

GAS SALE AND PURCHASE AGREEMENT

BETWEEN

NIGERIAN NATIONAL PETROLEUM CORPORATION
(Concessionaire / Seller)

SOUTH ATLANTIC PETROLEUM LIMITED

CNOOC EXPLORATION AND PRODUCTION NIGERIA LIMITED
(Together, the Contractor Parties/Sellers)

TOTAL UPSTREAM NIGERIA LIMITED
(Sellers' Contract Administrator)

AND

TOTAL E&P NIGERIA LIMITED
(Buyer)

IN RESPECT of PSC GAS FROM THE OML 130 SUPPLY AREA

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This **Gas Sale and Purchase Agreement** (the "**Agreement**") is made on the 15th day of July 2021 (hereinafter referred to as "**Execution Date**")

Between

Nigerian National Petroleum Corporation, a corporation established under the laws of the Federal Republic of Nigeria having its head office at NNPC Towers, Herbert Macaulay Way, Central Business District, Abuja, Nigeria, (hereinafter referred to as "**NNPC**" or "**the Concessionaire**" or a "**Seller**") (which expression shall wherever the context so admits include its successors-in-title and permitted assigns)

South Atlantic Petroleum Limited, a company established under the laws of the Federal Republic of Nigeria with its head office at 11th & 12th floors Sapetro Towers, No 1. Adeola Odeku Street, Victoria Island, Lagos, Nigeria (hereinafter referred to as "**SAPETRO**" or "**the Contractor Party**" or a "**Seller**") (which expression shall wherever the context so admits include its successors-in-title and permitted assigns)

CNOOC Exploration and Production Nigeria Limited, a company established under the laws of the Federal Republic of Nigeria with its head office at 7th Floor Sapetro Towers, No 1. Adeola Odeku Street, Victoria Island, Lagos, Nigeria (hereinafter referred to as "**CNOOC**" or "**the Contractor Party**" or a "**Seller**") (which expression shall wherever the context so admits include its successors-in-title and permitted assigns)

Total Upstream Nigeria Limited, a company established under the laws of the Federal Republic of Nigeria with its registered office at Plot 247 Herbert Macaulay Way, Central Business District, Abuja (hereinafter referred to as "**TUPNI**" or "**the Sellers' Contract Administrator**") (which expression shall wherever the context so admits include its successors-in-title and permitted assigns)
of the one part;

And

Total E&P Nigeria Limited, a company established under the laws of the Federal Republic of Nigeria with its registered office at Plot 247 Herbert Macaulay Way, Central Business District, Abuja (hereinafter referred to as "**TEPNG**" or "**the Buyer**") (which expression shall wherever the context so admits include its successors-in-title and permitted assigns) of the other part.

NNPC is hereinafter referred to as "**Concessionaire**", or "**Seller**", as the context determines; **SAPETRO** and **CNOOC** are hereinafter referred to individually as "**Contractor Party**", or collectively as "**Contractor Parties**", and jointly with **NNPC** as "**Sellers**"; **TUPNI** is hereinafter referred to as "**Sellers' Contract Administrator**"; and **TEPNG** is hereinafter referred to as "**Buyer**".

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WHEREAS:

1. The Federal Government of Nigeria ("**FGN**") by letter dated 23 February 1998 granted a discretionary allocation of offshore Oil Prospecting License 246 ("**OPL 246**") to SAPETRO and said grant reserved the right of FGN to a participating interest in any Oil Mining Lease ("**OML**") derived therefrom.
2. In August 2003, SAPETRO (on behalf of itself and its coventurers) applied for an OML deriving from OPL 246 and thereafter OML 130 was granted by the Federal Ministry of Petroleum Resources through a letter with reference PI.BAL-3717-S.364-VOL.2-125 and dated 24 February 2005.
3. Pursuant to the Deep-Water Block Allocations to Companies (Back-in-Rights) Regulations 2003 to the Petroleum Act, the FGN (represented by NNPC) acquired a fifty percent (50%) interest in OML 130 resulting in the following ownership interests: NNPC - fifty percent (50%); SAPETRO - ten percent (10%); Total Upstream Nigeria Limited (TUPNI) - twenty four percent (24%) and Brasoil Oil Services Company Nigeria Limited (now known as Prime 130 Nigeria Limited) (PRIME) - sixteen percent (16%).
4. On 25 April 2005, NNPC, SAPETRO, TUPNI and PRIME entered into a Heads of Agreement ("**OML 130 HOA**") relating to NNPC's entry into OML 130 and in which the parties thereto agreed that i) NNPC, SAPETRO and TUPNI will enter into a Production Sharing Contract to govern the funding and operations related to NNPC's fifty percent (50%) interest in the OML derived from the OPL 246; and (ii) the funding and petroleum operations related to the fifty percent (50%) interest of TUPNI, SAPETRO and PRIME in the said OML shall be governed by a Production Sharing Agreement.
5. By agreement dated 25 April 2005, NNPC (in its capacity as Concessionaire), SAPETRO (in its capacity as contractor), and TUPNI (in its capacity as operator) entered into a Production Sharing Contract to govern the funding and operations related to NNPC's fifty percent (50%) interest in OML 130 ("**OML 130 PSC**"). By agreement dated 19 March 1998 (as amended on 25 April 2005) TUPNI, SAPETRO and PRIME entered into a Production Sharing Agreement to govern the funding and petroleum operations related to their fifty percent (50%) interest in OML 130 ("**OML 130 PSA**").
6. On 11 April 2006, SAPETRO farmed-out ninety percent (90%) of its Contractor interest in the OML 130 PSC to CNOOC, following which the participating Contractor interests became:
 - SAPETRO - ten percent (10%); and
 - CNOOC - ninety percent (90%)
7. Pursuant to the Heads of Agreement dated 25 April 2005 (OML 130 HOA), TUPNI was appointed as the operator of OML 130 and designated as such under the Joint Operating Agreement dated 25 April 2005 ("**OML 130 JOA**").
8. By virtue of TUPNI being the operator of OML 130, the Sellers have appointed TUPNI as the Sellers' Contract Administrator for the purpose of gas sale under this Agreement.

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9. The rights and obligations of the parties in the OML 130 PSC, the OML 130 HOA and the OML 130 JOA are hereby preserved in this Agreement during the life of the OML 130 PSC, the OML 130 HOA and the OML 130 JOA.
10. The Buyer and NNPC are parties to a joint operating agreement dated 25 July 1991 (**TEPNG Joint Venture JOA**) between NNPC and TEPNG in the following respective proportions: NNPC: sixty percent (60%) and TEPNG: forty percent (40%) (**TEPNG Joint Venture**).
11. The Buyer and NNPC are parties to a gas supply agreement dated 16th June 1992 (as amended from time to time) between NLNG, as buyer, and NNPC and TEPNG, as sellers, having respective rights and interest for the supply of natural gas to NLNG's Plant (**NLNG GSA**).
12. By a Gas Utilisation Agreement (**GUA**) dated 25 April 2005, NNPC, SAPETRO, TUPNI and PRIME together as suppliers under the GUA, had the obligation to make available for delivery not less than twenty eight thousand three hundred seventeen (28,317) MSm³ (equivalent to one trillion cubic feet of gas) referred to as total contract quantity under Clause 4.5 of the GUA, to NNPC and TEPNG for resale to NLNG in fulfilment of NNPC's and TEPNG's obligations under the NLNG GSA. The suppliers under the GUA fulfilled this obligation on 23 July 2018 (hereinafter referred to as the "**First Gas Date**").
13. The PSC Parties have ownership of a total of fifty percent (50%) of all Gas produced from the OML 130 Supply Area ("**PSC Gas**") and with effect from the First Gas Date, Sellers wish to sell forty percent (40%) of their one hundred percent (100%) interest in Gas available in commercial quantity pursuant to the OML 130 PSC ("**Sale Gas**") and the Buyer wishes to purchase and take delivery of such Gas in accordance with the terms and conditions herein between the Parties with effect from the First Gas Date, for resale to NLNG in fulfilment of Buyer's obligation under the NLNG GSA.
14. NNPC also wishes to sell to NLNG sixty percent (60%) of its interest in the Gas available in commercial quantity pursuant to the OML 130 PSC ("**Corporation Gas**"). NNPC therefore wishes to have the Buyer, in its capacity as operator of the TEPNG Joint Venture, and pursuant to the terms of the TEPNG Joint Venture JOA and NLNG GSA, handle and transfer on NNPC's behalf the Corporation Gas to NLNG, in fulfilment of NNPC's obligation under the NLNG GSA.
15. The PSC Parties entered into a Gas Entitlement Agreement ("**GEA**") dated day of 2021 pursuant to which, with effect from the First Gas Date, the PSC Parties agreed to their allocation and entitlement to PSC Gas produced from the OML 130 Supply Area.
16. Accordingly, the Parties now wish to record the terms and conditions on which: (a) Sale Gas has been sold with and shall continue to be sold to the Buyer with effect from the First Gas Date; and (b) Corporation Gas has been transferred and shall continue to be transferred by TEPNG on NNPC's behalf (in its capacity as operator of the TEPNG Joint Venture) to NLNG with effect from the First Gas Date.

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NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained the Parties hereto covenant and agree as follows:

CLAUSE 1

1. DEFINITIONS, APPENDICES AND INTERPRETATIONS

1.1 Definitions

In this Agreement, including this Clause 1 and the Appendices hereto, unless the text otherwise requires:

"Adjusted Annual Contract Quantity" or "AACQ" shall have the meaning ascribed to it in Clause 4.3.2;

"Affiliate" means, in respect of a Party, any company or legal entity which (a) controls either directly or indirectly a Party, or (b) which is controlled directly or indirectly by such Party, or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls such Party. Control means the right to exercise fifty percent (50%) or more of:

- (i) the voting stock, if the other company is a company issuing stock; or
- (ii) the controlling rights or interest, if the other entity is not a company;

"Akpo Field" means the gas and condensate field located in OML 130 as described in the Field Development Plan approved by the Department of Petroleum Resources on December 10, 2003 and any amendments or revisions;

"Akpo FPSO" means the Akpo floating production, storage and offloading platform situated on OML 130;

"Akpo-Amenam Pipeline" means the sixteen inch (16") Akpo-Amenam pipeline, operated and maintained by or on behalf of the Buyer, connecting the Sellers' Facilities at the Akpo FPSO Custody Transfer Point to the AMP2 Platform for the transport of Gas from the Sellers' Custody Transfer Points;

"Amenam Pipeline" means GTS-5, the Buyer's twenty four inch (24") pipeline from AMP2 Platform to NLNG's Plant;

"AMP2 Platform" means the AMP2 platform on the Amenam-Kpono field that is part of the Buyer's Facilities;

"Annual Program" shall have the meaning ascribed to it in Clause 4.3.4;

"Atmospheric Pressure" means a unit of pressure defined as being equal to 101,325 Pascals (Pa) or 101.325 kPa;

"Authorisations" means any and all permissions, clearances, licenses, acknowledgments, authorisations, consents, no-objections, approvals, certificates, registrations and exemptions under or pursuant to any applicable law or from any Regulatory Authority required in connection with this Agreement and for undertaking, performing or discharging the obligations contemplated by this Agreement;

"BCF" means Billion Cubic Feet;

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"Btu" means "British Thermal Unit" or 1055.056 Joules;

"Business Day" means any day other than a Saturday or Sunday or public holiday when the banks in the City of Lagos are normally open for business;

"Buyer's Facilities" means the Akpo-Amenam Pipeline together with its associated facilities and platform structures and the Amenam Pipeline as detailed in Appendix IV;

"Buyer's Maintenance" means planned inspection, installation, maintenance, repair, replacement or modification of the Buyer's Facilities and NLNG's Plant and/or tie-in of other facilities, which will affect the Buyer's ability to take delivery of Sale Gas at the Custody Transfer Points;

"Calendar Year" means period of twelve (12) consecutive Months commencing from the first Day of January of each year to the last Day of December of each year;

"Commingled Basis" shall have the meaning ascribed to it in Clause 6.2.1;

"Concessionaire" means NNPC as holder of the fifty percent (50%) interest in OML 130 which is governed by the OML 130 PSC;

"Confidential Information" means the content of this Agreement, and all information disclosed by one Party to another Party pursuant to or in connection with this Agreement, and any other information a Party receives as a result of the implementation of this Agreement but excluding any information which at the time of its usage or disclosure was already disclosed, has become part of the public domain other than through a breach of this Agreement or which has been lawfully and independently acquired (other than in accordance with Clause 19) by the Party or person using the same or to whom disclosure is made;

"Consequential Loss" means the loss or deferment of profit or anticipated earnings or savings, loss of goodwill, loss of use, business interruption, increased cost of working and wasted effort or expenditure or any special, indirect or consequential damage together with all legal costs and expenses associated with the foregoing types of loss;

"Contract Price" shall have the meaning ascribed to it in Clause **Error! Reference source not found.**;

"Contract Year" means the relevant period of twelve (12) consecutive Months commencing on the first day of October and ending on the last day of September;

"Custody Transfer Point" means the Gas transfer point located either on the Akpo FPSO or on the Egina FPSO respectively, at the flange or weld immediately downstream of the Metering Stations at the Sellers' Facilities, where ownership of the Sale Gas transfers to the Buyer and custody of the Corporation Gas is assumed by the Buyer for delivery to NLNG on NNPC's behalf;

"Corporation Gas" has the meaning set out in Recital 14;

"Daily Contract Quantity" or "DCQ" shall have the meaning ascribed to it in Clause 4.3.7;

"Daily Delivery Program" shall have the meaning ascribed to it in Clause 4.3.7;

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"Day" means a period of twenty four (24) consecutive hours commencing at 00:00 hours Nigerian time on a Day and ending at 00:00 hours on the next succeeding Day during the Supply Period;

"Disclosing Party" means a Party that discloses Confidential Information to another Party pursuant to or in connection with this Agreement;

"Egina Commissioning Period" means the period of time determined pursuant to Clause 5.3;

"Egina Field" means the oil field located in OML 130 as described in the Field Development Plan approved by the Department of Petroleum Resources on the 4th of March 2009 and any amendments and revisions;

"Egina FPSO" means the Egina floating production, storage and offloading platform situated in OML 130;

"Egina Pipeline" means the fourteen inch (14") Gas export pipeline and related equipment and facilities, part of the Seller's Facilities, operated and maintained by or on behalf of the PSC Parties and the PSA Parties, connecting the Egina FPSO to the inline tee assembly of the Akpo-Amenam Pipeline, for the transport of Gas from the Sellers's Facilities to the Akpo-Amenam Pipeline;

"Egina Ramp-up Date" shall have the meaning ascribed to it in Clause 5.5.2;

"Egina Ramp-up Period" means the period of time determined pursuant to Clause 5.5.1;

"Emergency Maintenance" means unplanned repair, maintenance and inspection activities which are required to be carried out with respect to the Buyer's Facilities and NLNG's Plant (in the case of the Buyer) or the Sellers' Facilities (in the case of the Sellers) to restore the operational integrity and safe operation of the Buyer's Facilities and NLNG's Plant or the Sellers' Facilities (as the case may be) or to comply with applicable law;

"Expected Annual Contract Quantities" or "EACQ" means the amount of Sale Gas which the Sellers' Contract Administrator estimates will be available for delivery to the Buyer hereunder, on a Contract Year basis;

"Expert" means a person generally recognised as having mastery of the subject by way of training, experience and certification relevant to the determination of the matter in question;

"First Gas Date" has the meaning set out in Recital 12;

"Force Majeure" shall have the meaning ascribed to it in Clause 13.1;

"Gas" means any hydrocarbons, or a mixture of hydrocarbons and other gases, which at a temperature of 15.55 degrees Celsius and Atmospheric Pressure are predominantly in a gaseous state, which are produced from OML130 Supply Area in OML 130 but excluding system losses and gas used for operations, (gas used for operations shall include re-injection into the reservoir, commissioning gas, fuel gas and flaring);

"Gas Specification" means the quality specification for Gas to be delivered under this Agreement as set out in Appendix I;

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"Gross Heating Value" means the amount of heat expressed in MJ/Sm³, liberated by the complete combustion of one (1) Standard Cubic Meter of dry ideal gas ("dry" being defined as in ISO/DP 6976:1989) at a constant pressure of 1.01325 Bar absolute, with the temperature of the gas, air and combustion products at a temperature of fifteen degrees Celsius (15°C) and when all the water that is formed during the combustion is condensed;

"Gross Negligence" means any act or failure to act of any Senior Supervisory Personnel (whether sole, joint or concurrent) which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such Senior Supervisory Personnel knew, or should have known, such act or failure to act would have had on the rights of another Party, but shall not include any error of judgement or mistake made by such Senior Supervisory Personnel in the exercise in good faith of any function, authority or discretion conferred on such Senior Supervisory Personnel under this Agreement;

"Insolvency Event" means in respect of a Party, its winding-up, dissolution, administration or liquidation, the making by it of any arrangement or composition with its creditors or the taking of possession by an encumbrance of, or the appointment of a receiver over the whole or any substantial part of its property or assets or its ceasing or threatening to cease to carry on business;

"ISO" means International Organisation for Standardisation;

"Joule" or "J" shall have the meaning as defined in ISO 31/4:1978;

"LIBOR" means the London interbank offered rates for US Dollar deposits for a three (3) month period quoted by the ICE Benchmark Administration Limited which appears on Reuters Screen LIBOR01 (or such other page as may replace Reuters Screen LIBOR01 for the purpose of displaying the rate for deposits in U.S. Dollars for a three (3) month period quoted by the ICE Benchmark Administration Limited) as of 11.00 a.m. London time, on the day that is two (2) London Banking Days prior to (i) the due date of the payment to bear interest, and thereafter, (ii) the first Working Day of each succeeding Month;

"Maintenance" means any repair, maintenance and inspection activities which are required to be carried out with respect to the Buyer's Facilities and NLNG's Plant (in the case of the Buyer) or the Sellers' Facilities (in the case of the Sellers) in order to protect or restore the operational integrity and safe operation of the Buyer's Facilities and NLNG's Plant or the Sellers' Facilities (as the case may be) or to comply with applicable law;

"Megajoules" or "MJ" means one Million (10⁶) Joules;

"Metering Station" shall have the meaning ascribed to it in Clause 7.1 hereof;

"Million" or "M" means ten to the sixth power (10⁶);

"MMBtu" means Million Btu;

"Month" means a calendar month;

"Monthly Advice" shall have the meaning ascribed to it in Clause 12.2;

"Monthly Invoice" shall have the meaning ascribed to it in Clause 12.3;

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"Monthly Statement" shall have the meaning ascribed to it in Clause 12.1;

"MSm³" means Million Standard Cubic Meters;

"NAOC Joint Venture" means the upstream joint venture between NNPC and Nigerian Agip Oil Company Limited which is a gas supplier to NLNG;

"NLNG" means the company named Nigeria LNG Limited;

"NLNG Combined Gas Supply" means the feed stock gas being delivered and combined at NLNG's Plant, including gas supplied from other third parties, including without limitation: TEPNG Joint Venture, SPDC Joint Venture and NAOC Joint Venture;

"NLNG GSA" means the gas supply agreement dated 16th June 1992 (as amended from time to time) between NLNG as buyer, and NNPC and TEPNG as sellers, having respective rights and interests for the supply of natural gas to NLNG's Plant;

"NLNG's Plant" means the natural gas liquefaction plant, owned by NLNG, at Bonny Island in the Rivers State of Nigeria and any other trains which may hereafter be constructed;

"Notice" means a notice issued in accordance with the provisions of Clause 18;

"Off-Specification Gas" or "Off-Specification" means or refers to Gas, made available or delivered by the Sellers, on a Commingled Basis which fails to comply with the Gas Specification in Appendix I;

"OML 130 Supply Area" means the Akpo Field and Egina Field;

"Parties" means the Sellers and the Buyer;

"Party" means the Sellers or the Buyer;

"Petroleum" means petroleum as defined under the Petroleum Act Cap A18, laws of the Federation of Nigeria 2004;

"Petroleum Operations" means, the winning or obtaining and transportation of Petroleum by or on behalf of any Party by means of any drilling, mining, extracting or other like operations or process, not including refining at a refinery, in the course of business carried on by the Party engaged in such operations, and all operations incidental thereto and any sale of or any disposal of natural gas by or on behalf of that Party;

"PSC Gas" has the meaning set out in Recital 13;

"Quarter" shall mean the four (4) periods of three (3) consecutive Months of a Contract Year such that the Contract Year is divided into four (4) Quarters;

"Reasonable and Prudent Operator" when used in this Agreement to describe the standard of care to be exercised by any Party shall mean the degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions;

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"Receiving Party" means a Party to whom Confidential Information has been disclosed by another Party pursuant to or in connection with this Agreement;

"Regulatory Authority" means Federal Government of Nigeria, any state government or any governmental department, commission, board, body, bureau, agency, authority, instrumentality, administrative body, at central, state, or local level, having jurisdiction over the Parties;

"Royalty" means all royalty applicable to PSC Gas pursuant to regulation 2(1)(e) and (f) of the Petroleum (Drilling and Production) (Amendment) Regulations 2020 as amended from time to time;

"Sale Gas" has the meaning set out in Recital 13;

"Scheduled Maintenance" shall have the meaning ascribed to it in Clause 4.4;

"Scheduled Maintenance Program" shall have the meaning ascribed to it in Clause 4.3.3;

"Secured Overnight Financing Rate" or "SOFR" means, on any day, the daily secured overnight financing rate published by the Federal Reserve Bank of New York at approximately 9:00 am (New York time) on that (or if that day is not a Business Day, on the immediately preceding Business Day), or by any successor administrator of the benchmark.

"Sellers' Facilities" means, the production facilities related to development and production of the OML130 Supply Area, including wells, floating storage, transportation and treatment facilities, machinery, equipment, and all associated facilities upstream of the Custody Transfer Points used from time to time by the PSC Parties and the PSA Parties to produce, gather, receive, process, compress, store, treat, transport, measure or deliver Petroleum and associated Gas;

"Sellers' Maintenance" means planned inspection, installation, maintenance, repair, replacement or modification of the Sellers' Facilities, and/or tie-in of other facilities, or the reworking of wells which will affect the Sellers' ability to deliver Gas at the Custody Transfer Points;

"Senior Supervisory Personnel" means, with respect to a Party, or any of its Affiliates providing services, any senior supervisory employee who functions in petroleum operations and who is in charge of on-site drilling, construction, production, installations or facilities and related operations, or any other field operations, or employee who functions at a management level equivalent to or superior to the described positions, any person to whom such person reports (such as an officer or director of such Party or of any such Affiliate of such Party);

"SPDC Joint Venture" means the upstream joint venture between NNPC, Shell Petroleum Development Company Limited, Nigerian Agip Oil Company Limited, and TEPNG which is a gas supplier to NLNG;

"Standard Cubic Feet" or "Scf" of Gas means the quantity of Gas which at 15.55 °C in dry condition and at Atmospheric Pressure and the Gas being saturated by water vapour at the same temperature and pressure occupies a volume of one (1) cubic foot;

"Standard Cubic Meter" or "Sm3" of Gas means the quantity of ideal gas that at fifteen degree Celsius (15°C) and 1.01325 Bar absolute occupies a space of one (1) cubic metre;

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"Supply Period" means the period defined in Clause 3.1;

"US Dollar" or "\$" means United States dollar, or otherwise the lawful currency for the time being of the United States of America.

1.2 Appendices

The following Appendices are attached hereto and incorporated into this Agreement:

- Appendix I Gas Specification
- Appendix II Conversion Factors and Calculation Methods
- Appendix III Measurement Standards
- Appendix IV Description of Buyer's Facilities

1.3 Interpretations

Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

References herein to an agreement or document shall include its annexes and appendices and all amendments made to such agreement or document.

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

CLAUSE 2

2 ADMINISTRATION OF THIS AGREEMENT

2.1 Sellers' Interest in PSC Gas

The Sellers represent that Sellers' interest in the PSC Gas is as outlined below:

<u>Party</u>	<u>Interest</u>
NNPC	85%
Contractor Parties	15%

2.2 Transfer of Corporation Gas

Corporation Gas to be sold by NNPC to NLNG shall be transferred by TEPNG on NNPC's behalf, in its capacity as operator of the TEPNG Joint Venture and without any liability whatsoever to TEPNG, and shall at all times be exclusively owned by NNPC until it is delivered to NLNG in accordance with the terms of the NLNG GSA and the TEPNG Joint Venture JOA. For the avoidance of doubt, CNOOC and SAPETRO shall have no right, title, interest or obligation under this Agreement relating to the Corporation Gas.

2.3 Sale of Sale Gas

- 2.3.1 The Parties agree that the PSC Gas to be sold by the Sellers and paid for by the Buyer under this Agreement is limited to the Sale Gas.

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- 2.3.2 The Sellers' respective Sale Gas interests and the applicable Contract Price shall be distributed between Sellers as follows:

NNPC	62.50%
CNOOC	33.75%
SAPETRO	3.75%

- 2.3.3 In accordance with the treatment of Royalty under the GEA, NNPC shall be responsible for payment of Royalty on behalf of the Sellers, further to which, Sellers agree that the payment due to each Seller with respect to the allocation of proceeds from Sale Gas shall be as follows:

NNPC	64.3750%
CNOOC	32.0625%
SAPETRO	3.5625%

2.4 Sellers' Contract Administrator

- 2.4.1 Without prejudice to the Sellers' rights and obligations under this Agreement, the Sellers hereby nominates TUPNI to act as the Sellers' Contract Administrator for the purpose of the administration of this Agreement. All acts, omissions and agreements of the Sellers' Contract Administrator shall be fully effective as though the Sellers had done, omitted or entered into the same.

- 2.4.2 TUPNI hereby agrees to act as the Sellers' Contract Administrator. The Sellers' Contract Administrator shall in addition to where it has been expressly stated in this Agreement, carry out the following activities on behalf of the Sellers, as required under this Agreement:

- 2.4.2.1. give and receive all nominations, notices, invoices and information required in accordance with this Agreement;
- 2.4.2.2. ensure the supply and delivery of Gas;
- 2.4.2.3. reconcile and make demands for payment pursuant to Clause 12 hereof;
- 2.4.2.4. construct, install, test, commission, operate, maintain, repair and, if necessary, replace, to the standard of a Reasonable and Prudent Operator, the Sellers' Facilities;
- 2.4.2.5. perform the responsibilities relating to measurement, tests and calibration; and
- 2.4.2.6. such other purposes as the Sellers may give notice to the Buyer.

- 2.4.3. For the avoidance of doubt, the PSC Parties and the Sellers' Contract Administrator agree that all operations arising out of or in connection with the implementation of this Agreement shall constitute "Joint Operations" as defined in the PSC Parties' operating agreement relating to the OML 130 PSC dated 25 April 2005 (as amended or novated from time to time) and shall apply to the PSC Parties and the Sellers' Contract Administrator.

- 2.4.4. In the event of a change in the operator of the OML 130 Supply Area, the Sellers shall notify the Buyer to that effect, designating the name of the new operator as the Seller's Contract Administrator.

- 2.4.5. The Sellers' Contract Administrator shall not perform or be responsible for the following activities:

- 2.4.5.1. any waiver of a breach of this Agreement;
- 2.4.5.2. any warranty, guarantee or other commitment required in addition to the obligations under this Agreement;

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- 2.4.5.3. any modification of this Agreement under Clause 20.4 hereof or otherwise;
- 2.4.5.4. any notice to terminate this Agreement pursuant to the terms of this Agreement; or
- 2.4.5.5. resolution of disputes. For the avoidance of doubt, the Sellers' Contract Administrator shall not be a party against whom the Buyer shall seek recourse under this Agreement.

2.5 Delivery, Transfer and Title of the Sale Gas

- 2.5.1. The Sellers shall make available for delivery to the Buyer, and the Buyer shall take the Sale Gas delivered by the Sellers at the Custody Transfer Points.
- 2.5.2. Pursuant to Clause 2.3.2, care, custody, control, possession, risk of loss and title to the Sale Gas shall pass from the Sellers directly to the Buyer in accordance with Clause 2.3.2 of this Agreement at each of the Custody Transfer Points.

2.6 Delivery, Transfer and Title of the Corporation Gas

- 2.6.1. NNPC shall make available for delivery to the Buyer, and the Buyer shall take the Corporation Gas delivered by the Sellers at the Custody Transfer Points and transfer Corporation Gas to NLNG on NNPC's behalf, without any liability whatsoever to Buyer.
- 2.6.2. Pursuant to Clause 2.2, care, control, possession, risk of loss and title in the Corporation Gas shall remain with the Seller until delivered to NLNG; only custody in the Corporation Gas shall pass from NNPC directly to the Buyer in accordance with Clause 2.2 of this Agreement at the Custody Transfer Points for the purpose of transfer to NLNG until Corporation Gas is delivered to NLNG.

CLAUSE 3

3 COMMENCEMENT AND DURATION

3.1 Commencement and Duration

This Agreement shall be deemed to have commenced on the First Gas Date and shall remain in force until terminated in accordance with the provisions of Clause 21.1 hereof. Except as otherwise provided in this Agreement, the "Supply Period" shall subject to Clause 21.1 mean the period commencing at 00h00 on the First Gas Date and ending on the Day the Agreement expires or is terminated unless otherwise extended by the Parties.

CLAUSE 4

4. QUANTITIES

4.1 Supply of Gas

4.1.1 Sale and Purchase of Sale Gas

Subject to the provisions of this Agreement, during the Supply Period, the Sellers shall sell and deliver to the Buyer the respective proportions of Sale Gas as set out in Clause 2.3 and the Buyer agrees to purchase and take from the Sellers at the Custody Transfer Points, Sale Gas in the quantities, quality and at the prices hereinafter set forth.

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4.1.2 Sale Gas Supply Source

Sale Gas to be delivered to the Buyer under this Agreement shall be sourced from the OML 130 Supply Area. The Sellers have the right, but not the obligation, to include in the OML 130 Supply Area gas coming from any other future fields and or development phases within the OML 130 if such future fields and or development phases are tied-back to either Akpo FPSO or Egina FPSO. Any other future developments may be included in the OML 130 Supply Area subject to commercial terms and conditions mutually agreed by Parties at such time in writing.

4.1.3 Provision of Infrastructure

4.1.3.1. The Buyer shall, by itself or through third parties, operate, maintain, repair and, if necessary, replace, as agreed with the Sellers, to the standard of a Reasonable and Prudent Operator, the Buyer's Facilities necessary to enable the Buyer to exercise its rights and comply with its obligations under this Agreement.

4.1.3.2. The Sellers shall, by itself or through third parties, construct, install, test, commission, operate, maintain, repair and, if necessary, replace, as agreed with the Buyer, to the standard of a Reasonable and Prudent Operator, the Sellers' Facilities necessary to enable the Sellers to exercise their rights and comply with its obligations under this Agreement.

4.2 Expected Annual Contract Quantities ("EACQ")

4.2.1 The Sellers shall supply, and the Buyer shall take annual quantities of Sale Gas pursuant to Clause 2.3.2., based on the EACQ indicated in this Agreement.

4.2.2 During the Period from the First Gas Date to the Second Contract Year ending September 2020, the Sellers supplied, and the Buyer purchased the following quantities of Sale Gas:

Contract Year			Akpo FPSO Custody Transfer Point	Egina FPSO Custody Transfer Point	OML130 PSC Gas (50% of OML130 Supply Area)	Sale Gas (40% of OML130 PSC Gas, EACQ)		Corporation Gas (60% of OML130 PSC Gas - for information)
No.	Start	End	in Million Sm3	in Million Sm3	in Million Sm3	in Million Sm3	in BCF for information	in Million Sm3
0	First Gas Date	Sep-18	696		348	139	4.9	209
1	Oct-18	Sep-19	2,732	465	1,599	639	22.6	959
2	Oct-19	Sep-20	2,756	1,022	1,889	756	26.7	1,133

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With effect from Third Contract Year, the Sellers estimate that the Sellers' interests in Sale Gas to be supplied to the Buyer is expected to be as set out below:

Contract Year			Akpo FPSO Custody Transfer Point	Egina FPSO Custody Transfer Point	OML130 PSC Gas (50% of OML130 Supply Area)	Sale Gas (40% of OML130 PSC Gas, EACQ)		Corporation Gas (60% of OML130 PSC Gas - for information)
No	Start	End	in Million Sm3	in Million Sm3	in Million Sm3	in Million Sm3	in BCF for information	in Million Sm3
3	Oct-20	Sep-21	2,475	856	1,666	666	23.5	999
4	Oct-21	Sep-22	2,101	826	1,464	585	20.7	878
5	Oct-22	Sep-23	1,903	816	1,360	544	19.2	816
6	Oct-23	Sep-24	1,797	751	1,274	510	18.0	764
7	Oct-24	Sep-25	1,890	496	1,193	477	16.9	716
8	Oct-25	Sep-26	1,930	232	1,081	432	15.3	649
9	Oct-26	Sep-27	1,750	118	934	374	13.2	560
10	Oct-27	Sep-28	2,133	66	1,100	440	15.5	660
11	Oct-28	Sep-29	759	14	387	155	5.5	232

4.2.3 Parties confirm that prior to the Execution Date, Sellers have delivered certain quantities of Sale Gas to the Buyer. Upon execution of this Agreement, Parties shall meet to reconcile actual quantities of Sale Gas delivered to the Buyer from the First Gas Date up to the last Day of the Month immediately preceding the Execution Date. Clause 4.3 shall thereafter become applicable from the Fourth Contract Year to the end of the Contract.

4.3 Sellers' Nomination Procedure

4.3.1 Throughout the duration of this Agreement, the Seller's Contract Administrator and the Buyer shall consult with each other regarding the supply program based on the nomination procedure set out in this Clause 4.3. The Sellers shall nominate and supply, and the Buyer shall take the Sale Gas nominated in accordance with such procedure. The Sellers shall advise the Buyer at each step of the nomination procedure.

4.3.2 Adjusted Annual Contract Quantity

4.3.2.1. The Parties recognise and agree that due to operational constraints, it may not be practicable to deliver and receive in any particular Contract Year, the precise quantity of EACQ for such Contract Year. Accordingly, such EACQ shall be adjusted annually by the Sellers in order to determine more accurate estimates of the quantity of Sale Gas that the Seller shall sell and deliver and the Buyer shall take in respect of a particular Contract Year (the

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"Adjusted Annual Contract Quantity" or "AACQ" for such Contract Year).

- 4.3.2.2. Not less than eight (8) Months prior to the commencement of each Contract Year subsequent to the fourth Contract Year, the Buyer and Sellers' Contract Administrator shall meet in good faith to determine the estimated AACQ and the estimated DCQ for the following Contract Year.
- 4.3.2.3. Before 1st July of each Contract Year subsequent to the first Contract Year, the Seller's Contract Administrator shall notify the Buyer in writing, of the Seller's AACQ for the next Contract Year. Seller's Contract Administrator shall also advise the Buyer of any material change affecting Seller's estimate of the EACQ to be supplied in future years.

4.3.3 **Scheduled Maintenance Program**

Eight (8) Months prior to the commencement of each Contract Year, the Sellers' Contract Administrator and the Buyer shall discuss and agree the expected timing and duration of any scheduled maintenance and inspection of the Sellers' Facilities, the Buyer's Facilities and any scheduled maintenance of NLNG's Facilities anticipated to occur during such Contract Year and on a provisional basis, for the two (2) Contract Years following such Contract Year. Such Scheduled Maintenance shall be taken into consideration when preparing the AACQ. The Parties shall co-ordinate the Scheduled Maintenance Program of their respective facilities as more particularly set out in Clause 4.4.

4.3.4 **Annual Program**

Following such consultation and co-ordination, the Sellers' Contract Administrator shall pursuant to Clause 4.3.2, establish before July 1st of each Contract Year the projected schedule for deliveries of PSC Gas for the next Contract Year (the **"Annual Program"**).

4.3.5 **Monthly Program**

On or before the fifteen (15th) Day of the second Month prior to the Month of supply, the Sellers' Contract Administrator shall advise the Buyer of the quantities and the estimated average composition of PSC Gas the Sellers reasonably expect to make available for delivery to the Buyer for the next following Month (the **"Monthly Quantities"** or **"MQ"**).

4.3.6 **Weekly Program**

On or before 06h 00 on Thursday of each week, the Sellers' Contract Administrator shall advise the Buyer of the quantities of PSC Gas which the Sellers reasonably expect to make available for delivery to the Buyer for the next week (the **"Weekly Quantities"** or **"WQ"**).

4.3.7 **Daily Program**

- 4.3.7.1. On or before 06h00 local time each Day, Sellers' Contract Administrator shall advise the Buyer of the quantities of PSC Gas which the Sellers reasonably expect to make available for delivery to the Buyer for the following Day (the **"Daily Contract Quantity"** or **"DCQ"**), specifying the flow rates at which delivery is expected to take place (the **"Daily Delivery Program"**).

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- 4.3.7.2. The Sellers shall, during each Day of the Supply Period, make the Daily Contract Quantity available for delivery in a continuous flow and at sufficient flow rate to deliver at the Custody Transfer Points.

4.4 Scheduled and Emergency Maintenance

4.4.1 Buyer's Scheduled and Emergency Maintenance

The Parties agree that:

With respect to Emergency Maintenance:

- 4.4.1.1. The Buyer shall be entitled at any time during Emergency Maintenance of Buyer's Facilities or NLNG's Plant to take PSC Gas at flow rates less than those notified under the nomination procedures in Clause 4.3 during such periods of Emergency Maintenance of the Buyer's Facilities or the NLNG's Plant and to take gas at flow rates less than those notified in the Daily Program.
- 4.4.1.2. In the event that Emergency Maintenance of Buyer's Facilities or NLNG's Plant is required to be carried out, the Buyer shall by Notice to the Sellers' Contract Administrator have the right to require a reduction in the flow rates (including a reduction resulting in a flow rate of zero (0)) to the extent required to perform such Emergency Maintenance and the Buyer shall in such Notice specify the reduced Daily Delivery Programs required in respect of each affected Day. The Buyer shall give as much Notice as practicable.
- 4.4.1.3. In case of Emergency Maintenance of the Buyer's Facilities or NLNG's Plant, the Sellers' Contract Administrator shall comply immediately with any such request to reduce the flow rate.

With respect to Scheduled Maintenance:

- 4.4.1.4. The Buyer shall be entitled at any time during Scheduled Maintenance of Buyer's Facilities or NLNG's Plant in any Contract Year, to a maximum period of thirty six (36) Days, to carry out such Maintenance.
- 4.4.1.5. If the Buyer reasonably anticipates such Maintenance in Clause 4.4.1.4 will affect Buyer's ability to accept PSC Gas, it shall, by Notice to the Sellers' Contract Administrator, so advise and require a reduction in the flow rates (which may, if required by the Buyer, result in a flow rate of zero (0)) in order to carry out the Scheduled Maintenance, and the Buyer shall in such Notice specify the reduced Daily Delivery Programs required in respect of each affected Day. The Buyer shall give one hundred and eighty (180) Days' Notice before the Maintenance anticipated in Clause 4.4.1.4 is due to start, and shall give as much Notice as practicable of the cancellation or deferral of such Maintenance;
- 4.4.1.6. In the case of Scheduled Maintenance of Buyer's Facilities or NLNG's Plant, the Sellers shall use all reasonable endeavours to comply immediately with any such request to reduce the flow rate.

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4.4.2 Sellers' Scheduled and Emergency Maintenance

The Parties agree that:

With respect to Emergency Maintenance:

- 4.4.2.1. The Sellers shall be entitled to deliver PSC Gas at flow rates less than those notified under the nomination procedures in Clause 4.3 during periods of Emergency Maintenance of the Sellers' Facilities.
- 4.4.2.2. In the event that the Sellers is required to carry out Emergency Maintenance, the Sellers' Contract Administrator shall by Notice to the Buyer have the right to reduce the flow rates (including a reduction resulting in a flow rate of zero (0)) to the extent required to perform such Emergency Maintenance and the Sellers' Contract Administrator shall in such Notice specify the reduced Daily Delivery Programs required in respect of each affected Day. The Sellers' Contract Administrator shall give as much Notice as practicable.

With respect to Scheduled Maintenance:

- 4.4.2.3. The Sellers shall be entitled for a maximum of thirty six (36) Days in any Contract Year to carry out Sellers' Scheduled Maintenance, and during such period to deliver PSC Gas at flow rates less than those notified under the nomination procedures in Clause 4.3.
 - 4.4.2.4. If the Sellers' Contract Administrator reasonably anticipates Sellers' Scheduled Maintenance will affect the Sellers' ability to deliver PSC Gas, it shall, by Notice to the Buyer, so advise and require a reduction in the flow rates (which may, if required by the Sellers, result in a flow rate of zero (0)) in order to carry out Sellers' Maintenance, and the Sellers' Contract Administrator shall in such Notice specify the reduced Daily Delivery Programs required in respect of each affected Day. The Sellers' Contract Administrator shall give one hundred and eighty (180) Days' Notice before Sellers' Scheduled Maintenance is due to start, and shall give as much Notice as practicable of the cancellation or deferral of Sellers' Maintenance.
 - 4.4.2.5. In the case of Scheduled Maintenance of Sellers' Facilities, the Buyer shall use all reasonable endeavours to comply immediately with any such request to reduce the offtake.
- 4.4.3 The Buyer shall have the right to reduce the off-takes when its capacity to off-take, transport and supply PSC Gas to NLNG's Plant is subject to off-take curtailments, provided that the Buyer will use all reasonable endeavours to mitigate the effects of off-take curtailments and of Force Majeure on the off-takes of PSC Gas. In order to mitigate such effects, the Buyer will use reasonable endeavours to ensure flexibility with its gas supply system to NLNG's Plant to off-take the PSC Gas nominated quantities.

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4.4.4 The Sellers and the Buyer shall use their best endeavours to coordinate the maintenance and inspection on their respective Facilities, which may include a complete shutdown of such Facilities. In this connection, not less than ninety (90) Days prior to the commencement of any Contract Year:

4.4.4.1. The Buyer shall prepare and deliver to the Sellers an estimated maintenance and inspection schedule for Buyer Maintenance for the relevant Contract Year; and,

4.4.4.2. The Sellers shall prepare and deliver to the Buyer an estimated maintenance and inspection schedule for Sellers' Maintenance for the relevant Contract Year.

4.4.5 If an event or condition requiring Emergency Maintenance occurs or is recognised or encountered, Notice thereof shall be given as soon as practicable to the Buyer or the Sellers, as the case may be, which Notice shall include a description of the situation necessitating such action, the action taken and the estimated duration of such situation.

4.5 Shortfall Gas

4.5.1 If the quantity of Sale Gas delivered by the Sellers in any Quarter in accordance with the terms of this Agreement is less than the sum of the DCQ for that Quarter, then the quantity of Sale Gas equal to the difference between the sum of the DCQ for that Quarter and the quantity that was made available for delivery to the Buyer at the Custody Transfer Points in that Quarter shall be classified as "**Shortfall Gas**" and the term Shortfall shall be construed accordingly, save to the extent that such difference arose:

4.5.1.1. as a result of an event of Force Majeure preventing the Sellers from delivering Gas on any Day;

4.5.1.2. as a result of an event of Force Majeure preventing the Buyer from taking delivery of Gas on any Day;

4.5.1.3. as a result of a breach by the Buyer of its obligations hereunder preventing the Sellers from delivering Gas on any Day;

4.5.1.4. as a result of Scheduled Maintenance or Emergency Maintenance; and/or;

4.5.1.5. as a result of the Sellers' suspension of the delivery of Gas to the Buyer due to the Buyer's failure to pay an invoiced amount thirty (30) Days following receipt of the Monthly Invoice pursuant to Clause 12.3. The Sellers shall be required to immediately re-instate supply to the Buyer upon receipt of payments owed.

4.5.2 Buyer's remedies for Shortfall Gas

Where the Sellers fail to make Sale Gas available for delivery, unless and to the extent provided in Clause 4.5.1:

4.5.2.1. The Buyer's remedies for Shortfall Gas specified in Clause 4.5.3 shall become effective in the first Month following the Quarter in which the Shortfall Gas occurred;

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- 4.5.2.2. If there is Shortfall Gas not remedied by the end of the Month following the Quarter in which the Shortfall Gas occurred, then the un-remedied Shortfall Gas quantity shall be rolled over to the following Month(s) until the Shortfall obligations are met and sold at the Shortfall Gas Price specified in Clause 4.5.3;
- 4.5.2.3. For the avoidance of doubt, Sale Gas classified as Shortfall Gas shall be considered as included within the volumes nominated in accordance with the provisions of Clause 4.3.

4.5.3 Shortfall Gas Price

The Shortfall Gas Price in respect of any quantity of Shortfall Gas shall be ninety percent (90%) of the applicable Contract Price during the period of actual delivery of Shortfall Gas.

4.6 Failure to Take Sale Gas

- 4.6.1 If the quantity of Sale Gas taken by the Buyer in any Quarter in accordance with the terms of this Agreement is less than the sum of the DCQ for that Quarter, then the quantity of Sale Gas equal to the difference between the sum of the quantity that was taken by the Buyer at the Custody Transfer Points in that Quarter and the sum of the DCQ for that Quarter, shall be classified as "Failure to Take Sale Gas" save to the extent that such difference arose:

- 4.6.1.1. as a result of an event of Force Majeure preventing the Buyer from taking Sale Gas on any Day;
- 4.6.1.2. as a result of an event of Force Majeure preventing the Sellers from delivering Sale Gas on any Day;
- 4.6.1.3. as a result of a breach by the Sellers of its obligations hereunder preventing the Buyer from offtaking Sale Gas on any Day;
- 4.6.1.4. as a result of Scheduled Maintenance or Emergency Maintenance; and/or;
- 4.6.1.5. as a result of the Buyer suspension of offtake of Sale Gas from the Sellers due to the Sellers' failure to pay any amount when due in accordance with this Agreement.

4.6.2 Sellers' remedy for Buyer's Failure to Take

Where the Buyer fails to take Sale Gas available, and subject to Clause 4.6.1:

- 4.6.2.1. The Sellers' remedies for Failure to Take Gas specified in Clause 4.6.3 shall become effective in the first Month following the Quarter in which the Failure to Take Sale Gas occurred;
- 4.6.2.2. If there is a Failure to Take Sale Gas not remedied by the end of the Month following the Quarter in which the Failure to Take Sale Gas occurred then the un-remedied Failure to Take Sale Gas quantity shall be rolled over to the following Month(s) until the Failure to Take obligations are met and remedied as specified in Clause 4.6.3;

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- 4.6.2.3. For the avoidance of doubt, Sale Gas classified as Failure to Take Sale Gas shall be considered as included within the volumes nominated in accordance with the provisions of Clause 4.6.3.

4.6.3 Failure to Take Sale Gas Price

The Failure to Take Sale Gas Price in respect of any quantity of Failure to Take Gas shall be hundred and ten percent (110%) of the applicable Contract Price during the period of Buyer's failure to take Sale Gas pursuant to Clause 4.6.1.

CLAUSE 5

5 CO-OPERATION AND FACILITIES COMMISSIONING

5.1 Cooperation between Parties

5.1.1 Cooperation between Parties shall include the following:

5.1.1.1. Co-ordinating maintenance and inspection schedules of the Parties' respective Facilities to minimise the impact on PSC Gas delivery and acceptance as provided for in Clause 4.3.3; and

5.1.1.2. Scheduling maintenance and inspection of the Sellers' Facilities and the Buyer's Facilities in light of scheduled maintenance of NLNG's Plant.

5.1.2. The Sellers' Contract Administrator shall make recommendations to the Sellers, if necessary, on matters discussed during the meetings between Sellers' Contract Administrator and Buyer; provided, however, that the Buyer and the Sellers shall not be bound by such recommendations nor shall such recommendations derogate in any way whatsoever from the rights, obligations and powers of the Buyer or the Sellers.

5.2. Facilities

The Buyer and the Sellers shall operate and maintain the Buyer's Facilities and the Sellers' Facilities respectively in accordance with the standard of a Reasonable and Prudent Operator.

5.3. Egina Commissioning Period

5.3.1 The Egina Commissioning Period started upon the commencement of Sale Gas flow on 28th December 2018 from the Akpo FPSO through the Egina Pipeline for the commissioning of the Egina FPSO following connection to the Custody Transfer Point by the Sellers. The Sellers used all reasonable endeavours to ensure that the Sellers' Facilities were ready for commissioning before the commencement of the Egina Commissioning Period.

5.3.2 At least one (1) Month prior to the beginning of the Egina Commissioning Period, the Sellers' Contract Administrator informed the Buyer of the scheduled start date. No more than fourteen (14) Days prior to the beginning of the Egina Commissioning Period, the Sellers' Contract Administrator confirmed the start date of the Egina Commissioning Period to the Buyer.

5.3.3 Any quantities of Sale Gas not required from the Akpo Field to support the commissioning activities of the Egina FPSO were supplied to the Buyer and during

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this period the flow of PSC Gas through the Egina Pipeline was reversed from Akpo-Amenam Pipeline.

- 5.3.4 The Sellers used reasonable endeavours to make available and the Buyer used reasonable endeavours to off-take Sale Gas during the Egina Commissioning Period.
- 5.3.5 The Egina Commissioning Period was completed on 15th April 2019 whereupon the Sellers commenced continuous flow of PSC Gas from the Egina FPSO.

5.4 Egina Commissioning Period Quantities

- 5.4.1 During the Egina Commissioning Period, the flow of Sale Gas from the Akpo FPSO was supplied to the Buyer in accordance provided in Clause 5.3.3. During this period, the quantity of Sale Gas delivered to the Buyer was determined by subtracting the quantity of import Gas metered at the Custody Transfer Point at Egina FPSO from the quantity of Gas metered at the Custody Transfer Point at Akpo FPSO or otherwise determined by a gas balancing methodology as agreed in writing by Parties in the event that the Metering Station on the Egina FPSO was not available at the time.
- 5.4.2 In the Monthly Statement for each Month during Egina Commissioning Period, the Sellers invoiced the Buyer for the quantity of Sale Gas made available and taken during such Month. Any quantities of Sale Gas made available and taken during the Egina Commissioning Period were included in the determination of AACQ.
- 5.4.3 The provisions of Clause 4.5 (Shortfall Gas) and Clause 4.6 (Failure to Take Sale Gas) shall not apply during the Egina Commissioning Period.

5.5 Egina Ramp-up Period

- 5.5.1 Egina Ramp-up Period was a period of ninety (90) Days or such extended period as the Parties mutually agreed in writing, commencing from the end of the Egina Commissioning Period as described in Clause 5.3.5 ("**Egina Ramp-Up Period**").
- 5.5.2 Egina Ramp-up Date was the first date on which the Sellers made Gas available to the Buyer through the Egina Pipeline from the Egina FPSO to the Akpo-Amenam Pipeline (the "**Egina Ramp-up Date**"). At least one (1) Month prior to the beginning of the Egina Ramp-up Date, the Sellers' Contract Administrator informed the Buyer about any expected change to the scheduled Egina Ramp-up Date. No more than fourteen (14) Days prior to the scheduled Egina Ramp-up Date, the Sellers' Contract Administrator confirmed the Egina Ramp-up Date to the Buyer.
- 5.5.3 Egina Ramp-up quantities were included in the AACQ for the relevant Contract Years pursuant to Clause 4.3.2.
- 5.5.4 The Sellers notified the Buyer of the end of the Ramp-up Period at least one (1) Month prior to the expected date.

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6 QUALITY

6.1 Gas Specification

Sale Gas to be delivered hereunder by the Sellers shall comply with the Gas quality specification set forth in Appendix I ("**Gas Specification**").

6.2 Determination of Commingled Gas Specification

6.2.1 The quality of Sale Gas supplied by the Sellers shall be determined on the basis of the aggregate quality of the streams of Gas from the OML 130 Supply Area ("**Commingled Basis**") which shall comply with the Gas Specification.

6.2.2 The determination on a Commingled Basis of the quantities and quality of Sale Gas shall comply with the methodology set forth in Appendix II.

6.3 Off-Specification Gas

6.3.1 Notification of Off-Specification Gas

The Sellers's Contract Administrator shall promptly notify the Buyer as soon as the Sellers become aware that Sale Gas to be offered for delivery or which may have been delivered fails to comply with the Gas Specification (hereinafter referred to as "**Off-Specification Gas**"). Such notice, which shall be given by the quickest available means, and confirmed subsequently in writing, shall identify the manner in which the Off-Specification Gas differs from the Gas Specification, the quantity of such Off-Specification Gas and the expected duration of such supply. Upon receiving such Notice, or becoming aware of the anticipated delivery or actual delivery of Off-Specification Gas, the Buyer shall have the right to refuse the Off-Specification Gas.

6.3.2 Buyer's Rights in the event of Off-Specification Gas

The Buyer shall promptly notify the Sellers' Contract Administrator as soon as the Buyer becomes aware that Off-Specification Gas is to be offered for delivery or has been delivered by the Sellers. Such notice, which shall be given by the quickest available means, shall be confirmed subsequently in writing. In the event that Off-Specification Gas is offered for delivery hereunder the Buyer (if they have actual knowledge of such deficiency) have the right to either:

6.3.2.1 refuse to accept delivery of all or any part of such Off-Specification Gas, on the basis of NLNG's notification to the Buyer that the Off-Specification Gas will not be accepted at NLNG's Plant, or due to Buyer's inability to deliver the Off-Specification Gas to NLNG's Plant, advising the Sellers of the reason for such refusal, until the deficiency has been remedied in which case the quantity of Gas not accepted shall be deemed as Shortfall Gas pursuant to Clause 4.5; or

6.3.2.2 accept delivery of all or part of such Off-Specification Gas.

6.3.3 In the event that the Buyer refuses to accept delivery of all or any part of the Off-Specification Gas in accordance with Clause 6.3.2.1 but nevertheless some quantities of such rejected Off-Specification Gas have been delivered to the Buyer necessitating the Buyer to either vent or utilise other means of removing the rejected Off-Specification Gas from NLNG's Facilities, the provisions of Clause 10 shall apply.

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6.3.4 Sellers to Remedy Off-Specification Gas

As soon as the Sellers become aware that Off-Specification Gas has been or will be supplied, the Sellers shall use reasonable endeavours to bring such Off-Specification Gas back into compliance with the Gas Specification whether or not the Buyer refuse delivery of such Off-Specification Gas.

6.3.5 Off-Specification Gas Price

Where Off-Specification Gas is delivered by the Sellers to the Buyer and Buyer accepts pursuant to Clause 6.3.2.2, then the Buyer shall pay ninety percent (90%) of the Contract Price in respect of such Off-Specification Gas quantity accepted.

6.4. Quality Dispute

In the event of any dispute between the Buyer and the Sellers on the quality of Sale Gas delivered by the Sellers under this Agreement which cannot be settled by mutual agreement within thirty (30) Days, the Buyer or the Sellers may refer the matter to an Expert for determination in accordance with Clause 14.1 hereof.

CLAUSE 7

7. METERING AND CUSTODY TRANSFER POINTS

7.1. Metering Stations

7.1.1. The Sellers shall own and be responsible for the procurement, installation, operation, maintenance and inspection of metering equipment (hereinafter referred to as the "Metering Stations") located at the inlet to the Akpo-Amenam Pipeline and the Egina Pipeline.

7.1.2. The Buyer shall have the right at its sole cost, risk and expense to connect and maintain a telemetering system to the measuring equipment installed at the Metering Stations or at any other cost effective location for the purpose of monitoring and recording measurements being made at the Metering Stations.

7.1.3. The design, specification, construction and installation of equipment and appliances at the Metering Stations has been agreed upon between the Buyer and the Sellers and is of standard manufacture and type so as to facilitate the implementation of the provisions of Clause 8 hereof. The specifications of all metering and telemetering equipment have been agreed upon between the Buyer and the Sellers and is consistent with the specifications set out in the basic design for transmission of Sale Gas hereunder. Any major replacement or modification of such equipment shall be with the prior written approval of the Buyer and the Sellers which, as the case may be, shall not be unreasonably withheld.

7.2 Facilities and Services provided by Sellers

The Sellers shall provide the Buyer with suitable space for the installation, operation, maintenance and inspection of the Buyer's telemetering system, which is to be located on the Sellers' Facilities. The Buyer shall, at its sole risk and expense, have access to the telemetering system during normal hours, except in the case of emergency, for the purposes of substitution, maintenance, inspection, calibration and adjustment of the Buyer's telemetering system.

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CLAUSE 8**8 MEASUREMENT, TESTS AND CALIBRATION****8.1 Point of Measurement and Testing**

The quantity and quality of the Sale Gas delivered hereunder shall be measured or determined at each Metering Station. The reading of instruments and the collection and processing of data shall be carried out by the Sellers pursuant to Appendix III hereto. The Sellers shall, in accordance with the provisions of Clause 12 hereof, make available to the Buyer the data used to determine the delivered quantities of Sale Gas. Such data shall be retained by the Parties for a period of at least six (6) years.

8.2 Measurement Standards

The measurement standards described in Appendix III hereto shall be used to determine the quantity and quality of Sale Gas delivered hereunder.

8.3 Accuracy of Equipment and Measurement

- 8.3.1 The accuracy of the continuous measuring system shall be verified by the Seller's Contract Administrator at reasonable intervals but not more than once in any thirty (30) Day period unless the Buyer and the Sellers from time to time agree to a shorter period, or the Buyer request a special test or calibration. The Buyer shall be entitled to request a special test or calibration if they have reason to believe as a result of the readings of the telemetering system or the reconciliation referred to in Clause 8.4.3.4 that the equipment at any Metering Station may have become inaccurate.
- 8.3.2 Notice of the time and nature of any test or calibration to be conducted shall be given by the Sellers to the Buyer ten (10) Business Days in advance to permit the Buyer's representatives to be present. Tests and calibrations shall be made by the Sellers in the presence of and observed by representatives of the Buyer, provided, however, that if after due Notice the Buyer fails to have any representatives present, the results of the tests and calibrations shall nevertheless be considered valid.
- 8.3.3 The Sellers and the Buyer will arrange for the continuous measuring system to be read, tested and calibrated by an independent third party acceptable to both the Buyer and the Sellers on a Quarterly basis. The expenses of such third-party inspection shall be borne by the Sellers.
- 8.3.4 Any test or calibration of the Sellers' measuring system shall be conducted in accordance with applicable laws, regulations, orders or approvals of duly constituted governmental bodies or agencies, including, without limitation, any notice to and presence of the authorised representative of the Department of Petroleum Resources and/or other governmental agencies as may be required.
- 8.3.5 All calibrations and tests of measuring and testing equipment herein up to the Custody Transfer Points shall be at the Sellers' expense, except that the Buyer shall bear the expense of tests and/or calibrations made at its request if the inaccuracy in the measurement of the quantity of Gas is less than one per cent (1%) and/or the error in the determination of the Gross Heating Value of the Gas is less than zero decimal four per cent (0.4%).

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8.4 Faulty Equipment

- 8.4.1 If upon test, the inaccuracy in the measurement of the quantity or the error in the determination of the Gross Heating Value of Sale Gas delivered hereunder is found to be less than the limits specified in Clause 8.3 hereof, previous recordings shall be considered to be valid. If, upon test, the inaccuracy in the measurement of the quantity or the error in the determination of the Gross Heating Value of Sale Gas delivered hereunder is found to be above the limits specified in Clause 8.3 hereof, then previous recordings shall be corrected to zero error for any period which if known definitely, or agreed upon. In case the period is not known or agreed upon, such correction shall be for a period of one half of the time elapsed since the date of the last test.
- 8.4.2 Following each test, the measuring equipment shall be adjusted to record as accurately as possible, and such equipment shall be secured by the Sellers to the satisfaction of the Buyer against unauthorised manipulations.
- 8.4.3 If, for any reason, the measuring equipment or any component thereof is out of service or under repair, so that the quantity or quality of Gas cannot be ascertained or computed from the reading thereof, the quantity or quality of Gas delivered during the period that such equipment or component was out of service or under repair shall be determined upon the basis of the best data available, using the first of the following methods that is implementable in the order set out below:
- 8.4.3.1 by using the registration of any check measuring equipment, if on-line and registering accurately;
 - 8.4.3.2 by adjusting for the error, if the extent of the error is ascertainable by calibration, test or mathematical calculation;
 - 8.4.3.3 by estimation on the basis of deliveries during preceding periods under similar conditions when the equipment was registering accurately;
 - 8.4.3.4 by reconciliation with the readings of other measuring equipment for the Gas transported through and delivered from the Buyer's Facilities if available.
- 8.4.4 If any measuring equipment or device is at any time found to be inaccurate or inoperable, such equipment or device, except the Buyer's measuring equipment, shall be repaired or replaced by, and at the expense of, the Sellers as soon as practicable thereafter.

8.5 Access to Measuring System and Data

The Buyer and such third parties as the Buyer may designate, who shall be acceptable to the Sellers, shall have the right to be present at and witness any inspection, monitoring or calibration of equipment installed and to inspect charts and other measurement or testing data at all reasonable times during normal business hours; but, except in the case of the quarterly reading to be conducted by an independent third party, in accordance with Clause 8.3, the reading, calibration and the adjustment of such equipment and changing of charts shall be done only by the Sellers. The Seller's Contract Administrator shall preserve all original test data, charts and other similar records in its possession for a period of at least six (6) years.

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8.6 Disputes

In the event of any dispute between the Buyer and the Sellers on any aspect of measurement of Sale Gas which cannot be settled by mutual agreement within a period of thirty (30) Days, including the accuracy of the equipment or the validity of tests or calibrations pursuant to Clause 8.3 hereof, either the Buyer or the Sellers shall have the right to refer the matter to an Expert for determination in accordance with Clause 14.1 hereof.

CLAUSE 9**9 COMMUNICATIONS AND JOINT ANNUAL REVIEW****9.1 Control Centres**

Contacts on operational matters between the Buyer and the Sellers during operations shall take place between the designated control centres set up by the Buyer and the Sellers' Contract Administrator. Duly appointed personnel of the Buyer and the Sellers' Contract Administrator shall be on duty at the respective control centres twenty four (24) hours a Day. The said control centres shall be connected by proper communication systems including e-mail, telephone and telefax. All information between the centres shall be communicated by the fastest means possible and confirmed in writing if so requested or required by this Agreement.

9.2 Joint Annual Review and Planning Meeting

- 9.2.1 Not less than thirty (30) Days before the start of a new Contract Year, the Buyer shall convene a meeting of representatives of the Parties.
- 9.2.2 In the meeting, the Buyer and the Sellers' Contract Administrator respectively shall brief and review with the Parties the activities which have taken place during the current Contract Year and inform the Parties of the plans for the following two (2) Contract Years.
- 9.2.3 In the meeting, the Parties shall review the Sale Gas supplied to the Buyer and the quantities of Corporation Gas transported through the Akpo-Amenam Pipeline and Egina Pipeline. The Sellers' Contract Administrator and the Buyer shall present the plans for the following two (2) Contract Years. The Parties shall discuss any other issues of relevance for their performance under this Agreement.

9.3 Emergency or Danger

Without prejudice to the rights of the Parties hereunder, the Sellers or the Buyer may take such action as either deems necessary to eliminate and/or avoid any situation of emergency or danger without the prior agreement of the Buyer or the Sellers, as the case may be. The Party taking such action shall within twenty-four (24) hours notify the other Party of the action taken.

CLAUSE 10

10. LIABILITIES AND LIMITATIONS

For the avoidance of doubt, Parties acknowledge and agree that reference to liabilities and limitation in this Clause 10 are specific to Sale Gas only and applicable to the Sellers in line with their respective shares in Clause 2.3.2. NNPC shall bear all liabilities applicable to Corporation Gas without any recourse whatsoever to TEPNG except as otherwise stipulated in the TEPNG Joint Venture JOA.

10.1. Sellers' Liability for Off-Specification Gas

- 10.1.1 If the Sellers make available Off-Specification Gas to the Buyer and such Off-Specification Gas is accepted by the Buyer in line with Clause 6.3.2.2, then the Sellers shall not incur any liability.
- 10.1.2 If the Sellers deliver Off-Specification Gas having failed to give proper Notice to the Buyer that Gas is Off-Specification and or despite the refusal of the Buyer to accept such Off-Specification Gas, the Sellers shall indemnify the Buyer for any liabilities actually incurred by the Buyer as a result of the Off-Specification Gas delivered. Sellers' obligation to indemnify the Buyer under this Clause 10.1.2 shall be subject to the Parties agreeing that the Off-Specification Gas delivered is the cause of the events leading to the liabilities. If the Sellers and the Buyer fail to agree on the above, then the issue(s) will be referred to an Expert for determination pursuant to Clause 14.
- 10.1.3 Subject to Clause 10.1.4, if the Sellers deliver Off-Specification Gas which is not accepted by the Buyer, and which damages NLNG's Plant or results in the production of off-specification liquefied natural gas for which the Buyer is held responsible and is penalised by NLNG (collectively, "**Damage**"), then the Sellers agree to indemnify and hold harmless the Buyer from and against any and all liabilities, subject to the limitations set forth in Clauses 10.1.6 and 10.1.7. The Buyer shall use reasonable endeavours to obtain NLNG's consent to make available to the Sellers such documentation received from NLNG for the Damage.
- 10.1.4 Sellers' obligation to indemnify the Buyer under Clause 10.1.3 shall be subject to the following conditions:
- 10.1.4.1 The Sellers and the Buyer agree that Off-Specification Gas delivered under this Agreement is the cause of the Damage;
 - 10.1.4.2 The Sellers and the Buyer agree that the damage occurred in spite of Buyer's exercise of due care in managing Buyer's portfolio of Gas supply to meet NLNG's Plant gas specification.
- 10.1.5 If the Sellers and the Buyer fail to agree as provided in the above Clause 10.1.4, then the issue(s) will be referred to an Expert for determination pursuant to Clause 14.
- 10.1.6 Where the Buyer incurs liability to NLNG which is due solely to the delivery of Off-Specification Gas, then the Sellers' liability for the Damage shall not exceed fourteen percent (14%) of the total revenue paid by Buyer to Sellers for Sale Gas delivered under the terms of this Agreement in the previous Contract Year.
- 10.1.7 Where the Buyer's liability to NLNG arises as a result of Sellers' Gross Negligence and such liability is due solely to the delivery of Off-Specification Gas, the Sellers shall

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indemnify the Buyer of all off-specification gas penalties charged by NLNG to the Buyer as a result of such delivery of Off-Specification Gas by Sellers.

- 10.1.8 Subject to Clause 10.1.4, if the Sellers deliver Off-Specification Gas which is not accepted by the Buyer, and which damages the Buyer's Facilities, then the Sellers agree to indemnify and hold harmless the Buyer from and against any and all liabilities relating thereto.

10.2 Limitation on Damages

10.2.1 Exclusive Remedies

- 10.2.1.1 The remedies set out in this Agreement in respect of a breach by a Party to this Agreement shall be the exclusive remedies of the Parties in respect of such breach and shall be exhaustive of any other remedies howsoever arising (whether at law, in equity or in consequence of any statutory duty, strict or tortious liability or otherwise).
- 10.2.1.2 The provisions of Clause 10.2.1 shall be without prejudice to the rights of a Party to seek injunctive or declaratory relief in respect of that Party's rights and interests and/or the covenants and obligations of the other Parties in accordance with this Agreement.
- 10.2.1.3 Without prejudice to Clauses 10.1.7. and 10.2.3, the total cumulative liability of one Party to the other Party in accordance with this Agreement in respect of any one or series of related events, claims or breaches during each Contract Year shall not exceed fourteen percent (14%) of the total revenue paid by Buyer to Sellers for Sale Gas delivered under the terms of this Agreement in the previous Contract Year.

10.2.2 Liability for Consequential Losses

- 10.2.2.1 No Party shall be liable to any other Party for any loss arising from any breach of this Agreement with respect to any Consequential Loss.
- 10.2.2.2 The limitations and exclusions of liability set out in this Clause 10.2.2 shall not apply to:
- (a) the liability of the Parties in accordance with any of Clauses 10.2.3 and 10.2.4; and
 - (b) the liability of the Parties to indemnify Third Parties in accordance with Clause 10.2.5.

10.2.3 Liability for Gross Negligence

Nothing in this Agreement shall limit, exclude or prevent any liability of a Party in respect of any loss or liability caused by that Party's Gross Negligence. However, pursuant to Clause 10.1.7, Sellers' liability for Gross Negligence with respect to the delivery of Off-Specification Gas to NLNG shall be limited to the gas penalty charged by NLNG to the Buyer as a result of such delivery of Off-Specification Gas by the Sellers.

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10.2.4 Liability for personal injury or death

- 10.2.4.1 The Buyer shall be responsible for and shall indemnify the Sellers against any claim, demand, action or proceedings brought or instituted against the Sellers for any personal injuries, illness or death arising out of or in connection with this Agreement which are caused by the negligence, error, omission or other default of the Buyer in respect of the Sale Gas only. For the avoidance of doubt, NNPC shall bear all responsibility for the Corporation Gas.
- 10.2.4.2 The Sellers shall be responsible in the proportions set out in Clause 2.3.2 and shall indemnify the Buyer against any claim, demand, action or proceedings brought or instituted against the Buyer for any personal injuries, illness or death arising out of or in connection with this Agreement which are caused by the negligence, error, omission or other default of the Sellers.

10.2.5 Liability for Third Party claims

- 10.2.5.1 The Buyer shall be liable for and indemnify and hold the Sellers, harmless against all claims, actions or proceedings brought or instituted against the Sellers by any third party arising out of or in connection with the performance of this Agreement which are caused by the negligence, error, omission or other default of the Buyer in respect of the Sale Gas only. For the avoidance of doubt, NNPC shall bear all responsibilities for the Corporation Gas.
- 10.2.5.2 The Sellers shall be liable in the proportions set out in Clause 2.3.2 for and indemnify and hold the Buyer harmless against all claims, actions or proceedings brought or instituted against the Buyer by any third party arising out of or in connection with the performance of this Agreement which are caused by the negligence, error, omission or other default of the Sellers.

10.2.6 Gross Negligence and Indemnities

The liability of a Party to indemnify the other Party in accordance with this Agreement shall not apply where the liability to so indemnify has arisen in consequence of the Gross Negligence of the Party to be indemnified.

10.2.7 Conduct of Claims

- 10.2.7.1 A Party which has a right to be indemnified in accordance with this Agreement (the "Indemnified Party") shall promptly notify the Party obliged to make such indemnification (the "Indemnifying Party") of the assertion or commencement of any claim, demand, action or proceedings in respect of which the Indemnified Party may be indemnified by the Indemnifying Party (an "Indemnifiable Action").
- 10.2.7.2 The Indemnified Party shall at the request of the Indemnifying Party:
- (a) (at the expense of the Indemnifying Party) assume responsibility for the defence or settlement of any Indemnifiable Action with legal counsel reasonably satisfactory to the Indemnifying Party; and/or

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- (b) allow the Indemnifying Party (at its own expense) to assume responsibility for the defence or settlement of any Indemnifiable Action, with such defence or settlement to be at the sole risk and expense of the Indemnifying Party.

10.2.7.3. Neither Party shall settle any Indemnifiable Action without the prior written consent of the other Party (such consent not to be unreasonably withheld).

10.2.7.4. The indemnities provided under this Agreement shall not apply to an Indemnified Party who acts in breach of the provisions of this Clause 10.2.7.

10.3. Mitigation of Damages / Losses

10.3.1. Each Party hereto shall act with reasonable diligence to mitigate any damages which it might otherwise suffer in connection with this Agreement and the performance (or non-performance) of any other Party hereto.

10.3.2. Where a Party is entitled to be indemnified by another Party in accordance with this Agreement, the Party entitled to be so indemnified shall endeavour to mitigate its losses which would otherwise be recovered in accordance with such indemnity to the extent consistent with the Standard of a Reasonable and Prudent Operator (including taking into account any potential recoveries in accordance with any appropriate policies of insurance which that Party may have in force from time to time).

10.4. Payment for Liability

Any payment due from the Sellers to the Buyer shall be payable immediately by wire transfer into a bank account duly nominated by the payee. Any Party may change its bank account to another bank by fifteen (15) Days prior Notice in writing to the Sellers' Contract Administrator and the Buyer.

10.5. Liability for Taxes for Sale Gas

10.5.1 NNPC shall be responsible for the payment of all Royalties applicable to the Sale Gas. In any event, Sellers undertake to pay to the relevant Regulatory Authority all income taxes in respect of the Sale Gas delivered to the Buyer. Sellers also undertake to pay all other taxes, duties, fees and other similar charges arising in respect of production, gathering, processing and handling of the Sale Gas prior to delivery and transfer of title in the Sale Gas to the Buyer at the Custody Transfer Points. All such taxes, duties and charges shall be for the account of the Sellers and the Sellers shall indemnify and hold harmless the Buyer from and against any and all such taxes, duties and charges.

10.5.2 NNPC undertakes to pay to the relevant Regulatory Authority all Royalties, taxes, duties and charges arising from the delivery of Corporation Gas to NLNG. All such taxes, duties and charges shall be for the account of NNPC, and NNPC shall indemnify and hold harmless the Buyer from and against any and all such taxes, duties and charges.

10.5.3 Subject to Clause 11.2 hereof, the Buyer undertakes to pay all taxes, duties and charges arising after delivery of Sale Gas at the Custody Transfer Points; all such taxes, duties and charges shall be for the account of the Buyer and the Buyer shall indemnify and hold harmless the Sellers from and against any and all such taxes, duties and charges.

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CLAUSE 11

11. CONTRACT PRICE

- 11.1. Subject to the provisions of this Clause 11, the Contract Price (the "**Contract Price**") to be paid by the Buyer to the Sellers in any given Month of a Calendar Year N shall be expressed in US Dollars per Million Btu and calculated using the formula:

$$\text{Contract Price}_{\text{Month M, Calendar Year N}} = (X_{n,m} - \text{HF})$$

- when $X_{n,m}$ is less than 1.3333 \$/MMBTU : HF shall be at a floor price of 0.20 \$/MMBTU:
 - the Contract Price shall be calculated as: $X_{n,m} - 0.20 \text{ $/MMBTU}$
- when $X_{n,m}$ is greater than 1.6667 \$/MMBTU : HF shall be capped at price of 0.25 \$/MMBTU:
 - the Contract Price shall be calculated as: $X_{n,m} - 0.25 \text{ $/MMBTU}$
- when X is less than 1.6667 \$/MMBTU but greater than or equal to 1.3333 \$/MMBTU; HF shall be 15% of $X_{n,m}$
 - the Contract Price shall be calculated as: $X_{n,m} - (15\% * X_{n,m})$

Where:

$X_{n,m}$ = NLNG GSA gas price payable to Buyer expressed in \$/MMbtu for Month m in Contract Year n

HF = Handling Fee which covers services incurred by the Buyer such as marketing services, management of depletion profile service, profile flexibility service for annual quantities revision, excess gas supply service, operations, maintenance, transportation within Buyer's Facilities, interface and administration, and mass balance costs.

- 11.2. The Parties understand that the Contract Price as indicated in Clause 11.1 above is based on the exemption of Value Added Tax ("**VAT**") from gas sales pursuant to the Value Added Tax (Modification) Order 2020 which became effective on 4 February 2020. The Parties therefore agree that notwithstanding any provision to the contrary in this Agreement:

- 11.2.1. in respect of Sale Gas delivered to the Buyer for the period between the First Gas Date and 3 February 2020 ("**Historical Period**"), the Buyer shall adjust the payment due to the Sellers and deduct sums equal to the VAT imposed on the Buyer by any Regulatory Authority during the Historical Period with respect to all invoices issued by the Sellers;

- 11.2.2. Where a Regulatory Authority imposes VAT on the Buyer anytime during the term of this Agreement, the Buyer shall adjust the payment due to the Sellers for the Sale Gas and deduct sums equal to any VAT imposed on the Buyer by the Regulatory Authority in order to accommodate such additional cost to the Buyer.

Parties however agree that in the event that the Buyer recovers VAT charged on Sellers' invoice through any corresponding output VAT or Government refund mechanism, such relief shall be taken into consideration in computing the impact of VAT on the Buyer and Sellers shall be entitled to recover from Buyer any amount claimed under clause 11.2. Buyer shall notify Sellers if and when Buyer claims a VAT recovery relief and Buyer shall reimburse Sellers any sums so deducted from payment due to Sellers after claiming back VAT from the Regulatory Authority.

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- 11.3. During the term of this Agreement, the Contractor Parties shall have the right, at Contractor Parties' own cost, to nominate a reputable audit firm, subject to the requisite consent obtained from NLNG by Buyer and execution of a confidentiality agreement between the Buyer and the said audit firm, to sight Buyer's invoice to NLNG in order to confirm that $X_{n,m}$ in Clause 11.1 is consistent with the invoiced price of the Buyer to NLNG. The auditor shall for the purpose of the aforementioned mandate undertake to keep all documents and/or records supplied by the Buyer in strict confidence and shall not disclose any details save for a confirmation to Contractor Parties that $X_{n,m}$ is consistent with the price invoiced by the Buyer to NLNG.

CLAUSE 12

12. INVOICING AND PAYMENT TERMS

12.1. Monthly Statement

Within five (5) Business Days after the end of each Month of the Supply Period, the Sellers' Contract Administrator shall submit to the Buyer a Monthly statement (the "**Monthly Statement**") relating to that previous month, containing:

- 12.1.1. daily meter readings of the quantities of Gas delivered at each Custody Transfer Point during the preceding Month, as measured at the Metering Stations and expressed in Sm³ and MJ;
- 12.1.2. a calculation of the average Gross Heating Value of such Gas;
- 12.1.3. a calculation of the weighted average composition of the Gas delivered as measured at the Metering Stations for the Month expressed in mole per cent with two (2) decimals for each of the components of such Gas as specified in Appendix II, B.2;
- 12.1.4. the total quantity of Sale Gas (in MMBtu) for which the Buyer is required to pay the Contract Price;
- 12.1.5. the total quantity of Shortfall Gas (in MMBtu) for which the Buyer is required to pay the Shortfall Gas Price;
- 12.1.6. the total quantity of Failure to Take Gas (in MMBtu) for which the Buyer is required to pay the Failure to Take Gas Price;
- 12.1.7. the total quantity of Corporation Gas (in MMBtu) transferred by NNPC to the Buyer for delivery to the NLNG in accordance with Clause 2.2;
- 12.1.8. the total amount to be paid to each of the Sellers in accordance with the Sellers' interests in Clause 2.3.2;
- 12.1.9. for each Day in the preceding Month:
 - 12.1.9.1. the Daily Contract Quantity;
 - 12.1.9.2. the total quantity of Gas delivered;
 - 12.1.9.3. the total quantity of Gas sold to Buyer;
 - 12.1.9.4. the total quantity of Off-Specification Gas;
 - 12.1.9.5. the total quantity of Shortfall Gas;
 - 12.1.9.6. the total quantity of Failure to Take Gas;
 - 12.1.9.7. total quantities of Sale Gas, which the Buyer failed to take or the Sellers failed to deliver pursuant to Maintenance and Force Majeure;

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- 12.1.9.8. any other sum or sums owed by the Buyer to the Sellers pursuant to the terms of this Agreement.

12.2. Monthly Advice

Within five (5) Business Days after the receipt of the Monthly Statement by the Buyer, the Buyer shall provide to the Sellers' Contract Administrator a monthly advice (the "**Monthly Advice**") of the total quantity of Sale Gas purchased by the Buyer further to Sellers' interests in Clause 2.3.2, the total quantity of Corporation Gas taken by the Buyer on behalf of NNPC, Shortfall Gas, Failure to Take Gas and Force Majeure quantities for purposes of reconciliation.

12.3. Monthly Invoice

The Sellers' Contract Administrator shall, within five (5) Business Days following the receipt of the Monthly Advice, issue to the Buyer an invoice ("**Monthly Invoice**") based on the information provided in the Monthly Statement and the Monthly Advice, with copies to the Sellers. Such invoice shall be calculated in US Dollar per Million Btu, and shall set out the amounts to be paid in US Dollar by the Buyer for the total quantity of Sale Gas purchased by Buyer.

12.4. Annual Advice for Annual Reconciliation

- 12.4.1. Within two hundred and seventy (270) Days after the end of each Contract Year, the Buyer shall provide to the Sellers an Annual Advice containing, inter alia, the following:

- 12.4.1.1. the Contract Price;
- 12.4.1.2. the weighted average Sale Gas composition of the Gas delivered as measured at the Metering Stations; expressed in mole per cent with two (2) decimals for each of the components of the Gas as specified in Appendix II, B.2, for each Month of such Contract Year;
- 12.4.1.3. the Shortfall Gas quantities and the Shortfall Gas Price;
- 12.4.1.4. the Failure to Take Gas quantities and the Failure to take Gas Price;
- 12.4.1.5. the Off-Specification Gas quantities accepted by Buyer and the Off-Specification Gas Price;
- 12.4.1.6. the quantity of Sale Gas expressed in Sm³, MJ and MMBtu, at the Metering Stations and transferred to the Buyer for delivery to the NLNG in the Contract Year pursuant to Sellers' interests in Clause 2.3.2;
- 12.4.1.7. the quantity of Corporation Gas taken on behalf of NNPC for delivery to NLNG;
- 12.4.1.8. any deductions to the Daily Contract Quantities pursuant to Maintenance and Force Majeure;
- 12.4.1.9. such other information as the Parties may agree should be included in the Annual Reconciliation.

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12.4.2. In the event that the Sellers dispute any data submitted by the Buyer in any Annual Advice, the Buyer and the Sellers shall meet promptly to reconcile any differences and if the Buyer and the Sellers fail to agree within thirty (30) Days, the Buyer or the Sellers may refer the matter to an Expert for determination in accordance with Clause 14 hereof, and the Annual Advice shall be amended accordingly.

12.5. Annual Gas Invoice for Annual Reconciliation

12.5.1. Within fifteen (15) Days after receipt of the Annual Advice, the Sellers shall submit to the Buyer an Annual Gas Invoice, consistent with the Annual Advice referred to in Clause 12.4 hereof, listing the following:

- 12.5.1.1. the quantity of Sale Gas, expressed in Sm³ and MMBtu taken by the Buyer during the preceding Contract Year;
- 12.5.1.2. the quantity of Sale Gas, expressed in Sm³, not delivered as a consequence of the Sellers' Force Majeure;
- 12.5.1.3. a calculation of the full amount in US Dollars payable to the Sellers in respect of the preceding Contract Year separated, as appropriate, into payments for Sale Gas taken and Sale Gas not taken;
- 12.5.1.4. a statement of the amounts already received by the Sellers through the previous monthly invoice duly paid by the Buyer during the Contract Year; and
- 12.5.1.5. a statement of the balances outstanding to either Party taking the form of debit statement or credit statement.

12.5.2. If the Buyer fails to provide an Annual Advice within the time limit specified in Clause 12.4 hereof, the Sellers may issue a provisional Annual Gas Invoice based on its good faith best estimate of the Contract Price and delivered volumes.

12.6. Payment

12.6.1. Any payment due hereunder shall be payable in US Dollar by wire transfer into the respective bank accounts nominated by each of the Sellers from time to time. The Concessionaire and Contractor may change their bank accounts by providing fifteen (15) Days prior notice in writing.

12.6.2. Payment shall be made on the fifth (5th) Business Day of the Month following the Month in which the Monthly Invoice or the Annual Gas Invoice (or credit note if appropriate) is issued, or the fifteenth (15th) Business Day following receipt of the Monthly Invoice or the Annual Gas Invoice (or credit note if appropriate), whichever is later.

12.7. Access to Documentation

12.7.1. The Sellers and the Buyer shall preserve all records relevant to the issue of all Monthly and annual statements and advices for a period of at least six (6) years from the date of their issue.

12.7.2. The Sellers shall, upon seven (7) Days' Notice in writing to the Buyer, have right of access during office hours during Business Days and at the Seller's own cost and expense to audit the Buyer's records to the extent necessary to verify the accuracy of any statement or invoice provided under this Clause 12.7.

12.8. Errors

If any examination made pursuant to Clause 12.7.2 hereof or otherwise reveals any error or inaccuracy in any statement or invoice, such error or inaccuracy shall be

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corrected by the Buyer or the Sellers, as the case may be, provided, however, that no adjustment to any statement or invoice shall be made after six (6) years from the rendering thereof, except pursuant to an Expert determination or final arbitration award in proceedings duly commenced within the said six (6) year period.

12.9. Disputed Invoices

12.9.1. If the Sellers and the Buyer dispute all or part of the information recorded on any invoice (or accompanying information) prepared pursuant to this Clause 12, and the matter cannot be resolved within seven (7) Days of receipt of the invoice by a meeting of the Sellers' Contract Administrator and the Buyer, then, if the Sellers and the Buyer fail to agree within thirty (30) Days of receipt of the invoice, the dispute shall be resolved in accordance with the provisions of Clause 14.1 hereof.

12.9.2. Pending the resolution in accordance to Clause 14, the Party disputing the invoice shall make payment of any undisputed part of the amount which is due for payment (if any) to the Party to whom payment is due and shall be entitled to withhold any disputed amount.

12.9.3. Any disputed amount agreed (or declared pursuant to an arbitration award) to be payable shall be fully paid in the Month immediately following agreement or final determination of the dispute, together with interest on such amount at a rate provided in Clause 12.12 from the date when such payment was due until and including the date when the disputed amount was settled.

12.10. Accuracy

Unless otherwise agreed between the Sellers and the Buyer, all numerical values to be used pursuant to this Clause 12 shall be calculated with accuracy methodology presented in Appendix II (D).

12.11. Late Payment

If any Party fails to make payment of any sum due hereunder on the due date, such Party shall, without prejudice to the rights of the Party to whom the payment is due, in addition to any other remedy in respect of such non-payment, pay interest thereon to the Party to whom the payment is due pursuant to Clause 12.12 hereof.

12.12. Interest

Should the Buyer or the Sellers (as the case may be) fail to make payment of any sum validly due and demanded hereunder, other than in respect of such amounts as may be the subject of a bona fide dispute as provided for in Clause 12.9, interest thereon shall accrue:

12.12.1. for retrospective adjustment pursuant to Clause 12.8, at one per cent (1%) above LIBOR from the due date for payment of the original invoice to the date of settlement of the relevant credit/debit note;

12.12.2. for errors in invoicing or disputed invoices, at one decimal five per cent (1.5%) above LIBOR from the due date for payment of the original invoice to the date of settlement of the relevant credit/debit note; and

12.12.3. for late payments, at two percent (2%) above LIBOR from the due date for payment of the invoice to the date when payment is made.

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- 12.12.4 In the event of the replacement of LIBOR, Parties agree that for the purpose of this Agreement the Secured Overnight Financing Rate (**SOFR**), shall be used as replacement for LIBOR.

CLAUSE 13

13. FORCE MAJEURE

13.1. Definition

- 13.1.1. The expression "**Force Majeure**" means any event or condition which has prevented or delayed or will prevent or delay:

13.1.1.1. the Buyer or the Sellers from taking over, pursuant to the terms of any relevant contract for the construction thereof, the completed Buyer's Facilities or the Sellers' Facilities as the case may be; or

13.1.1.2. any Party from performing any obligation hereunder (except any obligation to make payments then due, to which obligation Force Majeure shall not apply), in whole or in part,

if such event or condition, and such prevention or delay, is beyond the reasonable control of the Party relying thereon as justification for not performing any such obligation (the "**Non-Performing Party**"), provided, always, that such event or condition and such prevention or delay could not and cannot be prevented or overcome by the exercise of due diligence by the Non-Performing Party, acting as a Reasonable and Prudent Operator.

- 13.1.2. Such events or conditions shall, provided always that they meet the requirements set forth above and below in this Clause 13.1, include but not be limited to, circumstances of the following kind:

13.1.2.1. acts of government(s), acts of the public enemy, wars, blockades, embargoes, military action, civil disturbances, insurrection, riots, acts of terrorism, nuclear accidents or explosions, or similar occurrences;

13.1.2.2. acts of God, landslides, lightning, earthquakes, fires, explosions, storms or storm warnings, floods, washouts, epidemics or similar occurrences; and

13.1.2.3. strikes, boycotts, lockouts, and other similar industrial or labour disputes and disturbances;

- 13.1.3. Force Majeure shall also include:

13.1.3.1. the necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental entity having jurisdiction;

13.1.3.2. the inability to obtain, or the suspension, termination, interruption, adverse modification or inability to renew, any easement, permit, licence, consent, authorisation or approval of any judicial, executive, administrative or other governmental or quasi-governmental entity or instrumentality, federal, state, municipal, local, port or other authority, or of anybody or person holding itself to be or to act for such authority affecting the operation of the Buyer's Facilities or the Sellers' Facilities;

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- 13.1.3.3. circumstances preventing the Buyer from receiving Gas or preventing the Sellers from producing, making available or delivering Gas to the Buyer, as a result of damage to or failure of machinery or equipment, or damage to or failure of reservoirs or wells affecting gas production, the Sellers' Facilities, the Buyer's Facilities, or transportation by pipeline, provided always, that in each case, such damage or failure is not caused by the failure to perform routine maintenance and inspection;
- 13.1.3.4. circumstances preventing the Buyer or the Sellers from establishing the character of Gas as being Off-Specification due to the failure of equipment at Custody Transfer Points or telecommunications equipment; provided always, that in each case, such damage or failure is not caused by the failure to perform routine maintenance and inspection;
- 13.1.3.5. pollution, chemical or radioactive contamination or ionising radiation;
- 13.1.3.6. shipwrecks, perils of the sea or perils to navigation;
- 13.1.3.7. NLNG's rejection or curtailment of deliveries of gas at NLNG's Plant as a result of any of the following, but not limited to:
 - (a) NLNG notifying the Buyer that the NLNG Combined Gas Supply is off-specification;
 - (b) NLNG carrying out unplanned or Emergency Maintenance or repairs of NLNG's Plant;
 - (c) NLNG carrying out facilities modification for reasons of health and safety;
 - (d) circumstances preventing NLNG from receiving gas for reason of Force Majeure.

13.2. Consequences of Force Majeure

Subject to the provisions of this Clause 13, each Party shall be excused in whole or in part for its failure or delay in the performance of any obligation hereunder to the extent that such failure or delay is caused by Force Majeure.

13.3. Notification of Force Majeure

As soon as practicable, within seventy two (72) hours after the occurrence of any event or condition which the Sellers or the Buyer claim to constitute Force Majeure, or as soon as practicable, within seventy two (72) hours after determining that the occurrence was in the nature of Force Majeure and would affect the Non-Performing Party's ability to observe and perform any of its obligations under this Agreement, the Non-Performing Party shall give to the other Party, a detailed Notice in writing to the effect that it is unable by reason of Force Majeure to perform the particular obligations. Such Notice shall set out all available information pertaining to such Force Majeure, the relevant facts and consequences and a statement of the actions and the expected period of time required to remedy the Force Majeure, and the quantities of Gas which the Non-Performing Party is able to take or supply, as the case may be, during the period of such Force Majeure. The Non-Performing Party shall also from time to time keep the other Party reasonably informed of the status of such Force Majeure, its effort to overcome same and at the termination of the Force Majeure, shall promptly give to the other Party, Notice in writing to that effect.

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13.4. Obligation to Remedy

In the event that the Non-Performing Party shall be prevented or delayed in whole or in part by Force Majeure, in performing any of its obligations hereunder the Non-Performing Party, in so far as it is able to do so, shall take appropriate measures to minimise the resulting damage and to bring about the resumption of normal performance of its obligations under this Agreement as soon as practicable; provided that the terms of settlement of any strike, lockout or other industrial or labour disturbance shall be wholly at the discretion of the Non-Performing Party which shall not be required to accede to the demands of its opponents in any strike, lockout or industrial or labour disturbance solely to remedy promptly the Force Majeure thereby constituted.

13.5. Termination for Extended Force Majeure

In the event that the Force Majeure lasts for twenty four (24) consecutive Months or more and as a result thereof performance of any material obligation or condition required to be performed under this Agreement is substantially prevented or impaired, the Buyer or the Sellers' Contract Administrator, with the unanimous agreement of the Buyer or the Sellers, as the case may be, may, without prejudice to all other rights arising out of such Force Majeure, terminate this Agreement by thirty (30) Days written Notice to the Sellers or the Buyer, as the case may be, at any time after the expiry of such twenty four (24) consecutive Months unless the Parties receiving such Notice have commenced arbitration proceedings pursuant to Clause 14.2 hereof disputing either that such Force Majeure exists or that it has given rise to a right of termination pursuant to this Clause 13.5, in which case, termination shall be as specified in the award of the arbitration tribunal.

CLAUSE 14**14. DISPUTE RESOLUTION****14.1. Expert Determination**

14.1.2. Where, pursuant to any provision of this Agreement, a matter is required to be determined by an Expert, or if the Buyer and the Sellers agree that a matter should be determined by an Expert, such Expert shall be appointed by agreement between the Buyer and the Sellers or, in default of such agreement, within thirty (30) Days after the Buyer or the Sellers have requested the appointment of an Expert, by the International Centre for Expertise of the International Chamber of Commerce, London.

14.1.3. The Expert shall determine the matter in question within sixty (60) Days after appointment on the basis of terms of reference agreed by the Parties or, in the absence of such agreed terms, as the Expert shall determine as an expert and not as an arbitrator, and such determination shall be final and binding on the Parties, except in the event of fraud, manifest error or failure on the part of the Expert to disclose any interest in the subject matter to be determined and/or in the Parties. The Expert shall be deemed not to be an arbitrator and the provisions of the Arbitration and Conciliation Act Cap A18, Laws of the Federation of Nigeria 2004, shall not apply to such Expert. The Expert's determination and the findings upon which it is based shall be given in writing to the Sellers and the Buyer.

14.1.4. All costs incurred in connection with respect to any matter referred to an Expert under sub-Clause 14.1.3 hereof shall be borne fifty percent (50%) by the Buyer and fifty

percent (50%) by the Sellers in respect to Sale Gas only. All costs with respect to Corporation Gas shall be borne solely by NNPC.

- 14.1.5. No Person shall be appointed as an Expert who has not agreed to hold in confidence any and all information furnished by each of the Parties in connection with the dispute under this Agreement, the existence of such dispute and his determination thereof.

14.2. Arbitration

- 14.2.2. If a difference or dispute of any nature arises between the Parties out of, in connection thereof (excluding disputes, controversies and claims that are referred to an Expert pursuant hereto) or in any way relating to this agreement or its construction, and if the Parties fail to settle such difference or dispute by amicable agreement through direct discussions between the Senior Executives of the Parties within a reasonable time, then any Party shall serve on the other Parties a demand for arbitration.
- 14.2.3. Within thirty (30) Days of such demand being served, each Party shall appoint an arbitrator, and the two (2) arbitrators thus appointed shall within a further thirty (30) Days period appoint a third arbitrator. If the arbitrators do not agree on the appointment of such third arbitrator, or if either Party fails to appoint its nominated arbitrator, such arbitrator or third arbitrator shall be appointed by the Chairman, Chartered Institute of Arbitrators U.K (Nigerian Branch) in accordance with the Rules of Arbitration set out in the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The third arbitrator when appointed shall convene meetings of the arbitral tribunal and act as chairman.
- 14.2.4. If an arbitrator refuses or neglects to act or is incapable of acting or dies, a new arbitrator shall be appointed in his place and the above provisions for appointing arbitrators shall govern the appointment of any such new arbitrator or arbitrators. All arbitrators so appointed shall be persons qualified by education, training, or experience in the subject matter of the dispute.
- 14.2.5. The arbitration shall be conducted in English Language in accordance with the Rules of Arbitration set out in the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The administering arbitral institution shall be the Chartered Institute of Arbitrators U.K (Nigerian Branch). The venue of the arbitration shall be Lagos, Nigeria and the award rendered by the arbitral tribunal shall be final and binding and shall be enrolled in any court of competent jurisdiction.
- 14.2.6. The arbitral tribunal shall award costs, attorneys' fees, and expert witness fees and allocate them among the Parties to the dispute. NNPC shall bear all costs pertaining to Corporation Gas.

14.3. Validity

This Clause 14 shall continue in force and be binding on the Parties, their successors and assigns, notwithstanding the expiry or termination of this Agreement.

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CLAUSE 15

15. ASSIGNMENT

15.1. General

- 15.1.1 Neither the Sellers nor the Buyer shall assign, transfer, cede or otherwise divest (hereinafter referred to as "assign" "assignment" or "transfer", as applicable, in this Clause 15) any of their rights, interests, covenants and or obligations (in whole or in part) under this Agreement except in accordance with the provisions of this Clause 15.
- 15.1.2 Any assignment of rights and obligations in this Agreement, which is made by individual Seller or all Sellers, will require the consent of the Buyer, and likewise that which is made by the Buyer, will require the consent of the Sellers. In either case such consent shall not be unreasonably withheld the, provided that no assignment shall be effective until and after the assignor:
- 15.1.2.1. has procured the assignee to covenant directly with the non-assigning Parties to observe and perform this Agreement; and
 - 15.1.2.2. has procured all necessary regulatory consents and approvals which may be required in connection with such assignment.
- 15.1.3 Any assignee shall in the non-assigning Parties' opinion have the necessary technical knowledge, experience, and financial resources to effectively carry out oil and gas business to the standard of a reputable operator in the oil and gas industry.
- 15.1.4 Subject to Clause 15.1.6, it is hereby agreed that any assignment to a third party by the Sellers shall only be made if a corresponding interest in the OML 130 Supply Area is made contemporaneously, to the said third party.
- 15.1.5 No assignee shall have any rights under this Agreement until it has expressly undertaken in writing with the other Parties to assume and comply in all respects with the obligations assigned to it and to be bound by this Agreement in every way as if the assignee were a Party to this Agreement.
- 15.1.6 A Party may mortgage, pledge, charge, assign by way of security or otherwise encumber all or part of its interests in the OML 130 Supply Area and under this Agreement for the purpose of security relating to financing as relates to this Agreement provided that:
- 15.1.6.1. such Party shall remain liable for all obligations relating to its interests under this Agreement; and
 - 15.1.6.2. the encumbrance shall be subject to any necessary approval of the Authorities and be expressly subordinated to the rights of the other Parties under this Agreement.
- 15.1.7. Such Party shall ensure that any such mortgage, pledge, charge, assignment by way of security or encumbrance shall be expressed to be without prejudice to the provisions of this Agreement. In the event of a default with respect to any such mortgage, pledge, charge and assignment by way of security which results in the transfer of interests in the OML 130 Supply Area and or under this Agreement, Clause 15 shall apply.

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15.2. Assignment to Affiliate

Notwithstanding the provisions of Clause 15.1.2, any Party may make an assignment of all or a portion of its interest in this Agreement to an Affiliate without the consent of, but with due notice in accordance with Clause 15.3, to the other Parties, provided however, that in each such case, the assignor shall remain jointly and severally liable for the obligations assumed by the assignee (and any subsequent Affiliate assignees of such assignee) under such assignment.

15.3. Notification

Notification of any assignment pursuant to this Clause 15 shall be made by the assigning Party to the other Party stipulating the name and address of the assignee, the rights and obligations assigned and the effective date of such assignment. Such notification shall be given no later than thirty days prior to the effective date of such assignment.

15.4. Release of Assigning Party

Subject to Clause 15.2, the assigning Party under an assignment in accordance with this Clause 15 shall be relieved and released of all duties, liabilities and obligations so assigned, except with respect to any and all such duties, liabilities and obligations that have arisen or accrued prior to the effective date of the assignment and the provisions of Clause 19.

15.5. Statutory Assignment

Notwithstanding the provisions of Clause 15.1.2, where NNPC is compelled by a law of the Federal Republic of Nigeria to assign all or a portion of its interest in OML 130 or this Agreement to an Affiliate or a third party, NNPC is not required to seek the consent of the other individual Sellers or the Buyer. Due notice in accordance with Clause 15.3, will be issued to the other Parties, and in each such case, the assignee shall assume full responsibility for all obligations and liabilities attributable to NNPC.

CLAUSE 16**16. REPRESENTATIONS, WARRANTIES AND COVENANTS****16.1. Corporate Authority, Proper Execution, Enforceability**

Each Party represents and warrants that (i) it has obtained all Authorisations required under its constituting documents to enable such Party to validly execute the Agreement and perform its obligations; (ii) it has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement; (iii) the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorised by all necessary corporate action on its part; (iv) this Agreement constitutes a valid and binding obligation enforceable against it in accordance with its terms subject to limitations with respect to enforcement imposed by bankruptcy or similar proceedings.

16.2. Licences, Leases, Approvals and Permits

The Sellers and the Buyer covenant and agree that they shall do or cause to be done all acts and things which a Reasonable and Prudent Operator would do to secure and maintain or cause to be maintained all licences, leases, approvals and permits

necessary for the Sellers and the Buyer to perform their respective obligations under this Agreement.

16.3. Authorisations, Competence

As of the Execution Date:

16.3.1. Anticipated Governmental Authorisations.

16.3.1.1. The Sellers represent to the Buyer that to the best of its knowledge it has no reason to believe any authorisations, approvals or permissions required by governmental authorities and customarily obtained following commencement of such development projects will be denied.

16.3.1.2. The Sellers represent and warrant that they have obtained all Authorisations required for the performance of their obligations under this Agreement.

16.3.1.3. The Buyer represents to the Sellers that to the best of its knowledge it has no reason to believe any authorisations, approvals or permissions required by governmental authorities and customarily obtained following commencement of such construction projects will be denied.

16.3.1.4. The Buyer represents and warrants that it has obtained all Authorisations required for the performance of its obligations under this Agreement.

16.3.2. Sellers' Specific Authority: The Sellers represent and warrant that launching the development of the Egina Field has been duly authorised by all necessary corporate action on its part.

16.3.3. Sellers' Competence. The Sellers represent that it has the technical competence, professional skills and further represents that from and after the First Gas Date hereof it shall make available the supply of Sale Gas as soon as reasonably possible in accordance with the terms of this Agreement.

16.3.4. Buyer's Competence. The Buyer represents that it has the technical competence, professional skills and further represent that from and after the First Gas Date hereof it shall off-take Sale Gas in accordance with the terms of this Agreement.

16.3.5. The Sellers represents that the written reserves and deliverability confirmation to be provided to Buyer by the Sellers' Contract Administrator are accurate.

CLAUSE 17

17. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the Federal Republic of Nigeria.

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CLAUSE 18

18. NOTICES AND COMMUNICATIONS BETWEEN THE PARTIES

Except as otherwise specifically provided, all notices authorised or required between the Parties by any of the provisions of this Agreement shall be in writing (in English) and delivered in person or by courier service addressed to such Parties, with an advance copy forwarded by electronic communication to the intended recipient. Oral communication or email or other electronic communications shall however not constitute notice for purposes of this Agreement (except for operational activities pursuant to Clauses 4.4, 6.3, 9.1 and 9.3 which notice shall be by the fastest means of communication including email or other electronic communications). A notice given under any provision of this Agreement shall be deemed delivered when received at the receiving Party's address stated below, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received. "**Received**" for purposes of this Clause 18 shall mean actual delivery of the notice to the address of the Party specified hereunder or to be thereafter notified in accordance with this Clause 18. Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another Person at another address, by giving written notice thereof to all other Parties:

To Sellers:

Sellers' Contract Administrator

Total Upstream Nigeria Limited

Attention: Managing Director
Address: Eko Towers
Plot 1415-E, Adetokunbo Ademola Street,
Victoria Island, Lagos, Nigeria

With copies sent to:

Nigerian National Petroleum Corporation

Attention: Group Managing Director
Address: NNPC Towers
Herbert Macaulay Way,
Central Business District,
Abuja, Nigeria

National Petroleum Investment Management Services (NAPIMS)

Attention: Group General Manager
36/38 Gerrard Road, Ikoyi
Lagos, Nigeria

South Atlantic Petroleum Limited

Attention: Managing Director
Address: 11th & 12th floors, Sapetro Towers
No 1. Adeola Odeku Street, Victoria Island
Lagos, Nigeria

CNOOC Exploration and Production Nigeria Limited

Attention: Managing Director
Address: 7th floor, Sapetro Towers
No 1. Adeola Odeku Street, Victoria Island
Lagos, Nigeria

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To Buyer:

Total E&P Nigeria Limited
Attention: The Managing Director
Plot 247 Herbert Macaulay Way,
Central Business District,
Abuja, Nigeria

CLAUSE 19

19. CONFIDENTIALITY AND PUBLICITY

19.1. Acknowledgment

The Receiving Party (a party receiving Confidential Information of another party under or pursuant to this Agreement) acknowledges that the Confidential Information disclosed to it is valuable to the Disclosing Party (a party disclosing its Confidential Information to another party to this Agreement) and undertakes to keep the Confidential Information secret and to protect and preserve the confidential nature and secrecy of the Confidential Information.

19.2. Receiving Party's Covenants

The Receiving Party:

- 19.2.1. may only use or reproduce all or any part of the Confidential Information for the purposes of this Agreement;
- 19.2.2. shall not disclose any part of the Confidential Information to any person except as permitted by this Agreement or as otherwise agreed by the Disclosing Party;
- 19.2.3. shall not permit unauthorised persons to have access to all or any part of the Confidential Information and shall keep the Confidential Information secure;
- 19.2.4. shall not use the Confidential Information to the commercial, financial or competitive disadvantage of the Disclosing Party;
- 19.2.5. shall not make, assist or permit any person to make any unauthorised use, disclosure or reproduction of all or any part of the Confidential Information;
- 19.2.6. shall take:
 - 19.2.6.1. reasonable efforts to ensure that any person who has access to Confidential Information does not make any unauthorised use, disclosure or reproduction of that information; and
 - 19.2.6.2. reasonable steps to enforce the confidentiality obligations imposed or required to be imposed by this Agreement, including diligently prosecuting at its cost any breach or threatened breach of such confidentiality obligations by a person to whom the Receiving Party has disclosed the Confidential Information and, where appropriate, making applications for interim or interlocutory relief; and

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19.2.7. shall cooperate with the Disclosing Party in any action that the Disclosing Party may take to protect the confidentiality of the Confidential Information.

19.3. Authorised Disclosure

19.3.1 The Receiving Party may disclose Confidential Information to:

- 19.3.1.1. its Affiliates, insurers, auditors, officers, employees, agents, professional advisers and contractors for the purpose of fulfilling its obligations under this Agreement or under any applicable laws or regulations;
- 19.3.1.2. a third party and its advisers, which is bona fide tendering for or negotiating the purchase of that part of the business of or interests owned by the Receiving Party which includes this Agreement, or the shares in the Receiving Party or in a holding company of the Receiving Party;
- 19.3.1.3. any bank or other financial institution or entity funding or proposing to finance the Receiving Party and/or any of its Affiliates, including any consultant retained by, or any security trustee or a potential credit swap counterparty of, such bank or other financial institution or entity;
- 19.3.1.4. any Regulatory Authority having jurisdiction over such party, but only to the extent that such party is required by applicable laws to make such disclosure;
- 19.3.1.5. a person approved in writing by the Disclosing Party,

but in case of persons in Clauses 19.3.1.1, 19.3.1.2 and 19.3.1.3 who or which have been informed of, and agree to be bound by, the obligations under this Clause and only to the minimum extent necessary for such disclosure, and provided that the Receiving Party shall be liable for any breach by such persons listed in Clauses 19.3.1.1, 19.3.1.2 and 19.3.1.3 of any of the Receiving Party's obligations with respect to such Confidential Information.

19.3.2 The Receiving Party may disclose Confidential Information to the extent required by applicable laws or regulations, the requirements of any stock exchange or by an order of a court of competent jurisdiction but only to the minimum extent necessary for such disclosure.

19.3.3 Before making any disclosure permitted by this Clause to a person or entity which has not agreed to be bound by this Clause, the Receiving Party shall, wherever practical, notify the Disclosing Party of the proposed disclosure and provide the Disclosing Party with a reasonable opportunity to take steps to:

- 19.3.3.1. protect the confidentiality of the Confidential Information; or
- 19.3.3.2. ensure that the party to whom the disclosure is to be made treats the Confidential Information as confidential.

19.4. Return of Confidential Information

19.4.1. Upon the earlier to occur of:

- 19.4.1.1. demand by the Disclosing Party; or

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19.4.1.2. the time when the Confidential Information is no longer required for the purposes of this Agreement,

the Receiving Party shall deliver to the Disclosing Party (or with the Disclosing Party's prior consent, destroy or erase):

- (a) all documents (including notes, calculations and summaries) containing, or other material forms of, Confidential Information in the possession, power or control of the Receiving Party or any person to whom it disclosed that Confidential Information (whether created by the Disclosing Party, the Receiving Party or that other person); and
- (b) at the request of the Disclosing Party, a statutory declaration made by a senior authorised officer of the Receiving Party declaring that the Receiving Party does not have any Confidential Information in its possession, power or control,

except that any information jointly developed by the Parties in carrying out their obligations under this Agreement and which relates to the business of the Receiving Party may be retained by the Receiving Party.

19.4.2. Return of the Confidential Information does not release the Receiving Party from its obligations under this Agreement.

19.5. Remedies

The Receiving Party acknowledges that any unauthorised use or disclosure of the Confidential Information or any part of it in breach of this Agreement is likely to cause material damage to the Disclosing Party. Consequently, the Disclosing Party has the right, in addition to any other remedies available at law or in equity, to seek injunctive relief against the Receiving Party in respect of any breach of this Clause by the Receiving Party.

19.6. Term of Obligations

The Parties' obligations under this Clause 19 shall continue to apply for a period of two (2) years after the date of termination or expiration of this Agreement.

CLAUSE 20

20. GENERAL

20.1 Entire Agreement

With respect to the subject matter contained herein, this Agreement (i) is the entire agreement between the Sellers and the Buyer; and (ii) supersedes all prior understandings and negotiations between the Sellers and the Buyer.

20.2 Index and Headings

The index and headings appearing herein are for convenience only and shall not be considered as part of this Agreement for any purpose, or as in any way interpreting, construing, varying, altering or modifying this Agreement or any of the provisions hereof.

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20.3 Waiver

The failure of any Party at any time to require performance of any provisions hereof shall in no way affect the right of such Party to require any performance which may be due thereafter pursuant to such provisions, nor shall the waiver of any breach be taken or held to be a waiver of any subsequent breach of such provisions. All waivers must be in writing, duly executed and delivered by the Party giving such waiver in accordance with the Notice provisions of this Agreement. A waiver is only effective in relation to the particular right, power or remedy in respect of which it is given. It is not to be taken as an implied waiver of any other right, power or remedy or as an implied waiver of that right, power or remedy in relation to any other occasion.

20.4 Amendments

Any amendment to this Agreement shall be in writing signed by the duly authorised representatives of the Parties.

20.5 Invalidity of Provisions

The invalidity of any provision hereof shall not affect any other provisions, which shall remain in full force and effect.

20.6 Successors and Assigns

The rights and obligations of any Party in and under the terms of this Agreement shall inure to the benefit of, and be binding upon, their respective successors-in-title and permitted assigns.

20.7 General Issues

The Parties shall at all times endeavour to meet and resolve amicably any issues, which affect the Buyer and/or the Sellers.

20.8 Further Assurances

The Parties shall at all times do all such further acts and execute and deliver such further instruments and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

20.9 Several Liability

20.9.1 In respect of Sale Gas sold or agreed to be sold under this Agreement, the rights, obligations and liabilities of the Concessionaire and the Contractor Parties (as Sellers) shall be several (not joint and several) and limited to their respective Interest as stated in Clause 2.3.2.

20.9.2 Other than in respect of Sale Gas, the rights, obligations and liabilities of the Concessionaire and the Contractor Parties (as Sellers) shall be several (not joint and several) and limited to their respective Interest as stated in Clause 2.1.

20.10 Relationship of the Parties

Nothing in or arising out of this Agreement is to be construed or interpreted as constituting or may be deemed to constitute a partnership, joint venture or a fiduciary relationship of any nature between the Sellers on the one hand and the Buyer on the

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other hand, for any purpose or, except as expressly provided for in this Agreement, making either Party the agent or representative of the other Party.

20.11 Press Releases

Each Party shall inform the other Party in writing of any announcement, statement or promotion it proposes to issue publicly in connection with this Agreement, giving at least seven (7) Days' notice on each occasion including the draft of such announcement, statement or promotion for the other party's information and or reviews, as required.

20.12 Business Conduct and Ethics

- 20.12.1 Each Party with regard to operations and/or activities under this Agreement (i) warrants that such Party has not made, offered, or authorised, and (ii) covenants that such Party will not make, offer, or authorise, any payment, gift, promise or other advantage, whether directly or through any other person or entity (including its Affiliates and/or the directors and officers of such Party or its Affiliates), to or for the benefit of any Public Official as defined in Clause 20.12.10 any political party or any other individual or entity, where such payment, gift, promise or advantage would violate such warranty, or such covenant, or the Anti-Bribery Laws and Obligations as defined in Clause 20.12.11.
- 20.12.2 Each Party, with regard to operations and/or activities under this Agreement, (i) warrants that such Party and its Affiliates and their respective directors, officers, employees, personnel and any person acting on its behalf have complied with, and (ii) covenants that the Party and its Affiliates and their respective directors, officers, employees, personnel and any person acting on its behalf will comply with the Anti-Bribery Laws and Obligations. Each Party shall as soon as practicable notify the other Parties of any investigation or proceeding formally initiated by a public authority relating to an alleged violation of applicable Anti-Bribery Laws and Obligations by such Party, or its Affiliates, or any of their directors, officers, employees, personnel of any tier, or any service providers of such Party or its Affiliates, concerning operations and activities under this Agreement. Such Party shall use reasonable efforts to keep the other Parties informed as to the progress and disposition of such investigation or proceeding, except that such Party shall not be obligated to disclose to the other Parties any information that would be considered legally privileged.
- 20.12.3 The Parties agree that, with respect to the performance of the activities in connection with this Agreement, Buyer's failure, in whole or in part, to comply with the provisions of Clause 20.12 shall constitute a material breach of this Agreement provided that such failure may be reasonably expected to cause a direct material prejudice to the other Parties ("Material Breach"). If a Buyer commits a Material Breach ("breaching party"), the other Party ("non-breaching party") shall have the right to terminate this Agreement by providing the breaching party with notice thereof. Such right of termination shall be, without prejudice to any other rights and/or remedies available to the non-breaching party under this Agreement or at law.
- 20.12.4 Each Party shall indemnify the other Parties for any direct damages, losses, penalties, costs (including reasonable legal costs and attorneys' fees), and liabilities arising from, or related to the events underlying:
- 20.12.4.1 Such Party's admission of allegations made by a governmental authority concerning operations and/or activities under this Agreement that such Party has violated Anti-Bribery Laws and Obligations applicable to such Party; or

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- 20.12.4.2 The final adjudication concerning operations and/or activities under this Agreement that such Party has violated Anti-Bribery Laws and Obligations applicable to such Party.
- 20.12.5 Notwithstanding any other provision in this Agreement, each Party ("Indemnifying Party") shall indemnify the other Parties for any direct damages, losses, penalties, costs (including reasonable legal costs and attorneys' fees), and liabilities arising from the Indemnifying Party's breach of warranties and covenants under this Clause 20.12 and/or violation of the Anti-Corruption Laws. However, the above indemnity shall not apply for the benefit of any Party having materially breached its warranty and/or covenant set out in Clause 20.12.1.
- 20.12.6 A Party shall have the right to terminate this Agreement upon the occurrence of the events specified in this Clause 20.12.3 by providing the breaching Party with notice thereof. Such right of termination shall be without prejudice to any other rights and or remedies available to the non-breaching Party under this Agreement or at law.
- 20.12.7 Each Party shall, concerning matters that are the subject of this Agreement:
- 20.12.7.1 Devise and maintain adequate internal controls concerning such Party's undertakings under this Clause 20.12, including establishing and implementing internal policies and procedures to promote compliance with Anti-Bribery Laws and Obligations applicable to such Party;
 - 20.12.7.2 Establish and prepare its books and records in accordance with generally accepted accounting practices applicable to such Party;
 - 20.12.7.3 Properly record and report such Party's transactions in a manner that accurately and fairly reflects in reasonable detail such Party's assets and liabilities;
 - 20.12.7.4 Retain such books and records for a period of at least six (6) Calendar Years; and
 - 20.12.7.5 Comply with the laws applicable to such Party.
- 20.12.8 Each Party must be able to rely on the adequacy of the other Parties' system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other information concerning operations and/or activities under this Agreement.
- 20.12.9 No Party is in any way authorised to take any action on behalf of another Party that would result in an inadequate or inaccurate recording and reporting of assets, liabilities or any other transaction, or which would put such Party in violation of its obligations under the Anti-Bribery Laws and Obligations applicable to such Party.
- 20.12.10 Notwithstanding anything to the contrary in this Agreement no provision of this Agreement shall be interpreted or applied so as to require any Party to do, or refrain from doing, anything which would constitute a violation of the Anti-Bribery Laws and Obligations as well as of any other law applicable to such Party.
- 20.12.11 For the purpose of this Clause 20.12:

"Anti-Bribery Laws and Obligations" mean (i) for both Parties, the laws, statutes, rules, and regulations governing this Agreement which prohibit bribery and, where applicable, the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and such Convention's Commentaries; and (ii) for each Party, the laws prohibiting bribery in the countries of

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such Party's place of incorporation, principal place of business, and/or place of registration as an issuer of securities, and/or in the countries of such Party's ultimate parent company's place of incorporation, principal place of business, and/or place of registration as an issuer of securities.;

"OECD" means the Organisation for Economic Co-operation and Development of 2, rue André-Pascal, 75775 Paris Cedex 16 France;

"Public Official" means an elected or appointed official, employee or agent of any national, regional or local government / state; any department, agency or instrumentality of such government / state; any enterprise in which such a government / state owns, directly or indirectly, a majority or controlling interest; an official of a political party; a candidate for public office; anyone acting as a representative of local communities; and/or any official, employee or agent of any public international organisation.

- 20.12.12. The Parties agree that any non-compliance, even partial, with the representations, warranties and undertakings in this Clause 20.12 which can be reasonably expected to result in adverse consequences for the other Party, will be considered a material default under this Agreement and will entitle a Party to unilaterally withdraw, even during its performance, by written notice, which shall include a brief summary of the circumstances or of the legal proceedings demonstrating such noncompliance.

20.13. Fees and charges

Each Party shall bear its own costs for the preparation, execution, delivery and performance of this Agreement.

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21. TERMINATION

21.1. Termination

This Agreement shall terminate upon the occurrence of any of the following:

- 21.1.1. The twentieth (20th) anniversary of the First Gas Date; or
- 21.1.2. The revocation or non-renewal of the OML 130 license, of which the OML130 Supply Area are a part of; or
- 21.1.3. The end of commercial production of Gas by the Sellers; or
- 21.1.4. Where there is a material change in the NLNG GSA, which makes the Buyer unable to continue with this Agreement; or
- 21.1.5. The issuance of a notice of termination in accordance with Clause 13.5; or
- 21.1.6. Due to the inability of the Buyer, the Sellers or NLNG, as the case may be, to remedy any default within a period of seven hundred and thirty (730) Days; or
- 21.1.7. Where a Party is in breach of any of its material obligations that have not been remedied under this Agreement;
- 21.1.8. An Insolvency Event occurs in relation to any Party.

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21.2. Termination by Buyer

If the default or event which entitled the Buyer to give Sellers a Notice of such default continues to subsist for seven hundred and thirty (730) Days after the Sellers' Notice is served on the Sellers then the Buyer may, by Notice to the Sellers given while the default or other event subsists, terminate this Agreement with a ten (10) Business Days' Notice.

21.3. Termination by Sellers

If the default or event which entitled the Sellers to give Buyer a Notice of such default continues to subsist for seven hundred and thirty (730) Days after the Buyer's Notice is served on the Buyer then the Sellers may, by Notice to the Buyer given while the default or other event subsists, terminate this Agreement on giving a further ten (10) Business Days' Notice.

21.4. Effect of Expiry or Termination

- 21.4.1. Notwithstanding anything to the contrary in this Agreement, this Clause 21.4 and Clauses 10 (Liabilities and Limitations), 12 (Invoicing and Payment Terms), 14 (Dispute Resolution), 17 (Governing Law), 18 (Notices and Communication between the Parties), 19 (Confidentiality and Publicity) and 20 (General) shall survive any termination of this Agreement.
- 21.4.2. Except as otherwise expressly provided herein, the expiry or termination of this Agreement shall be without prejudice to the rights that have accrued to the Sellers and the Buyer prior to the date of such expiry or termination and shall not relieve any Party from any obligations incurred or arising prior to such expiry or termination.

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IN WITNESS whereof this Agreement is executed on the Date first above written:

SIGNED for and on behalf of:

NIGERIAN NATIONAL PETROLEUM CORPORATION

By: 

Name: M.K. Kyari

Position: Joint

WITNESS:

Name: HADIZA COOMASSIE

Position: SECTO CORP & LEGAL ADVISER

Address: NNPC TOWERS, CBD,

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SIGNED for and on behalf of:

SOUTH ATLANTIC PETROLEUM LIMITED

By: 

Name: TOYIN ADEMOLA

Position: MANAGING DIRECTOR

WITNESS:

Name: Silas GARBA 

Position: GM, Legal Services


Address: 1 Adenuga Oduduwa, VI

Lagos



SIGNED for and on behalf of:

CNOOC EXPLORATION AND PRODUCTION NIGERIA LIMITED


By: 
 Name: PAN YUGUANG
 Position: For MD

WITNESS:

Name: Louis OmoTimurew Kool Saz.
 Position: LEGAL MANAGER
 Address: 1, Adesola Odeku Street,
Victoria Island, Lagos, Nigeria

SIGNED for and on behalf of:

TOTAL UPSTREAM NIGERIA LIMITED

By: 
 Name: Mike Sangster
 Position: MD

WITNESS:

Name: Olalere BABASOLA
 Position: Executive Gen. Mgr. Govt Relations
 Address: Plot 247, Herbert Macaulay Way,
CBD, Abuja

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SIGNED for and on behalf of:

TOTAL E&P NIGERIA LIMITED

By:

MRB

Name:

Mike Sangster

Position:

MP

WITNESS:

Name:

Olalere BABASOLA

Position:

Executive Gen. Mgr. Govt Relations

Address:

Total House, Plot 247, Herbert Macaulay Way

CBD, Abuja.

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APPENDIX I Gas Specification

The following specification applies to the Commingled Gas computed as per Appendix II according to Clause 6 except if specified otherwise.

1. Ranges for Components to be delivered in the Commingled Gas:

<u>Component</u>	<u>Range in Mole per cent</u>
Methane	between 79.0 and 87.3
Ethane	between 5.3 and 10.0
LPG (Propane and Butane)	between 3.7 and 10.0
Pentanes and heavier hydrocarbons	between 0.7 and 1.3
Nitrogen	max. 0.3
Carbon Dioxide	max. 3.8
<u>Ratio</u>	
Propane/Butane	between 1:1 and 5:1

2. Gross Heating Value (N₂, C₁, C₂, C₃, C₄)

The normalised Gross Heating Value for the component slice N₂, C₁, C₂, C₃, C₄ in the Commingled Gas, calculated as per the procedure set out in Appendix II to this Agreement, shall be between 42.5 and 47.0 MJ/Sm³.

3. Impurity Limits

3.1 Impurities

Limits

Total Sulphur	max. 30 mg/Sm ³
Hydrogen Sulphide (H ₂ S)	max. 5.0 mg/Sm ³
Mercaptans	max. 2.0 mg/Sm ³
Carbon Disulphide (CS ₂)	max. 2.5 mg/Sm ³
Carbonyl Sulphide (COS)	max. 4.5 mg/Sm ³
Oxygen	max. 200 ppm (mole)
Mercury	max. 1.0 microgram/Sm ³

- 3.2 The Commingled Gas delivered shall be free from dust, oils and any other objectionable substances which may become separated from the Commingled Gas and interfere with the measurement, transmission or liquefaction of the Commingled Gas.

4. Water Dew Point

Water dew point shall not be higher than plus five (+5) degrees Celsius at ninety (90) Bar absolute at the respective Metering Stations of the individual gas streams.

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APPENDIX II

Conversion Factors and Calculation Methods

1. Conversion Factors

1 Btu is equal to 1055.056 Joules (Reference ISO 31/4:1978, Annex A)

1 kWh is equal to 3.6 MJ

2. Calculation Methods for Commingled Gas

Any metered data used in the following calculations are measured at the Metering Stations of the respective Custody Transfer Points. Measurements should be done in accordance with Appendix III.

Commingled volume of Gas

The commingled volume of Gas (in Sm³) from the OML130 Supply Area is calculated according to the following method:

$$F = \text{Sum } (f_j)$$

where: F = commingled volume of Gas from the OML130 Supply Area.

f_j = total volume of Gas from all gas streams delivered at each Metering Station "j".

j = each of the Metering Station available on the OML130 Supply Area.

Composition of the commingled Gas

The composition of the commingled Gas is the weighted average of the composition of each stream of gas as delivered at the respective Custody Transfer Points on the OML130 Supply Area.

The molar fraction of each individual component in the commingled Gas is calculated according to the following method:

$$X_i = \frac{\text{Sum } (x_i * f_j)}{\text{Sum } (f_j)}$$

where: X_i = molar fraction of the individual component "i" in the commingled Gas.

x_i = molar fraction of the individual component "i" in the total volume of Gas delivered at each Metering Station "j".

i = each of the individual components in the Gas sample as recorded from each Metering Station.

f_j = total volume of Gas from all gas streams delivered at each Metering Station "j".

j = each of the Metering Station available on the OML130 Supply Area.

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3. **Gross Heating Value (Volume based) of the Commingled Gas**

The Gross Heating Value (volume based) of the commingled Gas of the OML130 Supply Area in MJ/Sm³, rounded to two (2) decimal places, is calculated according to the following method:

$$\text{GHV} = \frac{\text{Sum (fj * MJj)}}{\text{Sum (fj)}}$$

where: Fj = total volume (in Sm³) of Gas from all gas streams delivered at each Metering Stations "j".
 MJj = energy (in MJ) of each individual Gas stream "j".
 j = each of the Metering Station available on the OML130 Supply Area.

4. **Calculation Methods at Reference Conditions**

Gross Heating Value (Volume based)

The Gross Heating Value (Volume based) of a gas in MJ/Sm³, rounded to two (2) decimal places, is calculated according to the following method:

$$\text{GHV} = \frac{\text{Sum (Xi * GHVi)}}{\text{Sum (Xi)}}$$

where: Xi = molar fraction of the individual component "i" in the gas sample.
 GHVi = Gross Heating Value (Volume based) of the individual component as specified in this Appendix II, C4.
 i = each of the individual components in the gas sample.

Normalised Gross Heating Value for the component slice N2, C1, C2, C3, C4

The normalised Gross Heating Value (Volume based) for the component slice N2, C1, C2, C3, C4 of a gas in MJ/Sm³, rounded to two (2) decimal places, is calculated according to the following method:

$$\text{GHV} = \frac{\text{Sum (Xi * GHVi)}}{\text{Sum (Xi)}}$$

where: Xi = molar fraction of the individual component "i" in the gas sample.
 GHVi = Gross Heating Value (Volume based) of the individual component as specified in this Appendix II, C4.
 i = each of nitrogen, methane, ethane, propane, iso-butane, and normal-butane in the gas sample.

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Density at Reference Conditions

The density of a gas at reference conditions is calculated from:

$$\text{Density} = \text{RD} * 1.22489$$

where: RD = the density of the gas relative to the density of air at the same reference conditions. The calculation method for RD is given below.

1.22489 = the density in kg/Sm³ of dry, ideal air as per ISO 6976: 1995 at 15 degrees Celsius and 1.01325 Bar. The relative density of a gas at the reference conditions is defined and calculated according to ISO 6976 : 1995

$$\text{RD} = \frac{\text{Sum (Xi * Mi)}}{\text{Sum (Xi) * 28.9625}}$$

where: Xi = molar fraction of the individual component "i" in the gas sample.
 Mi = molecular weight of the individual component "i" in the gas sample as specified in this Appendix II, C4.
 i = each of the individual components in the gas sample.
 28.9625 = the molecular weight of air.

Value of GHVi and Mi (ISO 6976 : 1995)

The reference conditions are:

- Dry and ideal gas and air
- Combustion temperature of 15 degrees Celsius
- Air and gas temperature of 15 degrees Celsius
- Pressure of 1.01325 Bar

Component	GHVi	Mi
	MJ/Sm ³)	kg/kmole
Methane (C1)	37.706	16.043
Ethane (C2)	66.07	30.070
Propane (C3)	93.94	44.097
Iso-Butane (iC4)	121.40	58.123
Normal-Butane (nC4)	121.79	58.123
Iso-Pentane (iC5)	149.36	72.150
Normal-Pentane (nC5)	149.66	72.150
Normal-Hexane (nC6)	177.55	86.177
Nitrogen (N2)	0.0	28.0135
Carbon Dioxide (CO2)	0.0	44.010

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Calculation Methodology and Accuracy for Invoices

For the purpose of invoicing, all numerical values shall be expressed according to the presented below:

- Price: The unit price shall be expressed in US Dollars per MMBtu and calculated to four decimal places. The fifth decimal place being rounded as follows: 5 and above is rounded up, below 5 is rounded down.
- Volumes: The volumes shall be expressed in Standard Cubic Feet (Scf)
- Energy: The quantity of energy shall be expressed in British Thermal Unit (Btu)
- Total invoice value shall be expressed in US Dollars, with 2 decimal places

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APPENDIX III Measurement Standards

The standard test methods described below shall be used to determine the quality and quantity of Gas delivered at the Custody Transfer Points.

- | 1. DESCRIPTION | TEST METHOD |
|--------------------------------------|------------------|
| Sampling | ISO 10715: 1997 |
| Hydrocarbons | ISO 6974-5: 2000 |
| Total Sulphur | ISO 4260: 1987 |
| Hydrogen Sulphide (H ₂ S) | ISO 6326-4: 1994 |
| Mercaptans | ISO 6326-4: 1994 |
| Carbon Disulphide (CS ₂) | ISO 6326-4: 1994 |
| Carbonyl Sulphide (COS) | ISO 6326-4: 1994 |
| Oxygen | ISO 6974-3: 2000 |
| Mercury | ISO 6978: 1992 |
| Water Dew Point | ISO 6327: 1981 |
| Gross Heating Value | ISO 6976: 1995 |
2. Unless otherwise specified the measurement and computation of the Gas delivered shall be in accordance with the standards specified below.

The volumetric and mass flow are intrinsically measured by the measuring system. The volumetric flow shall be obtained by dividing the mass flow by the density of Gas at the reference conditions, referred to in Appendix II to this Agreement. The mass flow shall be based on an orifice meter for which the design and mass flow calculations are in accordance with ISO 5167/1:1991, ISO 5168: 1978 and ISO 7066/1: 1989. The Gas density under operating conditions used in the flow calculation shall be measured by densitometer. The density at the reference conditions shall be calculated as per Appendix II to this Agreement.

The continuous measuring system shall retain values of Gas components concentrations in percentages of mole. For the purpose of determining the molecular composition of Gas delivered hereunder, all hexane hydrocarbon components and hydrocarbon components heavier than hexane shall be included in the normal hexane fraction. The composition information shall be obtained from on-line Gas chromatographic measurement installed in accordance with the ISO 6974-5: 2000 and Oxygen content shall be obtained from Gas chromatographic measurements in accordance with the ISO 6974-3: 2000 or from portable oxygen analyser and calibration gases shall be prepared in accordance with ISO 6974-3: 2000. The Gross Heating Value, density and relative density of the Gas shall be calculated from the compositions derived from the continuous measuring system as per Appendix II to this Agreement.

The calculation of the quantities of heat delivered shall combine the continuous measurement of volumetric flow at the reference conditions and the Gross Heating Value to give energy per unit time.

The continuous measurement system shall retain sufficient instantaneous, summed and averaged data to provide volume and energy reports on a daily and monthly basis. The format

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of such volume and energy reports shall be agreed to by the Buyer and the Sellers and be included in the specification of the metering system.

The metering system shall comprise two (2) duplicate meter runs: one principal meter run by which the quantity of delivered Gas is continuously measured, and one which is installed as a full standby meter run. Each meter run shall contain one orifice flow meter and associated computing equipment.

The measuring equipment to be used for calculation of the delivered quantities of Gas shall be installed in such a way that no single failure of a piece of measuring equipment shall result in loss or degradation of accounting data. To this extent, the equipment which is primarily intended for accounting is labelled "PAY" equipment and the (redundant) equipment intended for checking is labelled "CHECK".

Upon detection of a failure of the "PAY" equipment to produce data suited for accounting the "CHECK" equipment shall automatically be used for accounting, the "CHECK" equipment for that period of time having the status "PAY", and shall not result in loss or degradation of accounting data.

Calibration and tests on the various parts of the measuring equipment and devices shall be carried out as specified in Clause 8 of this Agreement and shall not result in loss or degradation of accounting data. If the difference in the quantity or the Gross Heating Value of the Gas delivered, as recorded by the "PAY" and "CHECK" equipment, exceeds the limits specified in Clause 8.3 of this Agreement, then the accuracy of the measuring system shall be verified according to Clause 8 of this Agreement.

The SI system of units is used throughout this Appendix III. All calculations are performed in SI units. The relevant conversion factors to non-SI units in accordance with this Agreement are given in Appendix II to this Agreement.

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APPENDIX IV Description of Buyer's Facilities

The Buyer, pursuant to its participating interest in the TEPNG Joint Venture and in its capacity as operator thereof, has constructed, installed, commissioned and is operating and maintaining the undermentioned facilities for the purposes of gas treatment and gas export.

These facilities include but are not limited to:

- the Akpo-Amenam pipeline, a sixteen-inch (16") and one hundred and fifty five (155) kilometres gas export pipeline from the Akpo FPSO to the AMP2 Platform, location coordinates:

Point	Easting (M) (WGS 1984 TM 6 NE)	Northing (M) (WGS 1984 TM 6 NE)
Akpo FPSO	591386.8	347269.6
AMP2 Platform tie-in	668453.9	457022.4

- the Akpo-Amenam pipeline arrival facility on AMP2 Platform, comprising:
 - (i) Emergency shutdown valve (ESDV) and shutdown valves (SDV)
 - (ii) Pig receiver
 - (iii) Pressure Control valves
 - (iv) Pressure and flow transmitters
- the AMP2 Platform topside facilities, location coordinates:

Point	Easting (M) (WGS 1984 TM 6 NE)	Northing (M) (WGS 1984 TM 6 NE)
AMP2 Platform centre	668435.4	457041.4

and Comprising:

- (i) Slug catcher
 - (ii) Gas compressor package
 - (iii) Gas dehydration package- contactor, dehydration column, regeneration unit, scrubber
 - (iv) Gas export Metering package
- The Amenam Pipeline, a twenty-four inch (24") and fifty five (55) kilometres gas export pipeline from AMP2 Platform to NLNG's Plant on Bonny Island (also referred to as the GTS-5), location coordinates:

Point	Easting (M) (WGS 1984 TM 6 NE)	Northing (M) (WGS 1984 TM 6 NE)
AMP2 Platform tie-in	668466.1	457056.2
NLNG's Plant inlet	628599.6	489026.7

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