payment of the amount specified in this 9.8(c) shall be Buyer's sole and exclusive remedy in respect of delay in arriving at the Discharge Location, connecting to the Receiving Facility, unloading and departure of the Vessel.

9.9 Excess Boil-Off

If a Vessel is delayed in the Commencement of Discharge (for reasons attributable to Buyer) and, if as a result thereof, the Commencement of Discharge is delayed beyond twenty-four (24) hours after the beginning of Actual Laytime, then Buyer shall pay Supplier an amount, on account of excess boil-off, equal to the Contract Price for the relevant LNG cargo multiplied by the MMBtus of excess boil-off. The MMBtus of excess boil-off shall be calculated by multiplying the deemed daily boil-off rate set forth in the Confirmation Notice ("Deemed Daily Boil-off Rate") by the number of days or pro rata for fractions thereof between the Commencement of Discharge and the point in time when excess boil-off commenced as determined in this 9.9.

9.10 Cooperation to Ensure Timely Discharge and Departures

Without prejudice or limitation to the specific measures set forth in this §9, the Parties agree to use reasonable endeavours to cooperate to minimise delays in the receipt and discharge of Vessels at the Discharge Location and in the dispatch of Vessels from the Discharge Location.

9.11 Departure

Supplier shall cause the Vessel to depart safely and expeditiously following the Completion of Discharge. Buyer shall cause the operator of the Receiving Facility to cooperate in the safe and expeditious departure of the Vessel.

9.12 Substitution of Vessel

Supplier may, subject to the prior written consent of Buyer, which consent shall not be unreasonably withheld, substitute another vessel other than the one named in the Confirmation Notice, provided that such vessel (i) is compatible with the Receiving Facility and approved by the operators of the Receiving Facility for the connection of such vessel to the Receiving Facility and the unloading of LNG, (ii) complies with the specifications set forth in 9.2 (iii) does not impact the safe and efficient operation of the Receiving Facility, and (iv) is capable of delivering the Contract Quantity. Such substituted vessel shall then be deemed to be the Vessel. Buyer (and its representatives) shall have the right, upon reasonable written advance notice, to inspect the vessel proposed by Supplier as a substitute vessel, at Buyer's sole risk and cost.

9.13 Safety

Supplier and Buyer shall maintain high standards of safety and good safety practices, consistent with standards and practices generally accepted in the LNG industry, and shall use reasonable endeavours to ensure that their respective agents, contractors and suppliers abide by all applicable Laws while performing works and services within and around the area of the Receiving Facility and the Vessel, as the case may be.

§10

TRANSFER OF TITLE AND RISK

10.1 Title Transfer

Unless the Confirmation Notice specifies that 10.3 shall apply, the title to, and the risk of loss of any LNG sold under the relevant Transaction shall remain with Supplier until transferred to Buyer as the LNG passes the Delivery Point, upon passing the flange of the Receiving Facility. Title to, the risk of loss of natural gas vapour returned to the Vessel during unloading of LNG shall pass from Buyer to Supplier as it passes the point at which the flange of the vapour return line of the Vessel connects with the flange of the vapour return line of Buyer's Receiving Facilities.

10.2 Title Warranty

Supplier represents and warrants to Buyer that immediately prior to delivery of LNG to Buyer pursuant to the Transaction, Supplier will have title to all such LNG and that it will have the right at such time to sell the same and that such LNG will be free from all liens, encumbrances, adverse claims and proprietary rights at the passing of title at the Delivery Point, and that no circumstances will then exist which would give rise to any such liens, encumbrances, adverse claims or proprietary rights other than those caused by acts or omissions of Buyer.

10.3 Title Transfer in International Waters

This 10.3 shall replace 10.1 for all purposes only if the Confirmation Notice specifies that this 10.3 shall apply to the Transaction.

- (a) Title to all LNG and Natural Gas being transported by the Vessel en route to the Receiving Facility shall pass from Supplier to Buyer at the last point where the Vessel is entirely outside the territorial waters of the country in which the relevant Receiving Facility is located ("Title Transfer Point"). Title to any LNG and Natural Gas remaining on the Vessel after discharge of the Cargo at the Receiving Facility will revert from Buyer to Supplier at the first point where the Vessel is entirely outside of the territorial waters of the country in which the Receiving Facility is located.
- (b) Notwithstanding 10.3(a), risk of loss for all LNG aboard the Vessel for which title has passed to Buyer, shall pass from Supplier to Buyer at the Delivery Point. Risk of loss for any LNG remaining on the Vessel after discharge of the Cargo (including the LNG Heel) shall remain with Supplier.
- (c) Buyer grants to Supplier and the operator of the Vessel a licence to use as fuel such quantities of LNG and Natural Gas in the Vessel as may reasonably be required to enable the Vessel to continue its voyage from the Title Transfer Point inward bound to the Receiving Facility, during connection to the Receiving Facility, unloading at the Receiving Facility, and from the Receiving Facility outward bound until the Vessel exits entirely the territorial waters of the country in which the Receiving Facility is located, which license (a) shall automatically become effective at the Title Transfer Point (as the Vessel is inward bound) without further action by Supplier or Buyer; and (b) shall not require any payment or other consideration for such LNG and Natural Gas to pass from Supplier to Buyer. Nothing in this 10.3 shall affect the calculation of the quantity of LNG made available to, or taken by Buyer or the price to be paid by Buyer for such LNG.
- (d) If the cargo scheduled to be delivered to Buyer at the Delivery Point is rejected for reasons specified in 6.3 or if the Cargo is not delivered for any other reason following transfer of

title from Supplier to Buyer at the Title Transfer Point, title to and risk of loss of all LNG and Natural Gas in such Cargo will revert from Buyer to Supplier at either (a) the first point where the Vessel is entirely outside the territorial waters of the country that the Receiving Facility is in following notice from Buyer to Supplier that Buyer has rejected such Cargo or following the failure to deliver the Cargo for any other reason; or (b) if the Vessel does not exit the territorial waters of such country prior to discharging its Cargo, then immediately upon notice from the rejecting Party to the other Party but in no event later than actual discharge of the Cargo.

§11

CONTRACT PRICE

The price per MMBtu (in US\$/MMBtu) applicable to a given Cargo of LNG delivered or to be delivered by Supplier to Buyer under this Agreement (the “Contract Price”) shall be specified in the Confirmation Notice for the Cargo.

§12

BILLING AND PAYMENT

12.1 Invoices; Payment

- (a) Promptly following the Completion of Discharge or the deemed delivery date when 15.4 and 15.5 are applicable, Supplier shall send to Buyer an invoice showing the amount payable calculated by multiplying the Quantity Delivered as notified pursuant to 7.1(d) by the Contract Price specified in the Confirmation Notice pursuant to §11, or, if applicable, an invoice showing the amount payable calculated pursuant to 15.4 or 15.5. If Supplier becomes obligated to pay Buyer any amount under 15.3, Buyer shall send to Supplier an invoice showing the amount so payable.
- (b) Upon receipt of an invoice pursuant to 12.1(a), the Party receiving such invoice (the “Payor”) shall pay to the Party submitting such invoice (the “Payee”) the amount payable under such invoice within twenty (20) Days following the date of receipt by the Payor, such payment to be made, pursuant to 12.1(c) to the bank account nominated by the Payee and specified in the relevant Confirmation Notice.
- (c) Payments to be made hereunder shall be made by wire transfer in immediately available funds free of all charges and without asserting any set-off or counter claim or making any deduction for any reason, including taxes, exchange charges or bank transfer charges (except as provided in 12.2), into the bank account nominated by the Payee and specified in the relevant Confirmation Notice, except that any expenses charged by the Payee’s bank with respect to such payments shall be borne by the Payee. The Payor shall increase the amount of any payment which is required to be made subject to a deduction to the extent necessary to ensure that, after the making of the required deduction, the Payee receives the same amount it would have received had no such deduction been made.
- (d) Payment shall be made on or before the due date for payment, from time to time, specified pursuant to this Agreement.
- (e) The Payor shall not be responsible for the nominated bank’s disbursement of amounts remitted to such bank, and a deposit in immediately available funds of the full amount of each invoice with such bank shall constitute full discharge and satisfaction of the obligations of such Payor to pay such invoice under this Agreement.

12.2 Disputed Invoices or Payments

If the accuracy of any invoice is disputed, the Payor shall nonetheless make payment of the full amount which is not in dispute under such invoice, except that in the case of manifest error the correct amount shall be paid disregarding such error. Supplier and Buyer shall promptly discuss the disputed portion in good faith. Within fourteen (14) Business Days following the resolution of any such dispute (subject to the application of the provisions of 12.1(c), 12.1(d) and 12.1(e)), the amount in dispute shall be paid (together with any interest due thereon under 12.3) to or retained by the Party to which it is owed. An invoice may be contested by the Payor, or modified by the Payee, by written notice delivered to the other Party within a period of ninety (90) days after receipt or sending of the disputed invoice, as the case may be. If no such notice is served, such invoice shall be deemed correct and accepted by both Parties.

12.3 Interest on Late Payments and Overpayments

If either Party fails to pay the other Party an amount due under any invoice or under the terms of this Agreement or the Confirmation Notice by the due date for payment, or pays an amount invoiced or otherwise claimed under the terms of this Agreement or the Confirmation Notice which is subsequently determined not to have been properly invoiced or claimed, then such non-paying Payor or such Payee receiving an overpayment (as the case may be) shall pay interest thereon at the Specified Rate to the other Party for the period from the due date up to the Day when payment is made or the overpayment is returned (as the case may be). Such interest shall be calculated on the basis of a three hundred sixty (360) Day year and shall be paid on the date when payment of the amount due on which the interest accrued is made.

12.4 Late Payment and Suspension of Deliveries

Unless disputed under the provisions of Article 12.2 above, if payment by Buyer of an invoice for quantities of LNG delivered hereunder or for quantities of LNG not taken and for which Buyer is obligated to pay the Deemed Delivery Amount (or part thereof) is not made within 14 Business Days after the due date thereof (unless payment is delayed pursuant to Article 12.2 above or Force Majeure), Supplier shall be entitled in its sole discretion to immediately (a) call on any form of credit security provided by Buyer pursuant to §19 and (b) by notice served on Buyer, suspend subsequent deliveries of LNG to Buyer pursuant to the Confirmation Notice until the amount of such invoice, together with interest thereon, has been paid in full. Any such suspension of deliveries of LNG shall not constitute a failure by Supplier to deliver such Cargoes in accordance with the terms of this Agreement and any Confirmation Notice.

12.5 Invoices and Other Documents

- (a) Invoices and supporting documents and statements may be sent by facsimile or other means of data transmission provided that such invoices shall immediately be confirmed by letter.
- (b) Each confirming letter shall be accompanied by such documents as are necessary for verification of the invoice, and such documents shall be deemed to be part of the invoice.

12.6 Netting and Set off

Neither Party shall be entitled to deduct, set off against, net payments against or reduce any amounts due to the other Party under this Agreement or the Confirmation Notice except as provided under 16.2.

§13

TAXES AND CHARGES

13.1 Buyer's Taxes

Buyer shall pay or reimburse Supplier for payments made by Supplier with respect to, and shall indemnify and hold harmless Supplier against (without double counting), all (i) Buyer's Taxes, and (ii) other Taxes (excluding for avoidance of doubt Vessel Taxes and Charges) levied or imposed by any Government Entity in the country where the Receiving Facility is located on the purchase or import of LNG under this Agreement; provided, however, that Buyer shall not be responsible for Supplier's Taxes or Vessel Taxes and Charges.

13.2 Supplier's Taxes

Supplier shall pay or reimburse Buyer for payments made by Buyer with respect to, and shall indemnify and hold harmless Buyer against (without double counting), all (i) Supplier's Taxes, (ii) Vessel Taxes and Charges, and (iii) other Taxes levied or imposed by any Government Entity in the country where the Production Terminal is located or in any country(ies) of transit and/or port of call on the sale or export of LNG under this Agreement; provided, however, that Supplier shall not be responsible for Buyer's Taxes.

13.3 Exclusion

Neither Party shall be liable to indemnify, hold harmless or reimburse the other Party in respect of Supplier's Taxes, Buyer's Taxes or Vessel Taxes and Charges (as the case may be) which arise as a result of the other Party's (or its Affiliate's) business or activities which are not directly related to or required for the performance of this Agreement or as a result of the other Party's (or its Affiliate's) Willful Misconduct.

13.4 Information and Cooperation

In the event a Claim arises for Supplier's Taxes, Buyer's Taxes or Vessel Taxes and Charges that is or can reasonably expected to be subject to reimbursement or indemnity, the Parties shall exchange information as to the Claim on a timely basis and cooperate in the defence of the Claim.

§14

REPRESENTATION AND WARRANTIES

14.1 Permissions, Authorizations and Approvals

Each Party represents and warrants that, upon and after the effective date of a Confirmation Notice, it shall have all permissions, authorizations, approvals and other requirements necessary to enable it to perform its obligations under any relevant Transaction.

14.2 Corporate Good Standing and Validity

As of the Effective Date of this Agreement and upon signature of each Confirmation Notice, the respective Parties each represent and warrant as follows:

- (a) it is a company duly organised, validly existing and in good standing under the laws of its jurisdiction of incorporation or organisation;

- (b) the signing and the entering by it into of the Agreement, any Credit Support to which it is a party and the Confirmation Notice and the carrying out of the transactions contemplated therein, is permitted by its constitutional documents; and
- (c) it has the power and is authorised to execute, deliver and perform its obligations under the Agreement, the Confirmation Notice and any Credit Support to which it is a party and has taken all necessary action to authorise that execution, delivery, performance and its entry into the Agreement, the Confirmation Notice and any Credit Support and its execution, delivery and the performance of the Agreement, the Confirmation Notice and any Credit Support do not violate or conflict with any other term or condition of any contract to which it is a party or any constitutional document, rule, law or regulation applicable to it, subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally.

§15

LIABILITIES

15.1 General

Subject to 15.2, Supplier shall be liable to Buyer for loss or damage resulting from Supplier's breach of this Agreement or the Confirmation Notice or a Transaction and Buyer shall be liable to Supplier for loss or damage resulting from Buyer's breach of this Agreement or the Confirmation Notice or a Transaction.

15.2 Limitation of Liabilities

- (a) Subject to 15.2(b), but without prejudice to the express remedies set forth herein, including those specified under 6.3, 15.3 and 15.4, in the event of a Party's breach of or failure to perform any obligation under this Agreement or the Confirmation Notice or a Transaction, or breach of any representation or warranty (whether expressed or implied) under this Agreement or the Confirmation Notice or a Transaction, that Party shall be liable to the other Party for all loss or damage, and out-of-pocket expenses, suffered or incurred by the other Party as a result of that breach or failure to perform.
- (b) Notwithstanding anything contained in this Agreement, but without prejudice to the express remedies set forth herein, including those specified under 6.3, 15.3 and 15.4, the indemnity under §13 and the liability under 15.2(c), neither Party shall be liable to the other Party for or in respect of any Consequential Loss suffered or incurred by the other Party for any reason, including the breach of this Agreement or any termination of this Agreement, whether such liability is asserted on the basis of contract, tort (including negligence) or otherwise.
- (c) Nothing in this Agreement operates to exclude or limit a Party's liability for fraud or personal injury or death resulting from the negligence of such Party or any of its officers or employees.

15.3 Supplier's Liability for Failure to Deliver

- (a) Supplier shall promptly notify Buyer if Supplier reasonably expects that Supplier will fail to deliver the Cargo (or part thereof) to Buyer at the Delivery Point in accordance with the provisions of this Agreement and the Confirmation Notice for any reason.
- (b) If Supplier notifies Buyer in accordance with 15.3(a), or if Supplier fails to deliver the Cargo (or part thereof) to Buyer at the Delivery Point within the Delivery Period in accordance

with the provisions of this Agreement and the relevant Confirmation Notice, for any reason other than Force Majeure or Adverse Weather Conditions or Buyer's material default, Supplier and Buyer shall use reasonable endeavours to agree upon an alternative arrangement which may include one or more of the following elements:

- (i) a revised Arrival Period of the Cargo;
 - (ii) delivery of a replacement Cargo provided such Cargo meets the terms of the Specification;
 - (iii) delivery of a partial Cargo and the payment of the Delivery Failure Payment in respect of the balance of such Cargo.
- (c) If the Parties are unable to agree upon an alternative arrangement within seventy two (72) hours (or such longer period as the Parties may mutually agree) after the expiry of the Arrival Period or if Supplier is unable to or fails to deliver the Cargo or replacement Cargo in accordance with the agreed alternate arrangements, then Buyer shall be entitled to reject the Cargo or replacement Cargo by written notice to Supplier.
- (d) If Buyer rejects the Cargo in accordance with 15.3(c) for any reason other than Force Majeure, Adverse Weather Conditions or Buyer's material default:
- (i) Buyer shall have no obligation to pay for such rejected Cargo or replacement Cargo, or any Demurrage or other costs resulting from such rejection;
 - (ii) Buyer shall have no liability whatsoever to Supplier for failing to take such Cargo or replacement Cargo;
 - (iii) risk and title in such Cargo or replacement Cargo shall remain with Supplier or revert back the Supplier, as applicable, in accordance with §10; and
 - (iv) Supplier shall pay to Buyer an amount equal to Buyer's Costs, which Buyer shall use reasonable endeavours to minimise, incurred as a result of Supplier's failure to deliver the Cargo or part thereof in the circumstances specified in this Section, such Costs being limited to either:
 - (A) where Buyer has terminated or breached its resale arrangements, such Costs associated with termination or breach and directly connected with the Undelivered Quantity; or
 - (B) where Buyer has not terminated or breached its resale arrangement, the Cost, including the cost of procurement and incremental transportation cost of replacement LNG less the product of the amount of Undelivered Quantity so replaced and the Contract Price,provided, however, such amount shall be limited to and not exceed 100% of the product of the Undelivered Quantity and the Contract Price ("Delivery Failure Payment").
 - (v) The Delivery Failure Payment, in addition to any Demurrage, if applicable, pursuant to 9.8, shall be Buyer's sole and exclusive remedy (in tort (including negligence) and contract) for the failure by Supplier to deliver the Cargo and Supplier shall not be obliged to sell and deliver any replacement cargo to Buyer.

15.4 Buyer's Liability for Failure to Take

- (a) Buyer shall promptly notify Supplier if Buyer reasonably expects that Buyer will fail to take the cargo or part thereof at the Delivery Point, in accordance with the provisions of this Agreement and the Confirmation Notice for any reason.
- (b) If Buyer notifies Supplier in accordance with 15.4(a) or if Buyer fails to take the Cargo (or part thereof) from Supplier at the Delivery Point within the Delivery Period in accordance with the provisions of this Agreement and the relevant Confirmation Notice, for any reason other than Force Majeure or Adverse Weather Conditions or Supplier's material default, Supplier and Buyer shall use reasonable endeavours to agree upon an alternative arrangement which may include one or more of the following elements:
 - (i) a revised Arrival Period of the Cargo;
 - (ii) delivery of a replacement Cargo;
 - (iii) delivery of a partial Cargo and payment of the Deemed Delivery Amount in respect of the balance of such Cargo.
- (c) If the Parties are unable to agree upon an alternative arrangement within seventy two (72) hours (or such longer period as the Parties may mutually agree) after the expiry of the Arrival Period or if Buyer is unable to or fails to take the Cargo or replacement Cargo in accordance with the agreed alternate arrangements, then Supplier shall be entitled to cancel delivery of such Cargo or replacement Cargo by written notice to Buyer.
- (d) If Supplier cancels delivery of the Cargo in accordance with 15.4(c) for any reason other than Force Majeure, Adverse Weather Conditions or Supplier's material default:
 - (i) risk and title in such Cargo shall remain with or revert to Supplier, as applicable, in accordance with §10; and
 - (ii) Buyer shall pay to Supplier an amount equal to the product of the Undelivered Quantity and the Contract Price specified in the Confirmation Notice applicable to such Cargo (the "Deemed Delivery Amount"). In determining the payment due date for the Deemed Delivery Amount, the last day of the Delivery Period, shall be deemed the delivery date for purposes of 12.1(a). Supplier shall use reasonable endeavours to mitigate its losses and Buyer's liability by selling the Cargo concerned to a Third Party purchaser. In the event Supplier is able to complete a substitute sale to a Third Party, the Deemed Delivery Amount shall be reduced by an amount equal to the total proceeds received from the sale to such Third Party less all fees, commissions, duties, expenses and costs of sale, additional bunkering and other Vessel expenses over and above the costs which would have been incurred in transporting the Cargo, to and delivering the Cargo at, the Receiving Facility ("Net Proceeds"), provided that if the Net Proceeds exceed the Deemed Delivery Amount of such Cargo, the difference shall be retained by Supplier for its own account. For the avoidance of doubt, if Supplier completes the substitute sale of the Cargo to a Third Party purchaser prior to the payment by Buyer of the Deemed Delivery Amount, Buyer shall not be required to pay the Deemed Delivery Amount and shall instead pay to Supplier the amount by which the Deemed Delivery Amount exceeds the Net Proceeds realized by the Supplier from such sale.
- (e) The remedy set forth in 15.4(d), in addition to any Demurrage, if applicable, pursuant to 9.8 shall be Supplier's sole and exclusive remedy (in tort (including negligence) and contract)

for the failure by Buyer to take the Cargo and Buyer shall not be obliged to purchase and take any replacement Cargo from Supplier.

15.5 Audit Rights

Each Party shall have the right to cause an independent auditor from a firm of international good repute acceptable to the other, such acceptance not to be unreasonably withheld, to audit the other's accounts to verify any amounts claimed pursuant to this §15, subject to such auditor giving undertakings regarding confidentiality acceptable to the Party being audited.

§16

EVENTS OF DEFAULT; TERMINATION' SET-OFF

16.1 Event of Default Defined

"Event of Default" means any event in which a Party or, in relation to a relevant Transaction, its Credit Support Provider:

- (a) Either: (i) defaults in the payment to the other Party under this Agreement and/or the Confirmation Notice and does not cure such default within fourteen (14) Business Days; or (ii) in the case of any other material failure of performance (other than non-payment or not covered by sub-paragraphs (b) to (e) below) that is not capable of being cured or if capable of being cured, such failure is not cured by the date specified in writing by the non-defaulting Party (such date to be reasonably chosen by the non-defaulting Party);
- (b) fails to deliver to the other Party any Credit Support within the time set out in this Agreement or in a Confirmation Notice, as applicable;
- (c) has its Credit Support expire, terminate or otherwise become invalid prior to the satisfaction of all obligations to which such Credit Support pertains and does not extend or provide replacement Credit Support, as applicable; or
- (d)
 - (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
 - (i) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
 - (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (iii) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and is not withdrawn, dismissed, discharged, stayed or restrained within: (A) 30 days, if a Party or its Credit Support Provider institutes such a proceeding; or (B) 30 days, if a Party or its Credit Support Provider has instituted against it any of the proceedings specified above and such Party or its Credit Support Provider, as the case may be, is unable to pay its debts as they fall due, or is otherwise in a position which justifies the commencement of such insolvency proceeding; (C) or 45 days in all other cases;
 - (iv) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

- (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
 - (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets;
 - (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (vii) (inclusive); or
 - (viii) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts referred to in this 16.1(d).
- (e) makes a representation or warranty hereunder or, in the case of a Credit Support Provider in a Credit Support Document, that proves to have been incorrect or misleading in any material respect when made or deemed to have been made.

If an Event of Default (as defined above) with respect to a Party has occurred and is continuing, the other Party (the “Non-Defaulting Party”) may terminate the Agreement together with not less than all Transactions (“Early Termination”) by giving the other Party (“Defaulting Party”) notice and, in addition to any and all other remedies available hereunder or pursuant to Law, suspend its performance of its obligations under all Transactions then in effect. If notice designating an Early Termination Date is given, the Early Termination Date shall occur on the date so designated even if the applicable Event of Default is no longer continuing.

A notice of Early Termination shall specify the relevant Event of Default for the Early Termination and shall designate a day as an early termination date (the “Early Termination Date”). The Early Termination Date may not be earlier than the day the notice is deemed to have been received under the Agreement nor later than 20 days after such day. Such termination shall not discharge or release any rights, duties, obligations or liabilities arising prior to such Early Termination Date nor prejudice any right or remedy accruing before, or in consequence of such termination.

16.2 Set-off

In circumstances where there is a Defaulting Party, the Non-Defaulting Party may, at its option, set off any amount owing between the Parties hereunder against all other amounts owing (whether or not matured, contingent or invoiced) between the Parties under any other agreements, instruments or undertakings between the Parties. The right of set off shall be without prejudice and in addition to any right of set off, combination of accounts, lien, charge or other right to which any party is at any time otherwise entitled (whether by operation of law, by contract or otherwise). For this purpose, any such amount may be converted by the Non-Defaulting Party into the currency in which another amount is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If an amount is unascertained, the Non-Defaulting Party may reasonably estimate the amount to be set off, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section shall be effective to create a charge or other security interest.

§17

FORCE MAJEURE

17.1 Definition of Force Majeure

For purposes of this Agreement, “Force Majeure” means any circumstance whatsoever occurring after the date of execution of the Confirmation Notice which is beyond the reasonable control of the Party affected (“Claiming Party”), acting as a Reasonable and Prudent Operator, that prevents or delays such Party’s performance under this Agreement and such Confirmation Notice. Provided that they satisfy the foregoing criteria, circumstances constituting Force Majeure shall include the following:

- (a) fire, flood, atmospheric disturbance, lightning, storm, typhoon, tornado, tidal waves, earthquake, landslide, perils of the sea, soil erosion, subsidence, washout, epidemic or other acts of God;
- (b) war, riot, terrorism, civil and military disturbances, acts of the public enemy, piracy;
- (c) the compliance by the Party affected with an act, regulation, order or demand not published at the time the Confirmation Notice was entered into of an international, national, port, transportation, local or other authority, agency or Government Entity or of any body or Person purporting to be or act for such an authority, agency or Government Authority, except to the extent that such act, regulation, order or demand (i) constitute remedies or sanctions lawfully imposed as a result of such Party’s non compliance or (ii) is of general applicability;
- (d) a strike, lock-out or any other kind of labour dispute;
- (e) in the case of Supplier after Supplier has procured the Cargo to be loaded at the Production Terminal:
 - (i) loss or inoperability of or damage to the Production Terminal prior to the time of loading the Cargo;
 - (ii) loss or inoperability of or damage to Upstream Facilities except to the extent where such loss or inoperability is caused through the natural depletion or the absence of economically recoverable Natural Gas from the reservoirs which provide feedstock gas to the Upstream Facilities; and
 - (iii) loss or inoperability of or damage to the Vessel caused by any of the FM events set forth in Articles 17.1(a) and (b) only; and
- (f) in the case of Buyer, circumstances disrupting and/or affecting Buyer's facilities including unloading, regasification or treatment of LNG at the Receiving Facility, or failure affecting the Israel natural gas transmission facilities including the buoy and/or transmission pipelines, or failure to generate, outage (forced or otherwise) at power plant(s) or failure of the offtaker to off take at the power plant,. Each of paragraphs (a), (b), (c), (d), (e), (i), (ii), (iii) and (f) of this 17.1 shall be read and construed independently.

17.2 Release from Delivery and Acceptance Obligations

If a Party is fully or partly prevented due to Force Majeure from performing or procuring performance of its obligations of delivery or acceptance under one or more Confirmation Notices and such Party complies with the requirements of 17.3 (Notification and Mitigation of

Force Majeure) then, without prejudice to 17.5, no breach or default on the part of the Claiming Party shall have occurred and it shall be released (and not merely suspended) from those obligations for the period of time and to the extent that such Force Majeure prevents its performance. Without prejudice to 17.5, no obligation to pay damages pursuant to 15.3 or 15.4 will accrue to the Claiming Party with respect to default quantities arising under such Confirmation Notices as a result of Force Majeure affecting the Claiming Party's obligations.

17.3 Notification and Mitigation of Force Majeure

The Claiming Party shall as soon as practicable after learning of the Force Majeure notify the other Party of the commencement of the Force Majeure and of the Confirmation Notice(s) affected thereby and, to the extent then available, provide to it a bona fide non-binding estimate of the extent and expected duration of its inability to perform. The Claiming Party shall use all commercially reasonable efforts to mitigate and overcome the effects of the Force Majeure and shall, during the continuation of the Force Majeure, provide the other Party with reasonable bona fide updates, when and if available, of the extent and expected duration of its inability to perform such Confirmation Notice(s).

17.4 Effect of Force Majeure on Other Party

In the event, and to the extent, that a Supplier's delivery obligations are released by Force Majeure, the Buyer's corresponding acceptance and payment obligations shall also be released. In the event, and to the extent that a Buyer's acceptance obligations are released by Force Majeure, the Supplier's corresponding delivery obligations shall also be released.

17.5 Reasonable Endeavours to Effect Delivery

If, in accordance with 17.2, Supplier is unable to deliver or Buyer is unable to take all or part of the LNG required to be delivered or taken under this Agreement and the Confirmation Notice as a result of Force Majeure, the Party not affected by that Force Majeure shall use commercially reasonable endeavours to cooperate with the other Party to deliver or take the LNG in question. If, notwithstanding such endeavours and the performance of the duty under 17.3, the Parties are unable to cause the delivery and receipt of such LNG within a reasonable period of time following the Delivery Period, not to exceed seven (7) days, either Party shall be entitled (upon prior written notice to the other Party) to cancel the delivery or receipt of such LNG without further obligations or liability related thereto.

17.6 Related Parties

- (a) For the purposes of 17.1, an event shall not be considered to be beyond the reasonable control of a Party unless:
 - (i) in the case of the Supplier, it is beyond the reasonable control of the Supplier, the operator of the Production Terminal, the operator of the Upstream Facilities, the Supplier's Transporter, and any servant or agent of such persons;
 - (ii) in the case of the Buyer, it is beyond the reasonable control of the Buyer, the operator of the Receiving Facility, the operator of the Israel National natural gas transmission system and any servant or agent of such persons.

§18

CONFIDENTIALITY

18.1 Confidentiality

The Parties agree to treat this Agreement, the Confirmation Notice and any resulting Transaction and its existence and all information, whether written or oral, and which concerns the contents of this Agreement and/or the Confirmation Notice and/or the Transaction as strictly confidential (the “Confidential Information”). Subject to 18.2, the Parties agree not to disclose any Confidential Information to any third party without the prior written consent of the other Party hereto, such consent not to be unreasonably withheld where it is relevant for the purposes of executing or carrying out a Confirmation Notice. Confidential Information shall not include any information which (when used or disclosed) has been made public other than through a breach of this Agreement or has been or could have been lawfully acquired (other than pursuant to the provisions of this §18) by the Party or Persons using the same or to whom disclosure is made.

18.2 Permitted Disclosures

Notwithstanding the provisions of 18.1, neither Party shall be required to obtain the prior written consent of the other Party in respect of the disclosure of the Confidential Information:

- (a) to its employees, independent contractors, agents and Affiliates who need to know such information for the performance of this Agreement and/or any Transaction;
- (b) to any Person who is the disclosing Party’s legal counsel, other professional consultant or advisor or accountant in relation to this Agreement , Confirmation Notice or Transaction, provided that such disclosure is solely to assist the purpose for which such Person was so engaged;
- (c) to any court or Government Entity requiring such, or to any other appropriate third party, to the extent necessary, to comply with any legal or governmental requirement or judicial or arbitral proceedings;
- (d) to the owners or operators of the Production Terminal, the Receiving Facility, the Port of Hadera or the Vessel, to the extent necessary, to comply with the disclosing Party’s obligations under this Agreement; and
- (e) to the extent required by any applicable laws, rules and regulations of any recognised stock exchange;

and except in the case of such information already forming part of the public domain, other than through breach of this Agreement, such disclosing Party shall use all reasonable endeavours to ensure that the recipient party of such Confidential Information shall respect its confidentiality.

18.3 Survival

This §18 shall remain in force for six (6) months after the termination of this Agreement.

§19

CREDIT SUPPORT

If requested by a Party prior to entering into a Confirmation Notice, the effectiveness of the Confirmation Notice will be subject to the provision by the other Party of credit support of its obligations under the Transaction to which the Confirmation Notice relates (“Credit Support”). Such Credit Support may be in the form of a parent guarantee, a letter of credit, or other form; provided, however, in all instances, such Credit Support must be in a form and must be issued by an entity (a “Credit Support Provider”) that is approved by the requesting Party, such approval not to be unreasonably withheld or delayed.

§20

RESOLUTION OF DISPUTES

Any dispute, controversy or claim arising out of or relating to this Agreement, Confirmation Notice or a Transaction, or the breach, termination or invalidity thereof (the “**Dispute**”), which cannot be resolved by discussion in good faith between the Parties within sixty (60) days from the receipt by a Party of notice of such Dispute shall be finally settled by arbitration in accordance with the rules of the LCIA in force on the date of the relevant Transaction. The number of arbitrators shall be one and the appointing authority, in accordance with the rules of the LCIA, shall be the London Court of International Arbitration. The seat (or legal place) and the physical place of arbitration shall be London, United Kingdom. The language of the arbitration shall be English. Any award shall be final, conclusive and binding upon the Parties (such that, to the extent permitted by the law of the seat of arbitration, the Parties shall be taken to have waived any right of appeal or review in respect of the award), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction (as per the New York Convention of 1958 on Recognition and Enforcement of foreign arbitral awards). The arbitration proceedings shall be conducted and the award shall be rendered in the English language. Save to the extent otherwise specified in a final arbitration award, each Party shall bear the costs of its own lawyers, witnesses, experts and other assisting Persons it may utilise for any arbitration proceedings under this clause 24. The cost of the venue of arbitration and the fees of the arbitrator shall be borne equally by the Parties, unless otherwise specified by the arbitrator in a final arbitral award.

§21

NOTICE PROVISIONS

21.1 Form of Notices

Except as otherwise provided herein or agreed with respect to a Confirmation Notice, all notices, declarations or invoices sent by one Party to the other shall be in writing and shall be delivered by letter (overnight mail or courier, postage pre-paid) or facsimile to the following address:

For notices to Supplier, to:

Attention:

Facsimile:

Telephone:

Email Address:

For notices to Buyer, to:

The Israel Electric Corp. Ltd.
Attention: Yaron Ronai
Facsimile: XXXXXX
Telephone: 97248184610
Email Address: yaron.ronai@iec.co.il

Each Party may change its notice information by written notice to the other. Written notices, declarations and invoices shall be deemed received and effective:

- (a) if delivered by hand, on the Business Day delivered or on the first Business Day after the date of delivery if delivered on a day other than a Business Day;
- (b) if sent by courier, certified registered mail or the equivalent (return receipt requested) on the date it is delivered;
- (c) if sent by facsimile transmission and a valid transmission report confirming good receipt is generated, on the day of transmission if transmitted before 17.00 hours (recipient's time) on a Business Day or otherwise at 09.00 hours (recipient's time) on the first Business Day after transmission; or
- (d) if sent by e-mail, on the day it is delivered.

§22

MISCELLANEOUS

22.1 Compliance with Laws; Corrupt Practices

With respect to all matters and activities relating to all Transactions that may be undertaken by the Parties, each Party shall comply with, and shall cause its Affiliates that are involved in any Transaction arising hereunder to comply with, all Laws of all applicable jurisdictions that are applicable to the Parties' activities in connection with the Transactions.

Each Party hereby acknowledges that certain laws of the United States of America and the European Union, as well as the laws of the various jurisdictions where this Agreement or the Confirmation Notice is to be performed, prohibit any Person from offering to make or making or causing to be made any payment of money, loans or gifts, promises or offers of payment of any money or anything of value, directly or indirectly, either as an advance or as a reimbursement to any governmental official or the agencies or instruments of any such government, political party or official or candidate thereof, candidate for political office, or official of a public international organisation for the purpose of obtaining or retaining business or providing an improper advantage (each, a "Prohibited Payment"). Each Party hereby represents, warrants and covenants to the other Party that, in the performance of its obligations under this Agreement and each applicable Confirmation Notice, it has not made or offered to make, and will not make or offer to make, any such Prohibited Payment. .

22.2 Governing Law

This Agreement, all Transactions entered into hereunder, and any non-contractual duties or obligations arising out of or in connection with the same shall be governed by and construed in accordance with the laws of England, without regard to the conflict of laws principles thereof. The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement and all Transactions entered into hereunder.

22.3 Binding Effect; Assignment

- (a) All of the terms of this Agreement shall be binding on and inure to the benefit of the Parties, their permitted successors-in-interest and permitted assigns.
- (b) This Agreement or the Confirmation Notice or any rights or obligations hereunder or under the Confirmation Notice may not be assigned or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or unduly delayed. No assignment shall release the assigning Party from any of its obligations under this Agreement or the Confirmation Notice except to the extent expressly agreed to by the other Party or otherwise provided herein. Any purported assignment of a Party's rights or obligations hereunder in contravention of this 22.3 is null and void and shall be of no force or effect.
- (c) Notwithstanding the foregoing, either Party shall be entitled to assign its rights and obligations under this Agreement or the Confirmation Notice upon notice but without the need for consent from the other Party to any of its Affiliates, provided that the original assigning Party and each subsequent assignee, having itself assigned to an Affiliate, shall be fully liable under this Agreement and any Confirmation Notice, as the case may be, in the event of non-fulfilment of its obligations under this Agreement or the Confirmation Notice by an assignee.
- (d) Notwithstanding the aforesaid, Buyer shall be entitled to transfer its rights and obligations under the contract to any third party without the consent of the Supplier, pursuant to the Electricity Sector Act 1996, the Government Companies Act 1975 and/or an Israeli Government decision to carry out with respect to Buyer any solvent re-organization, merger or de-merger, privatization or other structural reform provided that Buyer shall notify Supplier in advance.

22.4 Entire Agreement, Amendments and Counterparts

This Agreement and each Confirmation Notice, constitutes the entire agreement between the Parties relating to the subject matter contemplated by this Agreement and supersedes any prior or contemporaneous agreements or representations affecting the same subject matter. No amendment, modification or change to this Agreement or the Confirmation Notice shall be enforceable unless reduced to writing and executed by each of the Parties. This Agreement, the Confirmation Notice and any modification of the foregoing may be executed in two or more counterparts, each of which shall be deemed an original, but all of which constitute one agreement.

22.5 No Third-Party Beneficiaries

This Agreement and any Transactions are solely for the benefit of the Parties and their respective permitted successors and permitted assigns, and this Agreement and the Transactions shall not otherwise create, or be interpreted as creating, any standard of care, duty or liability to any other Third Party, including any lender or other creditor, or be deemed to confer upon or give to any such Third Party, any remedy, Claim, liability, reimbursement, cause of action or other right. For the avoidance of doubt, a Person that is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce the terms of this Agreement or any Transaction and this Agreement may be amended or varied without the consent of any Third Party.

22.6 Severability

If any of the provisions of this Agreement and/or any Transaction pursuant to the Confirmation Notice are held to be invalid or unenforceable under the applicable Law of any jurisdiction, the remaining provisions shall not be affected, and any such invalidity or unenforceability shall not invalidate or render unenforceable that provision in any other jurisdiction. In that event, the Parties agree that the provisions of this Agreement and/or any Transaction pursuant to the Confirmation Notice shall be modified and reformed so as to effect the original intent of the Parties as closely as possible with respect to those provisions that were held to be invalid or unenforceable.

22.7 Default and Non-Waiver

The failure or delay of either Party at any time to require performance by the other Party of any provision hereof shall in no way affect the right of a Party to require any performance that may be due thereafter pursuant to such provisions nor shall the waiver by either Party of any breach of any provision of this Agreement or Transaction be taken or held to be a waiver of any subsequent breach of such provision.

22.8 No Partnership or Other Relationship

Nothing in this Agreement and/or in any Transaction, shall be construed to create an association, trust, joint venture or partnership between the Parties or to impose a trust or partnership obligation or liability upon any Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party except as expressly provided herein.

22.9 Language

The language of this Agreement and any Transaction and all other documentation and notices relating to this Agreement and any Transaction shall be the English language. Any communication between the Vessel and the Receiving Facility shall be conducted in the English language.

22.10 Survival

Notwithstanding anything to the contrary herein, including without limitation to 16.1, the provisions set forth under §6 (LNG Quality), §15 (Liabilities), §16 (Events of Default; Termination; Setoff), §20 (Resolution of Disputes), §21 (Notice Provisions), 21.1 (Compliance with Laws; Corrupt Practices), 22.2 (Governing Law), 22.4 (Entire Agreement, Amendments and Counterparts), 22.5 (No Third-Party Beneficiaries), 22.6 (Severability), 22.7 (Default and Non-Waiver), 22.8 (No Partnership or Other Relationship), 22.10 (Survival) and 22.11 (Waiver of Immunity) shall continue and survive the termination of this Agreement. The provisions of §18 (Confidentiality) shall survive and continue beyond the termination of this Agreement and/or any Transaction to the extent set forth therein.

22.11 Waiver of Immunity

Each Party acknowledges and agrees that this Agreement and the Confirmation Notice constitute a commercial transaction and that it is not entitled to plead sovereign immunity for any purpose whatsoever, including any right to plead sovereign immunity in respect of any action to refer a matter to dispute resolution or to enforce or execute any decision rendered in any determination pursuant to §20.

IN WITNESS WHEREOF, the Parties hereto made and executed this Agreement, signed by their duly authorised officers or individuals, as of the day and year first above written.

Signed for and on behalf of

Signed for and on behalf of

The Israel Electric Corporation Ltd

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A
FORM OF CONFIRMATION NOTICE

This Confirmation Notice ("Confirmation Notice") for the Purchase and Sale of LNG dated as of _____, is entered into by and between _____ and _____ and supplements, forms part of, and is subject to, that Master DES LNG Sale and Purchase Agreement ("Agreement") dated as of, _____, as amended from time to time between the Parties. Capitalised terms used in this Confirmation Notice have the meanings ascribed to such terms in the Agreement. All provisions contained in the Agreement govern this Confirmation Notice except as expressly modified below.

The terms of the particular Transaction to which this Confirmation Notice relates are as follows:

Buyer is: The Israel Electric Corporation Ltd.

Supplier is: [*].

The Contract Quantity applicable to the Cargo shall be between 2,200,000 and 2,800,000 MMBtu as will be notified by Buyer to Supplier 4 weeks before the Arrival Period.

The Variation Amount shall be [**+/- 5 %**] of the Contract Quantity.

The Contract Price, shall be P, expressed in USD per MMBtu: [US\$ _____]

The Vessel shall be [], whose LNG Capacity is equal to [] Cubic Meters.

The LNG Heel to be retained by the Vessel after discharge shall be [] Cubic Meters of LNG.

The Arrival Period shall be: during **XXXXXX** 2016, as shall be notified by Buyer to Supplier 4 weeks before the nominated delivery period.

The Allowed Laytime shall be: 72 hours.

The Deemed Daily Boil-off Rate shall be: []% of the Vessel's LNG Capacity per Day and pro-rata for a part of a Day.

The Delivery Period shall be 72 hours after valid tender of NOR.

The Demurrage Rate shall be US\$_____ per day and the same amount reduced pro rata for part of a day as agreed between the parties.

The Loading Port and Production Terminal shall be: []

The Independent Surveyor shall be: []

The Discharge Location shall be: []

The Receiving Facility shall be: The Expedient or its replacement.

The Expedient data sheet is attached as PDF file.

The Discharge Rate shall be: 5000 - 6000 cubic meters per hour

None in such quantities as will interfere with the receipt, transportation, unloading, storage or regasification of LNG)

Credit Support in respect of Buyer shall be NONE and, in respect of Supplier, shall be [parent company guarantee/ stand-by letter of credit / other] in an amount of [] to be provided no later than [____] / NONE]

The Parties' bank accounts for the purpose of payment under this Transaction are:

	Supplier:	Buyer:
Bank:	[•]	[•]
Address:	[•]	[•]
Account No:	[•]	[•]
Account Name:	[•]	[•]
Sort Code:	[•]	[•]

This Confirmation Notice may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

IN WITNESS HEREOF, the Parties have executed this Confirmation Notice.

AGREED AND ACCEPTED THIS _____ DAY OF _____, _____.

Signed for and on behalf of Supplier

Signed for and on behalf of Buyer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit B

MEASUREMENT, ANALYSIS AND CALCULATION

The procedures and guidelines below shall be applicable for determining the Quantity Delivered by STS transfer.

The quantity in cubic meters and the temperature of the LNG unloaded shall be measured with the Vessel's instrumentation in accordance with the methods described in the LNG Custody Transfer Handbook published by GIIGNL, third edition 2011.

The Independent Surveyor shall issue a template for the calculation of the delivered energy for the approval of Buyer and Supplier and shall fill and sign it on each delivery. Appendix I to Exhibit B presents such a template. Required fields are shaded. Other fields are calculated. Other templates may be submitted for IEC's approval.

The Independent Surveyor shall inspect and approve validity of the Vessel's instrumentation calibration certificates. The report issued by the Independent Surveyor shall include the following (see table of contents appendix I to exhibit B) :

- Analysis at Loading Port
- Energy delivered to the Receiving Facility based on the Vessel's instrumentation
- Energy received based on the Receiving Facility's instrumentation
- Calculated balance between energy delivered and energy received as aforesaid.

1 Tank Gauge Tables

Prior to the utilization of any LNG Vessel: (a) in the case of an LNG Vessel the tanks of which have never been calibrated shall be calibrated for volume against level by an industry recognized authority agreed by the Parties, or (b) in the case of an LNG Vessel the tanks of which have previously been calibrated, evidence of such calibration by an industry recognized authority agreed by the Parties shall be affected to both Parties. The independent surveyor is responsible to verify such calibration certificates

Calibration of the tanks shall be prepared in accordance with methods described in the LNG Custody Transfer published by the International Group of Liquefied Natural Gas Importers ("GIIGNL"), third edition 2011.

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

2 Selection of Gauging Devices

2.1 Liquid Level Gauging Devices

Each LNG tank of each LNG Vessel shall be equipped with a main and an auxiliary liquid level gauging device. Data from both main and auxiliary shall be collected and included in the surveyor report. The main shall be used in the calculation

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

2.2 Temperature Gauging Devices

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

In the temperature range of minus one hundred sixty-five degree Celsius (-165°C) to minus one hundred forty-five degree Celsius (-145°C), the accuracy shall be plus or minus zero decimal two degree Celsius ($\pm 0.2^{\circ}\text{C}$). In the temperature range of minus one hundred forty-five degree Celsius (-145°C) to plus forty degree Celsius ($+40^{\circ}\text{C}$), the accuracy shall be plus or minus one decimal five degree Celsius ($\pm 1.5^{\circ}\text{C}$).

2.3 Pressure Gauging Devices

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

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

2.4 Verification of Accuracy of Gauging Devices

Gauging devices certificates shall be verified for calibration accuracy. Permissible tolerances shall be as described in this Exhibit B. Where the inaccuracy of a device is found to exceed the permissible tolerances, the device, if possible, shall be adjusted accordingly and recordings and computations made on the basis of those recordings shall be corrected

2.5 Failure of Primary Devices

- (a) In the event of CTMS failure, Parties will discuss and agree upon an appropriate alternative method.
- (b) In the event of temperature or pressure gauge failure the Parties will investigate the possibility of reaching relevant measured values using average temperature or pressure readings for both liquid and vapour measurements.
- (c) In the event of CTMS Trim/List gauge, the trim shall be determined by visual measurement of the low and stern drafts at the time of initial and final gauging. The list shall be determined using the ship's inclinometer at the time of initial and final gauging.
- (d) Matching CTMS shall be taken simultaneously

3 Measurement Procedures

The quantity in cubic meters and the temperature and the pressure of the LNG unloaded in case of DES shall be measured with the LNG Vessel instrumentation in accordance with the methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2011.

4 Determination of parameters at delivery point See paragraph 6.2

5 Determination of BTU Quantity of LNG Delivered

The quantity of Energy delivered shall be calculated in accordance with the formula given in the LNG Custody Transfer Handbook published by GIIGNL, third edition 2011, page six (6).

$$E = V_{LNG} * D_{LNG} * GHV_{(Mass)} - E_{displaced} - E_{ER}$$

Where

“E_{displaced}” stands for the net energy of the displaced gas, assuming the composition of the vapor return sent to the LNG Ship is in accordance with the methods described in the LNG Custody Transfer published by the GIIGNL, third edition 2011

“E_{ER}” means the energy of the gas consumed by the LNG Ship while connected to the EBRV based on the LNG vessel's measuring systems.

For the purpose of this calculation the Energy is expressed in MMBtu,

5.1 LNG Density

The density of the discharged LNG shall be calculated according to the revised KLOSEK-McKINLEY method described in the LNG Custody Transfer published by the GIIGNL, third edition

The molar mass of the different components shall be taken from ISO 6976-1995, units of density shall be kg/m^3 and calculation results shall be given with 0.001 significant figures.

5.2 Gross Heating Value

(i) Gross Heating Value (Mass)

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

(ii) Gross Heating Value (Volumetric)

The Gross Heating Value (Volumetric) shall be calculated by use of the method ISO 6976-1995 with combustion reference conditions of fifteen degrees Celsius (15°C) and units of MJ/Sm^3 and 0.01 significant figures or with combustion reference conditions of sixty degrees Celsius (60°F) and units of BTU/SCF and 0.1 significant figures or as specified in the relevant terminal rules.

6 Additional Reporting

All data and documents necessary to support the calculation of the net delivered Quantity

- (a) **The LNG Custody Transfer Survey (CTS) (OCT & CCT at discharge port & CCT at Load port) as well as the gas monitoring to engine room shall be attached to the surveyor's report.**
- (b) **The EBRV CTS (OCT & CCT at discharge port) as well as the gas monitoring of the engine room shall be attached to the surveyor's report.**

The cargo calculation shall be based on the template attached (Appendix II to Exhibit B) or equivalent (equivalent templates shall contain all required fields)

6.1 Dates and times used in calculations where possible shall be reported to the nearest minute.

6.2 The discharge port composition shall be determined from load port composition and voyage parameters according to appendix II to Exhibit B. The Supplier may suggest for the approval of IEC his own model provided it produces unique results for a unique set of conditions and composition. This submission shall include explanations and assumptions.

Submission of final LNG volume at Load Port (CCT) is required since it is essential for Discharge port composition calculation

6.3 Standard Calorific values, molecular weights and compressibility shall be calculated with full precision, rounded according to this standard only in the final stage and reported according to ISO: 6976:1995 @ 15 deg C (or 15/15 deg C where needed)

.

6.4 Relevant temperatures are indicated in the template for calculation of energy of vapour. They shall be collected from each relevant vessel measuring system.

6.5 Gas composition shall be reported to 0.01 %n/n

6.6 Temperatures shall be reported to 0.1 deg C

6.7 Pressures shall be reported in mbar

6.8 Liquid volumes shall be rounded to 0.001 m³

6.9 100% Methane shall be assumed for vapour return.

6.10 A conversion factor of 1MMBTU = 1055.056 MJ shall be used

6.11 A Calculated balance between energy delivered and energy received that is more than ± 0.22 % shall cause an investigation by the Surveyor.

<i>page 1</i>	
ESAO (IEC) Template inspired by SGS LNG DISCHARGE REPORT	
VESSEL NAME	
VOYAGE#	
TERMINAL / PORT (DP)	
CLIENTS	
REFERENCE#	
DATES	
INSPECTOR'S FILE FILE #	
<div style="display: flex; justify-content: space-between;"> <div> <p>DOCUMENTS ENCLOSED</p> <p>SUMMARY OF FINDINGS</p> <p>LNG QUANTITY REPORT (delivered received, balance)</p> <p>TIME LOG</p> <p><u>Attachments (Photo copies of the original sources)</u></p> <p>BOL (Incl QUALITY REPORT)</p> <p>CTS (CCT) - LNG VESSEL @ LOAD PORT</p> <p>CTS - LNG VESSEL OPENING CUSTODY TRANSFER REPORT - PRIMARY</p> <p>CTS - LNG VESSEL CLOSING CUSTODY TRANSFER REPORT - PRIMARY</p> <p>CTS - LNG VESSEL OPENING CUSTODY TRANSFER REPORT -SECONDARY</p> <p>CTS - LNG VESSEL CLOSING CUSTODY TRANSFER REPORT -SECONDARY</p> <p style="padding-left: 20px;">LNG VESSEL NG as Fuel to ER (counters -OCT & CCT)</p> <p>CTS - XLNC OPENING CUSTODY TRANSFER REPORT - PRIMARY</p> <p>CTS - XLNC CLOSING CUSTODY TRANSFER REPORT - PRIMARY</p> <p>CTS - XLNC OPENING CUSTODY TRANSFER REPORT -SECONDARY</p> <p>CTS - XLNC CLOSING CUSTODY TRANSFER REPORT -SECONDARY</p> <p style="padding-left: 20px;">XLNC NG as Fuel to ER (counters -OCT & CCT)</p> <p><u>Optional (and desired) RETYPED</u></p> <p>The above mentioned attachments</p> </div> <div style="text-align: right; width: 15%;"> <p>PAGE</p> <p>2</p> <p>3</p> <p>4</p> </div> </div>	
date _____	

TERMINAL / PORT (DP)		CLIENTS	
VESSEL NAME		REFERENCE#	
VOYAGE#		DATES	
INSPECTOR'S FILE #			

SUMMARY OF FINDINGS

LOAD PORT INFORMATION

TERMINAL / PORT (LP)		
LOAD PORT DATES		
BILL OF LADING VOLUME		CUBIC METERS
LOAD PORT C.C.T. VOLUME		CUBIC METERS

DP INFORMATION

VESSEL O.C.T. VOLUME BEFORE DISCHARGE		CUBIC METERS
VESSEL C.C.T VOLUME AFTER DISCHARGE		CUBIC METERS
VESSEL VOLUME DELIVERED (LIQUID)		CUBIC METERS
LIQUID TEMPERATURE BEFORE DISCHARGE		°C
DENSITY LNG		KG/m ³
GHV (MASS) @ 15 °C		MJ/kg
GROSS QUANTITY DELIVERED @ 15 °C		MMBTU
VAPOUR RETURN @15 °C		MMBTU
BOG CONSUMPTION @ 15 °C		MMBTU
NET QUANTITY DELIVERED @ 15 °C		MMBTU

INTRANSIT INFORMATION

INTRANSIT DIFFERENCE			cubic meters
DIFFERENCE PERCENTAGE			%
LOAD PORT C.C.T. INSPECTION dd/mm/yyyy hh:mm			
DISCHARGE PORT OCT. INSPECTION dd/mm/yyyy hh:mm			
TIME ZONE ADJUSTMENT BETWEEN PORTS	hours (east to west)		
LENGTH OF VOYAGE	days		
ESTIMATED LNG BOIL-OFF			% per day
VESSEL DESIGN LIMITS			% per day

TERMINAL / PORT (DP)		CLIENTS	
VESSEL NAME		REFERENCE#	
VOYAGE#		DATES	
INSPECTOR'S FILE FILE #			

LNG Properties, Discharge Port

values @15 (or 15/15 where needed) deg C, 101325 bar

%	X_i	MWi	$X_i \cdot MW_i$	HHVi(mass)	$X_i \cdot H_{mi} \cdot M_i$	Hvi	$X_i \cdot H_{vi}$	$bi^{*0.5}$	$X_i^{*}bi^{*0.5}$
		(kg/kmol)	(kg/kmol)	(MJ/kg)	(MJ/kmol)	(MJ/m ³)	(MJ/m ³)		
Methane:		16.043		55.574		37.706		0.0447	
Ethane:		30.070		51.95		66.07		0.0922	
Propane:		44.097		50.37		93.94		0.1338	
Iso-Butane:		58.123		49.39		121.40		0.1789	
n-Butane:		58.123		49.55		121.79		0.1871	
Iso-Pentane:		72.150		48.95		149.36		0.2280	
n-Pentane:		72.150		49.04		149.66		0.2510	
n-Hexane:		86.177		48.72		177.55		0.2950	
Nitrogen:		28.0135		0.00		0.00		0.0173	
Oxygen:		31.9988		0.00		0.00		0.0283	
Carbon Dioxide:		44.010		0.00		0.00		0.0748	
Totals								=Real	Z=

Density DP @ 0 deg C	Kg/m ³	
----------------------	-------------------	--

GHVvol-real (CH4) @15/15 deg C, 101325 bar	MJ/Sm ³	37.78
GHVmass (CH4) @15 deg C, 101325 bar	MJ/Sm ³	55.574

ENERGY QUANTITY DELIVERED

Vessel O.C.T Vol	m ³	Vapor Temperature after (CCT)	°C
Vessel C.C.T Vol	m ³	Absolute pressure after	mbar(a)
Vessel Delivered	m ³	GTE counter (OCT)	Kg
Liquid Temperature (before)	°C	GTE counter (CCT)	Kg

Gross Delivered @ 15°C = V * Density * GHVmass / 1055.056	MMBTU
Vapour Return (Qr) @ 15°C = V * (288.15 / (273.15 + T _{vap})) * (P _{vap} / 1013.25) * (37.78 / 1055.056)	MMBTU
BOG consumption (Qf) @ 15°C = (GTECCT - GTEOCT) * 55.574 / 1055.056	MMBTU
NET DELIVERED @ 15°C = Gross Energy - Qr - Qf	MMBTU

EXCELLENCE CT data

Vessel O.C.T Vol	m ³	Vapor Temperature (OCT)	°C
Vessel C.C.T Vol	m ³	Absolute pressure (OCT)	mbar(a)
Vessel Delivered	m ³	GTE counter (OCT)	Kg
Liquid Temperature (CCT)	°C	GTE counter (CCT)	Kg

Gross Received @ 15°C = V * Density * GHVmass / 1055.056	MMBTU
Vapour Return (Qr) @ 15°C = V * (288.15 / (273.15 + T _{vap})) * (P _{vap} / 1013.25) * (37.78 / 1055.056)	MMBTU
BOG consumption (Qf) @ 15°C = (GTECCT - GTEOCT) * 55.574 / 1055.056	MMBTU
NET RECEIVED @ 15°C = Gross Energy - Qr + Qf	MMBTU

DP OCT. dd/mm/yyyy hh:mm	
DP C.C.T. dd/mm/yyyy hh:mm	

Difference =	MMBTU
	%

Appendix II to Exhibit B: A simplified model for the calculation of LNG discharge composition

Input data:

1. Load Port [LP] composition from quality paragraph of the Bill of Lading (B/L)
2. LNG-liq. Volume at LP, Departure date, LNG-liq temperature. (Vessel CCT)
3. LNG-liq. Volume at Discharge Port [DP], Discharge date, LNG-liq temperature before discharge (Vessel OCT).
4. Calculated: Voyage duration (days), Total voyage BOG. (Daily estimated BOG percentage, daily estimated BOG volume).
5. Ki values for the composition of gas above LNG ¹ (23 1, 0.005)

Calculation steps (general chemistry)

A. "beginning" calculations

- A1. Load Port Mass Calorific Value, LNG density, (**GIIGNL** ¹), Molecular Weight [MW], LP volume.
- A2. Load Port mass, total number of LNG moles as liquid, Number of moles for each component in LNG-liq.
- A3. BOG total volume & composition according to selected Ki values (Normalized) assuming one stage equilibrium.
- A4. BOG: MW, "density" as liquid (**GIIGNL** ¹), mass, total number of moles
- A5. Number of moles for each component in BOG (N₂, CH₄, C₂H₆)

B. "end" calculations

ROB number of moles for each component (subtraction A2,A5), Total number of moles ROBliq, Mole fraction for each component (Discharge Port assumed composition)

The resulting "Energy enrichment factor during voyage" is $(DPdensity*DPghv)/(LPdensity*LPghv)$

C. Examples:

Examples for enrichment factors for LNG from one source at the example conditions are presented below.

¹ **GIIGNL** – LNG CUSTODY TRANSFER HANDBOOK- THIRD EDITION, version 3.01. 2011 p.63

Typical Ki values for nitrogen, methane and ethane at near atmospheric pressure and temperatures around -160°C are:

$$K_{N_2} = 25 \text{ (range: 20 – 26)}$$

$$K_{CH_4} = 1$$

$$K_{C_2H_6} = 0.005$$

The Ki values for any other component are assumed to be zero.

In this way, starting from the molar composition in the liquid state determined by LNG sampling and gas analysis, the molar composition in the gaseous state can be calculated. In the event that the sum of the thus obtained fractions does not equal 100%, a linear correction of the value of each component must be carried out.

D. Calculated example

Example conditions

	LP (CCT)	DP (OCT)
Voyage duration	15 days	
Daily estimated BOG percentage,	0.22	
LNG temp.	-160 degC	-160 degC
K _{N2}	23	
K _{CH4}	1	
K _{C2H6}	0.005	

Results

LNG source A	LP	DP
Methane CH ₄	0.976651	0.9760084
Ethane C ₂ H ₆	0.019939	0.0206164
Propane C ₃ H ₈	0.002677	0.0027684
Isobutane iC ₄ H ₁₀	0.000289	0.0002989
n-Butane nC ₄ H ₁₀	0.000198	0.0002048
Isopentane iC ₅ H ₁₂	0.000031	0.0000321
n-Pentane nC ₅ H ₁₂	0.000012	0.0000124
n-Hexane nC ₆ H ₁₄	0.000014	0.0000145
Nitrogen N ₂	0.000189	0.0000441
Carbon Dioxide CO ₂	0	0.0000000
Oxygen O ₂	0	0.0000000
Total	1.0000	1.0000
energy concentration factor		1.00066

Exhibit C
FORM OF ESTIMATED QUALITY NOTICE

Quality Notice

Vessel: _____

Date: _____

On Loading at the Loading Port
(Actual, based on Certificate of Quality
from the loading port)

Composition:

Methane _____ mol%

Ethane _____ mol%

Propane _____ mol%

Nitrogen (N₂) _____ mol%

i-Butane _____ mol%

n-Butane _____ mol%

i-Pentane _____ mol%

n-Pentane _____ mol%

n-Hexane and heavier _____ mol%

Oxygen _____ mol%

Carbon Dioxide _____ mol%

Density: _____ kg/m³

Volume on Completion
of Loading: _____ m³

Temperature on Completion of Loading

Pressure on Completion of Loading

Gross Heating Value
(Volumetric): _____ Btu/SCF

Hydrogen Sulphide [] milligrams per Sm³

Total Sulphur [] milligrams per Sm³

On Discharge at the Receiving Facility
(Estimated by Supplier)

Composition:

Methane _____ mol%

Ethane _____ mol%

Propane _____ mol%

Nitrogen (N₂) _____ mol%

utane _____ mol% _____ mol%

n-Butane _____ mol%

i-Pentane _____ mol%

n-Pentane _____ mol%

n-Hexane and heavier _____ mol%

Oxygen _____ mol%

Carbon Dioxide _____ mol%

Density: _____ kg/m³

Volume on Completion
of Discharge: _____ m³

Temperature on Completion of Loading

Pressure on Completion of Loading

Gross Heating Value
(Volumetric): _____ Btu/SCF

Hydrogen Sulphide [] milligrams per Sm³

Total Sulphur [] milligrams per Sm³

Exhibit D

Specification for Gas Quality

Natural Gas tendered for delivery shall at the Delivery Point comply with the following requirements and the requirements of the Transporter as at the date of this Agreement.

1. Gas made available for transport shall be free from odors, foreign materials, dust or other solid and liquids, waxes, gums and gum forming constituents.
2. Without prejudice to the generality of the provisions of Paragraph 1 above, gas at the Delivery Point shall conform to the parameters of Table 1.
3. Sampling of natural gas for continuous automatic and periodic laboratory analysis shall be in accordance with ISO 10715.
4. Gas Chromatography, Energy Calculations & Reports: Natural gas composition shall be monitored using a gas-chromatograph measuring up to at least C6-plus and compatible with ISO 6974-5. Gas analysis shall be used for further calculations of gas mixture molecular weight, Higher Heating value, density, compressibility, energy & Wobbe Index at reference conditions and at actual line conditions (according to relevancy). Physical properties used to configure chromatographs and perform calorific value and relative density calculations shall be derived from the latest version of GPA Standard 2145/ISO 6976
 - Gas density at Standard Conditions shall be calculated in accordance with AGA Report No.8:1994/ISO-12213-1:1997
 - Gas density at Line Conditions shall be calculated in accordance with AGA Report No.8:1994/ISO-12213-1:1997
5. The heating value of C6 shall be applied for all C6-plus compounds as long as laboratory measurements justify this simplicity
6. Calorific value in MJ/m³ units shall be reported to the 2nd decimal. A factor of 1055.056 MJ/MMBTU shall be used for unit conversion (AGA Report No. 8 & GPA 2172). Values in MMBTU/m³ shall be reported to the 5th decimal figure. (Wobbe index shall be reported accordingly). Compression factor, density and relative density shall be reported (If required) to the 4th decimal figure.

Table 1: Parameters limits

Parameter	Requirement	Units	Remarks
Water Dew Point (WDP) At any pressure up to and including 80 bar (g)	≤ 0 (Zero)	(°C)	(a)
Hydrocarbon Dew Point (HCDP) At any pressure up to and including 80 bar(g)	≤ 5	(°C)	(b)
Total Sulphur (as S)	< 100	(ppm Weight)	(c)
Hydrogen Sulphide (as H ₂ S)	< 5	(ppm Volume)	(d)
Carbon Dioxide	≤ 1.0	(Mole percent)	(e)
Total Inerts [N₂+CO₂+Ar]	≤ 5.0	(Mole percent)	(f)
Oxygen	≤ 0.01	(Mole percent)	(g)
Methane	≥ 96	(Mole percent)	(h)
Glycol	No free liquid to be present in gas at Delivery Point	--	(i)
Methanol	≤ 100	(ppm volume)	(j)
Higher Heating Value @ 15/15 °C & 101.325 Kpa	0.03599 - 0.03699	MMBTU/Cubic Meter	(k)
Wobbe Index @ 15/15 °C & 101.325 Kpa	Max 0.0487	MMBTU/Cubic Meter	(l)

Methods & Remarks

a) Water Dew Point (WDP)

Moisture shall be measured according to *ASTM D 5454* - using a water concentration analyzer. The sensor should operate at a fixed controlled temperature greater than the maximum gas stream temperature. The gas sample stream should operate at a controlled pressure no greater than 3 bar (g). Calculation of WDP from the measured water concentration shall be based on equations (or commercial calculators) which produce results that are in agreement with the data given in table C.1 of appendix C to *ISO 18543:2004; Natural gas — Correlation between water content and water dew point*. Direct measurement of WDP according to *ISO 6327-1981 (E)* is permitted. Manual measurement according to *ASTM D 1142* (chilled mirror) shall be the reference method.

b) Hydrocarbon Dew Point (HCDP)

HCDP shall be measured by a chilled mirror instrument working in pressure ranges of 28 ± 3 bar(g), capable of measuring HCDP up to +20 deg C. Manual measurement according to *ASTM D 1142* shall be the reference method.

c) Total Sulfur and Sulfur species.

. Sulfur species concentrations shall be identified and compared with the concentration of total sulfur. If, however, concentrations greater than 6 mg/m³ of COS or RHS or any corrosive sulfur species (as S) shall be found at any time then total Sulfur shall be measured using an ASTM standard (ASTM D7493 or ASTM D7165 – 10).

A full laboratory Sulfur species analysis shall be performed with any significant change of gas quality.

d) Hydrogen Sulphide

H₂S shall be monitored by automatic instruments complying with *ASTM D4084 (Lead acetate reaction rate method)*.

e, f & g) Oxygen and Total Inerts (N₂+CO₂+Ar)

N₂, O₂, Ar & CO₂ shall be measured by a GC with a lower detection limit not greater 0.005 % mole, using Helium as a carrier and a suitable column to split N₂ and O₂.

The limiting value for Oxygen in Table 1 is required during normal operations. Higher values are allowed during commissioning of new pipelines. Such values and durations of irregularity shall be agreed upon by all parties before commissioning.

h) Methane

The limiting value of Table 1 is valid.

i) Glycol

No free liquid glycol shall be detected while determining the water and/or hydrocarbon dew point using the Bureau of Mines/chilled mirror device.

j) Methanol

Analysis for methanol content will only be required during periods when methanol is being injected for operational reasons. Buyer will be advised when used. Methanol content will be determined using a mutually agreed procedure.

k) Higher Heating Value

Higher Heating Value - means the superior calorific value calculated as described in *ISO: 6976:1995 (E)* of one Cubic Meter of Natural Gas at the reference condition of 15/15 Degrees Celsius and 1.01325 Bar(a) for the actual natural gas in the real state. Full precision, definitive mode shall be used.

l) Wobbe Index

Wobbe Index shall be calculated according to *ISO: 6976:1995 (E)* at the reference condition of 15/15 Degrees Celsius and 1.01325 Bar (a) for the actual natural gas in the real state.

DEED OF GUARANTEE

executed and delivered by

(the "Guarantor")

in respect of a Transaction between

and

THE ISRAEL ELECTRIC CORPORATION LTD.

Schedule 6

THIS DEED OF GUARANTEE is made the _____ day of _____ 201__ (this “**Guarantee**”)

BY:

- (1) _____, a limited company incorporated in _____ (with company number _____) the registered office of which is situated at _____ (the “**Guarantor**”)

in favour of:

- (2) **THE ISRAEL ELECTRIC CORPORATION LTD.**, a company incorporated under the laws of Israel, with a principal place of business at 1 Netiv Ha’or Street, 31000, Haifa, Israel (the “**Beneficiary**”)

WHEREAS:

- (A) The **Beneficiary** and _____ (the “**Counterparty**”), a wholly-owned indirect subsidiary of the Guarantor, are parties to (A) a Master Ex-Ship LNG Sale and Purchase Agreement dated [] relating to the selling, purchasing and transportation of liquefied natural gas and (B) Confirmation Notice No. _____ executed thereunder on [] (the “**Confirmation Notice**”) (the Master Agreement and the Confirmation Notice together, the “**Agreement**”) in respect of the sale and purchase of LNG (the “**Transaction**”); and
- (B) The Guarantor has agreed to guarantee the performance by the Counterparty of its payment obligations under the Transaction to make payments to the Beneficiary.

WITNESSETH:

1. With effect from the date on which the Confirmation Notice becomes effective, the Guarantor hereby absolutely, irrevocably and unconditionally guarantees as primary obligor and not merely as surety, subject to its maximum liability under this Guarantee of _____ United States Dollars (\$_____) (the “**Maximum Liability**”), that if and whenever the Counterparty shall make any default in the payment of any monies due to the Beneficiary under or in connection with the Agreement, the Guarantor shall within ten (10) days of demand in writing by the Beneficiary pay to the Beneficiary (without set-off or counterclaim other than with respect to matters connected with the Transaction) the amount in respect of which the default has been made, together with all interest and all other sums accrued thereon or relating thereto (the “**Guaranteed Obligations**”), provided that any such demand in writing shall be accompanied by a statement in reasonable detail of the calculation of such amount and sums. “Monies due to the Beneficiary under the Transaction”, as that phrase is used in the preceding sentence, shall be calculated in accordance with the terms of the Transaction, including, subject to clauses 2 and 5, allowance for set-offs or other defences which could have been asserted under the Transaction by the Counterparty. The Beneficiary shall not be entitled to make any demand on the Guarantor under this Guarantee unless and until any and all grace periods and/or periods of remediation of such default by the Counterparty set out in the Transaction shall have elapsed.

2. If, for any reason, any amount claimed by the Beneficiary under this clause is not recoverable from the Guarantor on the basis of a guarantee then the Guarantor will be liable as a principal debtor

and primary obligor to indemnify the Beneficiary in respect of any loss it incurs as a result of the Counterparty failing to pay any amount payable by it under the Transaction on the date when it ought to have been paid. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause had the amount claimed been recoverable on the basis of a guarantee.

3. (i) Any demand made of or other communication to the Guarantor under this Guarantee shall be delivered or sent by post, facsimile or e-mail to the Guarantor at its office located at _____, or to such other address as may be provided in writing by the Guarantor to the Beneficiary for such purpose and shall be deemed to have been made when delivered.

(ii) Any communication made to the Beneficiary under this Guarantee shall be delivered or sent by post, facsimile or e-mail to the Beneficiary at its office located at **1 Netiv Ha'or Street, 31000, Haifa, Israel**, or to such other address as may be provided in writing by the Beneficiary to the Guarantor for such purpose and shall be deemed to have been made when delivered.

4. This is to be a continuing Guarantee remaining in operation until all Guaranteed Obligations have been irrevocably and unconditionally paid in full.

5. The liability of the Guarantor under this Guarantee shall not be released, affected or discharged by any act, matter or omission which (but for this Clause) would have released, affected or discharged the liability of the Guarantor including:

(i) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of, or any consent to departure from, the terms of such Guaranteed Obligations including but not limited to the grant of time, concession or other indulgence to the Counterparty by the Beneficiary or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from a principal debtor or any other person or non-presentation or non-observance of any formality or other requirement in respect of any instrument; or

(ii) any present or future guarantee, indemnity, mortgage, charge or other security or right or remedy held by or available to the Beneficiary being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Beneficiary from time to time dealing with, varying, realising, releasing or failing to perfect or enforce any of the same; or

(iii) any invalidity, unenforceability, illegality or voidability of the Agreement; or

(iv) any change, restructuring or termination of the corporate structure or existence of the Counterparty or the bankruptcy, insolvency, dissolution, reorganisation, moratorium, liquidation or similar proceeding involving the Counterparty; or

(v) any amendment to the Agreement.

6. Except as to applicable statutes of limitation, no failure on the part of the Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

7. If any payment received by the Beneficiary pursuant to the provisions of the Transaction shall, on the subsequent bankruptcy, insolvency, corporate reorganisation or other similar event of the Counterparty, be avoided or set aside under any laws relating to bankruptcy, insolvency, corporate reorganisation or other such similar events, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by the Counterparty provided that the obligations of the Guarantor under this paragraph shall, as regards each payment made to the Beneficiary which is avoided or set aside, be contingent upon such payment being reimbursed to the Counterparty or other persons entitled through the Counterparty.

8. Notwithstanding any payment or payments made by the Guarantor hereunder, the Guarantor: (a) hereby irrevocably waives any and all rights of subrogation to the rights of the Beneficiary against the Counterparty and any and all rights of reimbursement, contribution or indemnification against the Counterparty or against any other guarantor of all or any part of the Guaranteed Obligations; and (b) claim, rank, prove or vote as a creditor of the Counterparty or its estate in competition with the Beneficiary or receive, claim or have benefit of any payment, distribution or security from or on account of the Counterparty, or exercise any right of set-off as against the Counterparty, until such time as the Guaranteed Obligations have been irrevocably and unconditionally paid in full. If, notwithstanding the foregoing, any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been irrevocably and unconditionally paid in full, such amount shall be held by the Guarantor in trust for the Beneficiary and shall, forthwith upon receipt by the Guarantor, be paid to the Beneficiary, to be applied against the Guaranteed Obligations in such order as the Beneficiary may determine.

9. The Beneficiary shall be entitled to enforce this Guarantee without making any demand on or taking any proceedings against the Counterparty or proceeding against or enforcing any other right or security or claiming payment from any other person.

10. This Guarantee shall be in addition to and not in substitution for any other rights, remedy, security or guarantees which the Beneficiary may now or hereafter hold from or on account of the Counterparty in respect of that Counterparty's obligations under the Transaction and may be enforced without first having recourse to the same.

11. This Guarantee shall continue to be in effect and be binding on the Guarantor notwithstanding absorption, amalgamation or any other changes in its constitution.

12. This Guarantee shall be binding upon the Guarantor, its successors and assigns and shall inure to the benefit of the Beneficiary, its successors and assigns. The Guarantor shall not (without the prior written consent of the Beneficiary such consent not to be unreasonably withheld) assign, novate or transfer to any entity its rights or obligations under this Guarantee. The Beneficiary may at any time (without the consent of the Guarantor): (a) assign, novate or transfer any part of its rights under this Guarantee to any person to whom the whole of its rights under the Transaction are assigned, novated or transferred; or (b) assign by way of security its right, title, benefit and interest in this Guarantee to any person providing finance to it.

13. The Guarantor shall pay the Beneficiary on demand all costs and expenses reasonably incurred by the Beneficiary in connection with the enforcement or preservation of its rights hereunder provided that in no event shall the Guarantor be liable for costs and expenses under this Clause where payment of such sums would result in the Guarantor's liability under this Guarantee exceeding the Maximum Liability.

14. The Guarantor shall pay all monies due from it under this Guarantee free and clear of, and without deduction of, or on account of, either any set-off or counterclaim or any and all present or future taxes, levies, posts, charges, fees, deductions or withholdings except as required by applicable law. If any sums payable hereunder shall be or become subject to any such deductions or withholding, the amount of such payments shall be increased so that the net amount received by the Beneficiary shall equal the amount which, but for such deduction or withholding, would have been received by the Beneficiary hereunder.

15. The Guarantee will expire on _____ provided, however, that Guaranteed Obligations arising from Transaction shall, until irrevocably and unconditionally paid in full, continue to be guaranteed hereunder.

16. This Guarantee, and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) shall in all respects be governed by and construed in accordance with the laws of England. Any dispute, controversy or claim arising out of or relating to this Guarantee (the "**Dispute**") shall be finally settled by arbitration in accordance with the rules of the London Court of International Arbitration (the "**Rules**") in force on the date of the Transaction. The number of arbitrators shall be one. The seat (or legal place) and the physical place of arbitration shall be London, United Kingdom. The language of the arbitration shall be English. The arbitration proceedings shall be conducted and the award shall be rendered in the English language.

IN WITNESS WHEREOF, this Guarantee has been executed and delivered as a Deed as of the date indicated

EXECUTED AS A DEED by

[]
in the presence of

.....
Signature of Witness

Name of Witness:

Address of Witness:

Beneficiary

.....