

Version 1.1 dated 1 January 2010

**MAIN ELEMENTS OF:
TERMS AND CONDITIONS
for
TRANSPORTATION
of
GAS
in
DONG NATURGAS'
OFFSHORE PIPELINES
to
the Danish West Coast**

(These Terms and Conditions are only valid for third party access to the existing facilities)

1 DEFINITIONS ETC.

1.1 Applicability

The objective of these Terms and Conditions is to regulate the rights and obligations of the Parties with regard to the provision and use of Transportation Services in the Transportation System.

The Terms and Conditions apply to and are an integral part of any Transportation Agreement entered into between a Shipper and the Operator for the provision of Transportation Services such as these are defined herein.

The Transportation Agreement and these Terms and Conditions (including the Appendices) constitute the entire contractual relationship between the Parties for the provision of Transportation Services.

1.2 Contractual Relationship

The Transportation Agreement is entered into between the Shipper and the Operator.

The Operator will conduct all operations in the Transportation System and, on behalf of DONG Naturgas, provide the Transportation Services and execute all DONG Naturgas' rights and obligations under the Transportation Agreement.

1.3 Definitions

<not included in Main Elements>

1.4 Appendices

The following Appendices are attached to the Terms and Conditions:

Appendix A: Handling Procedure for a Bona Fide Transportation Request
Appendix B: Operations Manual
Appendix C: Gas Specifications

1.5 Hierarchy

In the event of any conflict between the provisions in the various parts of the Transportation Agreement, they shall be given priority in the following order:

- 1) The Transportation Agreement duly signed by the Parties
- 2) These Terms and Conditions
- 3) The Appendices

1.6 Agents

The Operator has elected to outsource the daily operational and technical running of the Transportation System to DONG Storage A/S.

2 TRANSPORTATION SYSTEM

2.1 Scope of Transportation System

These Terms and Conditions apply exclusively to the existing Transportation System as defined under Articles 2.2-2.3.

2.2 Delivery Points

The Transportation System consists of the existing three (3) Delivery Points - Delivery Point Tyra East, Delivery Point South Arne and Delivery Point Harald - collectively referred to as Delivery Point(s).

The Delivery Point Tyra East shall be the Tyra East E Riser Platform (situated in the Danish North Sea Sector) at the point where Gas first enters DONG Naturgas' facilities on such platform, as they may exist from time to time. Shipper's Gas delivered at the Delivery Point Tyra East shall be measured by the same measurement facilities used for measuring deliveries to DONG (as User). Consequently, Shipper's Gas and DONG (as User)'s Gas shall be deemed to be of the same Quality.

The Delivery Point South Arne shall be the point located ten (10) centimetres immediately upstream from the hyper baric welded connection between the export riser and the pipeline tie-in spool adjacent to the side of the base of the South Arne Platform (situated in the Danish North Sea Sector) at the point where Gas first enters DONG Naturgas' facilities on such platform. Shipper's Gas delivered at the Delivery Point South Arne shall be measured by the same measurement facilities used for measuring deliveries to DONG (as User). Consequently, Shipper's Gas and DONG (as User)'s Gas shall be deemed to be of the same Quality.

The Delivery Point Harald shall be the Harald A Riser Platform (situated in the Danish North Sea Sector) at the point where Gas first enters DONG Naturgas' facilities on such platform, as they may exist from time to time. Shipper's Gas delivered at the Delivery Point Harald shall be measured by fiscal measurement facilities immediately upstream the Delivery Point Harald.

2.3 Redelivery Point

The Transportation System has one (1) Redelivery Point.

The Redelivery Point is downstream the measurement and regulator station at the Nybro gas treatment plant (situated on the Danish West Coast) immediately prior to the point, where DONG Naturgas' ownership of the pipelines ceases to exist.

3 TRANSPORTATION SERVICES

3.1 Booked Daily Capacity

DONG Naturgas offers - subject to Appendix A to these Terms and Conditions - Shipper to reserve a right to have a daily Quantity of its On-spec Delivery Gas transported from a Delivery Point and redelivered as On-spec Redelivery Gas at the Redelivery Point

3.2 Maximum Hourly Transportation Right

Subject to the Shipper having delivered Gas at reasonably even hourly rates throughout a Day at the Delivery Point, the Shipper has the right - subject to these Terms and Conditions - each Hour during the same Day to have redelivered a Quantity of Gas at the Redelivery Point up to a maximum of 1/24 (one twenty-fourth part) of the Booked Daily Capacity.

3.3 Daily Flexibility

The Gas Balance Account shall by the end of every Day stay within plus two percent (+2%) of the Booked Daily Capacity (the "Upper Imbalance Level") and minus ten percent (-10%) of the Booked Daily Capacity (the "Lower Imbalance Level").

3.4 Booking Period

DONG Naturgas offers Transportation Agreements on a short and long-term basis to be agreed in the Transportation Agreement.

3.5 Unused Capacity on the Day

DONG Naturgas has the right to dispose of or sell to third parties the Booked Daily Capacity of a Shipper, which has not been used by the Shipper on a particular Day.

3.6 Pooling

If a Shipper has entered into more than one Transportation Agreement with the same Delivery and Redelivery Points, the Shipper may pool the Booked Daily Capacities, the Maximum Hourly Transportation Rights and the Daily Flexibilities of such Transportation Agreements.

4 ANCILLARY SERVICES

In addition to Transportation Services, DONG Naturgas will on request - if operationally and technically feasible - offer gas treatment services as a back-up facility to off-shore gas treatment.

The Ancillary Services cover hydrogen sulphide removal and NGL removal from the Gas taking due consideration of DONG Naturgas' existing contractual obligations.

The provision of Ancillary Services may require a supplement to be agreed upon to these Terms and Conditions.

5 ALLOCATION OF DELIVERY

5.1 Allocation Agreement at the Delivery Point

The Shipper has to sign up to an existing Allocation Agreement at the Delivery Point. In case no such Allocation Agreement exists, the Shipper has to negotiate an Allocation Agreement with relevant parties. Allocation of delivery at Delivery Point Tyra East and at Delivery Point South Arne shall be based on existing measurement facilities on the relevant platform immediately upstream of the Delivery Point. Allocation of delivery at Delivery Point Harald is currently not possible as measurement facilities on the Harald platform immediately upstream of the Delivery Point are not installed.

6 TRANSPORTATION COMMITMENT AND OPERATION

6.1 Transportation Commitment

The Operator undertakes - in accordance with these Terms and Conditions - to receive Quantities of Gas up to the Booked Daily Capacity from the Shipper at the agreed Delivery Point, transport and redeliver the same Quantities of Gas to the Shipper at the agreed Redelivery Point throughout the Booking Period.

6.2 Hourly Transportation Commitment

The Operator's Hourly Transportation Commitment shall - subject to the Operations Manual and these Terms and Conditions - be to receive Quantities of On-Spec Delivery Gas at the Delivery Points at reasonably even hourly rates throughout the Day and to redeliver Quantities of On-

Spec Redelivery Gas at the Redelivery Point corresponding to Nominations.

6.3 Operation

Throughout the Booking Period the Operator shall operate, maintain and repair the Transportation System as a Reasonable and Prudent Operator.

6.4 Planned Maintenance and Maintenance Period

Notwithstanding the Transportation Commitment, the Operator shall each year for reasons of Planned Maintenance of the Transportation System have the right to reduce the capacity or shutdown the Transportation System in the Maintenance Period.

The Maintenance Period shall be limited to two (2) weeks during the months of June to August.

The Operator shall in accordance with the Operations Manual notify the Shipper of the Maintenance Period. The Maintenance Period is decided by the Operator, who shall use reasonable efforts to minimise the duration of the Maintenance Period and to coordinate the Maintenance Period with the Shipper.

6.5 Safety, System Integrity and/or Environmental Protection

Notwithstanding the Transportation Commitment and Article 6.3, the Operator may for reasons of safety, system integrity and/or environmental protection curtail or shut-off the Shipper's delivery of Gas to the Transportation System to perform repairs and/or extraordinary maintenance of the Transportation System, provided that said actions cannot reasonably be deferred to a subsequent Maintenance Period.

The Operator acting as a Reasonable and Prudent Operator will determine the curtailment or shut-off period. The Operator shall promptly notify the Shipper of the reason for such action, the extent of curtailment or shut-off and the possible duration of such curtailment or shut-off. To the extent time is available, the Operator shall coordinate the curtailment or shut-off with the Shipper in order to minimise the effect of such curtailment or shut-off.

6.6 Installations, Connections, Modifications, Tie-in etc.

Notwithstanding the Transportation Commitment and Article 6.3, the Operator may curtail or shut-off the Shipper's delivery of Gas to the Transportation System if necessary for reasons of any operations, inter alia installations, connections, modifications, tie-in operations, disconnections and removals which cannot be reasonably deferred by the Operator acting as a Reasonable and Prudent Operator to a period of Planned Maintenance according to Article 6.4.

The Operator shall in the period where the above operations are conducted provide the Shipper with Quantities of Gas corresponding to a maximum of Booked Daily Capacity to be delivered at the Redelivery Point. The Shipper shall pay the Operator for such Quantities of Gas a price equal to the Gas Price published on the calendar day immediately prior to the Day where the Quantities of Gas are delivered.

The Operator shall as soon as possible and not less than 90 (ninety) days prior to commencement notify the Shipper of the timing and extent of any such operations. In the planning and scheduling of the operations the Operator shall seek to minimise necessary shut-off periods and to cause least possible disruptions to the Transportation Services.

6.7 Reduced Capacity

If physical or operational circumstances result in a temporarily Reduced Capacity in the Transportation System or the Transmission System or any other relevant downstream transportation system affecting the capacity in the Transportation System, the Operator shall promptly notify the Shipper of the reason, the extent of the reduction and the possible duration of such reduction.

The Operator shall use reasonable endeavours to reduce the extent of reduction and the duration hereof.

Reduced Capacity in the Transportation System does not constitute a breach of the Transportation Agreement.

6.8 Priorities

In case of reduced capacity according to Articles 6.4 to 6.7 the Operator will reallocate capacity to the Shipper according to the priority rules set out in the Operations Manual.

7 TARIFFS, FEES AND GAS BALANCE ACCOUNTS

7.1 Capacity Tariff Obligation

Throughout the Booking Period, the Shipper is obliged to pay the agreed Capacity Tariff Obligation for a Quantity of Gas corresponding to the Booked Daily Capacity, even if such Quantity is not transported.

The agreed Capacity Tariff Obligation is excluding any Tax, Other Tax and/or VAT.

The Shipper's Quantities paid for but not transported shall not be credited against subsequently transported Quantities.

The Capacity Tariff Obligation shall be suspended during any period and to the extent proportional to the reduction of Transportation Service limited to events in the Transportation System described in

- Articles 6.5-6.6
- Article 6.7, if the Reduced Capacity is caused by physical or operational circumstances in the Transportation System
- Force Majeure

Suspension (or partial suspension) of the Capacity Tariff Obligation shall constitute the sole remedy of the Shipper, unless the Operator by Wilful Misconduct was the cause of the above events.

7.2 Gas Balance Account

For every Transportation Agreement a Gas Balance Account is opened with an opening balance sheet of 0 (zero). Every Day throughout the Booking Period, the Gas Balance Account is updated by adding the allocated Quantity of Gas delivered by the Shipper at the Delivery Point during that Day and subtract the allocated Quantity of Gas redelivered by the Operator at the Redelivery Point during the same Day.

7.3 Pooling of Gas Balance Accounts

If a Shipper has pooled Transportation Agreements according to Article 3.6, the Gas Balance Accounts of such pooled Transportation Agreements shall be pooled.

7.4 Termination of Gas Balance Accounts

When a Transportation Agreement is terminated and replaced by a new Transportation Agreement with the same Delivery and Redelivery Points and with the same - or higher - Booked Daily Capacity and commencing the Hour after the Hour of termination of the former Transportation Agreement, the Gas Balance Account may be transferred to the new Transportation Agreement upon prior request to the Operator.

In all other cases the Gas Balance Account must be cleared by the Shipper purchasing the Quantity of Gas at a Gas Balance Purchase Price or selling the Quantity of Gas at a Gas Balance Selling Price, whichever is applicable.

The Gas Balance Purchase Price is set as 110% (one hundred and ten per cent) of the Gas Price published on the calendar day immediately prior to the day of termination of the Transportation Agreement.

The Gas Balance Selling Price is set as 90% (ninety per cent) of the Gas Price published on the calendar day immediately prior to the day of termination of the Transportation Agreement.

By clearance of a Gas Balance Account of a terminated Transportation Agreement which is pooled with other Transportation Agreements according to Article 7.3, a fraction of the pooled Gas Balance Account corresponding to the Booked Daily Capacity of the terminated Transportation Agreement in relation to all pooled Booked Daily Capacities must be cleared.

8 SHIPPER'S OPERATIONAL RIGHTS AND OBLIGATIONS

8.1 Delivery and Redelivery

The Shipper has, throughout the Booking Period, the right to deliver Quantities of On-spec Delivery Gas at a reasonably even flow rate throughout the Day at the Delivery Point necessary for keeping the Gas Balance Account within the Daily Flexibility. The Shipper has, throughout the Booking Period, the obligation to accept redelivery of On-Spec Redelivery Gas at the Redelivery Point corresponding to the Approved Nominations.

8.2 Forecasts

The Shipper shall issue to the Operator forecasts of its deliveries of Gas at the Delivery Point. The forecasts shall be in accordance with the Operations Manual.

8.3 Nominations

The Shipper shall every Day in accordance with the Operations Manual, for every Shipper Code Pair submit to the Operator Nominations of Quantities of Gas per Hour to be redelivered at the Redelivery Point.

The Nominations shall for the Redelivery Point not exceed the Shipper's Maximum Hourly Transportation Right.

The Shipper has the right to notify the Operator of any changes to the Shipper Code Pairs at any time during the Booking Period. Such change shall have effect with the same period of notice as stipulated in the current Danish Network Code.

8.4 Renominations

Procedures for Renominations shall be in accordance with the Operations Manual and shall follow the same rules as described in Articles 8.3

and 8.5 and be coherent with the procedures for renominations to the Transmission System.

8.5 Approved Nominations

The Shipper is obliged to accept the Approved Nominations.

9 OPERATOR'S OPERATIONAL RIGHTS AND OBLIGATIONS

9.1 Line Pack Gas

Line Pack Gas is under normal operating conditions supplied by the Operator.

Under operating conditions, which are not normal conditions, the Operator has the right to make the acceptance of the Shipper's Nominations subject to prior delivery of a Quantity of Line Pack Gas determined solely by the Operator acting as a Reasonable and Prudent Operator.

The Operator shall as soon as operationally feasible redeliver in kind to the Shipper the Quantity of Line Pack Gas. Redelivery to the Shipper shall constitute the sole compensation for the Shipper.

9.2 Right to Sell Shortfall Gas

If the Gas Balance Account by the end of any Day falls under the Lower Imbalance Level, the Operator has the right to sell - and the Shipper the obligation to buy - the Quantity of Gas (the "Shortfall Gas") necessary to restore the Gas Balance Account up to the Lower Imbalance Level at a price which is the highest of the following prices:

- 150% (one hundred and fifty per cent) of the Gas Price published on the calendar day immediately prior to the Day where the Shortfall Gas should have been delivered, or;
- a price equal to the Minimum Selling Price

The Gas Balance Account shall subsequent hereto be adjusted for the Shortfall Gas sold by the Operator.

9.3 Right to Purchase Excess Gas

If the Gas Balance Account by the end of any Day exceeds the Upper Imbalance Level, the Operator has the right to buy - and the Shipper the obligation to sell - the Quantity of Gas (the "Excess Gas") necessary to restore the Gas Balance Account down to the Upper Imbalance Level at a price which is the lowest of the following prices:

- 50% (fifty per cent) of the Gas Price published on the calendar day immediately prior to the Day where the Excess Gas was delivered, or;
- a price equal to the Maximum Purchase Price

The Gas Balance Account shall subsequent hereto be adjusted for the Excess Gas bought by the Operator.

9.4 Right to Suspend the Transportation

If the accumulated purchase of Excess Gas or accumulated sale of Shortfall Gas pertaining to the current calendar month exceed sixty per cent (60%) of the Booked Daily Capacity, the Operator has the right (not an obligation) to suspend its commitments, cf. Articles 6.1 and 6.2 for the remaining Days in the current calendar month by notification to the Shipper, cf. Article 9.7 and with effect from the immediate following Day. Such suspension shall not relieve the Shipper from its Capacity Tariff Obligation.

9.5 Matching

The Operator shall in accordance with the Operations Manual evaluate the Nominations and the Renominations and have the Nominations and Renominations matched against (re)nominations received by the operator of the Transmission System according to the matching procedures in the Danish Network Code and by using Shipper Code Pairs.

The result of the matching constitutes the Approved Nominations and shall be submitted to the Shipper in accordance with the Operations Manual.

9.6 Allocation of Gas

The Operator shall on a daily basis allocate the Quantity of Gas delivered during the previous Day at the Delivery Point and the Quantity of Gas redelivered per Hour at the Redelivery Point according to the Allocation Agreement and Operations Manual and inform the Shipper of the result hereof.

9.7 Other Information to the Shipper

The Operator shall according to the Operations Manual on a daily basis inform the Shipper of the following:

- Status on the Gas Balance Account by end of the previous Day
- Purchase of Excess Gas and sale of Shortfall Gas pertaining to the previous Day

- The accumulated purchase of Excess Gas and accumulated sale of Shortfall Gas pertaining to the current calendar month
- Status on Line Pack Gas delivered or redelivered by end of previous Day, if any
- Notification of suspension of transportation, if any

10 QUALITY REQUIREMENTS

10.1 Requirements at the Delivery Point

The Shipper and DONG (as User) shall deliver Gas at the Delivery Point that meets the Gas Specifications stated in Appendix C.

Shipper's Gas and DONG (as User)' Gas shall be deemed to be of the same Quality at the same Delivery Point(s).

10.2 Right to Refuse Delivery

The Operator may at all times refuse to accept the Shipper's Off-spec Delivery Gas. The Shipper shall in such case immediately stop any delivery of Gas.

10.3 Gas not Complying with Requirements at the Delivery Point

The Shipper shall inform the Operator without delay if and when he expects the Gas to become Off-spec Delivery Gas or the Quality of the Gas is expected to deviate significantly from the forecasted Quality according to Article 8.2.

Notwithstanding Article 10.1 and 10.2, the Operator may but is not obliged to accept the Shipper's Off-spec Delivery Gas against payment of an Off-spec Gas Fee plus any cost and/or expense associated with the necessary processing of the commingled Gas stream to make all Gas at the Redelivery Point On-Spec Redelivery Gas provided that, in the opinion of the Operator, such Off-spec Delivery Gas would neither be detrimental to the operation of the Transportation System nor affect the Operator's ability to redeliver Gas to all shippers in accordance with Article 10.5.

If the Operator accepts Off-spec Delivery Gas from

- more than one Shipper or
- one Shipper and DONG (as User) or
- more than one Shipper and DONG (as User),

the cost and/or expense associated with the necessary processing of the commingled Gas stream to make all Gas at the Redelivery Point On-Spec Redelivery Gas shall be split between the Parties delivering Off-spec Delivery Gas proportionately to the accepted Off-spec Delivery Gas Quantities.

10.4 Right to Take Operational Actions

If the Shipper has delivered Off-spec Delivery Gas without the Operator's prior acceptance according to Article 10.3, the Operator shall have the right to take necessary operational actions to dispose of or process the commingled Quantity of Off-spec Redelivery Gas or, if possible and subject to the respective platform operator's prior approval, backflow the Gas.

10.5 Requirements at the Redelivery Point

The Operator shall redeliver Gas at the Redelivery Point that meets the Gas Specifications stated in Appendix C.

10.6 Right to Refuse Redelivery

The Shipper may refuse to accept redelivery of its Gas provided that the operator of the Transmission System based on the Quality provisions in that system refuses to take said Gas. The Shipper shall in such case immediately stop any delivery of Gas at the Delivery Point.

10.7 Gas not Complying with Requirements at the Redelivery Point

The Operator shall inform the Shipper without delay when the operator of the Transmission System refuses to take Gas at the Redelivery Point according to Article 10.6.

In such case the Operator shall take any necessary operational action to dispose of or process such Gas in order to remedy the situation without any delay and keep the Shipper informed.

11 **TERMINATION OF THE TRANSPORTATION AGREEMENT**

<not included in Main Elements>

12 **AMENDMENTS**

<not included in Main Elements>

13 INVOICING AND PAYMENTS

<not included in Main Elements>

14 AUDITS AND ERRORS

<not included in Main Elements>

15 FORCE MAJEURE

<not included in Main Elements>

16 APPLICABLE LAW AND ARBITRATION

<not included in Main Elements>

17 LIABILITY AND COMPENSATION

<not included in Main Elements>

18 NOTICES

<not included in Main Elements>

19 ASSIGNMENT

<not included in Main Elements>

20 TERM

<not included in Main Elements>