
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 25, 2012

CHENIERE ENERGY PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1-33366

(Commission File Number)

20-5913059

(I.R.S. Employer Identification No.)

**700 Milam Street
Suite 800
Houston, Texas**

(Address of principal executive offices)

77002

(Zip Code)

Registrant's telephone number, including area code: **(713) 375-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 Entry into a Material Definitive Agreement.

Amended and Restated LNG Sale and Purchase Agreement

On January 26, 2012, Cheniere Energy Partners, L.P. (“Cheniere Partners”) issued a press release announcing the signing of an Amended and Restated LNG Sale and Purchase Agreement (the “Amended and Restated SPA”) between Sabine Pass Liquefaction, LLC, a subsidiary of Cheniere Partners (“Sabine Liquefaction”), and BG Gulf Coast LNG, LLC (“BG”), an affiliate of BG Energy Holdings Limited (“BG Parent”). The Amended and Restated SPA amends the LNG Sale and Purchase Agreement entered into on October 25, 2011 (the “Original SPA”) between Sabine Liquefaction and BG to provide that:

- Sabine Liquefaction will sell and make available for delivery, and BG will take and pay for, cargoes of liquefied natural gas (“LNG”) with an annual contract quantity of 286,500,000 MMBtu (equivalent to approximately 5.5 million tonnes per annum (“mtpa”).
- BG will pay Sabine Liquefaction a fixed sales charge of \$2.25 per MMBtu for 182,500,000 MMBtu of the annual contract quantity that commences with the date of first commercial delivery for the first liquefaction train. In addition, BG will pay Sabine Liquefaction a fixed sales charge of \$3.00 per MMBtu for the remaining 104,000,000 MMBtu of the annual contract quantity with respect to the second, third and fourth liquefaction trains. The fixed sales charge is payable regardless of whether BG purchases any cargoes of LNG. The fixed sales charge will be paid ratably on a monthly basis, and approximately \$0.34 per MMBtu of the fixed sales charge will be subject to annual adjustment for inflation.
- The LNG delivery, take, payment and related obligations with respect to: (i) 182,500,000 MMBtu will commence on the date of first commercial delivery for the first liquefaction train (as determined in accordance with the Amended and Restated SPA); (ii) 36,500,000 MMBtu will commence on the date of first commercial delivery for the second liquefaction train (the “Train 2 Tranche”); (iii) 34,000,000 MMBtu will commence on the date of first commercial delivery for the third liquefaction train (the “Train 3 Tranche”) and (iv) 33,500,000 MMBtu will commence on the date of first commercial delivery for the fourth liquefaction train (the “Train 4 Tranche”). For each of the second, third and fourth liquefaction trains, the date of first commercial delivery is the first day of the month following the later of: (i) the date designated for the first commercial delivery of LNG for such train and (ii) the date on which such train is commercially operable (as determined in accordance with the Amended and Restated SPA).
- If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the second liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel all, but not less than all, of the Train 2 Tranche, the Train 3 Tranche and the Train 4 Tranche, collectively. If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the third liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel all, but not less than all, of the Train 3 Tranche and the Train 4 Tranche, collectively. If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the fourth liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel the Train 4 Tranche.
- If the second, third or fourth liquefaction train does not timely commence operations, BG may terminate the Train 2 Tranche, the Train 3 Tranche or the Train 4 Tranche, respectively.
- Sabine Liquefaction will designate the date for the first commercial delivery of LNG for the (i) second and third liquefaction trains within the 180-day period commencing 59 months after a positive final investment decision has been made to proceed with construction of each such train and the respective related facilities and (ii) fourth liquefaction train within the 180-day period commencing 68 months after a positive final investment decision has been made to proceed with construction of the fourth liquefaction train and related facilities.

The following is a summary of the material terms of the Amended and Restated SPA and reflects the foregoing amendments to the Original SPA:

- Sabine Liquefaction will sell and make available for delivery, and BG will take and pay for, cargoes of LNG with an annual contract quantity of 286,500,000 MMBtu (equivalent to approximately 5.5 mtpa).
- BG will pay Sabine Liquefaction a fixed sales charge of \$2.25 per MMBtu for 182,500,000 MMBtu of the annual contract quantity that commences with the date of first commercial delivery for the first liquefaction train. In addition, BG will pay Sabine Liquefaction a fixed sales charge of \$3.00 per MMBtu for the remaining 104,000,000 MMBtu of the annual contract quantity with respect to the second, third and fourth liquefaction trains. The fixed sales charge is payable regardless of whether BG purchases any cargoes of LNG. The fixed sales charge will be paid ratably on a monthly basis, and approximately \$0.34 per MMBtu of the fixed sales charge will be subject to annual adjustment for inflation.
- BG will also pay Sabine Liquefaction a contract sales price for each MMBtu of LNG delivered under the Amended and Restated SPA. The contract sales price will be equal to 115% of the final settlement price for the New York Mercantile Exchange Henry Hub natural gas futures contract for the month in which the relevant cargo is scheduled.
- BG will have the right to cancel all or any part of a scheduled cargo of LNG by a timely advance notice, in which case BG will continue to be obligated to pay the full monthly fixed sales charge but will forfeit its right to receive the cancelled quantity and will not be obligated to pay the contract sales price for the forfeited quantity.
- BG Parent has irrevocably guaranteed BG's payment obligations under the Amended and Restated SPA.
- The LNG delivery, take, payment and related obligations with respect to: (i) 182,500,000 MMBtu will commence on the date of first commercial delivery for the first liquefaction train (as determined in accordance with the Amended and Restated SPA); (ii) 36,500,000 MMBtu will commence on the date of first commercial delivery for the second liquefaction train; (iii) 34,000,000 MMBtu will commence on the date of first commercial delivery for the third liquefaction train and (iv) 33,500,000 MMBtu will commence on the date of first commercial delivery for the fourth liquefaction train. For each of the second, third and fourth liquefaction trains, the date of first commercial delivery is the first day of the month following the later of: (i) the date designated for the first commercial delivery of LNG for such train and (ii) the date on which such train is commercially operable (as determined in accordance with the Amended and Restated SPA).
- The LNG delivery, payment and related provisions of the SPA will have a 20-year term, commencing on the date designated for the first commercial delivery of LNG for the first liquefaction train. BG will have the right to extend the 20-year term for an additional period of up to 10 years.
- The obligations of Sabine Liquefaction to proceed with the liquefaction project under the
- Amended and Restated SPA will become effective when the following conditions have been satisfied or waived:
 - Sabine Liquefaction has received all regulatory approvals required for construction and operation of its first LNG liquefaction train and related facilities in Cameron Parish, Louisiana;
 - Sabine Liquefaction has secured the necessary financing arrangements to construct and operate its first liquefaction train and related facilities;
 - Sabine Liquefaction has taken a positive final investment decision to proceed with construction of its first LNG liquefaction train and related facilities;

- Sabine Liquefaction has in effect certain other agreements facilitating the actions contemplated by the Amended and Restated SPA; and
 - specified regulatory authorizations are in effect permitting Sabine Liquefaction to export LNG from the United States.
- If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the second liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel all, but not less than all, of the Train 2 Tranche, the Train 3 Tranche and the Train 4 Tranche, collectively. If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the third liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel all, but not less than all, of the Train 3 Tranche and the Train 4 Tranche, collectively. If Sabine Liquefaction does not make a positive final investment decision to proceed with construction of the fourth liquefaction train and related facilities on or prior to June 30, 2013, either party may cancel the Train 4 Tranche.
 - If the second, third or fourth liquefaction train does not timely commence operations, BG may terminate the Train 2 Tranche, the Train 3 Tranche or the Train 4 Tranche, respectively.
 - Sabine Liquefaction will designate the date for the first commercial delivery of LNG for the (i) first liquefaction train within the 180-day period commencing 50 months after the date the conditions to the obligations of Sabine Liquefaction to proceed with the liquefaction project have been satisfied or waived, (ii) second and third liquefaction trains within the 180-day period commencing 59 months after a positive final investment decision has been made to proceed with construction of each such train and the respective related facilities and (iii) fourth liquefaction train within the 180-day period commencing 68 months after a positive final investment decision has been made to proceed with construction of the fourth liquefaction train and related facilities.

BG would have the right to terminate the Amended and Restated SPA if Sabine Liquefaction declared an event of force majeure (as defined and provided in the Amended and Restated SPA, including certain changes to the export authorizations): (i) with respect to a period that had continued uninterrupted or was reasonably projected by Sabine Liquefaction to extend for 24 months and that had resulted or was reasonably projected by Sabine Liquefaction to result in a 50 percent or greater reduction in the annual contract quantity of LNG available to BG during that period; or (ii) one or more times and the interruptions from such force majeure events aggregated 24 or more months during any 36-month period and resulted in a 50 percent or greater reduction in the annual contract quantity of LNG available to BG during that period. BG would also have the right to terminate the Amended and Restated SPA if, among other things: (i) BG declared an event of force majeure (as defined and provided in the SPA) with respect to governmental approvals and other specified matters and such force majeure continued for a period of 24 months and resulted in a reduction in the quantity of LNG that BG was able to take equal to or greater than 50% of the annual contract quantity during that period; (ii) Sabine Liquefaction failed to make available to BG a series of two or more consecutive cargoes with scheduled cargo quantities totaling 12% or more of the then applicable annual contract quantity or two or more cargoes during any 12-month period with scheduled cargo quantities totaling 35% or more of the then applicable annual contract quantity; or (iii) the first LNG train had not commenced commercial operations at the Sabine Liquefaction facility within 180 days after the date designated for the first commercial delivery. During any event of force majeure declared by BG or Sabine Liquefaction, BG will continue to be obligated to pay the fixed sales charge subject to reduction under certain circumstances.

Sabine Liquefaction would have the right to terminate the Amended and Restated SPA if: (i) the guaranty provided by BG Parent or a successor guarantor ceased to be in effect for longer than 10 business days; (ii) BG or its guarantor failed to execute certain agreements with financial lenders; (iii) BG failed to comply with applicable trade laws; or (iv) BG violated provisions of the Amended and Restated SPA restricting parties to which LNG can be marketed and sold.

Either party would have the right to terminate the Amended and Restated SPA if: (i) a bankruptcy event (as defined in the SPA) occurred with respect to the other party; (ii) the other party failed to pay amounts due under the Amended and Restated SPA in excess of US\$20 million; (iii) the other party's business practices caused it to violate certain applicable laws; or (iv) the conditions to the commencement of the 20-year term specified in the Amended and Restated SPA were not satisfied or waived by December 31, 2012, or a later date if so agreed by BG and Sabine Liquefaction.

Under the Amended and Restated SPA, Sabine Liquefaction and BG will be responsible for their respective taxes, and each may assign the Amended and Restated SPA in its entirety to its respective affiliates. Other assignments are permitted only with consent as provided in the Amended and Restated SPA.

The descriptions of material terms of the Amended and Restated SPA set forth above are not complete, are subject to further provisions (including exceptions, qualifications and alternatives), and are qualified in their entirety by reference to the full text of the Amended and Restated SPA, a copy of which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

ITEM 8.01 OTHER EVENTS.

A copy of the press release relating to the Amended and Restated SPA is filed as Exhibit 99.1 hereto and is incorporated herein by reference. Information included on Cheniere Partners' website is not incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

d) Exhibits

Exhibit Number	Description
10.1*	Amended and Restated LNG Sale and Purchase Agreement (FOB), dated January 25, 2012, between Sabine Pass Liquefaction, LLC (Seller) and BG Gulf Coast LNG, LLC (Buyer).
99.1*	Press Release, dated January 26, 2012.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHENIERE ENERGY PARTNERS, L.P.
By: Cheniere Energy Partners GP, LLC,
its general partner

Date: January 26, 2012

By: /s/ Meg A. Gentle
Name: Meg A. Gentle
Title: Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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99.1*	Press Release, dated January 26, 2012.

* Filed herewith.

**AMENDED AND RESTATED LNG SALE AND PURCHASE AGREEMENT
(FOB)**

Dated January 25, 2012

BETWEEN

SABINE PASS LIQUEFACTION, LLC

(Seller)

AND

BG GULF COAST LNG, LLC

(Buyer)

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Exhibit D	Second Amended and Restated LNG Terminal Use Agreement
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AMENDED AND RESTATED LNG SALE AND PURCHASE AGREEMENT

THIS AMENDED AND RESTATED LNG SALE AND PURCHASE AGREEMENT, which amends and restates the Original SPA in its entirety, is made and entered into as of January 25, 2012 by and between Sabine Pass Liquefaction, LLC, a Delaware limited liability company whose principal place of business is located at 700 Milam St., Suite 800, Houston, TX 77002 (“**Seller**”), and BG Gulf Coast LNG, LLC, a Delaware limited liability company whose principal place of business is located at 811 Main St., Suite 3400, Houston, TX 77002 (“**Buyer**”). Buyer and Seller are each referred to herein as a “**Party**” and collectively as the “**Parties**”.

Recitals

- (1) Seller's Affiliate, Sabine Pass LNG, L.P. (“**SPLNG**”), owns and operates a liquefied natural gas receiving and regasification terminal situated on the Pass Channel of the Sabine Neches Waterway in southwest Cameron Parish, Louisiana;
- (2) Seller is developing and intends to construct and own the Sabine Liquefaction Facility (including up to four (4) modules, each capable of producing approximately four decimal two (4.2) million metric tonnes per annum of LNG production capacity), which will be operated simultaneously with a portion of the currently existing LNG import capacity at the Sabine Pass Facility, making the Sabine Pass Facility a bi-directional LNG import and export terminal;
- (3) SPLNG provides berthing, storage, regasification, and other services at the Sabine Pass Facility to Cheniere Energy Investments, LLC (“**Cheniere Investments**”), an Affiliate of Seller, pursuant to that certain Amended and Restated LNG Terminal Use Agreement (as amended, the “**TUA**”) between Cheniere Investments and SPLNG dated November 9, 2006, and Cheniere Investments intends to convey, transfer or assign some or all of its rights under the TUA to Seller, and Seller intends to take such conveyance, transfer, or assignment of such rights, in order to enable Seller to utilize certain of SPLNG's facilities and provide services under this Agreement;
- (4) Buyer is or may be engaged in the purchase of LNG at the Sabine Pass Facility and transportation of such LNG to one or more Discharge Terminals;
- (5) Seller and Buyer entered into the Original SPA setting out the Parties' respective rights and obligations in relation to the sale and purchase of LNG; and
- (6) Seller and Buyer desire to amend and restate the Original SPA in its entirety as set forth herein.

It is agreed:

1. Definitions and Interpretation

1.1 Definitions

The words and expressions below shall, unless the context otherwise requires, have the meanings respectively assigned to them:

<i>AAA:</i>	as defined in Section 21.1.2;
<i>AACQ:</i>	as defined in Section 5.2;
<i>ACQ:</i>	as defined in Section 5.1.1;
<i>Actual Berth Time:</i>	as defined in Section 7.12.2;
<i>Adverse Weather Conditions:</i>	weather or sea conditions actually experienced at or near the Sabine Pass Facility that are sufficiently severe: (i) to prevent an LNG Tanker from proceeding to berth, or loading or departing from berth, in accordance with one or more of the following: (a) regulations published by a Governmental Authority; (b) an Approval; or (c) an order of a Pilot; (ii) to cause an actual determination by the master of an LNG Tanker that it is unsafe for such LNG Tanker to berth, load, or depart from berth; or (iii) to prevent or severely limit the production capability of the Sabine Pass Facility;
<i>Affiliate:</i>	with respect to any Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with such Person; for purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) means the direct or indirect ownership of fifty percent (50%) or more of the voting rights in a Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or otherwise;
<i>Agreement:</i>	this agreement, including the Schedules and Exhibits hereto, as the same may be amended, modified or replaced from time to time;
<i>Allotted Berth Time:</i>	as defined in Section 7.12.1;

Annual Delivery Program or ADP:

as defined in Section 8.2.3;

Applicable Laws:

in relation to matters covered by this Agreement, all applicable laws, statutes, rules, regulations, ordinances, codes, standards and rules of common law, and judgments, decisions, interpretations, orders, directives, injunctions, writs, decrees, stipulations, or awards of any applicable Governmental Authority or duly authorized official, court or arbitrator thereof, including all Approvals and Export Authorizations, in each case, now existing or which may be enacted or issued after the Effective Date;

Approvals:

any and all permits (including work permits), franchises, authorizations, approvals, grants, licenses, visas, waivers, exemptions, consents, permissions, registrations, decrees, privileges, variances, validations, confirmations or orders granted by or filed with any Governmental Authority, but specifically excluding the Export Authorizations;

Bankruptcy Event:

with respect to any Person: (i) such Person's suspension of payment of, or request to any court for a moratorium on payment of, all or a substantial part of such Person's debts; (ii) such Person's making of a general assignment or any composition with or for the benefit of its creditors except to the extent otherwise permitted by Section 22; (iii) any filing, or consent by answer by such Person to the filing against it, of a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction; or (iv) any order under the bankruptcy or insolvency laws of any jurisdiction: (a) entered for the winding up, bankruptcy, liquidation, dissolution, custodianship or administration with respect to such Person or any substantial part of such Person's property; (b) constituting an order for relief with respect to such Person; (c) approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law with respect to such

Person; or (d) approving any petition filed in bankruptcy or insolvency law against such Person;

- Btu:** the amount of heat equal to one thousand fifty-five decimal zero five six (1,055.056) Joules;
- Business Day:** any Day (other than Saturdays, Sundays and national holidays in the United States of America) on which banks are normally open to conduct business in the United States of America;
- Buyer:** as defined in the Preamble;
- Buyer Taxes:** as defined in Section 11.3;
- Cancellation Deadline:** with respect to any particular cargo, the twentieth (20th) Day of Month *m minus* two (2), where “m” is the Month in which the relevant cargo’s Delivery Window starts;
- Cancellation Right:** as defined in Section 5.6.1;
- Cargo DoP Payment:** as defined in Section 5.7.2;
- Cargo DoP Quantity:** as defined in Section 5.7.2;
- Cargo Shortfall Quantity:** as defined in Section 5.5.2;
- Claim:** all claims, demands, legal proceedings, or actions that may exist, arise, or be threatened currently or in the future at any time following the Effective Date, whether or not of a type contemplated by any Party, and whether based on federal, state, local, statutory or common law or any other Applicable Law;
- Cheniere Investments:** as defined in the Recitals;
- Common Facilities Agreement:** each of the following:
- (a) Second Amended and Restated LNG Terminal Use Agreement, to be executed by Seller and SPLNG, in the form attached hereto as Exhibit D;
 - (b) Cooperation Agreement, to be executed by Seller and SPLNG, in the form attached hereto as Exhibit E; and

(c) Transportation Precedent Agreement Firm Transportation Services, to be executed by Seller and Cheniere Creole Trail Pipeline, L.P., in the form attached hereto as Exhibit F;

in each case, except as may be amended, modified or supplemented in accordance with Section 17.4;

<i>Composite ADP:</i>	as defined in Section 8.2.4;
<i>Conditions Precedent:</i>	as defined in Section 2.2.1;
<i>Confidential Information:</i>	as defined in Section 19.1;
<i>Connecting Pipeline:</i>	each of the Creole Trail Pipeline, the Kinder Morgan Louisiana Pipeline, or such other pipeline as may be interconnected to the Sabine Pass Facility, as applicable;
<i>Contract Year:</i>	as defined in Section 4.4;
<i>Cover Damages:</i>	as defined in Section 5.5.3(a);
<i>CP Deadline:</i>	as defined in Section 2.2.3;
<i>CP Fulfillment Date:</i>	as defined in Section 2.2.2;
<i>Creole Trail Pipeline:</i>	that certain Gas pipeline, owned and operated by Cheniere Creole Trail Pipeline, L.P., which interconnects with the Sabine Pass Facility, and extending for approximately ninety-two (92) miles to a point of interconnection with major interstate Gas pipelines near De Quincy, Louisiana; and which may in the future be extended by approximately fifty (50) miles (upon such election by Cheniere Creole Trail Pipeline, L.P.) to a point of interconnection with a major interstate Gas pipeline near Rayne, Louisiana;
<i>CSP:</i>	as defined in Section 9.1;
<i>Cubic Meter:</i>	in relation to Gas, the quantity of dry ideal Gas, at a temperature of fifteen (15) degrees Celsius and a pressure of one hundred one decimal three two five (101.325) kilopascals absolute contained in a volume of one (1) cubic meter;

Day: a period of twenty-four (24) consecutive hours starting at 00:00 hours local time in Cameron Parish, Louisiana;

Delivery Point: as defined in Section 6.1;

Delivery Window: a twenty-four (24) hour period starting at 6:00 a.m. on a specified Day and ending twenty-four (24) consecutive hours thereafter that is allocated to Buyer under the ADP or Ninety Day Schedule or as identified in a notice from Seller to Buyer pursuant to Section 4.5.2 or 4.5.3, as applicable;

Demurrage Event: as defined in Section 7.12.3;

Designated Train: the first Train that is commercially operable, as determined in accordance with Section 4.3;

Direct Agreement: as defined in Section 22.4.3;

Discharge Terminal: with respect to each cargo of LNG taken or scheduled to be taken by Buyer pursuant to this Agreement, the facilities intended by Buyer to be utilized for the unloading, reception, discharge, storage, treatment (if necessary), and regasification of the LNG and the processing and send-out of Gas or regasified LNG, and other relevant infrastructure, including marine facilities (such as breakwaters and tugs) for the safe passage to berth of LNG Tankers, terminal facilities for the berthing and discharging of LNG Tankers, LNG storage tanks and the regasification plant as specified in the ADP or Ninety Day Schedule, as applicable;

Dispute: any dispute or difference of whatsoever nature arising under, out of, in connection with or in relation (in any manner whatsoever) to this Agreement or the subject matter of this Agreement, including (a) any dispute or difference concerning the initial or continuing existence of this Agreement or any provision of it, or as to whether this Agreement or any provision of it is invalid, illegal or unenforceable (whether initially or otherwise); or (b) any dispute or claim which is ancillary or connected, in each case in any manner whatsoever, to the foregoing;

<i>Effective Date:</i>	October 25, 2011;
<i>ETA:</i>	with respect to an LNG Tanker, the estimated time of arrival of such LNG Tanker at the PBS;
<i>Expert:</i>	a Person agreed upon or appointed in accordance with Section 21.2.1;
<i>Export Authorizations:</i>	the FTA Export Authorization and the Non-FTA Export Authorization, either individually or together (as the context requires);
<i>FID:</i>	as defined in Section 2.2.1(c);
<i>Final Contract Year:</i>	as defined in Section 4.4(b);
<i>Final Invoice:</i>	as defined in Section 10.1.1(a);
<i>Final Window Period:</i>	as defined in Section 4.2.4;
<i>First Contract Year:</i>	as defined in Section 4.4(a);
<i>First Window Period:</i>	as defined in Section 4.2.1;
<i>Force Majeure:</i>	as defined in Section 14.1;
<i>Foundation Customer:</i>	(a) Buyer; and (b) any other customer of Seller, other than an Affiliate of Seller, that enters into an LNG purchase agreement for the purchase and export of no less than zero decimal seven (0.7) million metric tonnes per annum of LNG from the Sabine Pass Facility, with a minimum term of twenty (20) years and an effective date on or prior to the FID for such customer's designated LNG production train located at the Sabine Pass Facility;
<i>Foundation Customer Priority:</i>	as defined in Section 14.7;
<i>FTA Export Authorization:</i>	that certain order number 2833 of the Office of Fossil Energy of the U.S. Department of Energy, dated September 7, 2010, granting to Seller the long-term, multi-contract authorization to export up to the equivalent of approximately sixteen (16) million metric tonnes per annum of LNG by vessel from the Sabine Pass Facility for a thirty (30) year term, as the same may be supplemented, amended,

modified, changed, superseded or replaced from time to time;

- Gas:** any hydrocarbon or mixture of hydrocarbons consisting predominantly of methane that is in a gaseous state;
- Governmental Authority:** any national, regional, state, or local government, or any subdivision, agency, commission or authority thereof (including any maritime authorities, port authority or any quasi-governmental agency), having jurisdiction over a Party (or any Affiliate or direct or indirect owner thereof), a Connecting Pipeline, Gas in a Connecting Pipeline or the Sabine Pass Facility, the Sabine Pass Facility, LNG in the Sabine Pass Facility, an LNG Tanker, a Transporter, the last disembarkation port of an LNG Tanker, a Discharge Terminal, or any Gas pipeline which interconnects with a Connecting Pipeline and which transports Gas to or from a Connecting Pipeline, as the case may be, and acting within its legal authority;
- Gross Heating Value:** the quantity of heat expressed in Btu produced by the complete combustion in air of one (1) cubic foot of anhydrous gas, at a temperature of sixty (60) degrees Fahrenheit and at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch, with the air at the same temperature and pressure as the gas, after cooling the products of the combustion to the initial temperature of the gas and air, and after condensation of the water formed by combustion;
- Guarantor:** (i) BG Energy Holdings Limited, a company organized under the laws of England and Wales or any successor(s) thereto pursuant to the terms of the Guaranty or (ii) any other Person approved by Seller (acting reasonably) to provide a Guaranty;
- Guaranty:** an irrevocable payment guaranty, substantially in the form attached as Exhibit C hereto, which is executed by a Guarantor in favor of Seller;
- HH:** the final settlement price (in USD per MMBtu) for the New York Mercantile Exchange's Henry Hub natural gas futures contract for the Month in which

the relevant cargo's Delivery Window is scheduled to begin;

Hypothetical Termination Date: as defined in Section 15.2.6(b);

ICC: as defined in Section 21.2.1;

Indemnified Party: as defined in Section 15.4(a);

Indemnifying Party: as defined in Section 15.4(a);

Inspection Maintenance Quantity: as defined in Section 5.4.2;

International LNG Terminal Standards: to the extent not inconsistent with the express requirements of this Agreement, the international standards and practices applicable to the design, construction, equipment, operation or maintenance of LNG receiving and regasification terminals or LNG liquefaction terminals, as the case may be, established by the following (such standards to apply in the following order of priority): (i) a Governmental Authority having jurisdiction over the Sabine Pass Facility, Seller, or Seller's operator; (ii) the Society of International Gas Tanker and Terminal Operators (to the extent applicable); and (iii) any other internationally recognized non-governmental agency or organization with whose standards and practices it is customary for Reasonable and Prudent Operators of LNG receiving and regasification terminals or LNG liquefaction terminals, as the case may be, to comply, *provided, however*, that in the event of a conflict between any of the priorities noted above, the priority with the lowest roman numeral noted above shall prevail;

International LNG Vessel Standards: to the extent not inconsistent with the express requirements of this Agreement, the international standards and practices applicable to the ownership, design, equipment, operation or maintenance of LNG vessels established by: (i) the International Maritime Organization; (ii) the Oil Companies International Marine Forum (OCIMF); (iii) the Society of International Gas Tanker and Terminal Operators (SIGTTO) (or any successor body of the same); (iv) the International Navigation Association (PIANC); (v) the International Association of

Classification Societies; and (vi) any other internationally recognized agency or non-governmental organization with whose standards and practices it is customary for Reasonable and Prudent Operators of LNG vessels to comply, *provided, however*, that in the event of a conflict between any of the priorities noted above, the priority with the lowest roman numeral noted above shall prevail;

- International Standards:*** (i) with respect to Buyer, the International LNG Vessel Standards; (ii) with respect to Seller, the International LNG Terminal Standards;
- In-Transit Final Notice:*** as defined in Section 7.9.3(c);
- In-Transit First Notice:*** as defined in Section 7.9.2;
- In-Transit Second Notice:*** as defined in Section 7.9.3(a);
- In-Transit Third Notice:*** as defined in Section 7.9.3(b);
- Kinder Morgan Louisiana Pipeline:*** the Kinder Morgan Louisiana Pipeline, owned and operated by Kinder Morgan Louisiana Pipeline LLC, a Delaware limited liability company;
- Late CP Notice:*** as defined in Section 2.2.5(b);
- Lender:*** any Person, other than a shareholder of either Party, duly authorized in its principal place of business to lend monies, to finance or to provide financial support in any form in respect of the Sabine Liquefaction Facility, including any export credit agency, funding agency, bondholder, insurance agency, underwriter or similar institution in relation to the provision of finance or financial support;
- Lenders' Agent:*** as defined in Section 22.4.1;
- LIBOR:*** on or from any Day, the percentage rate per annum published two (2) London Banking Days before that Day at 11:00 a.m. London time, by the British Bankers Association that appears on the Reuters Screen LIBOR01 page as three (3) Month USD LIBOR or, if no such rate is published, such other rate representing the cost of three (3) Month USD

funds in the London interbank lending market on that Day as reasonably agreed by the Parties;

LNG:	Gas in a liquid state at or below its point of boiling and at or near atmospheric pressure;
LNG Tanker(s):	an ocean-going vessel suitable for transporting LNG which complies with the requirements of this Agreement and which Buyer uses, or intends to use, in connection with this Agreement;
Loading Port:	the port where the Sabine Pass Facility is located, in the vicinity of Cameron Parish, Louisiana, or the port at an alternate supply source agreed by Buyer pursuant to Section 3.1.3;
London Banking Day:	any Day (other than Saturdays, Sundays and national holidays in London, England) on which banks are normally open to conduct business in London, England;
Loss:	any and all losses, liabilities, damages, costs, judgments, settlements and expenses (whether or not resulting from Claims by Third Parties), including interest and penalties with respect thereto and reasonable attorneys' and accountants' fees and expenses;
Major Scheduled Maintenance Quantity:	as defined in Section 5.4.1;
Measurement Dispute:	as defined in Section 21.2.1;
Mitigation Sale:	as defined in Section 5.5.3(b);
MMBtu:	one million (1,000,000) Btus;
Month:	a calendar month, starting at 00:00 local time in Cameron Parish, Louisiana on the first Day of such calendar month and ending at 24:00 local time in Cameron Parish, Louisiana on the last Day of such calendar month;
Monthly Sales Charge:	as defined in Section 9.3;
Ninety Day Schedule:	as defined in Section 8.4;
Nominated T2 DFCD:	as defined in Section 1 of Exhibit I;

<i>Nominated T3 DFCD:</i>	as defined in Section 2 of Exhibit I;
<i>Nominated T4 DFCD:</i>	as defined in Section 3 of Exhibit I;
<i>Non-FTA Export Authorization:</i>	that certain order number 2961 of the Office of Fossil Energy of the U.S. Department of Energy, dated May 20, 2011, granting to Seller the long-term, multi-contract authorization to export up to the equivalent of approximately sixteen (16) million metric tonnes per annum of LNG by vessel from the Sabine Pass Facility for a twenty (20) year term, as the same may be supplemented, amended, modified, changed, superseded or replaced from time to time;
<i>Notice of Readiness or NOR:</i>	the notice of readiness issued by an LNG Tanker in accordance with Section 7.10.1;
<i>Off-Spec LNG:</i>	as defined in Section 12.3.1;
<i>Operational Tolerance:</i>	as defined in Section 5.5.3(c);
<i>Original SPA:</i>	that certain LNG Sale and Purchase Agreement dated October 25, 2011 by and between Sabine Pass Liquefaction, LLC (as seller) and BG Gulf Coast LNG, LLC (as buyer);
<i>P&I Club:</i>	a Protection and Indemnity Club that is a member of the International Group of P&I Clubs;
<i>P&I Insurance:</i>	as defined in Section 15.6(b);
<i>Party or Parties:</i>	as defined in the Preamble;
<i>Payor:</i>	as defined in Section 11.4;
<i>PBS:</i>	the customary pilot boarding station at the Loading Port where the pilot boards the LNG Tanker, as determined by the applicable Governmental Authority or other entity with authority to regulate transit and berthing of vessels at the Loading Port;
<i>Person:</i>	any individual, corporation, partnership, trust, unincorporated organization or other legal entity, including any Governmental Authority;
<i>Pilot:</i>	any Person engaged by Transporter to come on board an LNG Tanker to assist the master in

pilotage, mooring and unmooring of such LNG Tanker;

Port Charges:

all charges of whatsoever nature (including rates, tolls, dues, fees, and imposts of every description) in respect of an LNG Tanker entering or leaving the Loading Port or loading LNG, including wharfage fees, in-and-out fees, line handling charges, and charges imposed by fire boats, tugs and escort vessels, the U.S. Coast Guard, a Pilot, and any other authorized Person assisting an LNG Tanker to enter or leave the Loading Port, and further including port use fees, throughput fees and similar fees payable by users of the Loading Port (or by Seller or its operator on behalf of such users) to the West Cameron, Louisiana Port Commission and Jefferson County, Texas Waterway and Navigation District;

Port Liability Agreement:

an agreement for use of the port and marine facilities located at the Loading Port, to be entered into as described in Section 7.7.1, in the form attached in Exhibit B hereto as may be amended pursuant to Section 7.7.4;

Pre-commercial LNG:

as defined in Section 4.5.1;

Provisional Invoice:

as defined in Section 10.1.1(b);

Qualifying Agreement:

as defined in Section 5.1.5(a);

Reasonable and Prudent Operator:

a Person seeking in good faith to perform its contractual obligations, and in so doing, and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator, complying with all applicable International Standards and practices and regulations and approvals of Governmental Authorities, engaged in the same type of undertaking under the same or similar circumstances and conditions;

Regasification Capacity Users:

from time to time, Persons purchasing LNG terminalling services from SPLNG, regardless of the short-term or long-term duration of the underlying

terminal use agreement;

Round-Down Quantity:

as defined in Section 5.3.2;

Round-Up Quantity:

as defined in Section 5.3.1;

Rules:

as defined in Section 21.1.2;

Sabine Liquefaction Facility:

the facilities that Seller is developing and intends to construct, own and operate adjacent to, or at the same location as the existing LNG receiving and regasification terminal in Cameron Parish, Louisiana owned by SPLNG, including the liquefaction trains and associated facilities, both inside and outside the LNG plant, the Gas pretreatment and processing facilities, and all other related facilities inclusive of the Designated Train and all subsequent Trains;

Sabine Pass Facility:

(i) the existing LNG receiving and regasification terminal in Cameron Parish, Louisiana owned by SPLNG, including storage tanks, utilities, jetties, berthing and marine facilities, and all other related facilities; and (ii) the Sabine Liquefaction Facility;

Sabine Pass Marine Operations Manual:

as defined in Section 7.8;

SCF:

for Gas, the quantity of anhydrous Gas that occupies one (1) cubic foot of space at a temperature of sixty (60) degrees Fahrenheit and a pressure of fourteen decimal six nine six (14.696) pounds per square inch absolute;

Scheduled Cargo Quantity:

the quantity of LNG (in MMBtus) identified in the ADP or Ninety Day Schedule to be loaded onto an LNG Tanker in a Delivery Window in accordance with Section 8 or as identified in a notice from Seller to Buyer pursuant to Section 4.5.2 or 4.5.3, as applicable;

Second Window Period:

as defined in Section 4.2.2;

Seller:

as defined in the Preamble;

Seller Aggregate Liability:

as defined in Section 15.2.6(b);

Seller Liability Cap:

as defined in Section 15.2.6(c);

Seller Taxes:

as defined in Section 11.2;

SI:	the International System of Units;
Specifications:	as defined in Section 12.1.1;
SPLNG:	as defined in the Recitals;
T2 Delivery Period	the period beginning on the first day of January of the calendar year during which the relevant Contract Year occurs and ending on the final day of May of such calendar year plus the period beginning on the first day of October of such calendar year and ending on the final day of December of such calendar year;
T4 Delivery Period:	the period beginning on the first day of January of the calendar year during which the relevant Contract Year occurs and ending on the final day of April of such calendar year plus the period beginning on the first day of November of such calendar year and ending on the final day of December of such calendar year;
Term:	as defined in Section 4.1.1;
Terminating Party:	as defined in Section 20.2.1;
Termination Event:	as defined in Section 20.1;
Third Party:	a Person other than a Party;
Third Party Claim:	as defined in Section 15.4(a);
Third Window Period:	as defined in Section 4.2.3;
Train:	an LNG production train located at the Sabine Liquefaction Facility, including those facilities included in the Sabine Pass Facility that are necessary to enable Seller to fulfill its obligations to Buyer from such LNG production train;
Train 1 DFCD:	as defined in Section 4.2;
Train 1 Tranche:	one hundred eighty two million five hundred thousand (182,500,000) MMBtu, as may be reduced pursuant to Section 4.1.2(b) in respect of the extension term, if any, elected by Buyer pursuant to Section 4.1.2(a) (which election Buyer does not

subsequently withdraw pursuant to Section 4.1.2(c));

<i>Train 2:</i>	the second Train that is commercially operable, as determined in accordance with Section 4.3;
<i>Train 2 DFCD:</i>	as defined in Section 4.6.1;
<i>Train 2 FID:</i>	as defined in Section 4.6.1;
<i>Train 2 Final Window Period:</i>	as defined in Section 1(d) of Exhibit I;
<i>Train 2 Tranche:</i>	thirty six million five hundred thousand (36,500,000) MMBtu, as may be reduced pursuant to Section 4.1.2(b) in respect of the extension term, if any, elected by Buyer pursuant to Section 4.1.2(a) (which election Buyer does not subsequently withdraw pursuant to Section 4.1.2(c));
<i>Train 3:</i>	the third Train that is commercially operable, as determined in accordance with Section 4.3;
<i>Train 3 DFCD:</i>	as defined in Section 4.6.2;
<i>Train 3 FID:</i>	as defined in Section 4.6.2;
<i>Train 3 Final Window Period:</i>	as defined in Section 2(d) of Exhibit I;
<i>Train 3 Tranche:</i>	thirty four million (34,000,000) MMBtu, as may be reduced pursuant to Section 4.1.2(b) in respect of the extension term, if any, elected by Buyer pursuant to Section 4.1.2(a) (which election Buyer does not subsequently withdraw pursuant to Section 4.1.2(c));
<i>Train 4:</i>	the fourth Train that is commercially operable, as determined in accordance with Section 4.3;
<i>Train 4 DFCD:</i>	as defined in Section 4.6.3;
<i>Train 4 FID:</i>	as defined in Section 4.6.3;
<i>Train 4 Final Window Period:</i>	as defined in Section 3(d) of Exhibit I;
<i>Train 4 Tranche:</i>	thirty three million five hundred thousand (33,500,000) MMBtu, as may be reduced pursuant to Section 4.1.2(b) in respect of the extension term, if any, elected by Buyer pursuant to Section 4.1.2(a)

(which election Buyer does not subsequently withdraw pursuant to Section 4.1.2(c));

Tranche:	each of the Train 1 Tranche, Train 2 Tranche, Train 3 Tranche, and Train 4 Tranche;
Transporter:	any Person who is a registered or disponent owner of, or any Person who contracts with the same or with Buyer for the purposes of providing, operating, or chartering any of the LNG Tankers;
TUA:	as defined in the Recitals;
UFC:	as defined in Section 9.2; and
USD:	the lawful currency from time to time of the United States of America.

1.2 Interpretation

For purposes of this Agreement:

- 1.2.1** The titles, headings, and numbering in this Agreement are included for convenience only and will have no effect on the construction or interpretation of this Agreement.
- 1.2.2** References in this Agreement to Sections and Exhibits are to those of this Agreement unless otherwise indicated. References to this Agreement and to agreements and contractual instruments will be deemed to include all exhibits, schedules, appendices, annexes, and other attachments thereto and all subsequent amendments and other modifications to such instruments, to the extent such amendments and other modifications are not prohibited by the terms of this Agreement.
- 1.2.3** The word “include” or “including” will be deemed to be followed by “without limitation.” The term “will” has the same meaning as “shall,” and thus imposes an obligation.
- 1.2.4** Whenever the context so requires, the singular includes the plural and the plural includes the singular, and the gender of any pronoun includes the other gender.
- 1.2.5** Unless otherwise indicated, references to any statute, regulation or other law will be deemed to refer to such statute, regulation or other law as amended or any successor law.
- 1.2.6** All references to a Person shall include such Person's successors and permitted assigns.

1.2.7 Unless otherwise indicated, any reference to a time of Day shall be to Central Time in the United States of America.

1.3 Replacement of Rates and Indices No Longer Available

1.3.1 If (a) a publication that contains a rate or index used in this Agreement ceases to be published for any reason or (b) such a rate or index ceases to exist, is materially modified, or no longer is used as a liquid trading point for Gas (as applicable), so as systematically to change its economic result, or is disaggregated, displaced or abandoned, for any reason, the Parties shall promptly discuss, with the aim of jointly selecting a rate or index or rates or indices to be used in place of such rates and indices that maintains the intent and economic effect of those original rates or indices.

1.3.2 If the Parties fail to agree on a replacement rate or index, either Party may submit such issue to an Expert pursuant to Section 21.2. Any Expert selected shall be instructed to select the published rate or index, or a combination of published rates or indices, with adjustments as necessary or appropriate, that most nearly preserves the intent and economic result of the original rates or indices.

1.3.3 If any rate used in this Agreement is not published for a particular date, but the publication containing such rate continues to be published and the rate itself continues to exist, the Parties shall use the published rate in effect for the date such rate was most recently published prior to the particular date, unless otherwise provided in this Agreement.

1.3.4 If any index used in this Agreement is not published for a particular date, but the publication containing such index continues to be published and the index itself continues to exist, the Parties shall use the index from the geographic location closest in proximity to the unpublished index from the same publication in effect for the particular date adjusted by the difference between the same indices from the most recent publication published prior to the particular date, unless otherwise provided in this Agreement.

1.3.5 If an incorrect value is published for any rate or index used in this Agreement and such error is corrected and published within ninety (90) Days of the date of the publication of such incorrect rate or index, such corrected rate or index will be substituted for the incorrect rate or index and any calculations involving such rate or index will be recalculated and the Parties will take any necessary actions based upon these revised calculations, including adjustments of amounts previously invoiced and/or paid.

2. Approvals and Conditions Precedent

2.1 Approvals

- 2.1.1 Seller shall obtain and maintain in force both Export Authorizations (as in effect on the Effective Date or as may be modified thereafter in a manner that does not adversely affect Buyer) at all times, except as may be excused by Force Majeure.
- 2.1.2 Buyer and Seller shall use reasonable efforts to obtain and maintain in force, and shall use reasonable efforts to cause its Affiliates to obtain and maintain in force, all Approvals which are required for its performance of this Agreement.
- 2.1.3 With respect to a Party's obligations pursuant to Sections 2.1.1 and 2.1.2, the other Party shall use reasonable efforts, and shall use reasonable efforts to cause its Affiliates to use reasonable efforts, to cooperate fully with such Party whenever necessary.
- 2.1.4 Seller shall, and shall use reasonable efforts to cause its Affiliates to, include in all agreements for export sales of LNG from the Sabine Pass Facility, including with Foundation Customers, SPLNG, other buyers, or another Person, provisions permitting Seller (or Seller's Affiliate, as applicable) to terminate such agreement if the buyer under such agreement takes an action or fails to take an action that causes Seller to commit a material violation of an Export Authorization.
- 2.1.5 Seller shall, and shall use reasonable efforts to cause its Affiliates to, comply with all terms and conditions of the Export Authorizations and all regulations and orders issued by the U.S. Department of Energy that are applicable to the export of LNG from the Sabine Pass Facility.
- 2.1.6 If the laws of the United States of America do not require maintenance of or compliance with one or both Export Authorization(s) to export LNG from the United States of America, then for so long as the laws of the United States of America do not require such maintenance or compliance the Parties agree that this Agreement shall be read and construed to omit those provisions of this Agreement relating to such affected Export Authorization(s) and neither Party shall have any rights or obligations (including obligations to maintain such affected Export Authorization(s), rights to terminate this Agreement and claims of Force Majeure) in respect of any such Export Authorization(s).

2.2 **Conditions Precedent**

- 2.2.1 The Parties recognize and agree that this Agreement (other than the provisions of this Section 2.2 and Sections 1, 2.1, 4.1 and 15 to 26 (inclusive), which shall all be in full force and effect as of the Effective Date) shall not become effective unless and until all of the following conditions precedent (the “**Conditions Precedent**”) are satisfied or waived:

- (a) Seller has received all Approvals required to construct and operate the Designated Train and any new or modified existing facilities at the Sabine Pass Facility needed to enable Seller to fulfill its obligations under this Agreement (not including any Approvals which will not be issued until after construction is commenced);
- (b) Seller has secured the necessary financing arrangements to construct and operate the Sabine Liquefaction Facility and any new or modified existing facilities related thereto in respect of the Designated Train;
- (c) Seller has (i) taken a positive final investment decision ("**FID**") in respect of the Designated Train in its sole discretion, to construct the liquefaction facilities and to construct any other required facilities, or modify existing facilities, in relation to the addition of any liquefaction facilities in respect of the Designated Train and (ii) issued to the Person primarily responsible for construction of the Designated Train an unconditional full notice to proceed with the construction of such Designated Train;
- (d) each Common Facilities Agreement is in full force and effect;
and
- (e) as of the date the last of the Conditions Precedent set forth in Section 2.2.1(a), (b), (c) and (d) is satisfied or waived, both Export Authorizations and all Approvals required for Seller to export LNG from the United States of America from the Designated Train are in full force and effect.

2.2.2 Promptly upon satisfaction of each of the Conditions Precedent, Seller shall notify Buyer of such satisfaction. Satisfaction of each Condition Precedent can be waived only by written agreement of both Parties. The date upon which all Conditions Precedent are satisfied or waived shall be the "**CP Fulfillment Date**". At Buyer's request, Seller shall meet with Buyer on a reasonably frequent basis (but not less than one (1) meeting every three (3) Months) to advise Buyer on the progress of the satisfaction of each of the Conditions Precedent.

2.2.3 Seller shall endeavor in good faith to satisfy or procure the satisfaction of each Condition Precedent by December 31, 2012 (as may be revised in accordance with Section 2.2.4, the "**CP Deadline**").

2.2.4 If any Condition Precedent is not satisfied prior to the CP Deadline (as such CP Deadline may be revised pursuant to this Section 2.2.4), in circumstances other than where it has been waived in accordance with Section 2.2.2, Seller shall give notice to that effect to Buyer and, if requested by Buyer, shall provide an explanation of the reason for the delay in satisfaction of the

Conditions Precedent and the revised date upon which it is reasonably expected that all Conditions Precedent will be satisfied. If the Parties agree in writing to change the deadline for satisfaction of the Conditions Precedent to the revised date notified by Seller or another date, such revised date shall become the CP Deadline for all purposes of this Agreement.

- 2.2.5** If any Condition Precedent has been neither satisfied nor waived by the CP Deadline, then on or after the date that is thirty (30) Days after the CP Deadline:
- (a) Buyer may give Seller notice of termination of this Agreement, such termination to be effective in accordance with Section 20.1.4; and
 - (b) Seller may give Buyer notice of termination of this Agreement, such termination to be effective in accordance with Section 20.1.4; *provided, however,* that if all Conditions Precedent are satisfied after Seller gives notice of termination pursuant to this Section 2.2.5(b) but prior to both (i) any notice of termination by Buyer in accordance with Section 2.2.5(a) and (ii) the date that is nine (9) Months after Seller's notice of termination in accordance with this Section 2.2.5(b), then Seller shall promptly provide notice to Buyer that such Conditions Precedent have been satisfied (a "**Late CP Notice**"). If, not later than thirty (30) Days after Buyer's receipt of the Late CP Notice, Buyer provides Seller with a notice stating that Seller's notice of termination provided pursuant to this Section 2.2.5(b) should be rescinded, such Seller's notice of termination shall automatically be rescinded *nunc pro tunc*.

3. Subject Matter

3.1 Sale and Purchase

- 3.1.1** Seller shall sell and make available for delivery, or compensate Buyer if not made available for delivery, LNG in cargoes at the Delivery Point, and, subject to Section 5.6.1, Buyer shall take and pay for, or compensate Seller if not taken, such LNG, in the quantities and at the prices set forth in and otherwise in accordance with and subject to the provisions of this Agreement.
- 3.1.2** Without prejudice to Section 3.1.3, the LNG delivered by Seller under this Agreement may be produced by any Train.
- 3.1.3** Seller intends to load cargoes from the Sabine Pass Facility, but, subject to the consent of Buyer (such consent not to be unreasonably withheld), Seller may deliver cargoes to Buyer from any alternate Gas liquefaction facility, provided that:
- (a) LNG from such alternate source shall, when made available by Seller

to Buyer, comply with the Specifications;

- (b) Seller has agreed to reimburse Buyer an amount equal to Buyer's reasonable estimate of the increased costs that would be incurred as a result of the delivery of LNG at such alternate source;
- (c) the delivery of LNG at an alternate source is necessitated by operational conditions affecting the Sabine Pass Facility that have reduced the capability of the Sabine Pass Facility to produce or load LNG;
- (d) the receipt of LNG at an alternate source will not affect the ability of LNG Tankers to perform other cargo receipts and deliveries in a timely fashion;
- (e) the facilities at the alternate source are compatible with LNG Tankers;
- (f) the alternate source and the voyage thereto do not present added risks or dangers to any LNG Tanker or personnel of Buyer or any Affiliate of Buyer; and
- (g) any other condition reasonably imposed by Buyer has been satisfied by Seller to Buyer's reasonable satisfaction.

If the alternate Gas liquefaction facility proposed by Seller is located in the United States of America Gulf Coast and is owned and operated by Seller or an Affiliate of Seller, then the condition set forth in Section 3.1.3(c) above shall not apply.

3.2 Facilities

3.2.1 During the period from:

- (a) the Effective Date and continuing through the Train 1 DFCD, Seller shall proceed diligently to design, construct, test, commission, maintain and operate the Sabine Pass Facility (but with respect to the Sabine Liquefaction Facility, only including Train 1);
- (b) the Train 2 FID and continuing until the earlier of (i) the Train 2 DFCD and (ii) such time, if any, when Buyer cancels the Train 2 Tranche pursuant to Section 4.6.1(b), Seller shall proceed diligently to design, construct, test, commission, maintain and operate Train 2;
- (c) the Train 3 FID and continuing until the earlier of (i) the Train 3 DFCD and (ii) such time, if any, when Buyer cancels the Train 3 Tranche pursuant to Section 4.6.2(b), Seller shall proceed diligently to design, construct, test, commission, maintain and operate Train 3; and
- (d) the Train 4 FID and continuing until the earlier of (i) the Train
4

DFCD and (ii) such time, if any, when Buyer cancels the Train 4 Tranche pursuant to Section 4.6.3(b), Seller shall proceed diligently to design, construct, test, commission, maintain and operate Train 4;

in each case in accordance with the standards and specifications set forth in Section 7.2.2, or cause the same to occur, so as to enable Seller to fulfill its obligations to Buyer under this Agreement.

3.2.2 Seller covenants that, acting as a Reasonable and Prudent Operator, it shall at all relevant times from the Train 1 DFCD and continuing throughout the Term own, or have access to and use of, and maintain and operate or cause to be maintained and operated, consistent with International Standards and subject to all Applicable Laws, the Sabine Pass Facility so as to enable Seller to fulfill its obligations to Buyer under this Agreement.

3.3 Destination

Subject to Section 26.1 and notwithstanding the Discharge Terminal corresponding to any cargo in the ADP or Ninety Day Schedule, Buyer shall be free to (a) sell such LNG free on board at the Sabine Pass Facility or at any other point during a voyage, or at or after the unloading of any LNG purchased hereunder and (b) transport the LNG to, and market the LNG at, any destination of its choosing, in accordance with the provisions of this Agreement.

4. Term

4.1 Term

4.1.1 This Agreement shall enter into force and effect as set forth in Section 2.2.1 and, subject to Section 20, shall continue in force and effect until the

twentieth (20th) anniversary of the Date of First Commercial Delivery (as defined below), unless extended pursuant to Section 4.1.2 (the “**Term**”).

4.1.2 Extension of Term

- (a) On or before the seventeenth (17th) anniversary of the Train 1 DFCD, Buyer may, by notice to Seller, extend the Term of this Agreement as to any portion of the then-applicable ACQ, as notified by Buyer, by a period of up to ten (10) years beyond the initial twenty (20) years as set forth in Section 4.1.1, provided that:
 - (i) (x) the sum of the portion of the ACQ that Buyer has elected to extend, and the annual contract quantities of all other customers purchasing LNG or liquefaction services from the Sabine Liquefaction Facility at all times during the extension period elected by Buyer is equal to or greater than one hundred

eighty-two million five hundred thousand (182,500,000) MMBtu, or (y) Buyer agrees to increase its ACQ during the extension period elected by Buyer such that the sum of Buyer's ACQ and the annual contract quantities of all other customers purchasing LNG or liquefaction services from the Sabine Liquefaction Facility during the extension period elected by Buyer is equal to or greater than one hundred eighty-two million five hundred thousand (182,500,000) MMBtu; and

- (ii) Seller is able, by the exercise of reasonable efforts, to maintain in effect all Approvals and the Export Authorizations necessary for the continued operation of the Sabine Liquefaction Facility and the export of LNG therefrom during the extension period elected by Buyer.
- (b) If Buyer elects to extend the Term pursuant to Section 4.1.2(a) but elects an ACQ for the extension period that is less than the ACQ at the time of the election, then Buyer shall notify Seller, in its notice to Seller pursuant to Section 4.1.2(a), of (i) the specific Tranche(s) that Buyer is electing to reduce and (ii) the extent of each such reduction.
- (c) If Seller is unable to maintain in effect all Approvals and the Export Authorizations referred to in Section 4.1.2(a) (ii) during the entire extension period elected by Buyer, Seller shall inform Buyer of the period during which it can maintain such Approvals and Export Authorizations, and Buyer may, by giving Seller notice no later than thirty (30) Days following receipt of Seller's notice pursuant to this Section 4.1.2(c): (i) modify its election made pursuant to Section 4.1.2(a) such that the extension period is coincident with or less than the period during which Seller can maintain such Approvals and Export Authorizations or (ii) withdraw its election made pursuant to Section 4.1.2(a).
- (d) If the conditions set forth in Section 4.1.2(a)(i) and (ii) are satisfied, then the Term shall be extended for the period elected by Buyer pursuant to Section 4.1.2(a). If Buyer modifies its election pursuant to Section 4.1.2(c) (i), then the Term shall be extended for the period set forth in Buyer's modified election. If Buyer withdraws its election pursuant to Section 4.1.2(c)(ii), then the Term shall not be extended beyond the initial Term.
- (e) If the Term is extended pursuant to this Section 4.1.2, the Parties shall make
 - (i) such revisions to Sections 5.4.1(e) and 7.16.1(a) of this

Agreement as are necessary to give effect to such extension; and

- (ii) such other revisions to this Agreement that the Parties agree are necessary to give effect to such extension.

4.2 Train 1 DFCD

The Day notified by Seller to Buyer on which Seller anticipates that the Designated Train will become commercially operable shall be the “**Train 1 DFCD**”, which Day shall be determined by taking into account development and construction schedules, as set forth below:

- 4.2.1** The period that begins on the first Day of the Month that follows the date that is fifty (50) Months after the CP Fulfillment Date and ends one hundred eighty (180) Days later shall be the “**First Window Period**”.
- 4.2.2** Seller shall notify Buyer, at least one hundred twenty (120) Days prior to the commencement of the First Window Period of a ninety (90) Day period falling within the First Window Period (“**Second Window Period**”) during which the Train 1 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 4.2.2, the Second Window Period shall be deemed to be the last ninety (90) Days of the First Window Period.
- 4.2.3** Seller shall notify Buyer at least ninety (90) Days prior to the commencement of the Second Window Period of a sixty (60) Day period falling within the Second Window Period (“**Third Window Period**”) during which the Train 1 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 4.2.3, the Third Window Period shall be deemed to be the last sixty (60) Days of the Second Window Period.
- 4.2.4** Seller shall notify Buyer at least sixty (60) Days prior to the commencement of the Third Window Period of a thirty (30) Day period falling within the Third Window Period (“**Final Window Period**”) during which the Train 1 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 4.2.4, the Final Window Period shall be deemed to be the last thirty (30) Days of the Third Window Period.
- 4.2.5** Seller shall notify Buyer at least forty-five (45) Days prior to the commencement of the Final Window Period of the Day within the Final Window Period which shall be the Train 1 DFCD, or, in the absence of notification by Seller in accordance with this Section 4.2.5, the Train 1 DFCD shall be deemed to be the last Day of the Final Window Period.
- 4.2.6** Subject to Section 4.3, the Train 1 DFCD shall be the date so notified pursuant to this Section 4.2, regardless of whether any LNG is scheduled for delivery to Buyer or whether any LNG is in fact so delivered. Seller will provide non-binding good faith estimates of the Train 1 DFCD from time to time as

credible and relevant information becomes available (but not less frequently than one (1) update every six (6) Months). Each window period identified in this Section 4.2 may be extended, and the Train 1 DFCD may be deferred, on a Day-for-Day basis, in the event of Force Majeure affecting Seller which delays the Designated Train becoming commercially operable; *provided* that such extension or deferral shall not exceed three hundred sixty-five (365) Days.

4.3 Delayed Train 1 DFCD and Commercial Operability

4.3.1 Notwithstanding Section 4.2 to the contrary, if the Designated Train has not become commercially operable by the last Day of the Final Window Period as specified in Section 4.2.4, the Train 1 DFCD shall be the first Day on which the Designated Train is commercially operable as determined in accordance with Section 4.3.2, as notified by Seller.

4.3.2 For all purposes of this Agreement, a Train shall not be considered “commercially operable” unless: such Train has been commissioned; such Train is capable of delivering LNG in quantities sufficient and quality necessary to permit Seller to perform its obligations in respect of such Train hereunder and its obligations in respect of such Train to any other customer who has an LNG sale and purchase agreement for the purchase and export of LNG from such Train; such Train is constructed in compliance with Section 7.2.2; all Approvals required to operate such Train and any new or modified existing facilities at the Sabine Pass Facility needed to enable Seller to fulfill its obligations in respect of such

Train under this Agreement are in full force and effect and both Export Authorizations (as in effect on the Effective Date or as may be modified thereafter in a manner that does not adversely affect Buyer) are in full force and effect.

4.3.3 If the Train 1 DFCD does not occur within one hundred eighty (180) Days after the last Day of the Final Window Period (as such window period may have been extended pursuant to Section 4.2.6 due to Force Majeure), Buyer may elect to terminate this Agreement pursuant to Section 20.1.12 by delivering notice of such election to Seller no later than two hundred ten (210) Days after the last Day of the Final Window Period (as such window period may have been extended pursuant to Section 4.2.6 due to Force Majeure).

4.4 **Contract Year**

References to a “**Contract Year**” mean a period of time from and including January 1st through and including December 31st of the same calendar year, provided that:

- (a) the first Contract Year is the period of time (i) beginning on the Train 1 DFCD and (ii) ending on December 31st of the same calendar year (the “**First Contract Year**”); and
- (b) the final Contract Year is the period of time beginning on the January 1st immediately preceding the final Day of the Term and ending on the final Day of the Term (the “**Final Contract Year**”).

4.5 **Early Cargoes**

4.5.1 If and to the extent Seller determines, acting reasonably (taking into account the uncertainty of producing and delivering any cargo prior to the Train 1 DFCD), that the Designated Train is capable of producing LNG complying with the Specifications prior to the start of the First Contract Year (“**Pre-commercial LNG**”), then Seller shall offer to Buyer the first five hundred thousand (500,000) MMBtu per Day of Pre-commercial LNG produced by the Designated Train; *provided* that such Pre-commercial LNG is to be allocated and scheduled for delivery in full cargo lots which shall be no less than three million one hundred thousand (3,100,000) MMBtus and no greater than three million seven hundred fifty thousand (3,750,000) MMBtus.

4.5.2 If Seller offers a Pre-commercial LNG cargo to Buyer and such offer indicates a Delivery Window in respect of such Pre-commercial LNG cargo that is at least sixty (60) Days from the date of such Seller's offer, then:

- (a) Buyer may reject such offer within five (5) Days after receipt of Seller's offer, in which case (A) Buyer will pay to Seller in accordance with Section 10.2.5 an amount equal to USD two decimal twenty-five (USD 2.25) per MMBtu multiplied by the quantity (in MMBtu) rejected by Buyer and (B) neither Buyer nor Seller shall have any further liability to the other Party with respect to such Pre-commercial LNG cargo; or
- (b) Buyer may accept such offer, in which case, Buyer shall purchase and take (subject to Buyer's Cancellation Right), and Seller shall sell and make available, such Pre-commercial LNG cargo during such Delivery Window and otherwise in accordance with the terms of this Agreement (provided that (A) the price to be paid by Buyer for such Pre-commercial LNG cargo, including in the event Buyer exercises its Cancellation Right in respect of such cargo, shall be as set forth in Section 4.5.4 and (B) the Scheduled Cargo Quantity for such Pre-

commercial LNG cargo shall be the quantity identified in Buyer's acceptance of such offer subject to such quantity being no less than three million one hundred thousand (3,100,000) MMBtus and no greater than three million seven hundred fifty thousand (3,750,000) MMBtus).

- 4.5.3** If Buyer receives an offer for a Pre-commercial LNG cargo from Seller less than sixty (60) Days prior to the proposed Delivery Window for such cargo, Buyer shall use reasonable efforts (taking into account, among other things, the availability of shipping capacity within Buyer's shipping fleet) to accept such offer and shall, not later than five (5) Days after receipt of such Seller's offer, provide Seller with notice as to whether Buyer is able, using such reasonable efforts, to accept such offer. If Buyer accepts such offer, then Buyer shall purchase and take (subject to Buyer's Cancellation Right), and Seller shall sell and make available, such Pre-commercial LNG cargo during the Delivery Window identified in Seller's offer and otherwise in accordance with the terms of this Agreement (provided that (A) the price to be paid by Buyer for such Pre-commercial LNG cargo, including in the event Buyer exercises its Cancellation Right in respect of such cargo, shall be as set forth in Section 4.5.4 and (B) the Scheduled Cargo Quantity for such Pre-commercial LNG cargo shall be the quantity identified in Buyer's acceptance of such offer subject to such quantity being no less than three million one hundred thousand (3,100,000) MMBtus and no greater than three million seven hundred fifty thousand (3,750,000) MMBtus). If Buyer does not accept such offer, then (i) Buyer shall have no liability to Seller with respect to such Pre-commercial LNG cargo; and (ii) Seller shall not produce, sell or otherwise dispose of such Pre-commercial LNG cargo, except that Seller may produce and sell such Pre-commercial LNG cargo to any Third Party that is not an Affiliate of Seller, in which case Seller shall pay to Buyer an amount, if any, in respect of such Pre-commercial LNG cargo equal to (x) the amount by which the price (in USD per MMBtu) at which Seller sold such cargo to the Third Party *minus* USD two decimal twenty-five (USD 2.25) *minus* one decimal fifteen (1.15) *multiplied by* HH exceeds zero (0), *multiplied by* (y) the quantity of LNG sold to the Third Party in respect of such Pre-commercial LNG cargo. Where Buyer does not accept an offer under this Section 4.5.3 and Seller produces such Pre-commercial LNG, Seller shall use commercially reasonable efforts to maximize the price received by Seller from the Third Party in respect of the relevant Pre-Commercial LNG cargo.
- 4.5.4** The price in respect of any Pre-commercial LNG cargo purchased by Buyer pursuant to Section 4.5.2(b) or Section 4.5.3 shall be an amount in USD per MMBtu equal to the sum of (i) one decimal fifteen (1.15) *multiplied by* HH, *plus* (ii) USD two decimal twenty-five (USD 2.25). With respect to any Pre-commercial LNG cargo in relation to which (A) Buyer has accepted the relevant offer pursuant to Section 4.5.2(b) or Section 4.5.3, and (B) Buyer

has exercised its Cancellation Right with respect to such Pre-commercial LNG cargo: (1) Buyer will pay to Seller in accordance with Section 10.2.5 an amount equal to USD two decimal twenty-five (USD 2.25) per MMBtu *multiplied by* the quantity identified in Seller's offer for such Pre-commercial LNG cargo and (2) neither Buyer nor Seller shall have any further liability to the other Party with respect to such Pre-commercial LNG cargo.

4.5.5 Upon the occurrence of the Train 1 DFCD, Seller shall no longer be obligated to offer Pre-commercial LNG to Buyer. The provisions of Section 9 shall not apply with respect to Pre-commercial LNG cargoes.

4.6 Additional Trains

4.6.1 Train 2

- (a) “**Train 2 FID**” means a positive final investment decision taken by Seller in respect of the second (2nd) LNG production train to be located at the Sabine Liquefaction Facility to construct the liquefaction facilities and to construct any other required facilities, or modify existing facilities, in relation to the addition of any liquefaction facilities in respect of such second (2nd) train.
- (b) The “**Train 2 DFCD**” shall be the first Day of the Month immediately succeeding the Month during which the later of the following two (2) Days occurs: (i) the Nominated T2 DFCD, as determined and notified by Seller to Buyer pursuant to the window-narrowing mechanism set forth in Exhibit I; and (ii) the Day on which Train 2 is commercially operable as determined in accordance with Section 4.3.2, as notified by Seller. If the Train 2 DFCD does not occur within one hundred eighty (180) Days after the last Day of the Train 2 Final Window Period (as such window period may have been extended pursuant to Section 1(f) of Exhibit I due to Force Majeure), Buyer may elect to cancel the Train 2 Tranche by delivering notice of such election to Seller no later than two hundred ten (210) Days after the last Day of the Train 2 Final Window Period. If Buyer elects to cancel the Train 2 Tranche pursuant to this Section 4.6.1(b), then the Train 2 DFCD shall be deemed to never occur.

4.6.2 Train 3

- (a) “**Train 3 FID**” means a positive final investment decision taken by Seller in respect of the third (3rd) LNG production train to be located at the Sabine Liquefaction Facility to construct the liquefaction facilities and to construct any other required facilities, or modify existing facilities, in relation to the addition of any liquefaction facilities in respect of such third (3rd) train.

- (b) The “**Train 3 DFCD**” shall be the first Day of the Month immediately succeeding the Month during which the later of the following two (2) Days occurs: (i) the Nominated T3 DFCD, as determined and notified by Seller to Buyer pursuant to the window-narrowing mechanism set forth in Exhibit I; and (ii) the Day on which Train 3 is commercially operable as determined in accordance with Section 4.3.2, as notified by Seller. If the Train 3 DFCD does not occur within one hundred eighty (180) Days after the last Day of the Train 3 Final Window Period (as such window period may have been extended pursuant to Section 2(f) of Exhibit I due to Force Majeure), Buyer may elect to cancel the Train 3 Tranche by delivering notice of such election to Seller no later than two hundred ten (210) Days after the last Day of the Train 3 Final Window Period. If Buyer elects to cancel the Train 3 Tranche pursuant to this Section 4.6.2(b), then the Train 3 DFCD shall be deemed to never occur.

4.6.3 Train 4

- (a) “**Train 4 FID**” means a positive final investment decision taken by Seller in respect of the fourth (4th) LNG production train to be located at the Sabine Liquefaction Facility to construct the liquefaction facilities and to construct any other required facilities, or modify existing facilities, in relation to the addition of any liquefaction facilities in respect of such fourth (4th) train.

- (b) The “**Train 4 DFCD**” shall be the first Day of the Month immediately succeeding the Month during which the later of the

following two (2) Days occurs: (i) the Nominated T4 DFCD, as determined and notified by Seller to Buyer pursuant to the window-narrowing mechanism set forth in Exhibit I; and (ii) the Day on which Train 4 is commercially operable as determined in accordance with Section 4.3.2, as notified by Seller. If the Train 4 DFCD does not occur within one hundred eighty (180) Days after the last Day of the Train 4 Final Window Period (as such window period may have been extended pursuant to Section 3(f) of Exhibit I due to Force Majeure), Buyer may elect to cancel the Train 4 Tranche by delivering notice of such election to Seller no later than two hundred ten (210) Days after the last Day of the Train 4 Final Window Period. If Buyer elects to cancel the Train 4 Tranche pursuant to this Section 4.6.3(b), then the Train 4 DFCD shall be deemed to never occur.

- 4.6.4 Promptly upon the occurrence of each of Train 2 FID, Train 3 FID and Train 4 FID, Seller shall notify Buyer that the relevant positive final investment decision has been taken. Seller shall provide updates to Buyer on a reasonably

frequent basis (but not less than once every three Months) to advise Buyer on the progress being made towards each of Train 2 FID, Train 3 FID and Train 4 FID.

4.6.5 Tranche Cancellations

- (a) If the Train 2 FID does not occur on or before June 30, 2013, then either Party may elect to cancel all of the Train 2 Tranche, the Train 3 Tranche and the Train 4 Tranche by delivering notice of such election to the other Party prior to the earlier of August 1, 2013 and the occurrence of the Train 2 FID.
- (b) If the Train 3 FID does not occur on or before June 30, 2013, then either Party may elect to cancel both the Train 3 Tranche and the Train 4 Tranche by delivering notice of such election to the other Party prior to the earlier of August 1, 2013 and the occurrence of the Train 3 FID.
- (c) If the Train 4 FID does not occur on or before June 30, 2013, then either Party may elect to cancel the Train 4 Tranche by delivering notice of such election to the other Party prior to the earlier of August 1, 2013 and the occurrence of the Train 4 FID.

4.6.6 Without prejudice to Section 2.2, the Parties agree that Seller is under no obligation to take Train 2 FID, Train 3 FID or Train 4 FID. If one or both Parties cancels the Train 2 Tranche, the Train 3 Tranche and/or the Train 4 Tranche in accordance with Section 4.6.5, then neither Party shall have any liability or obligation to the other Party under this Agreement in relation to the respective Tranche(s) of LNG that was cancelled in accordance with Section 4.6.5.

5. Quantities

5.1 ACQ

5.1.1 Subject to Section 5.1.2, the annual contract quantity (“**ACQ**”) for any Contract Year shall be an amount equal to:

$$\text{ACQ} = \text{T1Q} + \text{T2Q} + \text{T3Q} + \text{T4Q}$$

Where:

“T1Q” equals, for the First Contract Year and each subsequent Contract Year, the Train 1 Tranche;

“T2Q” equals, (i) for any Contract Year prior to the Contract Year during which the Train 2 DFCD occurs, zero (0); and (ii) for the Contract Year during which the Train 2 DFCD occurs and each subsequent Contract Year, the Train 2 Tranche;

“T3Q” equals, (i) for any Contract Year prior to the Contract Year during which the Train 3 DFCD occurs, zero (0); and (ii) for the Contract Year during which the Train 3 DFCD occurs and each subsequent Contract Year, the Train 3 Tranche; and

“T4Q” equals, (i) for any Contract Year prior to the Contract Year during which the Train 4 DFCD occurs, zero (0); and (ii) for the Contract Year during which the Train 4 DFCD occurs and each subsequent Contract Year, the Train 4 Tranche.

5.1.2

- (a) The ACQ for partial Contract Years and for any Contract Year during which the Train 2 DFCD, Train 3 DFCD and/or Train 4 DFCD occur(s) shall be adjusted as follows:
- (i) if the First Contract Year does not commence on January 1st and/or if the Final Contract Year does not end on December 31st, then the T1Q for each such applicable Contract Year will be reduced to an amount determined by multiplying (x) the Train 1 Tranche by (y) a fraction, the numerator of which is the number of Days in the applicable Contract Year and the denominator of which is the total number of Days in the calendar year in which the applicable Contract Year occurs;
 - (ii) if the Train 2 DFCD does not occur on January 1st and/or if the Final Contract Year does not end on December 31st, then the T2Q for each such applicable Contract Year will be reduced to an amount determined by multiplying (x) the Train 2 Tranche by (y) a fraction, the numerator of which is the number of Days in the applicable Contract Year which occur both during the T2 Delivery Period and on and after the Train 2 DFCD and the denominator of which is the total number of Days in the T2 Delivery Period in the calendar year in which the applicable Contract Year occurs;
 - (iii) if the Train 3 DFCD does not occur on January 1st and/or if the Final Contract Year does not end on December 31st, then the T3Q for each such applicable Contract Year will be reduced to an amount determined by multiplying (x) the Train 3 Tranche by (y) a fraction, the numerator of which is the number of Days in the applicable Contract Year that occur on

and after the Train 3 DFCD and the denominator of which is the total number of Days in the calendar year in which the applicable Contract Year occurs; and

- (iv) if the Train 4 DFCD does not occur on January 1st and/or if the Final Contract Year does not end on December 31st, then the T4Q for each such applicable Contract Year will be reduced to an amount determined by multiplying (x) the Train 4 Tranche by (y) a fraction, the numerator of which is the number of Days in the applicable Contract Year which occur both during the T4 Delivery Period and on and after the Train 4 DFCD and the denominator of which is the total number of Days in the T4 Delivery Period in the calendar year in which the applicable Contract Year occurs.
- (b) Notwithstanding Section 5.1.2(a), if Buyer elects to extend the Term pursuant to Section 4.1.2 (and such election is not subsequently withdrawn by Buyer pursuant to Section 4.1.2(c)) and if, in the notification to Seller pursuant to Section 4.1.2(b), Buyer elects to reduce any Tranche in respect of the extension period after the initial Term, then for purposes of the Contract Year during which the twentieth (20th) anniversary of the Train 1 DFCD occurs, the T1Q, T2Q, T3Q and/or T4Q (as applicable, depending on which Tranche(s) Buyer has elected to reduce) shall be reduced to an amount determined pursuant to the following formula:

$$TnQ = ((A \times D1) + (B \times D2)) / DY$$

Where:

“TnQ” equals T1Q, T2Q, T3Q, or T4Q, as applicable;

“A” equals the Train 1 Tranche, Train 2 Tranche, Train 3 Tranche or Train 4 Tranche (as applicable), without taking into consideration any reduction pursuant to Section 4.1.2(b);

“B” equals the Train 1 Tranche, Train 2 Tranche, Train 3 Tranche or Train 4 Tranche (as applicable);

“D1” equals the number of Days during the Contract Year in which the twentieth (20th) anniversary of the Train 1 DFCD occurs that occur prior to the twentieth (20th) anniversary of the Train 1 DFCD;

“D2” equals the number of Days during the Contract Year in which the twentieth (20th) anniversary of the Train 1 DFCD occurs that occur on and after the twentieth (20th) anniversary

of the Train 1 DFCD; and

“DY” equals the number of Days in the calendar year in which the twentieth (20th) anniversary of the Train 1 DFCD occurs.

5.1.3 The ACQ for purposes of determining all obligations under this Agreement shall be the amount expressed in MMBtus. All references in this Agreement to cargoes or other quantities are solely for operational convenience.

5.1.4 With respect to each Contract Year, the AACQ for the relevant Contract Year shall be scheduled for delivery in the relevant ADP in accordance with the following delivery profile:

- (a) the portion of the AACQ that Seller is obligated to make available as a result of the Train 1 DFCD and the portion of the AACQ that Seller is obligated to make available as a result of the Train 3 DFCD shall be scheduled for delivery in the ADP on a reasonably even and ratable basis throughout the relevant Contract Year, taking into consideration planned maintenance at the Sabine Pass Facility;
- (b) the portion of the AACQ that Seller is obligated to make available as a result of the Train 2 DFCD shall be scheduled for delivery in the ADP on a reasonably even and ratable basis during the T2 Delivery Period of the relevant Contract Year, taking into consideration planned maintenance at the Sabine Pass Facility and the date on which the Train 2 DFCD occurs; and
- (c) the portion of the AACQ that Seller is obligated to make available as a result of the Train 4 DFCD shall be scheduled for delivery in the ADP on a reasonably even and ratable basis during the T4 Delivery Period of the relevant Contract Year, taking into consideration planned maintenance at the Sabine Pass Facility and the date on which the Train 4 DFCD occurs.

5.1.5

- (a) From and after January 25, 2012, Seller shall not, and shall use reasonable efforts to cause its Affiliates not to, enter into a Qualifying Agreement unless (i) Seller has made a firm offer in writing to Buyer to change Buyer's delivery profile set forth in Section 5.1.4(b) or Section 5.1.4(c) such that the quantities deliverable pursuant to either of Section 5.1.4(b) or Section 5.1.4(c) become deliverable over a greater proportion of the Contract Year, but shall not result in a change in the applicable ACQ for any Contract Year; and (ii) Seller has not received written acceptance of such offer from Buyer within thirty (30) Days of Buyer receiving such offer. The proposed change to Buyer's delivery profile referred to in the preceding sentence of this

Section 5.1.5(a) shall correspond to the production capacity required to produce LNG for the term and quantity contemplated in the relevant Qualifying Agreement. In any agreement pursuant to which LNG would be delivered from the production capacity of the Sabine Liquefaction Facility by Seller to any Affiliate of Seller, Seller shall include a provision prohibiting such Affiliate from entering into a Qualifying Agreement unless the (i) and (ii) above have first been satisfied. A “**Qualifying Agreement**” is any agreement pursuant to which LNG would be delivered from the production capacity of the Sabine Liquefaction Facility on a firm basis, the term of which is two or more years, and which has any such deliveries scheduled during the period excluded from the delivery profile set forth in Section 5.1.4(b) or Section 5.1.4(c); *provided, however*, that any agreement or agreements (x) under which the designated train is the third Train and that individually or in the aggregate are for the sale of the initial 182,500,000 MMBtu of LNG from such Train or (y) for the sale of LNG from the Sabine Pass Facility under which the designated Train is any Train following the fourth Train, and in any case that has an effective date prior to the FID of the designated Train, shall be deemed not to be a Qualifying Agreement.

- (b) In the event that, from and after January 25, 2012, (i) any customer (other than Buyer) purchasing LNG or liquefaction services from the Sabine Liquefaction Facility on a firm basis does not elect, as of the deadline specified in such customer's purchase agreement with Seller, to extend any portion of such customer's annual contract quantity beyond the original term of such customer's purchase agreement with Seller and (ii) such failure to elect results in a reduction in the quantity of LNG that otherwise would have been delivered to such customer during the period excluded from the delivery profile set forth in Section 5.1.4(b) or 5.1.4(c), then Seller shall make a firm offer in writing to Buyer to change Buyer's delivery profile set forth in Section 5.1.4(b) or Section 5.1.4(c) such that the quantities deliverable pursuant to either Section 5.1.4(b) or Section 5.1.4(c) become deliverable over a greater proportion of the Contract Year. Any such changed delivery profile shall not result in a change in the applicable ACQ for any Contract Year. If Seller has not received written acceptance of such offer from Buyer within thirty (30) Days of Buyer receiving such offer, then Seller shall have no obligation to change Buyer's delivery profile pursuant to this Section 5.1.5(b).

5.2 Adjusted Annual Contract Quantity

The adjusted annual contract quantity (“AACQ”), expressed in MMBtu, for each Contract Year shall be equal to the ACQ for the relevant Contract Year, *plus* the following:

- (a) Round-Up Quantity for such Contract Year, determined in accordance with Section 5.3.1; and
- (b) Round-Down Quantity for the previous Contract Year, determined in accordance with Section 5.3.2, and carried forward to the current Contract Year;

less the following:

- (c) the Major Scheduled Maintenance Quantities and Inspection Maintenance Quantities for such Contract Year, if any, determined in accordance with Section 5.4;
- (d) Round-Up Quantity taken in the previous Contract Year, determined in accordance with Section 5.3.1, and carried forward as a deduction to the current Contract Year; and
- (e) Round-Down Quantity for the current Contract Year, determined in accordance with Section 5.3.2.

5.3 Round-Up/Round-Down Quantities

5.3.1 If, during the development of the Annual Delivery Program, it appears that the delivery during such Contract Year of the ACQ plus the quantities specified in Section 5.2(b), less the quantities specified in Sections 5.2(c) and 5.2(d) would require Seller to make available and Buyer to take a quantity of LNG that is less than a full cargo lot, then Buyer may request, pursuant to Section 8.1.2, that the AACQ be increased by a quantity of LNG sufficient to deliver the AACQ in full cargo lots, and Seller shall use reasonable efforts to accommodate such request. Any quantity included in the Annual Delivery Program pursuant to this Section 5.3.1 shall be considered a “**Round-Up Quantity**”. In granting requests for Round-Up Quantities, Seller shall act in a nondiscriminatory manner among Foundation Customers and shall give priority to the requests of Foundation Customers over the requests of other customers.

5.3.2 If, during the development of the Annual Delivery Program, it appears that the delivery during such Contract Year of the ACQ plus the quantities specified in Section 5.2(b) less the quantities specified in Sections 5.2(c) and 5.2(d) would require Seller to make available and Buyer to take a quantity of LNG that is less than a full cargo lot, but Buyer does not request an increase in the AACQ, or Buyer requests an increase but Seller is unable by the exercise of reasonable efforts to accommodate such request, then the AACQ

shall be reduced by an amount (the “**Round-Down Quantity**”) such that the resulting AACQ can be delivered in full cargo lots.

5.4 Major Scheduled Maintenance and Inspections

5.4.1 Seller shall be entitled to reduce the AACQ in order to perform major scheduled maintenance to the Sabine Liquefaction Facility (the “**Major Scheduled Maintenance Quantity**”), subject to the following conditions:

- (a) Seller may only exercise its right to such reduction in a Contract Year to the extent it determines, as a Reasonable and Prudent Operator, that major scheduled maintenance is required for operational reasons;
- (b) Seller shall exercise reasonable efforts to schedule such reduction during the Months of April through September;
- (c) Seller shall notify Buyer of its exercise of, and the amount of, Major Scheduled Maintenance Quantity pursuant to Section 8.1.1(b);
- (d) the Major Scheduled Maintenance Quantity reduction elected by Seller during any Contract Year may not exceed six percent (6%) of the then-applicable ACQ for such Contract Year; and
- (e) the cumulative amount of all Major Scheduled Maintenance Quantity reductions elected by Seller during the Term pursuant to this Section 5.4.1 shall not exceed:
 - (i) if Train 2 DFCD has not occurred: 54,750,000 MMBtu;
 - (ii) if Train 2 DFCD has occurred but Train 3 DFCD has not occurred: 65,250,000 MMBtu;
 - (iii) if Train 3 DFCD has occurred but Train 4 DFCD has not occurred: 74,500,000 MMBtu;
or
 - (iv) if Train 4 DFCD has occurred: 83,250,000 MMBtu.

5.4.2 Seller shall be entitled to reduce the AACQ in order to perform comprehensive inspections on one or more of Train 1, Train 2, Train 3, and Train 4 (each, an “**Inspection Maintenance Quantity**”), subject to the following conditions:

- (a) Seller may only exercise its right to elect an Inspection Maintenance Quantity related to a Train in respect of (i) the initial eighteen (18) Month period following Train 1 DFCD, Train 2 DFCD, Train 3 DFCD, and Train 4 DFCD, as applicable, and (ii) the initial twelve (12) Month period following the tenth (10th) anniversary of Train 1 DFCD, Train 2 DFCD, Train 3 DFCD, and Train 4 DFCD, as applicable;

- (b) Seller may only exercise its right to elect an Inspection Maintenance Quantity to the extent it is necessary to accommodate a reduction in LNG production from one or more of Train 1, Train 2, Train 3, and Train 4, as applicable, due to the performance of a comprehensive inspection(s) during the relevant Contract Year on such Train(s);
- (c) if (i) either Party has cancelled the Train 2 Tranche pursuant to Section 4.6.5, Seller shall not be entitled to exercise any Inspection Maintenance Quantity in respect of Train 2; (ii) either Party has cancelled Train 3 Tranche pursuant to Section 4.6.5, Seller shall not be entitled to exercise any Inspection Maintenance Quantity in respect of Train 3; and (iii) either Party has cancelled Train 4 Tranche pursuant to Section 4.6.5, Seller shall not be entitled to exercise any Inspection Maintenance Quantity in respect of Train 4;
- (d) Seller shall notify Buyer of its exercise of, and the total amount of, any Inspection Maintenance Quantities pursuant to Section 8.1.1(b);
- (e) an Inspection Maintenance Quantity may not exceed (as applicable):
 - (i) 15,147,500 MMBtu, if such Inspection Maintenance Quantity is necessary to accommodate reductions in LNG production from Train 1;
 - (ii) 4,562,500 MMBtu, if such Inspection Maintenance Quantity is necessary to accommodate reductions in LNG production from Train 2, provided that Seller shall use reasonable efforts to reduce such quantity by scheduling the corresponding Train 2 inspection during the Months of June, July, August and September;
 - (iii) 2,833,000 MMBtu, if such Inspection Maintenance Quantity is necessary to accommodate reductions in LNG production from Train 3; and
 - (iv) 5,583,000 MMBtu, if such Inspection Maintenance Quantity is necessary to accommodate reductions in LNG production from Train 4, provided that Seller shall use reasonable efforts to reduce such quantity by scheduling the corresponding Train 4 inspection during the Months of May, June, July, August, September and October;

- (f) in a given Contract Year, Seller shall use reasonable efforts to elect an Inspection Maintenance Quantity in respect of not more than one (1) Train;
- (g) in a given Contract Year, Seller shall not elect an Inspection Maintenance Quantity in respect of any Train for which Seller is electing a Major Scheduled Maintenance Quantity to perform major scheduled maintenance on the same Train; and
- (h) the cumulative amount of all Inspection Maintenance Quantities elected by Seller during the Term pursuant to this Section 5.4.2 shall not exceed:
 - (i) 30,295,000 MMBtu for Inspection Maintenance Quantities to accommodate reductions in LNG production from Train 1;
 - (ii) 9,125,000 MMBtu for Inspection Maintenance Quantities to accommodate reductions in LNG production from Train 2;
 - (iii) 5,666,000 MMBtu for Inspection Maintenance Quantities to accommodate reductions in LNG production from Train 3; and
 - (iv) 11,166,000 MMBtu for Inspection Maintenance Quantities to accommodate reductions in LNG production from Train 4.

**5.5 Buyer's Purchase
Obligation**

5.5.1 During any Contract Year, Buyer shall take and pay for the Scheduled Cargo Quantity for each cargo included in the AACQ and scheduled in the ADP for such Contract Year, *less*:

- (a) any quantities of LNG not made available by Seller for any reason attributable to Seller (other than quantities for which Seller is excused pursuant to this Agreement from making available due to Buyer's breach of this Agreement) or the operator of the Sabine Pass Facility, including quantities not made available by Seller due to Force Majeure affecting Seller or the Sabine Pass Facility;
- (b) any quantities of LNG not taken by Buyer for reasons of Force Majeure;

- (c) any quantities that the relevant LNG Tanker is not capable of loading due to Seller's delivery of LNG that has a Gross Heating Value that is less than the value identified by Seller pursuant to Section 8.1.1(a); and
- (e) any quantities of LNG with respect to which Buyer has exercised its Cancellation Right pursuant to Section 5.6.1.

5.5.2 Except as otherwise expressly excused in accordance with the provisions of this Agreement, if, with respect to any cargo scheduled for delivery to Buyer in the relevant ADP, Buyer does not take delivery of all or part of the Scheduled Cargo Quantity of such cargo and such failure to take is not otherwise excused pursuant to Section 5.5.1, then the amount by which the Scheduled Cargo Quantity for such cargo exceeds the quantity of LNG taken by Buyer in relation to such cargo shall be the “**Cargo Shortfall Quantity**”.

5.5.3 With respect to any Cargo Shortfall Quantity, Buyer shall pay to Seller Cover Damages, if Cover Damages are a positive amount.

- (a) “**Cover Damages**” shall be equal to: (i) the CSP *multiplied* by the Cargo Shortfall Quantity; *minus* (ii) the greater of (A) the proceeds actually received by Seller from the Mitigation Sale and (B) the proceeds that Seller would receive for reselling into the United States of America Gas market the Gas that would otherwise have been used for the production of the LNG represented by the Cargo Shortfall Quantity; *minus* (iii) reasonable and verifiable savings obtained by Seller (including savings related to avoided fuel Gas for LNG production, transportation and Third Party costs avoided) as a result of the Mitigation Sale as opposed to the sale to Buyer; *plus* (iv) reasonable, verifiable, incremental costs incurred by Seller as a result of such Mitigation Sale (including costs related to transporting, marketing, selling, and delivery of the Cargo Shortfall Quantity). For purposes of calculating Cover Damages, the CSP shall be determined as of the Month in which the applicable Delivery Window begins.
- (b) Seller shall take such actions as are reasonably calculated to minimize the Cover Damages payable by Buyer as a result of Buyer's failure to take such Cargo Shortfall Quantity by reselling such Cargo Shortfall Quantity (whether as LNG, Gas, or regasified LNG) to Third Parties including by selling Gas purchased to produce the Cargo Shortfall Quantity into the United States of America Gas market if that Gas has not already been liquefied, selling the Cargo Shortfall Quantity to a Third Party in a spot sale transaction, or delivering the Cargo Shortfall Quantity to another long-term customer and foregoing the purchase of Gas that would have been used to produce LNG for that customer (each such action a “**Mitigation Sale**”); except that any sale of a quantity of LNG (or Gas or regasified LNG) by

Seller to any Third Party that Seller was already obligated to make at the earlier to occur of (i) Buyer's failure to take such LNG or (ii) Buyer's notice to Seller that it will not take such LNG, is not a Mitigation Sale.

- (c) Notwithstanding the foregoing, if the Cargo Shortfall Quantity is within the operational tolerance of two percent (2%) of the Scheduled Cargo Quantity ("**Operational Tolerance**") (such Operational Tolerance to be exercised by Buyer only with respect to operational matters regarding the LNG Tanker, and without regard to Gas markets or other commercial considerations), the Cover Damages shall be zero (0).

5.5.4 Any payment that Buyer makes under this Section 5.5 shall not be treated as an indirect, incidental, consequential or exemplary loss or a loss of income or profits for purposes of Section 15.2.1.

5.6 Buyer's Cancellation Right

5.6.1 Buyer may cancel all or any portion of the Scheduled Cargo Quantity of any cargo(es) scheduled in any ADP (or any Pre-commercial LNG cargo) ("**Cancellation Right**") only if Buyer issues a notice of cancellation to Seller on or prior to the Cancellation Deadline for the applicable cargoes.

5.6.2 Buyer may cancel all or any portion of any cargo at any time after the Cancellation Deadline applicable to such cargo as specified in Section 5.6.1 above, but subject to Section 5.6.4 or absent any prior written agreement between the Parties, Buyer shall be deemed to have failed to take the cancelled quantity and the cancelled quantity shall be considered a Cargo Shortfall Quantity.

5.6.3 Once Buyer has provided notice pursuant to Section 5.6.1, 5.6.2, or 5.6.4, Buyer has forfeited its right to receive the cancelled quantity and Seller has no obligation to make available to Buyer the quantity of LNG cancelled. There shall be no cancellation fee; however, Buyer shall continue to be responsible for paying the Monthly Sales Charge.

5.6.4 If (i) either of the Export Authorizations expires or is withdrawn, modified, or otherwise no longer effective in such a way that any of Buyer's cargoes scheduled in the ADP or Ninety Day Schedule and no longer subject to the Cancellation Right are unable to be exported to the Discharge Terminal designated in the ADP or Ninety Day Schedule and (ii) such expiration, withdrawal, modification, or loss of the Export Authorization was not the fault of Buyer or any Third Party that receives directly or indirectly any LNG that was purchased by Buyer hereunder, then Buyer may cancel all or any portion of the Scheduled Cargo Quantity of such cargo(es) without liability under Section 5.5 by issuing a notice of cancellation to Seller prior to the

Delivery Window of each such cargo.

**5.7 Seller's Delivery
Obligation**

5.7.1 During any Contract Year, Seller shall make available to Buyer the Scheduled Cargo Quantity for each cargo scheduled in the ADP for such Contract Year, *less*:

- (a) any quantities of LNG not taken by Buyer for any reason attributable to Buyer (other than quantities for which Buyer is excused pursuant to this Agreement from taking due to Seller's breach of this Agreement), including quantities not taken by Buyer due to Force Majeure affecting Buyer;
- (b) any quantities of LNG not made available by Seller for reasons of Force Majeure;
and
- (c) any quantities of LNG with respect to which Buyer has exercised its Cancellation Right.

For purposes of this Agreement, LNG shall not be considered "made available" if such LNG is not capable of being exported from the United States of America pursuant to the FTA Export Authorization and is not capable of being exported from the United States of America pursuant to the Non-FTA Export Authorization (and "make available" and any other derivation of "make available" shall be construed accordingly).

5.7.2 Except as otherwise expressly excused in accordance with the provisions of this Agreement, if, with respect to any cargo scheduled for delivery to Buyer in the relevant ADP, Seller does not make available all or part of the Scheduled Cargo Quantity of the cargo to Buyer and such failure to make available is not otherwise excused pursuant to Section 5.7.1, then the amount by which the Scheduled Cargo Quantity for the cargo exceeds the quantity of LNG made available by Seller to Buyer in relation to the cargo shall be the "**Cargo DoP Quantity**". Seller shall make a payment to Buyer for each MMBtu of the Cargo DoP Quantity in an amount equal to: (a) the positive difference, if any, obtained by subtracting an amount equal to the CSP *minus* the UFC applicable on the first Day of the Delivery Window for the applicable cargo, from either (i) the actual, documented price incurred by Buyer for the purchase of a replacement quantity of LNG or Gas (not to exceed the MMBtu equivalent of the Cargo DoP Quantity), or (ii) in respect of any Cargo DoP Quantity for which a replacement quantity cannot be purchased, the market price of LNG at such time at the cargo's originally scheduled destination; *plus* (b) any actual, reasonable, and verifiable costs (if any), incurred by Buyer due to such failure, including costs associated with transportation; *less* (c) actual, reasonable, and verifiable cost savings realized by Buyer due to Seller's failure to make the Scheduled Cargo Quantity available (the "**Cargo**

DoP Payment”). For purposes of calculating the Cargo DoP Payment, the CSP shall be determined as of the Month in which the applicable Delivery Window begins. Irrespective of any Cargo DoP Quantity, Buyer shall continue to be responsible for paying the Monthly Sales Charge.

- 5.7.3 Notwithstanding the foregoing, if the Cargo DoP Quantity is within the Operational Tolerance (such Operational Tolerance to be exercised by Seller only with respect to operational matters regarding the Sabine Pass Facility, and without regard to Gas markets or other commercial considerations), the Cargo DoP Payment shall be zero (0).
- 5.7.4 Buyer shall use reasonable efforts to mitigate the Cargo DoP Payment payable by Seller in respect of any cargo. For purposes of calculating the Cargo DoP Payment, any purchase of a quantity of LNG (or Gas or regasified LNG) by Buyer or an Affiliate of Buyer from any Third Party that Buyer (or Buyer's Affiliate, as applicable) was already obligated to make at the earlier to occur of (a) Seller's failure to make such LNG available or (b) Seller's notice to Buyer that it will not make such LNG available, shall not be used when determining the price incurred by Buyer for the purchase of replacement LNG or Gas.
- 5.7.5 Any payment that Seller makes under this Section 5.7 shall not be treated as an indirect, incidental, consequential or exemplary loss or a loss of income or profits for purposes of Section 15.2.1.
- 5.7.6 In the event the ability of the Sabine Pass Facility to produce and deliver LNG is impaired due to an unscheduled services interruption that does not constitute Force Majeure, Seller shall comply with the Foundation Customer Priority in allocating the LNG that is available from the Sabine Pass Facility.

6. Delivery Point, Title and Risk

6.1 Delivery Point

Seller shall deliver LNG to Buyer, subject to the terms and conditions of this Agreement, at the point at which the flange coupling of the LNG loading line at the Sabine Pass Facility joins the flange coupling of the LNG intake manifold of the relevant LNG Tanker (“**Delivery Point**”).

6.2 Title and Risk

Title to, and all risks in respect of, the LNG sold by Seller pursuant to this Agreement shall pass from Seller to Buyer as the LNG passes the Delivery Point.

7. Transportation and Loading

7.1 Transportation by Buyer

Buyer shall, in accordance with this Agreement, Applicable Laws and International Standards, provide, or cause to be provided, transportation from the Delivery Point of all quantities of LNG delivered hereunder to Buyer.

7.2 Sabine Pass Facility

7.2.1 Prior to the Train 1 DFCD, Seller shall cause the Sabine Liquefaction Facility (only including Train 1) to be constructed and commissioned so as to be able to provide liquefaction services and otherwise to achieve commercial operations completion for making available LNG. If Train 2 FID occurs, then prior to the earlier of Train 2 DFCD and such time, if any, when Buyer cancels the Train 2 Tranche pursuant to Section 4.6.1(b), Seller shall cause Train 2 to be constructed and commissioned so as to be able to provide liquefaction services and otherwise to achieve commercial operations completion for making available LNG. If Train 3 FID occurs, then prior to the earlier of Train 3 DFCD and such time, if any, when Buyer cancels the Train 3 Tranche pursuant to Section 4.6.2(b), Seller shall cause Train 3 to be constructed and commissioned so as to be able to provide liquefaction services and otherwise to achieve commercial operations completion for making available LNG. If Train 4 FID occurs, then prior to the earlier of Train 4 DFCD and such time, if any, when Buyer cancels the Train 4 Tranche pursuant to Section 4.6.3(b), Seller shall cause Train 4 to be constructed and commissioned so as to be able to provide liquefaction services and otherwise to achieve commercial operations completion for making available LNG. During the Term, Seller shall at all times cause the Sabine Pass Facility to be maintained and operated in accordance with the following: (a) International Standards; (b) all terms and conditions set forth in this Agreement, including the standards and specifications set forth in Section 7.2.2; (c) Applicable Laws; and (d) to the extent not inconsistent with International Standards, such good and prudent practices as are generally followed in the LNG industry by Reasonable and Prudent Operators of similar LNG liquefaction terminals and similar receiving and regasification terminals.

7.2.2 The Sabine Pass Facility shall include the following:

- (a) appropriate systems for communications with LNG Tankers;
- (b) two berths, each capable of berthing an LNG Tanker having a displacement of no more than one hundred sixty-six thousand (166,000) tons, an overall length of no more than one thousand one hundred forty (1,140) feet, a beam of no more than one hundred

seventy-five (175) feet, and a draft of no more than forty (40) feet, which LNG Tankers can safely reach, fully laden, and safely depart, fully laden, and at which LNG Tankers can lie safely berthed and load and unload safely afloat;

- (c) lighting sufficient to permit loading operations by day or by night, to the extent permitted by Governmental Authorities and Pilots (it being acknowledged, however, that Seller shall in no event be obligated to allow nighttime berthing operations at the Sabine Pass Facility if Seller determines that such operations during nighttime hours could pose safety or operational risks to the Sabine Pass Facility, an LNG Tanker, or a Third Party);
- (d) facilities capable of transferring LNG at a rate of up to an average of twelve thousand (12,000) Cubic Meters per hour at the Delivery Point, with three (3) LNG transfer arms each having a reasonable operating envelope to allow for ship movement and manifold strainers of sixty (60) mesh;
- (e) a vapor return line system of sufficient capacity to allow for transfer of Gas necessary for safe cargo operations of an LNG Tanker at the required rates, pressures and temperatures;
- (f) facilities allowing ingress and egress between the Sabine Pass Facility and the LNG Tanker by (i) representatives of Governmental Authorities for purposes of LNG transfer operations; and (ii) an independent surveyor for purposes of conducting tests and measurements of LNG on board the LNG Tanker;
- (g) LNG storage facilities, with a total gross capacity of approximately three hundred twenty thousand (320,000) Cubic Meters of LNG (expandable at Seller's option by an additional amount up to one hundred sixty thousand (160,000) Cubic Meters of LNG); and
- (h) LNG liquefaction facilities with each train having the capacity to liquefy Gas and produce not less than two hundred ninety-one thousand seven hundred (291,700) tonnes per Month of LNG, using the ConocoPhillips Optimized Cascade process under license from ConocoPhillips, six (6) General Electric LM2500+ G4 gas turbine driven compressor sets with inlet air humidification, air cooled heat exchanger systems, and a heavies removal system; a BASF-licensed aMDEA acid gas removal unit and a mercury removal system for the pretreatment of feed Gas received at the inlet of the Sabine Pass Facility; propane, ethylene, and amine storage tanks and control and measurement systems, flares, ancillary systems and tie ins between the facilities owned by Seller and those owned by SPLNG.

7.2.3 Services and facilities not provided by Seller include the following: (a) facilities and loading lines for liquid or gaseous nitrogen to service an LNG Tanker; (b) facilities for providing bunkers; (c) facilities for the handling and delivery to the LNG Tanker of ship's stores, provisions and spare parts; and (d) nitrogen rejection or natural gas liquids (NGL) removal. Towing, escort, line handling, and pilot services will not be provided or made available by Seller; Buyer shall be required to obtain such services as described in Section 7.5.3.

7.3 Compatibility of the Sabine Pass Facility with LNG Tankers

7.3.1 Buyer shall ensure, at no cost to Seller but subject to Section 7.3.2, that each of the LNG Tankers used by Buyer under this Agreement is fully compatible with the general specifications set forth in Section 7.2.2 and any modifications made to the Sabine Pass Facility in accordance with Section 7.3.2. Should an LNG Tanker fail materially either to be compatible with such general specifications, or to be in compliance with the provisions of Section 7.5, Buyer shall not employ such LNG Tanker under this Agreement until it has been modified to be so compatible or to so comply.

7.3.2 The Parties agree that, after the Effective Date, Seller shall be entitled to modify the Sabine Pass Facility in any manner whatsoever, provided that: such modifications do not render the Sabine Pass Facility incompatible with any LNG Tanker that is compatible with the general specifications set forth in Section 7.2.2; such modifications, once finalized, do not reduce the ability of Seller to make available LNG in accordance with the terms of this Agreement; and such modifications do not otherwise conflict with Seller's obligations hereunder. Notwithstanding the foregoing, Seller may modify the Sabine Pass Facility in a manner that would render it incompatible with an LNG Tanker provided that such modification is required by and is made pursuant to a change in Applicable Laws or International Standards and to the extent not inconsistent with Applicable Law or International Standards, such good and prudent practices as are generally followed in the LNG industry by Reasonable and Prudent Operators of LNG terminals.

7.4 Buyer Inspection Rights in Respect of the Sabine Pass Facility

7.4.1 Upon obtaining Seller's prior written consent, which consent shall not be unreasonably withheld or delayed, a reasonable number of Buyer's designated representatives may from time to time (including during the period of construction of the liquefaction facilities) inspect the operation of the Sabine Pass Facility so long as such inspection occurs from 8:00 a.m. to 5:00 p.m. on a Business Day. Any such inspection shall be at Buyer's sole risk and expense. In conjunction with any such inspection, Seller shall provide Buyer access at reasonable times and places (taking into consideration cost and schedule impacts) to (a) relevant qualified employees and contractors of Seller in order to discuss the progress of the construction

of the Sabine Liquefaction Facilities and the operation and maintenance of the Sabine Pass Facility (as applicable) and (b) relevant documentation, if any, available to Seller in support of such discussions. Buyer (and its designees) shall carry out any such inspection without any interference with or hindrance to the safe and efficient operation of the Sabine Pass Facility. Buyer's right to inspect and examine the Sabine Pass Facility shall be limited to verifying Seller's compliance with Seller's obligations under this Agreement. No inspection (or lack thereof) of the Sabine Pass Facility by Buyer hereunder, or any requests or observations made to Seller or its representatives by or on behalf of Buyer in connection with any such inspection, shall (a) modify or amend Seller's obligations, representations, warranties and covenants hereunder; or (b) constitute an acceptance or waiver by Buyer of Seller's obligations hereunder.

7.4.2 Buyer shall indemnify and hold Seller and its Affiliates harmless from any Claims and Losses resulting from Buyer's inspection of the Sabine Pass Facility pursuant to Section 7.4.1.

7.5 LNG Tankers

7.5.1 Buyer shall cause each LNG Tanker to comply with the requirements of this Section 7.5.

7.5.2 Each LNG Tanker shall comply with the regulations of, and obtain all Approvals required by, Governmental Authorities to enable such LNG Tanker to enter, leave and carry out all required operations at the Sabine Pass Facility. Each LNG Tanker shall at all times have on board valid documentation evidencing all such Approvals. Each LNG Tanker shall comply fully with the International Safety Management Code for the Safe Operation of Ships and Pollution Prevention effective July 1, 1998, as amended from time to time, and at all times be in possession of valid documents of compliance and safety management certificates, and be able to demonstrate that the LNG Tanker has an effective management system in operation that addresses all identified risks, and provides proper controls for dealing with these risks.

7.5.3 Buyer shall cause Transporter to enter into a tug services agreement (in the form attached hereto as Exhibit G) with Sabine Pass Tug Services, LLC to provide such number and types of tugs, fireboats and escort vessels as are required by Governmental Authorities to attend the LNG Tanker so as to permit safe and efficient movement of the LNG Tanker within the maritime safety areas located in the approaches to and from the Sabine Pass Facility. The fee for tug services pursuant to such tug services agreement shall be as set from time-to-time by Sabine Pass Tug Services, LLC, but shall always be applied on a non-discriminatory basis among all long-term customers (both regasification and liquefaction) of the Sabine Pass Facility. Buyer and Transporter shall be permitted to use other tugs, fireboats and escort vessels

that are materially consistent with (or are equivalent in all material respects with) the specifications set forth in Exhibit H if Sabine Pass Tug Services, LLC is in breach or default under the tug services agreement with Buyer's Transporter or the charterparty with the tug owner. Seller shall not be required to provide tugs, fireboats and escort vessels to attend any LNG Tanker and shall not be liable to Buyer in connection with Transporter's failure to enter into such arrangements.

7.5.4 Buyer shall pay: (a) all Port Charges directly to the appropriate Person; and (b) all charges payable by reason of any LNG Tanker having to shift from berth at the Sabine Pass Facility as a result of the action or inaction of Buyer.

7.5.5 Each LNG Tanker must satisfy the following requirements:

- (a) Except as otherwise mutually agreed in writing by the Parties, each LNG Tanker shall be of a sufficient size to load the applicable Scheduled Cargo Quantity (subject to the Operational Tolerance).
- (b) Except as otherwise agreed in writing by Seller, which agreement shall not be unreasonably withheld, each LNG Tanker shall have a gross volumetric capacity between one hundred thirty-five thousand (135,000) Cubic Meters and one hundred eighty thousand (180,000) Cubic Meters.
- (c) Each LNG Tanker shall be, in accordance with International Standards, (i) fit in every way for the safe loading, unloading, handling and carrying of LNG in bulk at atmospheric pressure; and (ii) tight, staunch, strong and otherwise seaworthy with cargo handling and storage systems (including instrumentation) necessary for the safe loading, unloading, handling, carrying and measuring of LNG in good order and condition.
- (d) Each LNG Tanker shall at all times be maintained in class with any of the following: American Bureau of Shipping, Lloyd's Register, Bureau Veritas, Det Norske Veritas or any other classification society that is mutually agreeable to the Parties.
- (e) Each LNG Tanker shall have been constructed to all applicable International Standards (including the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk).

- (f) Each LNG Tanker shall comply with, and shall be fully equipped, supplied, operated, and maintained to comply with, all applicable International Standards and Applicable Laws, including those that relate to seaworthiness, design, safety, environmental protection, navigation, and other operational matters, and all procedures, permits, and approvals of Governmental Authorities for LNG vessels that are required for the transportation and loading of LNG at the Loading Port. Unless approved by Seller in writing, which approval shall not be unreasonably withheld or delayed, an LNG Tanker shall be prohibited from engaging in any maintenance, repair or in-water surveys while berthed at the Sabine Pass Facility. Each LNG Tanker shall comply fully with the applicable guidelines of any Governmental Authority of the United States of America, including the National Oceanographic and Atmospheric Administration (NOAA), in relation to actions to avoid strikes in the waters of the United States of America with protected sea turtles and cetaceans (e.g., whales and other marine mammals) and with regard to the reporting of any strike by the LNG Tanker which causes injury to such protected species.
- (g) The officers and crew of each LNG Tanker shall have the ability, experience, licenses and training commensurate with the performance of their duties in accordance with internationally accepted standards with which it is customary for Reasonable and Prudent Operators of LNG vessels to comply and as required by Governmental Authorities and any labor organization having jurisdiction over the LNG Tanker or her crew. Without in any way limiting the foregoing, the master, chief engineer, all cargo engineers and all deck officers shall be fluent in written and oral English and shall maintain all records and provide all reports with respect to the LNG Tanker in English.
- (h) Each LNG Tanker shall have communication equipment complying with applicable regulations of Governmental Authorities and permitting such LNG Tanker to be in constant communication with the Sabine Pass Facility and with other vessels in the area (including fireboats, escort vessels and other vessels employed in port operations).
- (i) Provided that the Sabine Pass Facility supplies a suitable vapor return line meeting the requirements of Section 7.2.2, then:
 - (i) an LNG Tanker with an LNG cargo containment capacity less than or equal to one hundred forty thousand (140,000) Cubic Meters shall be capable of loading a full cargo of LNG in a

maximum of fifteen (15) hours; and

- (ii) an LNG Tanker with an LNG cargo containment capacity greater than one hundred forty thousand (140,000) Cubic Meters shall be capable of loading a full cargo of LNG in the number of hours derived after applying the following formula:

$$15 + x = \text{maximum LNG transferring time (in hours)}$$

where:

$$x = y/12,000 \text{ Cubic Meters; and}$$

y = the LNG cargo containment capacity of the LNG Tanker in excess of one hundred forty thousand (140,000) Cubic Meters.

Time for connecting, cooling, draining, purging and disconnecting of liquid arms shall not be included in the computation of pumping time.

- (j) Each LNG Tanker shall procure and maintain Hull and Machinery Insurance and P&I Insurance in accordance with Section 15.6.

7.6 LNG Tanker Inspections; LNG Tanker Vetting Procedures; Right to Reject LNG Tanker

7.6.1 During the Term, on prior reasonable notice to Buyer, Seller may, at its sole risk, send its representatives (including an independent internationally recognized maritime consultant) to inspect during normal working hours any LNG Tanker as Seller may consider necessary to ascertain whether the LNG Tanker complies with this Agreement. Seller shall bear the costs and expenses in connection with any inspection conducted hereunder. Any such inspection may include, as far as is practicable having regard to the LNG Tanker's operational schedule, examination of the records related to the LNG Tanker's hull, cargo and ballast tanks, machinery, boilers, auxiliaries and equipment; examination of the LNG Tanker's deck, engine and official log books; review of records of surveys by the LNG Tanker's classification society and relevant Governmental Authorities; and review of the LNG Tanker's operating procedures and performance of surveys, both in port and at sea. Any inspection carried out pursuant to this Section 7.6.1: (a) shall not interfere with, or hinder, any LNG Tanker's safe and efficient construction or operation; and (b) shall not entitle Seller or any of its representatives to make any request or recommendation directly to Transporter except through Buyer. No inspection (or lack thereof) of an LNG Tanker hereunder shall: (i) modify or amend Buyer's obligations, representations, warranties, and covenants hereunder; or (ii) constitute an acceptance or waiver by Seller of Buyer's obligations hereunder.

- 7.6.2 Seller shall indemnify and hold Buyer and its Affiliates harmless from any Claims and Losses resulting from Seller's inspection of any LNG Tanker pursuant to Section 7.6.1.
- 7.6.3 Buyer shall comply with all LNG Tanker vetting procedures, as set forth in the Sabine Pass Marine Operations Manual.
- 7.6.4 Seller shall have the right to reject any LNG vessel that Buyer intends to use to take delivery of LNG hereunder at the Sabine Pass Facility if such LNG vessel does not comply materially with the provisions of this Agreement, provided that:
- (a) neither the exercise nor the non-exercise of such right shall reduce the responsibility of Buyer to Seller in respect of such LNG vessel and her operation, nor increase Seller's responsibilities to Buyer or Third Parties for the same; and
 - (b) Buyer's obligations under this Agreement shall not be excused or suspended by reason of Buyer's inability (pursuant to the foregoing) to use a vessel as an LNG Tanker.

7.7 Port Liability Agreement

- 7.7.1 Buyer shall cause Transporter or the master of each LNG Tanker (acting on behalf of the ship-owner and charterer) making use of the port or marine facilities at the Sabine Pass Facility or the Loading Port thereof on behalf of Buyer, to execute the Port Liability Agreement prior to such LNG Tanker's arrival at the Sabine Pass Facility or the Loading Port thereof. In the event the master of an LNG Tanker fails to execute such Port Liability Agreement, Buyer shall indemnify and hold Seller and its Affiliates harmless from any Claims brought against, or Losses incurred by Seller or any of its Affiliates arising from such failure.
- 7.7.2 Subject to Section 7.7.1 and without prejudice to the terms of the Port Liability Agreement, Seller releases Buyer, its Affiliates, and their respective shareholders, officers, members, directors, employees, designees, representatives, and agents from liability to Seller incident to all Claims and Losses that may exist, arise or be threatened currently or in the future at any time following the Effective Date and whether or not of a type contemplated by either Party at any time, brought by any Person for injury to, illness or death of any employee of Seller, or for damage to or loss of the Sabine Pass Facility, which injury, illness, death, damage or loss arises out of, is incident to, or results from the performance or failure to perform this Agreement by Buyer, or any of its Affiliates, shareholders, officers, members, directors, employees, designees, representatives and agents.

7.7.3 Subject to Section 7.7.1 and without prejudice to the terms of Section 12 or the Port Liability Agreement, Buyer releases Seller, its Affiliates, and their respective shareholders, officers, members, directors, employees, designees, representatives, and agents from liability to Buyer incident to all Claims and Losses that may exist, arise or be threatened currently or in the future at any time following the Effective Date and whether or not of a type contemplated by either Party at any time, brought by any Person for injury to, illness or death of any employee of Buyer, or for damage to or loss of any LNG Tanker, which injury, illness, death, damage or loss arises out of, is incident to, or results from the performance or failure to perform this Agreement by Seller or its Affiliates, shareholders, officers, members, directors, employees, designees, representatives and agents.

7.7.4 The form of Port Liability Agreement may be amended from time to time without consent of Buyer only if after any such amendment the revised terms of such Port Liability Agreement: (a) do not negatively impact Buyer's ability to perform its obligations or exercise its rights under this Agreement, (b) treat Transporter in a nondiscriminatory manner in comparison to all other owners and charterers of LNG vessels that use or transit the Loading Port, and (c) do not prevent any Transporter from obtaining, on commercially reasonable terms, full P&I indemnity coverage from a P&I Club, and such P&I indemnity will cover all Claims and Losses pursuant to such Port Liability Agreement in relation to use of the Loading Port by an LNG Tanker. Seller shall promptly notify Buyer upon any amendment to the Port Liability Agreement and shall provide a copy of the amended Port Liability Agreement to Buyer.

7.8 Sabine Pass Marine Operations Manual

The Parties acknowledge that Seller has delivered to Buyer a copy of the current marine operations manual developed for the Sabine Pass Facility and any amendments thereto as of the Effective Date (as amended, the “**Sabine Pass Marine Operations Manual**”) which governs activities at the Sabine Pass Facility, consistent with International Standards, and which applies to each LNG Tanker and each other LNG vessel berthing at the Sabine Pass Facility. In the event of a conflict between this Agreement and the Sabine Pass Marine Operations Manual, the provisions of this Agreement shall control. Seller shall promptly notify Buyer upon any amendment to the Sabine Pass Marine Operations Manual and shall provide a copy of the amended Sabine Pass Marine Operations Manual to Buyer.

7.9 Loading of LNG Tankers

7.9.1 Except as otherwise specifically provided, the terms of this Section 7.9 shall apply to all LNG Tankers calling at the Sabine Pass Facility.

- 7.9.2** As soon as practicable after the LNG Tanker's departure from the point of departure en route to the Sabine Pass Facility, Buyer shall notify, or cause the master of the LNG Tanker to notify, Seller of the information specified below (the “**In-Transit First Notice**”):
- (a) name of the LNG Tanker and, in reasonable detail, the dimensions, specifications, tank temperatures, volume of LNG onboard, operator, and owner of such LNG Tanker;
 - (b) any operational deficiencies in the LNG Tanker that may affect its performance at the Sabine Pass Facility or berth; and
 - (c) ETA.
- 7.9.3** With respect to each LNG Tanker scheduled to call at the Sabine Pass Facility, Buyer shall give, or cause the master of the LNG Tanker to give, to Seller the following notices:
- (a) A second (2nd) notice (“**In-Transit Second Notice**”), which shall be sent ninety-six (96) hours prior to the ETA set forth in the In-Transit First Notice, stating the LNG Tanker's then ETA. If, thereafter, such ETA changes by more than six (6) hours, Buyer shall give promptly, or cause the master of the LNG Tanker to give promptly, to Seller notice of the corrected ETA;
 - (b) A third (3rd) notice (“**In-Transit Third Notice**”), which shall be sent twenty-four (24) hours prior to the ETA set forth in the In-Transit Second Notice (as corrected), confirming or amending such ETA. If, thereafter, such ETA changes by more than three (3) hours, Buyer shall give promptly, or cause the master of the LNG Tanker to give promptly, to Seller notice of the corrected ETA;
 - (c) A fourth (4th) notice (“**In-Transit Final Notice**”), which shall be sent twelve (12) hours prior to the ETA set forth in the In-Transit Third Notice (as corrected), confirming or amending such ETA. If, thereafter, such ETA changes by more than one (1) hour, Buyer shall give promptly, or cause the master of the LNG Tanker to give promptly, to Seller notice of the corrected ETA; and
 - (d) An NOR, which shall be given at the time prescribed in Section 7.10.
- 7.9.4** Buyer shall have the right to cause the LNG Tankers to burn Gas as fuel during operations at the Loading Port (including while conducting cargo transfer operations). The quantity of Gas burned as fuel pursuant to this Section 7.9.4 shall be determined in accordance with Exhibit A. If Buyer exercises its right pursuant to this Section 7.9.4, all amounts of Gas burned as fuel shall be added to the quantity loaded included in Seller's invoice pursuant to Section 10.1.1.

7.9.5 All vapor returned to Seller during cool-down or loading operations may be used or disposed of by Seller without compensation to Buyer.

7.10 Notice of Readiness

7.10.1 The master of an LNG Tanker arriving at the Sabine Pass Facility, or such master's agent, shall give to Seller its NOR for loading upon arrival of such LNG Tanker at the PBS, provided that such LNG Tanker has all required Approvals from the relevant Governmental Authorities, and is ready, willing, and able, to proceed to berth and load LNG or to commence cool-down operations (as applicable).

7.10.2 A valid NOR given under Section 7.10.1 shall become effective as follows:

- (a) For an LNG Tanker arriving at the PBS at any time prior to the Delivery Window allocated to such LNG Tanker, an NOR shall be deemed effective at the earlier to occur of (i) 6:00 a.m. on such Delivery Window or (ii) the LNG Tanker being all fast in the berth;
- (b) For an LNG Tanker arriving at the PBS at any time during the Delivery Window allocated to such LNG Tanker, an NOR shall become effective at the time of its issuance; or
- (c) For an LNG Tanker arriving at the PBS at any time after the expiration of the Delivery Window, an NOR shall become effective upon Seller's notice to the LNG Tanker that it is ready to receive the LNG Tanker at berth.

7.11 Berthing Assignment

7.11.1 Seller shall berth an LNG Tanker which has tendered NOR before or during its Delivery Window promptly after Seller determines such LNG Tanker will not interfere with berthing and loading or unloading of any other scheduled LNG vessel with a higher berthing priority but in no event later than the end of the Delivery Window allocated to such LNG Tanker; *provided, however*, that if Seller does not berth such LNG Tanker by the end of the Delivery Window, but berths such LNG Tanker within seventy-two (72) hours after the end of its Delivery Window, Buyer's sole recourse and remedy for Seller's failure to berth the LNG Tanker by the end of the Delivery Window is demurrage pursuant to Section 7.12.3, payment for excess boil-off pursuant to Section 7.12.4 and provision by Seller of a cool-down pursuant to Section 7.16.1(b). If, as of the seventy-second (72nd) hour after the end of the Delivery Window, Seller has not berthed the LNG Tanker, and such delay is not attributable to a reason that would result in an extension of Allotted Unloading Time under Section 7.12.1, Seller shall be deemed to have failed to make the Scheduled Cargo Quantity of the relevant cargo available for delivery and the provisions of Section 5.7.2 shall apply.

7.11.2 For each delivery window period, Seller shall determine the berthing priority among LNG vessels which have tendered NOR before or during their scheduled delivery window as follows:

- (a) The first berthing priority for a delivery window period shall be for an LNG vessel scheduled for such delivery window period. Priority within this group shall be given to the LNG vessel which has first tendered Seller its NOR. Once an LNG vessel achieves a first berthing priority pursuant to this Section 7.11.2(a) or 7.11.2 (b), such LNG vessel shall maintain such priority until such LNG vessel is berthed, so long as its tendered NOR remains valid; and
- (b) The second berthing priority for a delivery window period shall be for an LNG vessel scheduled for arrival after such delivery window period. Priority within this group shall be given to the LNG vessel which has first tendered Seller its NOR. An LNG vessel with second berthing priority pursuant to this Section 7.11.2(b) will achieve a first berthing priority on its scheduled delivery window pursuant to Section 7.11.2(a) if such LNG vessel has not been berthed prior to such date, so long as its tendered NOR remains valid.

7.11.3 If an LNG Tanker tenders NOR after the end of its Delivery Window, Seller shall use reasonable efforts to berth such LNG Tanker as soon as reasonably practical; *provided, however*, that, unless otherwise agreed with Buyer, Seller shall have no obligation to use such efforts to berth an LNG Tanker that tenders NOR more than seventy-two (72) hours after the end of its Delivery Window. If, as of the seventy-second (72nd) hour after the end of the Delivery Window, the LNG Tanker has not tendered NOR, and such delay is not attributable to a reason that would result in an extension of allowed berth time under Section 7.14.2(b), Buyer shall be deemed to have failed to take delivery of the Scheduled Cargo Quantity of the relevant cargo and the provisions of Sections 5.5.2 and 5.5.3 shall apply.

7.11.4 Seller shall use reasonable efforts (including coordinating with the operator of the Sabine Pass Facility and any Sabine Pass Facility Regasification Capacity Users) to cause the LNG regasification and loading schedules to be established in a manner that will avoid berthing conflicts between LNG Tankers and other LNG vessels.

7.12 Berth Time

7.12.1 The allotted berth time for each LNG Tanker (“**Allotted Berth Time**”) shall be (i) for an LNG Tanker with an LNG cargo containment capacity of one hundred forty thousand (140,000) Cubic Meters or less, thirty-six (36) hours and (ii) for an LNG Tanker with an LNG cargo containment capacity of greater than one hundred forty thousand (140,000) Cubic Meters, according to the following formula:

$$36 + x = \text{Allotted Berth Time (in hours)}$$

Where:

$$x = y/12,000 \text{ Cubic Meters; and}$$

y = the LNG cargo containment capacity of the LNG Tanker in excess of one hundred forty thousand (140,000) Cubic Meters)

Allotted Berth Time shall be extended by any period of delay that is caused by:

- (a) reasons attributable to Buyer, a Governmental Authority, Transporter, the LNG Tanker or its master, crew, owner or operator or any Third Party outside of the reasonable control of Seller (but excluding the operator of the Sabine Pass Facility, Sabine Pass Tug Services, LLC and any other Affiliate of Seller);
- (b) Force Majeure;
- (c) unscheduled curtailment or temporary discontinuation of operations at the Sabine Pass Facility necessary for reasons of safety, except to the extent such unscheduled curtailment or temporary discontinuation of operations is due to Seller's or Seller's Affiliate's failure to operate and maintain its facilities as a Reasonable and Prudent Operator;
- (d) time at berth during cool-down pursuant to Sections 7.16.1(a) and (c);
and
- (e) nighttime transit restrictions.

7.12.2 The actual berth time for each LNG Tanker (“**Actual Berth Time**”) shall commence when the NOR is effective and shall end when the LNG transfer and return lines of the LNG Tanker are disconnected from the Sabine Pass Facility's LNG transfer and return lines and the LNG Tanker is cleared for departure and able to depart.

7.12.3 In the event Actual Berth Time exceeds Allotted Berth Time (including any extension in accordance with Section 7.12.1) (“**Demurrage Event**”), Seller shall pay to Buyer, as liquidated damages, demurrage in USD (which shall be prorated for a portion of a Day) calculated pursuant to the following formula:

$$\text{daily demurrage rate} = \text{USD } 64,000 + (\text{USD } 16,000 \times (\text{CPI}_M / \text{CPI}_0))$$

where:

CPI_M : the monthly Consumer Price Index for All Urban Consumers, U.S. city average for all items, not seasonally adjusted (base period: 1982-1984 = 100), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the third (3rd) Month prior to the Month in which the Delivery Window occurs; and

CPI_0 : the CPI applicable to the Month and year in which the Train 1 DFCD occurs.

If a Demurrage Event occurs, Buyer shall invoice Seller for such demurrage pursuant to Section 10.1.5 within one hundred eighty (180) Days after the relevant Delivery Window.

7.12.4 If an LNG Tanker is delayed in berthing at the Sabine Pass Facility and/or commencement of LNG transfer due to an event occurring at the Sabine Pass Facility and for a reason that would not result in an extension of Allotted Berth Time under Section 7.12.1, and if, as a result thereof, the commencement of LNG transfer is delayed beyond twenty-four (24) hours after NOR is effective, then, for each full hour by which commencement of LNG transfer is delayed beyond such twenty-four (24) hour period, Seller shall pay Buyer as liquidated damages an amount per hour, on account of excess boil-off, equal to the CSP for such Month *multiplied* by a quantity (in MMBtu) equal to zero decimal zero zero five seven three percent (0.00573%) of the LNG cargo containment capacity of such LNG Tanker; *provided* that in no event shall the quantity of MMBtu used in the calculation in this Section 7.12.4 exceed the amount of LNG on board the LNG Tanker at the time it issued a valid NOR. Buyer shall invoice Seller for such excess boil-off pursuant to Section 10.1.5.

7.13 LNG Transfers at the Sabine Pass Facility

7.13.1 Seller shall cooperate with Transporters (or their agents) and with the master of each LNG Tanker to facilitate the continuous and efficient transfer of LNG hereunder.

7.13.2 During LNG transfer, Seller shall provide or take receipt of (as applicable), through the Sabine Pass Facility vapor return line, Gas in such quantities as are necessary for the safe transfer of LNG at such rates, pressures and

temperatures as may be required by the design of the LNG Tanker.

7.13.3 Buyer, in cooperation with Seller, shall cause the LNG Tanker to depart safely and expeditiously from the berth upon completion of LNG transfer.

7.14 LNG Tanker Not Ready for LNG Transfer; Excess Berth Time

7.14.1 If any LNG Tanker previously believed to be ready for LNG transfer is determined to be not ready after being berthed, the NOR shall be invalid and Seller may direct the LNG Tanker's master to vacate the berth and proceed to anchorage, whether or not other LNG vessels are awaiting the berth, unless it appears reasonably certain to Seller that such LNG Tanker can be made ready without disrupting the overall berthing schedule or operations of the Sabine Pass Facility. When an unready LNG Tanker at anchorage becomes ready for LNG transfer, its master shall notify Seller by reissuing the NOR.

7.14.2 The following shall apply with respect to berthing operations:

(a) An LNG Tanker shall complete LNG transfer and vacate the berth as soon as possible but not later than the following allowed berth time:

(i) twenty-four (24) hours from the time the LNG Tanker is all fast at the berth, in the case of an LNG Tanker with an LNG cargo containment capacity less than or equal to one hundred forty thousand (140,000) Cubic Meters; or

(ii) in accordance with the following formula, in the case of an LNG Tanker with an LNG cargo containment capacity greater than one hundred forty thousand (140,000) Cubic Meters:

$$24 + x = \text{allowed berth time (in hours)}$$

where:

$$x = \frac{y}{12,000} \text{ Cubic Meters;}$$

and

$$y = \text{the LNG cargo containment capacity of the LNG Tanker in excess of one hundred forty thousand (140,000) Cubic Meters.}$$

(b) Notwithstanding the foregoing, the allowed berth time shall be extended for: (i) reasons attributable to Seller, the operator of the Sabine Pass Facility and any Affiliate of Seller, including SPLNG and Sabine Pass Tug Services, LLC; (ii) reasons attributable to a Governmental Authority; (iii) reasons attributable to any Third Party outside of the reasonable control of Buyer; (iv) time at berth during cool-down pursuant to Sections 7.16.1(a)-(c); (v) unscheduled curtailment or temporary discontinuation of operations at the Sabine Pass Facility necessary for reasons of safety, except to the extent

attributable to Buyer or Transporter; (vi) Force Majeure; and (vii) nighttime transit restrictions.

- (c) If an LNG Tanker fails to depart at the end of its allowed berth time (as extended pursuant to Section 7.14.2(b)), another LNG vessel is awaiting the berth and the LNG Tanker's continued occupancy of the berth will disrupt the overall berthing schedule of the Sabine Pass Facility or operations of the Sabine Pass Facility, Seller may direct the LNG Tanker to vacate the berth and proceed to sea at utmost dispatch.
- (d) If an LNG Tanker fails to depart the berth at the end of its allowed berth time (as extended pursuant to Section 7.14.2(b)) and as a result the subsequent LNG vessel is prevented from or delayed in loading or unloading (as the case may be), Buyer shall reimburse Seller for any and all actual documented demurrage or excess boil-off that Seller becomes contractually obligated to pay to any Third Party with respect to such subsequent LNG vessel, as a result of the LNG Tanker not completing LNG transfer and vacating the berth as required by this Section 7.14.2; *provided* that Buyer shall not be required to reimburse Seller for any amounts based on a demurrage rate or excess boil-off rate or price in excess of the amounts specified in Section 7.12.3 and Section 7.12.4, as applicable. Seller shall invoice Buyer for any amounts due under this Section 7.14.2(d) pursuant to Section 10.1.5 within one hundred eighty (180) Days after the relevant Delivery Window.
- (e) In the event an LNG Tanker fails to vacate the berth pursuant to this Section 7.14 and Buyer is not taking actions to cause it to vacate the berth, Seller may effect such removal at the expense of Buyer.

7.15 Cooperation

7.15.1 If any circumstance occurs or is foreseen to occur so as to cause delay to an LNG Tanker or any other LNG vessel in berthing, loading, unloading or departing, Buyer and Seller shall, without prejudice to any other provision of this Agreement, discuss the problem in good faith with each other and, if appropriate, with other users of the Loading Port, and the Parties shall use reasonable efforts to minimize or to avoid the delay, and at the same time shall cooperate with each other and with such other users of the Loading Port, as appropriate, to find countermeasures to minimize or to avoid the occurrence of any similar delay in the future.

7.15.2 With respect to an LNG Tanker scheduled to load a cargo at the Sabine Pass Facility, if such LNG Tanker is unable to berth at the Sabine Pass Facility by the end of its Delivery Window solely due to a Force Majeure event, then the relevant cargo shall be cancelled, to the extent affected; *provided, however*; that if requested by Buyer, Seller shall use reasonable efforts to change the ADP or Ninety Day Schedule in order to maximize the safe, reliable and efficient usage of the Sabine Pass Facility and to assist Buyer, Regasification Capacity Users, other Foundation Customers, or other buyers having a firm contract to purchase LNG from the Sabine Pass Facility to load or unload quantities of LNG which would otherwise have been loaded or unloaded at the Sabine Pass Facility during such cancelled Delivery Windows or other affected delivery windows allocated to such Regasification Capacity Users, other Foundation Customers, or other buyers having a firm contract to purchase LNG from the Sabine Pass Facility.

7.16 Cool-Down and Gas-Up of LNG Tankers

7.16.1 Buyer shall be solely responsible for ensuring that each LNG Tanker elected by Buyer for taking a cargo arrives at the Sabine Pass Facility cold and in a state of readiness. Notwithstanding the foregoing and subject to Section 7.16.2, Seller shall provide cool-down service to LNG Tankers at Buyer's request as follows:

- (a) Seller shall use reasonable efforts (taking into account availability of sufficient berth time) to accept Buyer's request to provide cool-down service for any LNG Tanker, subject to Buyer requesting such cool-down service by notice to Seller as far in advance of the relevant cargo's Delivery Window as is reasonably practicable but in no case less than thirty (30) Days before the relevant cargo's Delivery Window; *provided* that Seller shall accept Buyer's request to provide a cool-down service if (x) Buyer makes such request by notice at the time Buyer proposes its schedule of receipt of cargoes pursuant to Section 8.1.2 for the relevant Contract Year or (y) at the time of the request, the Composite ADP for the relevant Contract Year indicates sufficient available berth time to accommodate such cool-down service. All LNG provided by Seller for cooling such LNG Tankers shall be sold, delivered and invoiced by Seller, and paid for by Buyer, at a price equal to the CSP. Seller shall have no obligation to provide a cool-down service pursuant to this Section 7.16.1(a) in excess of:
 - (i) if Train 2 DFCD has not occurred: eight (8) total cool-downs during any Contract Year, and eighty (80) total cool-downs during the Term;

- (ii) if Train 2 DFCD has occurred but Train 3 DFCD has not occurred: ten (10) total cool-downs during any Contract Year, and one hundred (100) total cool-downs during the Term;
 - (iii) if Train 3 DFCD has occurred but Train 4 DFCD has not occurred: twelve (12) total cool-downs during any Contract Year, and one hundred ten (110) total cool-downs during the Term; and
 - (iv) if Train 4 DFCD has occurred: thirteen (13) total cool-downs during any Contract Year, and one hundred twenty (120) total cool-downs during the Term;
- (b) Seller shall provide cool-down service without charge to any LNG Tankers requiring cool-down solely as a result of a delay caused by Seller, SPLNG and/or the operator of the Sabine Pass Facility, but only if such LNG Tanker made no other call between the original Delivery Window and the requested cool-down time; and
 - (c) Seller shall use reasonable efforts, contingent on the availability of sufficient berth time and facilities status to provide cool-down service at any time other than as described in Sections 7.16.1(a)-(b) upon request by Buyer, provided that all LNG provided by Seller for cooling such LNG Tankers shall be sold, delivered and invoiced by Seller, and paid for by Buyer, at a price equal to the CSP.

7.16.2 The following shall apply to any cool-down service provided by Seller pursuant to Section 7.16.1:

- (a) the MMBtu content of the total liquid quantities delivered for cooling, measured before evaporation, shall be determined by reference to the relevant LNG Tanker's cool-down tables;
- (b) the Parties will determine by mutual agreement the rates and pressures for delivery of LNG for cool-down, but always in full accordance with safe operating parameters and procedures mutually established and agreed by both the LNG Tanker and the Sabine Pass Facility; and
- (c) LNG provided during cool-down by Seller pursuant to Section 7.16.1 shall not be applied against the Scheduled Cargo Quantity for the relevant cargo.

7.16.3 Seller shall use reasonable efforts to obtain all relevant Approvals needed to allow Seller to offer gas-up service to LNG Tankers at the Sabine Pass Facility.

8. Annual Delivery Program

8.1 Programming Information

8.1.1 No later than one hundred eighty (180) Days before the start of each Contract Year, Seller shall provide Buyer with:

- (a) Seller's good faith estimate of the Gross Heating Value of LNG to be delivered during the coming Contract Year; and
- (b) the Major Scheduled Maintenance Quantity and Inspection Maintenance Quantities for the Contract Year, if any.

8.1.2 No less than one hundred ten (110) Days before the start of each Contract Year, Buyer shall notify Seller of Buyer's proposed schedule of receipt of cargoes for each Month of such Contract Year. Such schedule shall be on a reasonably even and ratable basis throughout the year, subject to Section 5.1.2, and Buyer's notice shall include the following information:

- (a) the LNG Tanker (if known) for each cargo;
- (b) the Scheduled Cargo Quantity for each cargo;
- (c) the proposed Delivery Window for each cargo;
- (d) Buyer's request (if any) for a Round-Up Quantity for such Contract Year;
- (e) the anticipated Discharge Terminal for each cargo, subject to Section 26.1; and
- (f) any other information that Buyer anticipates may affect annual scheduling.

Buyer shall also inform Seller of any anticipated periods for maintenance to be conducted with respect to the LNG Tankers identified in (a) above.

8.1.3 Seller will then notify Buyer no less than eighty-five (85) Days before the start of such Contract Year of Seller's proposed schedule of cargoes to be made available in each Month of such Contract Year, and in so doing, Seller shall exercise reasonable efforts to adopt Buyer's proposed schedule of receipts requested in accordance with Section 8.1.2. Such schedule shall be on a reasonably even and ratable basis throughout the year, subject to Section 5.1.2.

Such notice shall include the following information:

- (a) the AACQ for the Contract Year;
- (b) the Round-Up Quantity or Round-Down Quantity for the Contract Year;
- (c) any Round-Down Quantity not taken in the previous Contract Year and carried forward to the current Contract Year;
- (d) any Round-Up Quantity taken in the previous Contract Year and carried forward as a deduction in the current Contract Year;
- (e) for each cargo:
 - (i) the LNG Tanker specified in the notice sent by Buyer pursuant to Section 8.1.2, subject to such LNG Tanker complying with the gross volumetric capacity parameters set forth in Section 7.5.5(b) (or as otherwise agreed by the Parties in writing);
 - (ii) the Scheduled Cargo Quantity specified in the notice sent by Buyer pursuant to Section 8.1.2;
 - (iii) the proposed Delivery Window;
and
 - (iv) the Discharge Terminal specified in the notice sent by Buyer pursuant to Section 8.1.2, subject to such Discharge Terminal complying with Section 26.1; and
- (f) any other information that Seller anticipates may affect annual scheduling.

8.2 Determination of Annual Delivery Program

8.2.1 Not later than ten (10) Days after receipt of Seller's proposed schedule provided under Section 8.1.3, Buyer shall notify Seller if Buyer desires to consult with Seller regarding the proposed schedule, and Seller shall, no later than fifteen (15) Days after receipt of Buyer's notice, meet and consult with Buyer.

8.2.2 If, prior to the date that is sixty (60) Days before the start of the coming Contract Year, the Parties have agreed on a schedule of deliveries for such coming Contract Year, then Seller shall issue the delivery schedule agreed by the Parties. If the Parties are unable to agree on a schedule of deliveries for the coming Contract Year, then not later than sixty (60)

Days before the start of such Contract Year, Seller shall issue the delivery schedule for such Contract Year containing the information set forth in Section 8.1.3, modified to reflect any changes agreed by the Parties pursuant to Section 8.2.1. The schedule promulgated by Seller shall reflect the exercise of reasonable efforts by Seller to assign to Buyer Delivery Windows that are as close as reasonably practicable to the Delivery Windows proposed by Buyer. In assigning Delivery Windows Seller shall act in a non-discriminatory manner among Foundation Customers and shall give priority to the requests of Foundation Customers over the requests of other customers.

8.2.3 The schedule for deliveries of LNG during the Contract Year established pursuant to this Section 8.2, as amended from time to time in accordance with Section 8.3, is the “**Annual Delivery Program**” or “**ADP**”. If Seller fails to issue the schedule provided for in Section 8.1.3 or 8.2.2 or fails to issue either such schedule in accordance with the provisions of Section 8.1.3 or 8.2.2 (as applicable), then the schedule proposed by Buyer under Section 8.1.2 shall be the ADP for the relevant Contract Year.

8.2.4 Seller shall combine the ADP with the similar schedules for the loading of cargoes for the account of other Persons having contractual rights to receive cargoes from Seller at the Sabine Pass Facility, and shall provide to Buyer a combined schedule (the “**Composite ADP**”) showing all delivery windows and scheduled cargo quantities that have been committed by Seller, along with available, uncommitted loading windows at the Sabine Pass Facility. Seller shall promptly update the Composite ADP as the ADP is changed pursuant to Section 8.3 or other Persons' delivery windows are changed pursuant to their respective agreements.

8.3 Changes to Annual Delivery Program

8.3.1 With respect to any cargo scheduled in an ADP or Ninety Day Schedule:

- (a) Buyer shall have the right at any time to (i) substitute the LNG Tanker specified for such cargo to another LNG Tanker by sending notice of such change to Seller (including by e-mail); and (ii) change the Discharge Terminal for such cargo to another Discharge Terminal by sending notice of such change to Seller (including by e-mail), provided that any such nomination complies with Section 26.1;
- (b) Buyer shall have the right to reduce the Scheduled Cargo Quantity for such cargo pursuant to Section 5.6; and
- (c) Buyer may at any time request an increase to the Scheduled Cargo Quantity for such cargo by sending notice of such request to Seller (including by e-mail).

- 8.3.2** Buyer may at any time request a change to the Delivery Window for any cargo scheduled in the ADP or Ninety Day Schedule by sending notice of such request to Seller (including by e-mail). Any such request shall be subject to the approval of Seller.
- 8.3.3** Seller may request, by notice to Buyer (including by e-mail), a change in the Scheduled Cargo Quantity or the Delivery Window for any cargo scheduled in the ADP or Ninety Day Schedule for operational causes affecting Seller, including Force Majeure. Any such request shall be subject to the approval of Buyer.
- 8.3.4** As soon as possible after notice has been received pursuant to Section 8.3.1(c), 8.3.2 or 8.3.3, the Parties shall consult with one another in order to examine whether the ADP and Ninety Day Schedule can be revised to accommodate the proposed change(s). Neither Party shall unreasonably withhold its consent to revise the ADP or Ninety Day Schedule in accordance with changes proposed by the other Party; *provided* that neither Party shall be under any obligation to consent thereto if, in the case of Seller, it is unable to agree after the exercise of reasonable efforts to any necessary changes in arrangements with Regasification Capacity Users, other Foundation Customers or other buyers having a firm contract at such time to purchase LNG from the Sabine Pass Facility or if, in the case of Buyer, it is unable to agree after the exercise of reasonable efforts to any necessary changes in its arrangements with the LNG Tankers or Buyer's customers or the requested change would impose additional costs or risks upon Buyer. Seller may not withhold its consent to revise the ADP or Ninety Day Schedule if Buyer's proposed change: (a) consists of the movement of a Delivery Window to a date not committed under the Composite ADP at the time of Buyer's request; (b) the proposed change is, by the exercise of reasonable efforts on the part of Seller, operationally feasible; and (c) the proposed change does not result in increased costs to Seller. Seller may not withhold its approval to a requested change on the grounds of Section 8.3.4(c) if Buyer agrees to reimburse Seller for such increased costs.
- 8.3.5** Any change to the ADP or Ninety Day Schedule shall not: (a) unless expressly agreed otherwise by both Parties in such amended ADP or Ninety Day Schedule, affect the obligations pursuant to Section 5 of the Party requesting such change; or (b) result in a significant change to the ratability of the deliveries scheduled in the ADP at any time during a Contract Year.
- 8.3.6** Upon:
- (a) any change by Buyer pursuant to Section 8.3.1(a) or 8.3.1(b);
 - or

- (b) receipt of (i) Seller's approval of a change proposed by Buyer pursuant to Section 8.3.1(c) or Section 8.3.2, or (ii) Buyer's approval of a change proposed by Seller pursuant to Section 8.3.3;

the ADP and/or Ninety Day Schedule (as applicable) shall be amended accordingly and an updated ADP and/or Ninety Day Schedule (as applicable) shall promptly be provided in writing by Seller to Buyer.

8.4 Ninety Day Schedule

Not later than the twenty-fifth (25th) Day of each Month, Seller shall issue a forward plan of deliveries for the three (3)-Month period commencing on the first (1st) Day of the Month following issuance of such forward plan (e.g., the Ninety Day Schedule for the three (3)-Month period commencing on May 1 shall be issued no later than the twenty-fifth (25th) Day of April) (such plan, the “**Ninety Day Schedule**”). The Ninety Day Schedule shall follow the applicable Annual Delivery Program and set forth by cargo the forecast pattern of deliveries (including for each cargo all relevant information identified in the Annual Delivery Program).

8.5 Force Majeure Affecting LNG Tanker or Discharge Terminal

With respect to any particular cargo, Buyer shall not be entitled to claim Force Majeure relief for an event affecting the LNG Tanker or Discharge Terminal nominated for such cargo if such LNG Tanker or Discharge Terminal (as applicable) was affected by, or could reasonably have been expected to be affected by, such Force Majeure event at the time it was nominated by Buyer pursuant to Section 8.1.2 or Section 8.3, as applicable, for the relevant cargo.

8.5 Amended ADP to Schedule Cargoes from Additional Trains

- 8.6.1** No less than sixty (60) Days before the start of the Train 2 Final Window Period, Buyer shall notify Seller of Buyer's proposed amendment to the ADP for the Contract Year during which the Train 2 Final Window Period commences, such amendment to account for the increase in the ACQ related to occurrence of the Train 2 DFCD.
- 8.6.2** Not later than five (5) Days after receipt of Buyer's proposed amendment provided under Section 8.6.1, the Parties shall meet and consult regarding, and work together in an attempt to agree to, an amendment to the relevant ADP to account for the increase in the ACQ related to occurrence of the Train 2 DFCD.
- 8.6.3** Not less than forty-four (44) Days before the Nominated T2 DFCD, Seller shall issue an amended ADP for the relevant Contract Year as has been agreed by the Parties. If the Parties are unable to agree on the amended ADP for the relevant Contract Year, then not later than forty-four (44)

Days before the Nominated T2 DFCD, Seller shall issue the amended ADP, which in respect of each cargo that has been added to such ADP shall include the information set forth in Sections 8.1.2(a), 8.1.2(b) and 8.1.2(e) (as was notified by Buyer pursuant to Section 8.6.1). The amended ADP issued by Seller shall reflect the exercise of reasonable efforts by Seller to assign to Buyer Delivery Windows that are as close as reasonably practicable to the Delivery Windows proposed by Buyer pursuant to Section 8.6.1. The provisions of Section 8.3 shall not apply with respect to the process of amending the relevant ADP pursuant to this Section 8.6, but shall apply with respect to any further amendment thereto after the date of issuance of the amended ADP (other than a further amendment pursuant to Section 8.6.4).

8.6.4 The process outlined in Sections 8.6.1, 8.6.2 and 8.6.3 shall apply *mutatis mutandis* with respect to an amendment of the relevant ADP to account for an increase in the ACQ related to occurrence of the Train 3 DFCD and Train 4 DFCD (as the case may be).

**9. Contract Sales
Price**

**9.1 Contract Sales
Price**

The contract sales price (“CSP”) (expressed in USD per MMBtu) for all LNG delivered to Buyer shall be an amount determined as follows:

$$\text{CSP} = 1.15 * \text{HH}$$

**9.2 Unit Fixed
Charge**

The unit fixed charge (“UFC”) in respect of any Month shall be an amount in USD per MMBtu determined as follows:

$$\text{UFC}_m = \text{Base} + (0.3375 \times \text{CPI}_y / \text{CPI}_0)$$

Where:

UFC_m = the UFC for the relevant Month;

Base = the following amount:

- (a) in respect of any Month occurring prior to the Month during which Train 2 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 1.9125;
- (b) in respect of the Month during which Train 2 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which Train 3 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 2.0375;

- (c) in respect of the Month during which Train 3 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which Train 4 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 2.1215;
- (d) in respect of the Month during which Train 4 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 2.1848;
- (e) in respect of the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs (“**Month X**”), an amount equal to: A + B, where (i) if (x) the Term has been extended pursuant to Section 4.1.2, “A” is the Base applicable to the Month occurring prior to Month X, multiplied by the number of days in Month X occurring prior to the twentieth (20th) anniversary of the Train 1 DFCD, divided by the number of days in Month X; or (y) the Term has not been extended pursuant to Section 4.1.2, “A” is the Base applicable to the Month occurring prior to Month X; and (ii) if (x) the Term has been extended pursuant to Section 4.1.2, “B” is the Base applicable to the Month occurring after Month X, multiplied by the number of days in Month X occurring on and after the twentieth (20th) anniversary of the Train 1 DFCD, divided by the number of days in Month X; or (y) the Term has not been extended pursuant to Section 4.1.2, “B” is zero (0); and
- (f) in respect of any Month occurring after the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs:
 - (i) if the annual contract quantity (in MMBtus) that Buyer elects to extend pursuant to Section 4.1.2(a), and for which Buyer does not subsequently withdraw its election pursuant to Section 4.1.2(c), is equal to or less than 182,500,000 MMBtus: 1.9125; or
 - (ii) if the annual contract quantity (in MMBtus) that Buyer elects to extend pursuant to Section 4.1.2(a), and for which Buyer does not subsequently withdraw its election pursuant to Section 4.1.2(c), is greater than 182,500,000 MMBtus, a number determined as follows:

$$\text{Base} = ((182,500,000 / A) \times 1.9125) +$$

$$(((A - 182,500,000) / A) \times 2.6625)$$

where "A" is the annual contract quantity (in MMBtus) that Buyer elects to extend pursuant to Section 4.1.2(a), and for which Buyer does not subsequently withdraw its election pursuant to Section 4.1.2(c);

CPI_y = the simple average of the US Department of Labor Bureau of Labor Statistics CPI (All Urban Consumers, U.S., All Items, 1982 - 1984, Not Seasonally Adjusted, Series I.D. CUUR0000SA0) for the twelve (12) Months immediately preceding the beginning of the Contract Year during which the relevant Month occurs; and

CPI₀ = the simple average of the US Department of Labor Bureau of Labor Statistics CPI (All Urban Consumers, U.S., All Items, 1982 - 1984, Not Seasonally Adjusted, Series I.D. CUUR0000SA0) for the twelve (12) Months immediately preceding the Month during which the Train 1 DFCD occurs.

9.3 Monthly Sales Charge

Buyer shall pay to Seller a monthly sales charge ("**Monthly Sales Charge**") for each Month of the Term, commencing with the Month during which the Train 1 DFCD occurs. Subject to Section 14.8, the Monthly Sales Charge for any Month shall be an amount in USD determined as follows:

$$\text{Monthly Sales Charge} = \text{UFC} * \text{Q}/12$$

Where:

UFC = the UFC for the relevant Month, as calculated pursuant to Section 9.2;
and

Q = MACQ -
MQ;

Where:

MACQ = the following amount:

in respect of any Month occurring prior to the Month during which Train 2 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 182,500,000 MMBtu;

in respect of the Month during which Train 2 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which Train 3 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 219,000,000 MMBtu;

in respect of the Month during which Train 3 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which Train 4 DFCD occurs and prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 253,000,000 MMBtu;

in respect of the Month during which Train 4 DFCD occurs and any subsequent Month thereafter occurring prior to the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: 286,500,000 MMBtu;

in respect of the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs, a number of MMBtus equal to: A + B, where (i) "A" is the ACQ applicable as of the last Day of the most recent full Contract Year occurring before the twentieth (20th) anniversary of the Train 1 DFCD, multiplied by the number of days in the relevant Month occurring prior to the twentieth (20th) anniversary of the Train 1 DFCD, divided by the number of days in the relevant Month; and (ii) "B" is the annual contract quantity (in MMBtus), if any, that Buyer elects to extend pursuant to Section 4.1.2(a), and for which Buyer does not subsequently withdraw its election pursuant to Section 4.1.2(c), multiplied by the number of days in the relevant Month occurring on and after the twentieth (20th) anniversary of the Train 1 DFCD, divided by the number of days in the relevant Month; and

in respect of any Month occurring after the Month during which the twentieth (20th) anniversary of the Train 1 DFCD occurs: the annual contract quantity (in MMBtus), if any, that Buyer elects to extend pursuant to Section 4.1.2(a), and for which Buyer does not subsequently withdraw its election pursuant to Section 4.1.2(c); and

MQ = the Major Scheduled Maintenance Quantity and Inspection Maintenance Quantities for the Contract Year in which the relevant Month occurs, if any (as determined in accordance with Section 5.4).

10. Invoicing and Payment

10.1 Invoices and Cargo Documentation

10.1.1 Invoices for Cargoes.

- (a) Promptly after the completion of loading of each cargo, Buyer shall furnish copies of all gauging and measurement records to Seller in accordance with Section 13.5 and Exhibit A. On the basis of such information, Seller shall furnish Buyer with a certificate of quantity loaded. Seller shall, within forty-eight (48) hours after completion of loading, perform an analysis in accordance with Section 13.7 and Exhibit A to determine the quality and Btu content of the LNG loaded, and shall promptly furnish Buyer with a certificate with respect thereto together with details of the calculation of the number of MMBtus sold in accordance with Section 13.9 and Exhibit A. Once the quality analysis of the LNG for a particular cargo has been completed and the relevant price data needed to determine the CSP has been published, Seller shall send Buyer an invoice for the relevant cargo, stated in USD, based on the applicable CSP, *multiplied* by the number of MMBtus sold (as determined in accordance with Section 13.9 and Exhibit A) (the “**Final Invoice**”).
- (b) If within seventy-two (72) hours after the completion of loading of a cargo, Seller has not completed the above mentioned quality analysis and/or the relevant price data needed to determine the CSP has not been published, a provisional invoice will be calculated and issued by Seller as soon as is reasonably practicable thereafter using an estimated quality analysis, based on the Btu content and mol composition analysis of the last cargo delivered hereunder for which such analysis is available (or in the case of the first delivery hereunder, Seller's best estimate of the Btu content and mol composition analysis of the LNG) and/or the required price data available for the most recent Month (“**Provisional Invoice**”). At the time the Provisional Invoice is issued, Seller shall simultaneously send to Buyer the relevant supporting documents showing the basis for the calculation thereof.
- (c) In the event Seller issues a Provisional Invoice, once the quality analysis of the LNG for the relevant cargo has been supplied by Seller and/or the relevant price data needed to determine the CSP has been published, Seller shall promptly send Buyer the Final Invoice for such cargo.

- (i) If the invoiced amount of any Final Invoice is less than the amount of the relevant Provisional Invoice, Seller shall pay the difference to Buyer in accordance with Section 10.2.1 (together with any interest calculated in accordance with Section 10.1.1(d)).
 - (ii) If the amount of any Final Invoice is more than the amount of the relevant Provisional Invoice, Buyer shall pay the difference to Seller in accordance with Section 10.2.1 (together with any interest calculated in accordance with Section 10.1.1(d)).
- (d) Any amount due by Seller to Buyer pursuant to Section 10.1.1(c)(i) or by Buyer to Seller pursuant to Section 10.1.1(c)(ii) shall bear interest from and including the Day following the due date of the Provisional Invoice up to and including the due date of the Final Invoice at a rate per annum equal to LIBOR.
- 10.1.2 Invoices for Monthly Sales Charge.** Invoices for the Monthly Sales Charge shall be prepared and delivered by Seller to Buyer on or about the tenth (10th) Day of the Month preceding the Month for which the Monthly Sales Charge is due, together with relevant supporting documents showing the basis for the calculation thereof. Payment of the Monthly Sales Charge reserves for Buyer the capacity to take quantities of LNG during any Month and is without regard to (a) the aggregate quantity of Scheduled Cargo Quantities during any Month or (b) the actual quantity of LNG taken during any Month.
- 10.1.3 Invoices for Cargo DoP Payments.** Invoices for Cargo DoP Payments owed to Buyer by Seller shall be prepared by Buyer and delivered to Seller promptly following the Delivery Window of each affected cargo and completion of mitigation efforts, together with relevant supporting documents showing the basis for the calculation thereof.
- 10.1.4 Invoices for Cover Damages.** Invoices for Cover Damages owed to Seller by Buyer shall be prepared by Seller and delivered to Buyer promptly following the Delivery Window for each affected cargo, together with relevant supporting documents showing the basis for the calculation thereof.
- 10.1.5 Invoices for Other Sums Due.** In the event that any sums are due from one Party to the other Party under this Agreement, other than for a reason addressed in Section 10.1.1 through 10.1.4, the Party to whom such sums are owed shall furnish the other Party with an invoice therefor, describing in reasonable detail the basis for such invoice and providing relevant documents supporting the calculation thereof.
- 10.1.6 Notice.** Invoices shall be sent in accordance with Section 25.

10.1.7 Cargo Documents. Promptly after completion of loading of each cargo, Seller shall send to Buyer a certificate of origin, together with such other documents concerning the cargo as may reasonably be requested by Buyer.

10.2 Payment

All amounts invoiced under this Agreement that are due and payable shall be paid in accordance with this Section 10.2.

10.2.1 Payments for Cargoes. Without prejudice to the following sentence, invoices issued in accordance with Section 10.1.1 for cargoes made available and taken shall become due and payable by Buyer on the later of the twentieth (20th) Day of the Month immediately following the Month during which the relevant cargo's Delivery Window commences and the tenth (10th) Day following Buyer's receipt of the invoice. In the event Seller issues a Provisional Invoice for a cargo, any amount owed by (a) Seller in accordance with Section 10.1.1(c)(i) shall become due and payable by Seller on the later of the twentieth (20th) Day of the Month immediately following the Month during which the relevant cargo's Delivery Window commences and the tenth (10th) Day following Buyer's receipt of the Final Invoice; or (b) Buyer in accordance with Section 10.1.1(c)(ii) shall become due and payable by Buyer on the later of the twentieth (20th) Day of the Month immediately following the Month during which the relevant cargo's Delivery Window commences and the tenth (10th) Day following Buyer's receipt of the Final Invoice.

10.2.2 Payments for Monthly Sales Charge. Invoices issued in accordance with Section 10.1.2 for the Monthly Sales Charge shall become due and payable by Buyer on the later of (a) five (5) Days prior to the first (1st) Day of the Month for which the Monthly Sales Charge applies or (b) ten (10) Days after Buyer receives Seller's invoice; *provided* that, if any amount owed by Seller to Buyer pursuant to Section 5.7.2 of this Agreement (other than amounts that have been disputed in good faith in accordance with this Agreement) totaling in excess of USD ten million (USD 10,000,000) remains unpaid when due, then:

- (a) the date on which any then-current Monthly Sales Charge would be otherwise due shall be extended until such time as all such amounts owed by Seller to Buyer and interest thereon shall have been paid in full in readily available funds to Buyer by Seller; and
- (b) Buyer shall have no obligation to take any cargoes scheduled in the ADP during such period, but Seller shall not be relieved of any of its obligations under this Agreement, including its obligation to make LNG available to Buyer, and Section 5.7 will apply with respect to each cargo scheduled in the Annual Delivery Program or Ninety Day Schedule which is not delivered during any period during which the due date of the Monthly Sales Charge is extended pursuant to this

Section 10.2.2.

- 10.2.3** Cargo DoP Payments. Invoices issued in accordance with Section 10.1.3 shall become due and payable by Seller on the tenth (10th) Day after Seller receives Buyer's invoice.
- 10.2.4** Payments for Cover Damages. Invoices issued in accordance with Section 10.1.4 shall become due and payable by Buyer on the tenth (10th) Day after Buyer receives Seller's invoice.
- 10.2.5** Payments for Other Sums Due. An invoice issued pursuant to Section 10.1.5 shall be paid by the paying Party thereunder not later than twenty (20) Days after the paying Party receives such invoice.
- 10.2.6** Payment Method. All invoices shall be settled by payment in USD of the sum due by wire transfer of immediately available funds to the account designated by the Party issuing the invoice in accordance with Section 10.2.7. Without prejudice to Section 10.3.1, each payment of any amount owing under this Agreement shall be for the full amount due, without reduction, withholding or offset for any reason. Charges imposed by the recipient Party's bank in respect of any transfer of funds shall be for the recipient Party's account. Seller and Buyer agree that any payment made pursuant to the Guaranty for an amount due by Buyer to Seller hereunder shall be deemed, for purposes of this Agreement, to have been made by Buyer hereunder.
- 10.2.7** Designated Bank. Each Party shall designate a bank in a location reasonably acceptable to the other Party for payments under this Agreement. A Party shall designate its bank by notice to the other Party initially not later than one hundred twenty (120) Days prior to the Train 1 DFCD and thereafter not less than thirty (30) Days before any redesignation is to be effective.
- 10.2.8** Payment Date. If any invoice issued pursuant to Section 10.1 would result in a Party being required to make a payment on a Day that is not a Business Day, then the due date for such invoice shall be the immediately succeeding Business Day.

10.3 Disputed Invoice

- 10.3.1** Payment Pending Dispute. If Seller and Buyer disagree on the correct amount owing under an invoice, Seller or Buyer, as the case may be, shall make payment of the undisputed amount and shall immediately notify the other Party of the reasons for such disagreement; *provided, however*, (a) without prejudice to Section 10.2.2 and absent manifest error, Buyer shall pay all disputed and undisputed amounts due in respect of the Monthly Sales Charge invoiced by Seller in accordance with Section 10.1.2 without netting or offsetting, and (b) in the case of manifest error, the correct amount shall be paid disregarding such error, and necessary correction and consequent adjustment shall be made within five (5) Business Days after agreement or

determination of the correct amount.

- 10.3.2 Timing.** Except with respect to Sections 1.3.5 and 10.3.5, any invoice may be (a) contested by the receiving Party only pursuant to Section 10.5 or if, within a period of thirteen (13) Months after its receipt thereof, the receiving Party serves notice to the issuing Party challenging the correctness of such invoice; or (b) modified by the issuing Party only if, within a period of thirteen (13) Months after such invoice is issued, the issuing Party serves notice to the receiving Party challenging the correctness of such invoice. Subject to Section 10.5, if no such notice is served, the invoice shall be deemed correct and accepted by both Parties.
- 10.3.3 Meeting.** Upon receipt of a dispute notice issued in accordance with Sections 10.3.1 and 10.3.2, the Parties shall meet to discuss the disputed portion of the relevant invoice with a view to resolving the dispute. If the Parties do not resolve a dispute in respect of a disputed invoice within forty-five (45) Days of receipt of the dispute notice, then either Party may submit the dispute for resolution pursuant to Section 21.
- 10.3.4 Payment following resolution and Interest.** No later than five (5) Business Days after resolution of a dispute as to an amount owing under an invoice, the amount of any underpayment or overpayment shall be paid by Seller or Buyer (as the case may be) to the other Party, together with interest thereon at a rate per annum equal to two percent (2%) above LIBOR (as in effect on the Day when such sum was originally paid) from (a) in the case of an overpayment, the Day when such sum was originally paid until the date of its repayment; or (b) in the case of an underpayment, the Day when such sum was originally due until the date of its actual payment. Without prejudice to the other terms of this Agreement, if the period described in (a) or (b) of the immediately preceding sentence lasts longer than ninety (90) Days, the applicable LIBOR rate for each successive term of ninety (90) Days during that period shall be that in effect on the first Day of that ninety (90) Day period. Interest shall accrue from Day to Day and be calculated on the basis of a three hundred sixty (360) Day year.
- 10.3.5 Measurement or Analyzing Errors.** Any errors found in an invoice or credit note which are caused by the inaccuracy of any measuring or analyzing equipment or device shall be corrected in accordance with Exhibit A hereto, as applicable, and shall be settled in the same manner as is set out above in this Section 10.3.

10.4 Delay in Payment

10.4.1 Interest. If either Seller or Buyer fails to make payment of any sum as and when due under this Agreement, it shall pay interest on the unpaid amount to the other Party at a rate per annum equal to two percent (2%) above LIBOR (as in effect on the Day when such sum was originally due) on and from the Day when payment was due until the date of payment, provided that, without prejudice to the other terms of this Agreement, if such period lasts longer than ninety (90) Days, the applicable LIBOR rate for each successive term of ninety (90) Days during that period shall be that in effect on the first Day of that ninety (90) Day period. Interest shall accrue from Day to Day and be calculated on the basis of a three hundred sixty (360) Day year. Interest shall be paid on the date when payment of the amount due is made.

10.4.2 Costs and Expenses. Subject to Section 21.1.12, each Party shall bear its own costs (including attorneys' or Experts' fees or costs) in respect of enforcement of such Party's rights in any Dispute proceeding as a result of the other Party failing to perform or failing to timely perform its obligations under this Agreement including failing timely to make any payment in accordance with this Agreement.

10.5 Audit Rights

Each Party shall have the right to cause an independent auditor, appointed by such Party at such Party's sole cost and expense, to audit the books, records and accounts of the other Party that are directly relevant to the determination of any amounts invoiced, charged, or credited by the other Party within the previous twelve (12) Months. Such audit shall be conducted at the office where the records are located, during the audited Party's regular business hours and on reasonable prior notice, and shall be completed within thirty (30) Days after the audited Party's relevant records have been made available to the independent auditor. The independent auditor shall be a major international accountancy firm, and the Party appointing such auditor shall cause the auditor to execute a confidentiality agreement acceptable to the Party being audited. If the audit discloses an error in any invoiced amount under this Agreement, then the auditing Party shall, within thirty (30) Days following completion of the audit pertaining to the affected invoice or statement, provide notice to the audited Party describing the error and the basis therefor and providing a copy of the audit report and supporting documentation prepared by the independent auditor. Promptly thereafter, the Parties shall commence discussions regarding such error in order to expeditiously, and in good faith, achieve resolution thereof. If the Parties do not resolve a dispute in respect of an audit within forty-five (45) Days after the auditing Party notifies the audited Party of the error, then either Party may submit the dispute for resolution pursuant to Section 21.

10.6 Seller's Right to Suspend Performance

If Seller has not received payment in respect of (a) without prejudice to Section 10.2.2, the Monthly Sales Charge or (b) any other amounts (other than amounts that have been disputed in good faith in accordance with this Agreement) due under any invoice(s) under this Agreement totaling in excess of USD ten million (USD 10,000,000) within five (5) Business Days after the due date thereof, or if at any time Buyer is not in compliance with Section 15.3, then without prejudice to any other rights and remedies of Seller arising under this Agreement or by Applicable Laws or otherwise, upon giving five (5) Business Days' notice to Buyer:

10.6.1 Seller may suspend delivering any or all subsequent cargoes until such time as all such amounts owed by Buyer to Seller and interest thereon have been paid in full and Buyer is in compliance with Section 15.3;

10.6.2 in the event of such suspension, Buyer shall not be relieved of any of its obligations under this Agreement, including its obligation to take any LNG, and Section 5.5 will apply with respect to each cargo scheduled in the Annual Delivery Program or Ninety Day Schedule which is not delivered during the suspension and for which Buyer no longer has a Cancellation Right pursuant to Section 5.6.1; and

10.6.3 during the period that such suspension is effective, Seller shall have no obligation to make available any cargoes to Buyer.

11. Taxes

11.1 Responsibility

Buyer shall indemnify and hold Seller and its direct or indirect owners and Affiliates harmless from any and all Buyer Taxes, and Seller shall indemnify and hold Buyer and its Affiliates harmless from any and all Seller Taxes.

11.2 Seller Taxes

“Seller Taxes” means:

- (a) any taxes imposed from time to time solely on account of the corporate existence of Seller or its Affiliates;
- (b) any taxes imposed from time to time in respect of the property, revenue, income, or profits of Seller or its Affiliates (other than taxes required to be deducted or withheld by Buyer from or in respect of any payments (whether in cash or in kind) under this Agreement);

- (c) any taxes imposed from time to time by the United States of America or any political subdivision thereof, that relate to (i) the purchase, sale, transportation or liquefaction of Gas; or (ii) except as set forth in Section 11.3, the export, loading, storage, processing, transport, ownership of title, delivery or sale of LNG; and
- (d) any taxes imposed from time to time that are payable by Buyer by reason of a failure by Seller to properly deduct, withhold or pay any taxes described in Section 11.4.

11.3 Buyer Taxes

“Buyer Taxes” means:

- (a) any taxes imposed from time to time solely on account of the corporate existence of Buyer or its Affiliates;
- (b) any taxes imposed from time to time in respect of the revenue, income, or profits of Buyer, its Affiliates or Transporter (other than taxes required to be deducted or withheld by Seller from or in respect of payments (whether in cash or in kind) under this Agreement);
- (c) any taxes imposed from time to time by the United States of America or any political subdivision thereof that relate to an LNG Tanker's use of a port or entrance into territorial waters;
- (d) any sales or use tax imposed from time to time by the State of Louisiana on the sale and purchase of LNG under this Agreement by Seller to Buyer at the Delivery Point;
- (e) any taxes imposed from time to time by the country in which an LNG receiving terminal to which Buyer delivered a cargo purchased from Seller under this Agreement is located or any political subdivision thereof or any country (other than the United States of America or any political subdivision thereof) through which any LNG Tanker transits or on which any LNG Tanker calls, in each case that relate to the import, unloading, transfer, transport, ownership of title, receipt or delivery of LNG;
- (f) any taxes imposed from time to time that are payable by Seller by reason of a failure by Buyer to properly deduct, withhold or pay any taxes described in Section 11.4; and
- (g) any taxes imposed from time to time as a result of the LNG Tanker or any portion of its cargo not departing from the United States of America and the State of Louisiana as soon as is reasonably practicable following completion of loading, or as a result of Buyer selling, transferring, delivering or otherwise conveying any LNG purchased from Seller to any Person in the United States of America

or the Commonwealth of Puerto Rico.

11.4 Withholding Taxes

If Seller or Buyer (in either case, the “**Payor**” for purposes of this Section 11.4), is required to deduct or withhold taxes from or in respect of any payments (whether in cash or in kind) to the other Party under this Agreement, then: (a) the Payor shall make such deductions and withholdings; (b) the Payor shall pay the full amount deducted or withheld to the appropriate Governmental Authority in accordance with Applicable Laws; (c) the Payor shall promptly furnish to the other Party the original or a certified copy of a receipt evidencing such payment; and (d) the sum payable by the Payor to the other Party shall be increased by such additional sums as necessary so that after making all required deductions and withholdings of taxes (including deductions and withholdings of taxes applicable to additional sums payable under this Section 11.4), the other Party receives an amount equal to the sum it would have received had no such deductions or withholdings of taxes been made.

11.5 Sales Tax Exemption

If Buyer is exempt from sales and use tax imposed by the State of Louisiana, Buyer will provide documentation to Seller demonstrating such exemption. A Resale Certificate issued by the State of Louisiana Department of Revenue and Taxation shall be deemed to be sufficient documentation demonstrating such exemption.

11.6 Mitigation

Each Party shall use reasonable efforts to take actions or measures requested by the other Party in order to minimize taxes for which the other Party is liable under this Section 11, including providing applicable sales and use tax resale or exemption certificates, provided that the other Party shall pay such Party's reasonable costs and expenses in relation thereto.

11.7 Refunds

If a Party has made an indemnification payment to the other Party pursuant to this Section 11 with respect to any amount owed or paid by the indemnified Party and the indemnified Party thereafter receives a refund or credit of any such amount, such indemnified Party shall pay to the indemnifying Party the amount of such refund or credit promptly following the receipt thereof. The indemnified Party shall provide such assistance as the indemnifying Party may reasonably request to obtain such a refund or credit.

12. Quality

12.1 Specification

12.1.1 LNG delivered under this Agreement shall, when converted into a gaseous state, comply with the following specifications (“**Specifications**”):

Minimum Gross Heat Content (dry) 1000 BTU/SCF

Maximum Gross Heat Content (dry) 1150 BTU/SCF

Minimum methane (C1) 84.0 MOL%

Maximum H₂S 0.25 grains per 100 SCF

Maximum Sulfur 1.35 grains per 100 SCF

Maximum N₂ 1.5 MOL%

Maximum Ethane (C2) 11 MOL%

Maximum Propane (C3) 3.5 MOL%

Maximum Butane (C4) and heavier 2 MOL%

LNG shall contain no water, active bacteria or bacterial agents (including sulfate-reducing bacteria or acid producing bacteria) or other contaminants or extraneous material.

12.1.2 With respect to each cargo to be delivered to Buyer under this Agreement, Seller shall provide Buyer with a report indicating Seller's best estimate of what the actual loaded quality composition of the LNG to be delivered to Buyer in such cargo is likely to be. Seller shall endeavor to provide such report as early as possible during the thirty (30) Day period immediately preceding the relevant cargo's Delivery Window.

12.2 Determining LNG Specifications

LNG shall be tested pursuant to Exhibit A to determine whether such LNG complies with the Specifications.

12.3 Off-Specification LNG

12.3.1 If Seller, acting as a Reasonable and Prudent Operator, determines prior to loading a cargo that the LNG is expected not to comply with the Specifications (“**Off-Spec LNG**”) upon loading, then:

- (a) Seller shall give notice to Buyer of the extent of the expected variance as soon as practicable (but in no case later than the commencement of loading of the cargo);
- (b) Buyer shall use reasonable efforts, including coordinating with the Transporter and the operator of the Discharge Terminal, to accept such LNG where, in Buyer's reasonable opinion, the LNG would be acceptable to the Transporter and the operator of the Discharge Terminal and would not prejudice the safe and reliable operation of any LNG Tanker, the Discharge Terminal, and any downstream facilities being supplied regasified LNG;
- (c) if Buyer can accept delivery of such cargo, then Buyer shall notify Seller of Buyer's estimate of the direct costs to be incurred by Buyer, any Affiliate of Buyer, Transporter, and the operator of the Discharge Terminal in transporting and treating such Off-Spec LNG (or to otherwise make such LNG marketable), and, to the extent Seller agrees to such estimate, Buyer shall take delivery of such cargo, and Seller shall reimburse Buyer for all reasonable documented direct costs incurred by Buyer (including costs owed to any Affiliate of Buyer, Transporter, and the operator of the Discharge Terminal in transporting and treating such Off-Spec LNG (or to otherwise make such LNG marketable) prior to and at the Discharge Terminal), *provided, however,* that Seller's liability shall not exceed one hundred and twenty percent (120%) of the estimate notified by Buyer and agreed by Seller; and
- (d) if Buyer determines in good faith that it cannot, using reasonable efforts, receive such cargo, or (1) Seller rejects the cost estimate or (2) Buyer anticipates that it might be liable for costs that would not otherwise be reimbursed pursuant to Section 12.3.1(c), then Buyer shall be entitled to reject such cargo by giving Seller notice of rejection within seventy-two (72) hours of Buyer's receipt of Seller's notice.

12.3.2 If Off-Spec LNG is delivered to Buyer without Buyer being made aware of the fact that such Off-Spec LNG does not comply with the Specifications, or without Buyer being made aware of the actual extent to which such Off-Spec LNG does not comply with the Specifications, then:

- (a) if Buyer is able, using reasonable efforts, to transport and treat the Off-Spec LNG to meet the Specifications (or to otherwise make such LNG marketable), then Seller shall reimburse Buyer for all reasonable documented direct costs incurred by Buyer (including costs owed to any Affiliate of Buyer, Transporter, and the operator

of the Discharge Terminal in transporting and treating such Off-Spec LNG received at the Discharge Terminal to meet the Specifications (or to otherwise make such LNG marketable)), in an amount not exceeding one hundred percent (100%) of the product of the delivered quantity of such Off-Spec LNG and the CSP; *provided, however*, that Buyer, any Affiliate of Buyer, Transporter, and the operator of the Discharge Terminal shall not be required to incur costs in excess of those reimbursable by Seller; or

- (b) if Buyer determines in good faith that it cannot, using reasonable efforts, transport and treat such Off-Spec LNG to meet the Specifications (or to make such LNG marketable) or Buyer anticipates that it would incur costs not otherwise reimbursable under Section 12.3.2(a), then: (i) Buyer shall be entitled to reject such Off-Spec LNG by giving Seller notice of such rejection as soon as practicable, and in any case within ninety-six (96) hours after Seller notifies Buyer in writing that such LNG is Off-Spec LNG and the actual extent to which such Off-Spec LNG does not comply with the Specifications; (ii) Buyer shall be entitled to dispose of the loaded portion of such Off-Spec LNG (or regasified LNG produced therefrom) in any manner that Buyer, acting in accordance with the standards of a Reasonable and Prudent Operator, deems appropriate including by directing Seller to offload such Off-Spec LNG at the Loading Port; and (iii) Seller shall reimburse Buyer and indemnify Buyer in respect of all direct loss, damage, costs and expenses incurred by Buyer, any Affiliate of Buyer, or Transporter as a result of the delivery of such Off-Spec LNG, including in connection with the handling, treatment or safe disposal of such Off-Spec LNG or other LNG being held at the Discharge Terminal or being carried onboard the LNG Tanker which was contaminated by it, cleaning or clearing the LNG Tanker and Discharge Terminal, and damage caused to the LNG Tanker and Discharge Terminal.

12.3.3 If Buyer rejects a cargo in accordance with Section 12.3.1(d) or 12.3.2(b), Seller shall be deemed to have failed to make available such cargo and Section 5.7.2 shall apply.

13. Measurements and Tests

13.1 LNG Measurement and Tests

LNG delivered to Buyer, and Gas used as fuel by Buyer, pursuant to this Agreement shall be measured and tested in accordance with Exhibit A.

13.2 Parties to Supply Devices

13.2.1 Buyer shall supply, operate and maintain, or cause to be supplied, operated and maintained, suitable gauging devices for the LNG tanks of the LNG Tanker, as well as pressure and temperature measuring devices, in accordance with Section 13.3 and Exhibit A, and any other measurement, gauging or testing devices which are incorporated in the structure of such LNG Tanker or customarily maintained on shipboard.

13.2.2 Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, devices required for collecting samples and for determining quality and composition of the delivered LNG, in accordance with Section 13.3 and Exhibit A, and any other measurement, gauging or testing devices which are necessary to perform the measurement and testing required hereunder at the Loading Port.

13.3 Selection of Devices

Each device provided for in this Section 13 shall be selected and verified in accordance with Exhibit A. Any devices that are provided for in this Section 13 not previously used in an existing LNG trade shall be chosen by written agreement of the Parties and shall be such as are, at the time of selection, accurate and reliable in their practical application. The required degree of accuracy of such devices shall be agreed in writing by Buyer and Seller in advance of their use, and such degree of accuracy shall be verified by an independent surveyor who is agreed by Buyer and Seller.

13.4 Tank Gauge Tables of LNG Tanker

Buyer shall furnish to Seller, or cause Seller to be furnished, a certified copy of tank gauge tables as described in Exhibit A for each LNG tank of the LNG Tanker and of tank gauge tables revised as a result of any recalibration of an LNG tank of an LNG Tanker.

13.5 Gauging and Measuring LNG Volumes Loaded

Volumes of LNG delivered under this Agreement will be determined by gauging the LNG in the LNG tanks of the LNG Tanker immediately before and after loading in accordance with the terms of Exhibit A.

13.6 Samples for Quality Analysis

Representative samples of the delivered LNG shall be obtained by Seller as provided in Exhibit A.

**13.7 Quality
Analysis**

The samples referred to in Section 13.6 shall be analyzed, or caused to be analyzed, by Seller in accordance with the terms of Exhibit A, in order to determine the molar fractions of the hydrocarbons and components in the sample.

**13.8 Operating
Procedures**

13.8.1 Prior to carrying out measurements, gauging and analyses hereunder, the Party responsible for such operations shall notify the designated representative(s) of the other Party, allowing such representative(s) a reasonable opportunity to be present for all operations and computations; *provided, however*, that the absence of such representative(s) after notification and reasonable opportunity to attend shall not affect the validity of any operation or computation thereupon performed.

13.8.2 At the request of either Party, any measurements, gauging and/or analyses provided for in Sections 13.5, 13.6, 13.7 and 13.10.1 shall be witnessed and verified by an independent surveyor agreed upon in writing by Buyer and Seller. The results of verifications and records of measurement shall be maintained in accordance with the terms of Exhibit A.

**13.9 MMBtu Quantity
Delivered**

The number of MMBtus sold and delivered shall be calculated at the Delivery Point by Seller and witnessed and verified by a mutually appointed independent surveyor agreed upon in writing by the Parties following the procedures set forth in Exhibit A.

**13.10 Verification of Accuracy and Correction for
Error**

13.10.1 Each Party shall test and verify the accuracy of its devices at intervals to be agreed between the Parties. In the case of gauging devices of the LNG Tanker, such tests and verifications shall take place during each scheduled dry-docking, provided that the interval between such dry dockings shall not exceed three (3) years. Indications from any redundant determining devices should be reported to the Parties for verification purposes. Each Party shall have the right to inspect and if a Party reasonably questions the accuracy of any device, to require the testing or verification of the accuracy of such device in accordance with the terms of Exhibit A.

13.10.2 Permissible tolerances of the measurement, gauging and testing devices shall be as described in Exhibit A.

**13.11 Costs and
Expenses**

13.11.1 Except as provided in this Section 13.11, all costs and expenses for testing and verifying measurement, gauging or testing devices shall be borne by the Party whose devices are being tested and verified; *provided, however*, that

representatives of the Parties attending such tests and verifications shall do so at the cost and risk of the Party they represent.

13.11.2In the event that a Party inspects or requests the testing/verification of any of the other Party's devices on an exceptional basis in each case as provided in Section 13.10.1, the Party requesting the testing/verification shall bear all costs thereof.

13.11.3The costs of the independent surveyor:

- (a) requested by a Party in accordance with Section 13.8.2 shall be borne by the requesting Party; and
- (b) referred to in Section 13.9 shall be borne equally by Buyer and Seller.

14. Force Majeure

14.1 Force Majeure

Neither Party shall be liable to the other Party for any delay or failure in performance under this Agreement if and to the extent such delay or failure is a result of Force Majeure. To the extent that the Party so affected fails to use commercially reasonable efforts to overcome or mitigate the effects of an event of Force Majeure, it shall not be excused for any delay or failure in performance that would have been avoided by using such commercially reasonable efforts. Subject to the provisions of this Section 14, the term “**Force Majeure**” shall mean any act, event or circumstance, whether of the kind described herein or otherwise, that is not reasonably within the control of, does not result from the fault or negligence of, and would not have been avoided or overcome by the exercise of reasonable diligence by, the Party claiming Force Majeure or an Affiliate of the Party claiming Force Majeure, such Party and, as applicable, its Affiliate having observed a standard of conduct that is consistent with a Reasonable and Prudent Operator, and that prevents or delays in whole or in part such Party's performance of one or more of its obligations under this Agreement.

14.1.1 Force Majeure may include circumstances of the following kind, provided that such circumstances satisfy the definition of Force Majeure set forth above:

- (a) acts of God, the government, or a public enemy; strikes, lockout, or other industrial disturbances;
- (b) wars, blockades or civil disturbances of any kind; epidemics, Adverse Weather Conditions, fires, explosions, arrests and restraints of governments or people;

- (c) the breakdown or failure of, freezing of, breakage or accident to, or the necessity for making repairs or alterations to any facilities or equipment;
- (d) in respect of Seller: (i) loss of, accidental damage to, or inaccessibility to or inoperability of (x) the Sabine Pass Facility or any Connecting Pipeline or (y) the liquefaction and loading facilities at the alternate source agreed by the Parties pursuant to Section 3.1.2, but only with respect to those cargoes that Buyer has agreed may be supplied from such alternate source; and (ii) any event that would constitute an event of force majeure under any of the Common Facilities Agreements, *provided, however*, that an event of force majeure under any of the Common Facilities Agreements affecting Seller or an Affiliate of Seller shall constitute Force Majeure under this Agreement only to the extent such event meets the definition of Force Majeure in this Section 14.1;
- (e) in respect of Buyer: (i) loss of, accidental damage to, or inoperability of any LNG Tanker; (ii) events affecting the ability of LNG Tankers to reach the Sabine Pass Facility or any alternate source agreed by the Parties pursuant to Section 3.1.2 not arising from loss of, accidental damage to or inoperability of such LNG Tanker; (iii) loss of, accidental damage to, or inaccessibility to or inoperability of a Discharge Terminal; or (iv) the unavailability of services provided by Sabine Pass Tug Services, LLC or the failure of Sabine Pass Tug Services, LLC to provide such tug, fireboat and/or escort vessel services;
- (f) the withdrawal or expiration of or failure to obtain any Approval of any Governmental Authority;
and
- (g) the withdrawal of or failure to obtain either of the Export Authorizations other than as provided in Section 14.2.2(f).

14.2 Limitations on Force Majeure

14.2.1 Indemnity and Payment Obligations. Notwithstanding Section 14.1, no Force Majeure shall relieve, suspend, or otherwise excuse either Party from performing any obligation to indemnify, reimburse, hold harmless or otherwise pay the other Party under this Agreement, including Buyer's obligation to pay the Monthly Sales Charge.

14.2.2 Events Not Force Majeure. The following events shall not constitute Force Majeure:

- (a) a Party's inability to finance its obligations under this Agreement or the unavailability of funds to pay amounts when due in the currency of payment;
- (b) the unavailability of, or any event affecting, any facilities at or associated with any loading port other than the Sabine Pass Facility or any alternate source agreed by the Parties pursuant to Section 3.1.3;
- (c) any unavailability of, or Seller's loss of access to, the common facilities at the Sabine Pass Facility, to the extent such unavailability or loss of access is a result of a bankruptcy filing by SPLNG or any default under or breach by SPLNG under the Common Facilities Agreements or any termination or expiration of the Common Facilities Agreements;
- (d) the unavailability of, or Seller's loss of access to, administrative, operating and/or other material services provided by Affiliates of Seller to Seller or in respect of the Sabine Pass Facility, to the extent such unavailability is a result of a bankruptcy filing by such Affiliate of Seller or any default under or breach by such Affiliate of Seller of any of its obligations under the applicable agreements with Seller or SPLNG or any termination or expiration of such agreements;
- (e) the withdrawal, denial or expiration of or failure to obtain any Approval of any Governmental Authority caused by the affected Party's: (i) actions, including a violation of or breach of the terms and conditions of any existing Approval or other requirement of Applicable Law; or (ii) the failure to apply for or follow the necessary procedures to obtain any Approval or request, acquire or take all commercially reasonable actions to obtain the maintenance, renewal or reissuance of the same, in either event, only if the affected Party knew or should have known, after due inquiry and the exercise of endeavors expected by a Reasonable and Prudent Operator, that such action or failure, as the case may be, would have caused the withdrawal, denial or expiration of, non-renewal or non-issuance of any Approval;
- (f) the withdrawal, denial, expiration or modification of or failure to obtain any Export Authorization caused by Seller's or Seller's Affiliate's: (i) action, including a violation of or breach of the terms and conditions of any Export Authorization; or (ii) the failure to apply for or follow the necessary procedures to obtain any Export Authorization or request, acquire or take all commercially reasonable actions to obtain the maintenance, renewal or reissuance of the same, in either event, only if the offending Person knew or should have known, after due inquiry and the exercise of endeavors expected by a Reasonable and Prudent Operator, that such action or failure, as the

case may be, would have caused the withdrawal, denial, expiration or modification of or failure to obtain any Export Authorization;

- (g) the withdrawal, denial, expiration or modification of or failure to obtain any Export Authorization caused by any Third Party's (that receives directly or indirectly any LNG that was loaded at the Sabine Pass Facility) violation of or breach of the terms and conditions of any Export Authorization except for any Third Party that receives directly or indirectly any LNG that was purchased by Buyer hereunder;
- (h) the ability of Seller or Buyer to obtain better economic terms for LNG or Gas from an alternative supplier or buyer, as applicable;
- (i) changes in either Party's market factors, default of payment obligations or other commercial, financial or economic conditions, including failure or loss of any of Buyer's or Seller's Gas or LNG markets;
- (j) breakdown, failure, freezing or breakage of, or the necessity for making repairs or alterations to, any facilities or equipment caused by normal wear and tear or by a failure to properly maintain such facilities or equipment; and
- (k) the loss of interruptible or secondary firm transportation service on a Connecting Pipeline or any pipeline upstream of a Connecting Pipeline unless the cause of such loss was an event that would satisfy the definition of Force Majeure hereunder and primary in-the-path transportation service on such pipeline was also interrupted as a result of such event.

14.2.3 Force Majeure relief in respect of Buyer for an event described in Section 14.1.1(e)(i) affecting a specific LNG Tanker shall only be available with respect to cargoes that are scheduled to be transported on such LNG Tanker in the applicable Ninety Day Schedule or ADP for such Contract Year, or (to the extent that the ADP for the following Contract Year has been issued by Seller) in the ADP for the following Contract Year.

14.2.4 Force Majeure relief in respect of Buyer for an event affecting a Discharge Terminal shall only be available with respect to cargoes that are scheduled to be delivered to such Discharge Terminal in the applicable Ninety Day Schedule or ADP for such Contract Year, or (to the extent that the ADP for the following Contract year has been issued by Seller) in the ADP for the following Contract Year.

14.3 Notification

A Force Majeure event shall take effect at the moment such an event or circumstance occurs. Upon the occurrence of a Force Majeure event that prevents, interferes with or delays the performance by Seller or Buyer, in whole or in part, of any of its obligations under this Agreement, the Party affected shall give notice thereof to the other Party describing such event and stating the obligations the performance of which are affected and stating, as applicable:

14.3.1 the period during which performance may be prevented, interfered with or delayed, including, to the extent known or ascertainable, the extent of such reduction in performance, in each case as estimated by the affected Party (having acted reasonably);

14.3.2 the particulars of the program to be implemented to resume normal performance under this Agreement;
and

14.3.3 the anticipated portion of Buyer's AACQ for a Contract Year that will not be made available or taken, as the case may be, by reason of such Force Majeure event, as estimated by the affected Party (having acted reasonably).

Such notices shall thereafter be updated at least monthly during the period of such claimed Force Majeure specifying the actions being taken to remedy the circumstances causing such Force Majeure.

14.4 Measures

Without prejudice to Section 14.6, the Party affected by an event of Force Majeure shall take all commercially reasonable efforts to overcome or mitigate the effects of such event of Force Majeure. Prior to resumption of normal performance, the Parties shall continue to perform their obligations under this Agreement to the extent not prevented or delayed by such event of Force Majeure.

14.5 No Extension of Term

The Term shall not be extended as a result of or by the duration of an event of Force Majeure.

14.6 Settlement of Industrial Disturbances

Settlement of strikes, lockouts, or other industrial disturbances shall be entirely within the discretion of the Party experiencing such situations, and nothing in this Agreement shall require such Party to settle industrial disputes by yielding to demands made on it when it considers such action inadvisable.

**14.7 Foundation Customer
Priority**

Notwithstanding any other provision in this Section 14, during any event of Force Majeure affecting Seller, Seller shall apportion the remaining capacity at the Sabine Pass Facility according to the Foundation Customer Priority. “**Foundation Customer Priority**” means that Buyer and other Foundation Customers will receive priority for receiving LNG from the remaining available LNG production capacity, if any, at the Sabine Pass Facility in the following manner: all such remaining available LNG production capacity at the Sabine Pass Facility (and the LNG produced therefrom) will be allocated, to the extent practicable, to Buyer based upon the proportionate share of Buyer's AACQ to the adjusted annual contract quantities of all Foundation Customers (including Buyer), without regard to whether the underlying event affects the Designated Train or another liquefaction train, and without regard to whether the remaining available LNG production capacity includes the Designated Train.

**14.8 Effect of Extended Force
Majeure**

If Seller has declared Force Majeure with respect to (i) a period that has continued uninterrupted for twenty-four (24) Months or (ii) multiple periods that total twenty-four (24) Months during any thirty-six (36) Month period resulting in a reduction in the ACQ that is available to Buyer, from the second anniversary of the commencement of such continuous Force Majeure, or the third anniversary of the commencement of such intermittent Force Majeure, beginning with the Month following such anniversary, and for as long as such Force Majeure continues the Monthly Sales Charge shall be reduced prospectively in proportion to the ongoing impairment of Buyer's ACQ.

**15. Liabilities and
Indemnification**

15.1 General

Subject to Section 15.2, and without prejudice to any indemnity provided under this Agreement, Seller shall be liable to Buyer, and Buyer shall be liable to Seller, for any loss which has been suffered as a result of the breach by the Party liable of any one or more of its obligations under this Agreement, to the extent that the Party liable should reasonably have foreseen the loss.

**15.2 Limitations on
Liability**

15.2.1 Incidental and Consequential Losses. Neither Party shall be liable to the other Party hereunder as a result of any act or omission in the course of or in connection with the performance of this Agreement, for or in respect of:

- (a) any indirect, incidental, consequential or exemplary losses;
- (b) any loss of income or profits;

- (c) except as expressly provided in this Agreement, any failure of performance or delay in performance to the extent relieved by the application of Force Majeure in accordance with Section 14; or
- (d) except as expressly provided in this Agreement, any losses arising from any claim, demand or action made or brought against the other Party by a Third Party.

15.2.2 Exclusive Remedies. A Party's sole liability, and the other Party's exclusive remedy, arising under or in connection with Sections 5.5, 5.7, 7.12.3, 7.12.4, 7.14.2(d), 12.3 and this Section 15 shall be as set forth in each such provision, respectively.

15.2.3 Liquidated Damages. The Parties agree that it would be impracticable to determine accurately the extent of the loss, damage and expenditure that either Party would have in the circumstances described in Sections 5.5, 5.7, 7.12.3, 7.12.4, 7.14.2(d) and 12.3. Accordingly, the Parties have estimated and agreed in advance that the sole liability, and exclusive remedy for such circumstances shall be as provided in those Sections, and neither Party shall have additional liability as a result of any such circumstances. Each amount described in or determined by the provisions of Sections 5.5, 5.7, 7.12.3, 7.12.4, 7.14.2(d) and 12.3 is intended to represent a genuine pre-estimate by the Parties as to the loss or damage likely to be suffered by the Party receiving the payment or benefit in each such circumstance. Each Party waives any right to claim or assert, in any arbitration or expert determination pursuant to Section 21 in any action with respect to this Agreement, that any of the exclusive remedies set forth in Sections 5.5, 5.7, 7.12.3, 7.12.4, 7.14.2(d) and 12.3 do not represent a genuine pre-estimate by the Parties as to the loss or damage likely to be suffered by the Party receiving the payment or benefit in each such circumstance or otherwise are not valid and enforceable damages.

15.2.4 Express Remedies. The Parties agree that Section 15.2.1 shall not impair a Party's obligation to pay the amounts specified in, or the validity of or limitations imposed by, Sections 5.5, 5.7, 7.12.3, 7.12.4, 7.14.2(d), 9 and 12.3. Neither Party shall have a right to make a claim for actual damages (whether direct or indirect) or other non-specified damages under any circumstances for which an express remedy or measure of damages is provided in this Agreement.

15.2.5 Remedies in Contract. Except with respect to claims for injunctive relief under Sections 19 and 21.1.11, a Party's sole remedy against the other Party for nonperformance or breach of this Agreement or for any other claim of whatsoever nature arising out of or in relation to this Agreement shall be in contract and no Party shall be liable to another Party (or its Affiliates and

contractors and their respective members, directors, officers, employees and agents) in respect of any damages or losses suffered or claims which arise out of, under or in any alleged breach of statutory duty or tortious act or omission or otherwise.

15.2.6 Seller Aggregate Liability for Certain Events.

- (a) Notwithstanding any provision herein to the contrary, during any period in which the financing contemplated under a Direct Agreement or any re-financing thereof is outstanding, the maximum Seller Aggregate Liability as of any given date in respect of any occurrence or series of occurrences shall not exceed the Seller Liability Cap.
- (b) “**Seller Aggregate Liability**” shall mean, as of any date of determination, any and all liability of Seller to Buyer under this Agreement, excluding (i) any Seller liabilities under this Agreement for which Seller has already made payment to Buyer as of such date, (ii) any liability caused by the gross negligence or willful misconduct of Seller or an Affiliate of Seller and (iii) any amounts related to an indemnity obligation of Seller.
- (c) The “**Seller Liability Cap**” shall be an amount (in USD) equal to:
 - (i) on or prior to the fifth (5th) anniversary of the Train 1 DFCD:
 - A. if Train 2 FID has not occurred: USD six hundred million (USD 600,000,000);
 - B. if Train 2 FID has occurred but Train 3 FID has not occurred: USD seven hundred twenty million (USD 720,000,000);
 - C. if Train 3 FID has occurred but Train 4 FID has not occurred: USD eight hundred thirty-two million (USD 832,000,000); and
 - D. if Train 4 FID has occurred: USD nine hundred forty-two million (USD 942,000,000); and
 - (ii) after the fifth (5th) anniversary of the Train 1 DFCD, an amount equal to:
 - A. two (2);

multiplied by
 - B. (I) if Train 2 FID has not occurred, one hundred eighty-two million five hundred thousand (182,500,000), (II) if Train 2 FID has occurred but Train 3 FID has not occurred, two hundred nineteen

million (219,000,000), (III) if Train 3 FID has occurred but Train 4 FID has not occurred, two hundred fifty-three million (253,000,000) or (IV) if Train 4 FID has occurred, two hundred eighty-six million five hundred thousand (286,500,000);

multiplied by

- c. the UFC applicable on the date of termination as calculated pursuant to Section 9.2.

15.2.7 EXCEPT FOR WARRANTIES OF TITLE AND NO LIENS OR ENCUMBRANCES, AND SUBJECT TO THE PROVISIONS OF THIS AGREEMENT CONCERNING THE QUALITY OF LNG TO BE DELIVERED UNDER THIS AGREEMENT, SELLER EXPRESSLY NEGATES ANY WARRANTY WITH RESPECT TO LNG DELIVERED UNDER THIS AGREEMENT, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY WITH RESPECT TO CONFORMITY TO SAMPLES, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

15.3 Credit Support

Buyer shall deliver, or cause the Guarantor to deliver, a Guaranty to Seller within twenty (20) Days after the Effective Date. Seller acknowledges that Buyer has delivered a Guaranty within twenty (20) Days after the Effective Date. Buyer shall cause a Guaranty to remain in effect for the remainder of the Term.

15.4 Third Party Liability

With respect to Third Party liabilities:

- (a) If any Third Party shall notify either Party (the “**Indemnified Party**”) with respect to any matter (a “**Third Party Claim**”) that may give rise to a claim for indemnification against the other Party (the “**Indemnifying Party**”) under this Section 15 or elsewhere in this Agreement, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; *provided, however*, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is materially prejudiced.
- (b) The Indemnifying Party will have the right to defend against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) Days after the Indemnified Party has given notice of the Third Party Claim that the

Indemnifying Party will indemnify the Indemnified Party from and against any damages the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim; (ii) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder; (iii) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief; (iv) settlement of, or an adverse judgment with respect to, the Third Party Claim is not in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests of the Indemnified Party; and (v) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

- (c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 15.4(b): (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim; (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld); and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld).
- (d) In the event any of the conditions in Section 15.4(b) is or becomes unsatisfied, or a conflict arises, with regard to the Third Party Claim, between the Indemnified Party and the Indemnifying Party in respect of such Third Party Claim the Indemnified Party may defend against the Third Party Claim in any manner it reasonably may deem appropriate.
- (e) If either Party gives notice to the other Party of a Third Party Claim pursuant to the provisions of Section 15.4(a) and the notified Party does not give notice that it will indemnify the notifying Party in the manner set out in Section 15.4(b), the notifying Party shall nevertheless send copies of all pleadings and other documents filed in any such Third Party lawsuit to the notified Party and such notified Party may have the right to participate in the defense of the Third Party Claim in any manner permitted by Applicable Law.

15.5 Seller's Insurance

15.5.1 Seller shall obtain and maintain or cause to be obtained and maintained:

- (a) insurance for the Sabine Pass Facility to the extent required by Applicable Law, and
- (b) additional insurance, as is reasonably necessary and available on reasonable commercial terms, against such other risks and at such levels as a Reasonable and Prudent Operator of a shared use LNG receiving, regasification and liquefaction terminal would obtain.

15.5.2 Seller shall obtain or cause to be obtained the insurance required by Section 15.5.1 from a reputable insurer (or insurers) reasonably believed to have adequate financial reserves. Seller shall exercise its best efforts, or shall cause the applicable insured Person to use its best efforts, to collect any amount due under such insurance policies.

15.6 Buyer's Insurance

Buyer shall ensure that insurances are procured and maintained for each LNG Tanker in accordance with the following provisions. In all cases, such insurance shall establish insurance coverages consistent with insurances to the standards which a ship owner operating reputable LNG vessels, as a Reasonable and Prudent Operator, should observe in insuring LNG vessels of similar type, size, age and trade as such LNG Tanker. In this regard:

- (a) Hull and Machinery Insurance shall be placed and maintained with reputable marine underwriters; and
- (b) Protection & Indemnity Insurance (“**P&I Insurance**”) shall be placed and maintained as an unlimited entry, if such entry is available, and such LNG Tanker shall be entered for insurance with a P&I Club, including pollution liability standard for LNG vessel and Certificate of Financial Responsibility.

16. Safety

16.1 General

The Parties recognize the importance of securing and maintaining safety in all matters contemplated in this Agreement, including the construction and operation of their respective facilities and the LNG Tankers and transportation of LNG. It is their respective intentions to secure and maintain high standards of safety in accordance with the generally accepted standards prevailing in the LNG and LNG transportation industries from time to time.

16.2 Third Parties

Both Parties shall endeavor to ensure that their respective employees, agents, operators, Transporter, contractors and suppliers shall have due regard to safety and abide by the relevant regulations while they are performing work and services in connection with the performance of this Agreement, including such work and services performed within and around the area of the Sabine Pass Facility and on board the LNG Tankers.

17. Representations, Warranties and Undertakings

17.1 Representations and Warranties of Buyer

As of the Effective Date and until the expiration or termination of this Agreement, Buyer represents, undertakes and warrants to Seller that:

17.1.1 Buyer is and shall remain duly formed and in good standing under the laws of the State of Delaware and duly qualified to do business in the State of Louisiana;

17.1.2 Buyer has the requisite power, authority and legal right to execute and deliver, and to perform its obligations under, this Agreement;

17.1.3 Buyer has not incurred any liability to any financial advisor, broker or finder for any financial advisory, brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement for which Seller or any of its Affiliates could be liable; and

17.1.4 neither the execution, delivery, nor performance of this Agreement violates or will violate, results or will result in a breach of or constitutes or will constitute a default under any provision of Buyer's organizational documents, any law, judgment, order, decree, rule, or regulation of any court, administrative agency, or other instrumentality of any Governmental Authority or of any other material agreement or instrument to which Buyer is a party.

17.2 Representations and Warranties of Seller

As of the Effective Date and until the expiration or termination of this Agreement, Seller represents, undertakes and warrants to Buyer that:

17.2.1 Seller is and shall remain duly formed and in good standing under the laws of the State of Delaware and duly qualified to do business in the State of Louisiana;

17.2.2 Seller has the requisite power, authority and legal right to execute and deliver, and to perform its obligations under this Agreement;

17.2.3 Seller has not incurred any liability to any financial advisor, broker or finder for any financial advisory, brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement for which Buyer or any of its Affiliates could be liable; and

17.2.4 neither the execution, delivery, nor performance of this Agreement, violates or will violate, results or will result in a breach of, or constitutes or will constitute a default under, any provision of Seller's organizational documents, any law, judgment, order, decree, rule, or regulation of any court, administrative agency, or other instrumentality of any Governmental Authority or of any other material agreement or instrument to which Seller is a party.

17.3 Business Practices

Each Party represents and warrants to the other, as of the Effective Date, that it has not taken any actions that would, if such actions were undertaken after the Effective Date, conflict with such Party's obligations under Section 26.3.

17.4 Common Facilities Agreements

17.4.1 Seller shall comply with each Common Facilities Agreement in accordance with its terms.

17.4.2 Seller shall:

- (a) not cancel or terminate any Common Facilities Agreement (or take any action that would have the same effect or cause the same) by reason of default, bankruptcy, dissolution or otherwise; and
- (b) not agree to enter into any amendment, modification or supplement to any provision of a Common Facilities Agreement (or take any action that would have the same effect or cause the same);

unless, in each case, Seller has provided notice thereof to Buyer and a copy of the instrument containing the proposed cancellation, termination, amendment, modification or supplement at least ten (10) Days prior to the effectiveness of such proposed cancellation, termination, amendment, modification or supplement (as the case may be) and has obtained the prior written consent of Buyer, such consent not to be unreasonably withheld; *provided that* Buyer shall be deemed to consent where such cancellation, termination, amendment, modification or supplement (as the case may be) does not and will not have a material adverse effect on (i) Buyer's rights under this Agreement and (ii) Seller's ability to timely perform its obligations under this Agreement.

18. Exchange of Information

The Parties shall maintain close communication and mutually provide and exchange available information directly relevant to the fulfillment of the terms and conditions of this Agreement, except to the extent (a) such information is of a commercially sensitive nature to the Party possessing it or (b) the Party possessing such information is restricted from disclosing it due to confidentiality obligations owed to a Third Party.

19. Confidentiality

19.1 Duty of Confidentiality

The (i) terms of this Agreement and (ii) any information disclosed by either Party to the other Party in connection with this Agreement which is not:

- (a) already known to the recipient from sources other than the other Party;
- (b) already in the public domain (other than as a result of a breach of the terms of this Section 19.1); or
- (c) independently developed by the recipient;

shall be “**Confidential Information**” and shall, unless otherwise agreed in writing by the disclosing Party, be kept confidential and shall not be used by the receiving Party other than for a purpose connected with this Agreement or, except as provided below, disclosed to Third Parties by the receiving Party.

19.2 Permitted Disclosures

19.2.1 The Confidential Information, which either Party receives from the other, may be disclosed by such Party:

- (a) to any Person who is such Party's legal counsel, other professional consultant or adviser, Transporter, insurer, accountant or construction contractor; *provided* that such disclosure is solely to assist the purpose for which such Person was so engaged;
- (b) if required and to the extent required by the rules of any recognized stock exchange or agency established in connection therewith upon which the securities of such Party or a company falling within Section 19.2.1(d) are quoted;
- (c) if required and to the extent required by any Applicable Laws, or such Party becomes legally required (by oral questions, interrogatories, request for information or documents, orders issued by any Governmental Authority or any other process) to disclose such information; *provided that* such Party shall, to the extent practicable, give prior notice to the other Party of the requirement and the terms thereof and shall cooperate with the other Party to minimize the disclosure of the information, seek a protective order or other

appropriate remedy, and if such protective order or other remedy is not obtained, then such Party will furnish only that portion of such information that it is legally required to furnish;

- (d) to any of its Affiliates or shareholders (or any company involved in the provision of advice to any such shareholder for the purposes of this Agreement) and any employee of that Party or of a company to which disclosure is permitted pursuant to this Section 19.2.1(d);
- (e) to any *bona fide* intended assignees of a Party's interests under this Agreement;
- (f) to any Third Party as reasonably necessary for the performance of a Party's obligations under this Agreement;
- (g) to any arbitrator appointed in accordance with Section 21.1.4, or Expert appointed pursuant to Section 21.2.1; or
- (h) to any Person reasonably required to see such Confidential Information, including the Lenders, in connection with any *bona fide* financing or offering or sale of securities by Seller or Buyer or any Affiliate of Seller or Buyer or any Affiliate of any of the shareholders of Seller or Buyer, to comply with the disclosure or other requirements of Applicable Law or of financial institutions or other participants (including rating agencies) in such financing, offering or sale.

19.2.2 The Party making the disclosure shall ensure that any Person listed in Section 19.2.1(a), (c), (d), (e), (f) or (g) to which it makes the disclosure (excluding legal counsel) undertakes to hold such Confidential Information subject to confidentiality obligations equivalent to those set out in Section 19.1. In the case of a disclosure to an employee made in accordance with Section 19.2.1(c), the undertaking shall be given by the company on its own behalf and in respect of all its employees.

19.2.3 Seller may disclose Confidential Information to its Foundation Customers related to scheduling, operations and other relevant technical information to comply with Seller's performance of Section 8, only to the extent necessary to ensure the effective implementation thereof.

19.2.4 No press release concerning the execution of this Agreement shall be issued unless agreed by the Parties.

19.3 Duration of Confidentiality

The foregoing obligations with regard to the Confidential Information shall remain in effect for three (3) years after this Agreement is terminated or expires.

20. Default and Termination

20.1 Termination Events

The following circumstances (each, a “**Termination Event**”) shall give rise to the right for either or both of Seller and Buyer (as the case may be) to terminate this Agreement:

- 20.1.1** in respect of (a) Seller, if a Bankruptcy Event has occurred with respect to Buyer; and (b) Buyer, if a Bankruptcy Event has occurred with respect to Seller;
- 20.1.2** in respect of either Party, if the other Party fails to pay or cause to be paid any amount or amounts due from it pursuant to the terms of this Agreement that, in the aggregate, are in excess of USD twenty million (USD 20,000,000), and such non-payment continues for a period of ten (10) Business Days or more following the due date of the relevant invoice;
- 20.1.3** in respect of either Party, a violation of Sections 17.3 or 26.3.1(ii) by the other Party;
- 20.1.4** in respect of either Party, in accordance with Section 2.2.5 of the Agreement;
- 20.1.5** in respect of Seller, if the Guaranty is not delivered to Seller in accordance with Section 15.3 or ceases to be in effect for a period exceeding ten (10) Business Days, and such failure is not cured by Buyer during such ten (10) Business Day period;
- 20.1.6** in respect of Buyer, if (a) Seller has declared Force Majeure with respect to a period that is either projected by Seller (having acted reasonably) to extend for twenty-four (24) Months or has in fact continued uninterrupted for twenty-four (24) Months, and (b) such Force Majeure is projected by Seller (having acted reasonably) to result in, or has in fact resulted in, a reduction in the annualized ACQ during such twenty-four (24) Month period that is otherwise available to Buyer equal to or greater than fifty percent (50%);
- 20.1.7** In respect of Seller, if Buyer or Guarantor fails to execute their respective Direct Agreement in accordance with Section 22.4.3(b);
- 20.1.8** in respect of Buyer, if (a) Seller has declared Force Majeure one or more times and the interruptions resulting from such Force Majeure events total in aggregate twenty-four (24) or more Months during any thirty-six (36) Month period and (b) such Force Majeure events have in fact resulted in a reduction in the annualized ACQ during such periods of Force Majeure that

is otherwise available to Buyer equal to or greater than fifty percent (50%);

- 20.1.9** in respect of Buyer, if (a) Buyer has declared Force Majeure with respect to (i) the withdrawal or expiration or failure to obtain any Approval of any Governmental Authority, or (ii) events of Force Majeure pursuant to Section 14.1.1(e)(ii); and (b) such Force Majeure event has continued for twenty-four (24) Months and has resulted in a reduction in the quantity of LNG that Buyer is able to take equal to or greater than fifty percent (50%) in the annualized ACQ during such twenty-four (24) Month period;
- 20.1.10** in respect of Buyer, if either Export Authorization has been withdrawn, revoked or expired, and such withdrawal, revocation or expiration does not constitute Force Majeure (as determined pursuant to Section 14.2.2);
- 20.1.11** in respect of Buyer, if (a) Seller fails to make available to Buyer two (2) or more consecutive cargoes with Scheduled Cargo Quantities totaling twelve percent (12%) or more of the then-applicable ACQ and that Seller was otherwise obligated pursuant to this Agreement to make available for delivery to Buyer; or (b) Seller fails to make available to Buyer during any twelve (12) Month period two (2) or more cargoes with Scheduled Cargo Quantities totaling thirty-five percent (35%) or more of the then-applicable ACQ and that Seller was otherwise obligated pursuant to this Agreement to make available for delivery to Buyer;
- 20.1.12** in respect of Buyer, pursuant to the terms of Section 4.3.2;
- 20.1.13** in respect of Seller, violation of Section 26.1 by Buyer;
- 20.1.14** in respect of Seller, violation of Section 26.2 by Buyer; and
- 20.1.15** in respect of Buyer, Seller Aggregate Liability has reached or exceeded the Seller Liability Cap.

20.2 Termination

- 20.2.1** Notice of Termination. Upon the occurrence of any Termination Event, subject to Section 20.2.5, the Party which has the right under Section 20.1 to terminate this Agreement (“**Terminating Party**”) may give notice thereof to the other Party, specifying in reasonable detail the nature of such Termination Event (except that no additional notice is required with respect to a Termination Event identified in Section 20.1.4 for which notice of termination has been provided in accordance with Section 2.2.5 and except that any termination notice with respect to a Termination Event identified in Section 20.1.11 shall only be valid if notice thereof is provided within ninety (90) Days after such Termination Event first arose).

- 20.2.2** Timing. Except with respect to the Termination Events described in Section 20.2.3, at any time after the expiry of a period of thirty (30) Days (or twenty (20) Days with respect to a Termination Event described in Section 20.1.2) after the Terminating Party gave notice of a Termination Event pursuant to Section 20.2.1, unless the circumstances constituting the Termination Event have been fully remedied or have ceased to apply, the Terminating Party may terminate this Agreement with immediate effect by giving notice of such termination to the other Party.
- 20.2.3** Certain Events. Upon the occurrence of a Termination Event described in Sections 20.1.1, 20.1.3, 20.1.5, 20.1.6, 20.1.7, 20.1.8, 20.1.9, 20.1.11, 20.1.13, 20.1.14 or 20.1.15, the Terminating Party's notice pursuant to Section 20.2.1 shall terminate this Agreement immediately.
- 20.2.4** Rights Accrued Prior to Termination. Termination of this Agreement shall be without prejudice to the rights and liabilities of the Parties accrued prior to or as a result of such termination or claims for breaches of Section 19 that occur during the three (3) year period after termination of this Agreement.
- 20.2.5** Limits to Termination. Neither Seller nor Buyer, respectively, may terminate this Agreement if the Termination Event occurs solely because of a breach by the non-terminating Party arising from events for which that non-terminating Party would otherwise be entitled to terminate this Agreement.

20.3 Survival

The following provisions shall survive expiration or termination of this Agreement: Sections 1, 2.2.5, 10, 11, 13.8.2, 15, 19 (to the extent provided therein), and 21 to 26, in addition to this Section 20.3.

21. Dispute Resolution and Governing Law

21.1 Dispute Resolution

- 21.1.1** Arbitration. Any Dispute (other than a Dispute submitted to an Expert under Section 21.2.1) shall be exclusively and definitively resolved through final and binding arbitration, it being the intention of the Parties that this is a broad form arbitration agreement designed to encompass all possible claims and disputes under this Agreement.
- 21.1.2** Rules. The arbitration shall be conducted in accordance with the International Arbitration Rules (the “**Rules**”) of the American Arbitration Association (“**AAA**”) (as then in effect).

- 21.1.3** Number of Arbitrators. The arbitral tribunal shall consist of three (3) arbitrators, who shall endeavor to complete the final hearing in the arbitration within six (6) Months after the appointment of the last arbitrator.
- 21.1.4** Method of Appointment of the Arbitrators. If there are only two (2) parties to the Dispute, then each party to the Dispute shall appoint one (1) arbitrator within thirty (30) Days of the filing of the arbitration, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) Days after the latter of the two arbitrators has been appointed by the parties to the Dispute. If a party to the Dispute fails to appoint its party-appointed arbitrator or if the two party-appointed arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the AAA shall serve as the appointing authority and shall appoint the remainder of the three arbitrators not yet appointed. If the arbitration is to be conducted by three arbitrators and there are more than two parties to the Dispute, then within thirty (30) Days of the filing of the arbitration, all claimants shall jointly appoint one arbitrator and all respondents shall jointly appoint one arbitrator, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) Days after the latter of the two arbitrators has been appointed by the parties to the Dispute. For the purposes of appointing arbitrators under this Section 21, (a) Buyer, Guarantor and all persons whose interest in this Agreement derives from them shall be considered as one party; and (b) Seller and all persons whose interest in this Agreement derives from Seller shall be considered as one party. If either all claimants or all respondents fail to make a joint appointment of an arbitrator, or if the party-appointed arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the AAA as the appointing authority shall make the prescribed appointment.
- 21.1.5** Consolidation. If the Parties initiate multiple arbitration proceedings under this Agreement and/or under the Guaranty, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then either Party may request prior to the appointment of the arbitrators for such multiple or subsequent Disputes that all such proceedings be consolidated into a single arbitral proceeding. Such request shall be directed to the AAA, which shall consolidate appropriate proceedings into a single proceeding unless consolidation would result in undue delay for the arbitration of the Disputes.
- 21.1.6** Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be Houston, Texas.
- 21.1.7** Language. The arbitration proceedings shall be conducted in the English language, and the arbitrators shall be fluent in the English language.

- 21.1.8** Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced by any court of competent jurisdiction. The Parties agree that service of process for any action to enforce an award may be accomplished according to the procedures of Section 25, as well as any other procedure authorized by law.
- 21.1.9** Notice. All notices required for any arbitration proceeding shall be deemed properly given if given in accordance with Section 25.
- 21.1.10** Qualifications and Conduct of the Arbitrators. All arbitrators shall be and remain at all times wholly impartial, and, once appointed, no arbitrator shall have any ex parte communications with any of the parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, where applicable.
- 21.1.11** Interim Measures. Any party to the Dispute may apply to a court in Harris County, Texas for interim measures (a) prior to the constitution of the arbitral tribunal (and thereafter as necessary to enforce the arbitral tribunal's rulings); or (b) in the absence of the jurisdiction of the arbitral tribunal to rule on interim measures in a given jurisdiction. The Parties agree that seeking and obtaining such interim measures shall not waive the right to arbitration. The arbitrators (or in an emergency the presiding arbitrator acting alone in the event one or more of the other arbitrators is unable to be involved in a timely fashion) may grant interim measures including injunctions, attachments and conservation orders in appropriate circumstances, which measures may be immediately enforced by court order. Hearings on requests for interim measures may be held in person, by telephone, by video conference or by other means that permit the parties to the Dispute to present evidence and arguments.
- 21.1.12** Costs and Attorneys' Fees. The arbitral tribunal is authorized to award costs of the arbitration in its award, including: (a) the fees and expenses of the arbitrators; (b) the costs of assistance required by the tribunal, including its Experts; (c) the fees and expenses of the administrator; (d) the reasonable costs for legal representation of a successful Party; and (e) any such costs incurred in connection with an application for interim or emergency relief and to allocate those costs between the parties to the Dispute. The costs of the arbitration proceedings, including attorneys' fees, shall be borne in the manner determined by the arbitral tribunal.
- 21.1.13** Interest. The award shall include pre-award and post-award interest, as determined by the arbitral award, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. Interest shall accrue at a rate per annum equal to two percent (2%) above LIBOR (as in effect on the Day such award was issued) on and from the Day when such award was

issued until the date of its repayment, provided that, without prejudice to the other terms of this Agreement, if such period lasts longer than ninety (90) Days, the applicable LIBOR rate for each successive term of ninety (90) Days during that period shall be that in effect on the first Day of that ninety (90) Day period. Interest shall accrue from Day to Day and be calculated on the basis of a three hundred sixty (360) Day year.

21.1.14 Currency of Award. The arbitral award shall be made and payable in USD, free of any tax or other deduction.

21.1.15 Waiver of Challenge to Decision or Award. To the extent permitted by law, the Parties hereby waive any right to appeal from or challenge any arbitral decision or award, or to oppose enforcement of any such decision or award before a court or any governmental authority, except with respect to the limited grounds for modification or non-enforcement provided by any applicable arbitration statute or treaty.

21.1.16 Confidentiality. Any arbitration or expert determination relating to a Dispute (including a settlement resulting from an arbitral award, documents exchanged or produced during an arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) shall be confidential and may not be disclosed by the Parties, their employees, officers, directors, counsel, consultants, and expert witnesses, except (in accordance with Section 19) to the extent necessary to enforce this Section 21.1.16 or any arbitration award, to enforce other rights of a party to the Dispute, or as required by law; *provided, however*, that breach of this confidentiality provision shall not void any settlement, expert determination or award.

21.2 Expert Determination

21.2.1 General. In the event of any disagreement between the Parties regarding a measurement under Exhibit A hereto or any other Dispute which the Parties agree to submit to an Expert (in either case, a “**Measurement Dispute**”), the Parties hereby agree that such Measurement Dispute shall be resolved by an Expert selected as provided in this Section 21.2.1. The Expert is not an arbitrator of the Measurement Dispute and shall not be deemed to be acting in an arbitral capacity. The Party desiring an expert determination shall give the other Party to the Measurement Dispute notice of the request for such determination. If the Parties to the Measurement Dispute are unable to agree upon an Expert within ten (10) Days after receipt of the notice of request for an expert determination, then, upon the request of any of the Parties to the Measurement Dispute, the International Centre for Expertise of the International Chamber of Commerce (“**ICC**”) shall appoint such Expert and shall administer such expert determination through the ICC's Rules for Expertise. The Expert shall be and remain at all times wholly impartial, and, once appointed, the Expert shall have no ex parte communications with any of the Parties to the Measurement Dispute concerning the expert

determination or the underlying Measurement Dispute. The Parties to the Measurement Dispute shall cooperate fully in the expeditious conduct of such expert determination and provide the Expert with access to all facilities, books, records, documents, information and personnel necessary to make a fully informed decision in an expeditious manner. Before issuing a final decision, the Expert shall issue a draft report and allow the Parties to the Measurement Dispute to comment on it. The Expert shall endeavor to resolve the Measurement Dispute within thirty (30) Days (but no later than sixty (60) Days) after his appointment, taking into account the circumstances requiring an expeditious resolution of the matter in dispute.

21.2.2 Final and Binding. The Expert's decision shall be final and binding on the Parties to the Measurement Dispute unless challenged in an arbitration pursuant to Section 21.1 within thirty (30) Days of the date the Expert's decision. If challenged, (a) the decision shall remain binding and be implemented unless and until finally replaced by an award of the arbitrators; (b) the decision shall be entitled to a rebuttable presumption of correctness; and (c) the Expert shall not be appointed in the arbitration as an arbitrator or as advisor to either Party without the written consent of both Parties.

21.2.3 Arbitration of Expert Determination. In the event that a Party requests expert determination for a Measurement Dispute which raises issues that require determination of other matters in addition to correct measurement under Exhibit A hereto, then either Party may elect to refer the entire Measurement Dispute for arbitration under Section 21.1.1. In such case, the arbitrators shall be competent to make any measurement determination that is part of a Dispute. An expert determination not referred to arbitration shall proceed and shall not be stayed during the pendency of an arbitration.

21.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York (United States of America) without regard to principles of conflict of laws that would specify the use of other laws.

21.4 Immunity

21.4.1 Each Party, as to itself and its assets, hereby irrevocably, unconditionally, knowingly and intentionally waives any right of immunity (sovereign or otherwise) and agrees not to claim, or assert any immunity with respect to the matters covered by this Agreement in any arbitration, Expert proceeding, or other action with respect to this Agreement, whether arising by statute or otherwise, that it may have or may subsequently acquire, including rights under the doctrines of sovereign immunity and act of state, immunity from legal process (including service of process or notice, pre-judgment or pre-award attachment, attachment in aid of execution, or otherwise), immunity from jurisdiction or judgment of any court, arbitrator, Expert or tribunal

(including any objection or claim on the basis of inconvenient forum), and immunity from enforcement or execution of any award or judgment or any other remedy.

21.4.2 Each Party irrevocably, unconditionally, knowingly and intentionally:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute private and commercial acts rather than public or governmental acts;
- (b) consents in respect of the enforcement of any judgment against it in any such proceedings in any jurisdiction and to the giving of any relief or the issue of any process in connection with such proceeding (including the making, enforcement or execution of any such judgment or any order arising out of any such judgment against or in respect of any property whatsoever irrespective of its use or intended use).

22. Assignments

22.1 Merger, Consolidation, Acquisition

This Agreement shall be binding upon and inure to the benefit of any successor to each of Seller and Buyer by merger, consolidation or acquisition, provided in the case of Buyer, the Guaranty remains in place or is replaced with a similar guaranty approved by Seller (acting reasonably).

22.2 Assignment by Buyer

22.2.1 Prior Written Consent. Buyer may novate or assign this Agreement in its entirety, for the remainder of the Term, upon the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed), provided that:

- (a) the assignee has provided a guaranty to Seller (in the form attached hereto as Exhibit C) from a Guarantor; and
- (b) such assignee assumes all of the obligations of Buyer under this Agreement commencing as of the date of the assignment by execution of a copy of this Agreement in its own name (countersigned by Seller) or by execution of a binding assignment and assumption agreement which is enforceable by Seller.

22.2.2 Without Prior Consent. Buyer may novate or assign this Agreement in its entirety, for the remainder of the Term, without Seller's prior consent, to an Affiliate of Buyer, provided that:

- (a) following the effective date of such assignment, Buyer's Guaranty remains in full force and effect in respect of the Affiliate assignee's

obligations hereunder and Seller has received confirmation in respect thereof from the provider of such Guaranty;

- (b) such Affiliate assignee assumes all of the obligations of Buyer under this Agreement commencing as of the date of the assignment by execution of a copy of this Agreement in its own name (countersigned by Seller) or by execution of a binding assignment and assumption agreement which is enforceable by Seller; and
- (c) performance of this Agreement by Seller with such Affiliate assignee would comply with all Applicable Laws.

22.2.3 Further Obligations. Upon an assignment in whole by Buyer in accordance with this Section 22.2, Buyer shall be released from all further obligation, duty or liability under this Agreement, other than any obligation, duty, or liability arising prior to the date of effectiveness of such assignment.

22.3 Assignments by Seller

22.3.1 Prior Written Consent. Seller may novate or assign this Agreement in its entirety, for the remainder of the Term, upon the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), provided that:

- (a) each of the Common Facilities Agreements are novated or assigned to such assignee such that assignee has obtained all of Seller's rights under the Common Facilities Agreements for the remainder of the Term and such assignee has assumed all of the obligations of Seller under the Common Facilities Agreements as of the date of the assignment; and
- (b) the assignee assumes all of the obligations of Seller under this Agreement commencing as of the date of the assignment by execution of a copy of this Agreement in its own name (countersigned by Buyer) or by execution of a binding assignment and assumption agreement which is enforceable by Buyer;

provided, however, Buyer shall be deemed to consent to such assignment of this Agreement if (i) the assignee is an Affiliate of Seller, will be the sole owner of the Sabine Liquefaction Facility and will have all Approvals and export authorizations equivalent to the Export Authorizations to the extent needed to perform Seller's role under this Agreement, and (ii) the requirements of (a) and (b) above are satisfied.

22.3.2 Pursuant to Direct Agreement. At any time that an event of default has occurred and is continuing under any loan agreements to which Seller is a party, Seller may novate or assign this Agreement in its entirety, for the remainder of the Term, to the extent that Buyer has so consented in the Direct Agreement.

22.3.3 Further Obligations. Upon an assignment by Seller, in accordance with this Section 22.3, Seller shall be released to the extent of such assignment from all further obligation, duty or liability under this Agreement other than any obligation, duty or liability arising prior to the date of effectiveness of such assignment.

22.4 Seller Financing

22.4.1 Lender Financing. Seller shall have the right to obtain financing from Lenders. In connection with any financing or refinancing of the Sabine Liquefaction Facility, Buyer, shall, if so requested by Seller, deliver to Seller's Lenders or the agent acting on behalf of any such Lenders ("**Lenders' Agent**") certified copies of its corporate charter and by-laws, resolutions, incumbency certificates, financial statements, and such other items as such Lenders or Lenders' Agent may reasonably request, as such items may be available.

22.4.2 Assignment as Security. Buyer further acknowledges and agrees that Seller may assign, transfer, or otherwise encumber, all or any of its rights, benefits and obligations under this Agreement or the Guaranty, as the case may be, to such Lenders or Lenders' Agent as security for its obligations to Lenders.

22.4.3 Direct Agreement with Lenders.

- (a) Upon Lenders' or Lenders' Agent's request and at Seller's direction, Buyer shall, and shall cause Guarantor to, negotiate in good faith with Lenders or Lenders' Agent direct agreements that (i) provide for Buyer's and Guarantor's consent to the assignment and transfer of Seller's rights, benefits and obligations to a nominee of Lenders, (ii) contain undertakings that are normal and customary in project financings for LNG projects and (iii) contain such further undertakings protecting Buyer's and Guarantor's rights, benefits and remedies under this Agreement and the Guaranty, respectively, as are acceptable to Buyer and Guarantor (each, a "**Direct Agreement**").

- (b) During the first thirty (30) Days after the Effective Date, the Parties shall cooperate to develop a mutually acceptable draft of a Direct Agreement to present to Lenders. Thereafter, if:
 - (i) Lenders or Lenders' Agent make a request under Section 22.4.3(a) prior to the CP Fulfillment Date and such request is accompanied by a form of Direct Agreement consistent with the provisions of Section 22.4.3(a) and that is capable of being accepted and executed by Buyer or Guarantor (as applicable);
 - (ii) neither Buyer nor Guarantor has executed a Direct Agreement with Lenders or Lenders' Agent on or prior to the date that is seventy (70) Days from the date of such request;
 - (iii) all of the Conditions Precedent would be satisfied or waived but for the failure of Buyer or Guarantor, as applicable, to execute such Direct Agreement; and
 - (iv) Lenders or Lenders' Agent have offered to Buyer or Guarantor, as applicable, terms and conditions in a Direct Agreement that are no less favorable than the terms and conditions offered, if any, to any other Foundation Customer;

then Seller may terminate this Agreement in accordance with Section 20.1.7; *provided* that such termination shall not be effective if, within five (5) Days of Seller's notice of termination, Buyer or Guarantor (as applicable) notifies Seller in writing that it is prepared unconditionally to execute a Direct Agreement in a form previously tendered for execution to Buyer or Guarantor (as applicable) by Lenders or Lenders' Agent prior to Seller's notice of termination and then promptly proceeds to execute such Direct Agreement.

- (c) At any time after the CP Fulfillment Date and if requested by Seller, Buyer shall, and shall cause Guarantor to, use reasonable efforts to execute a Direct Agreement in respect of any Seller's bona-fide financing or refinancing in respect of the Sabine Liquefaction Facility.
- (d) If Buyer or Guarantor has previously executed a Direct Agreement in respect of any Seller's bona-fide financing of the Sabine Liquefaction Facility, then Buyer or Guarantor, as applicable, will agree to execute a Direct Agreement in substantively the same form as such previously executed Direct Agreement in respect of any bona-fide financing or refinancing in respect of the Sabine Liquefaction Facility.

**23. Contract
Language**

This Agreement, together with the Schedules and the Exhibits hereto, shall be made and originals executed in the English language. In case of any difference in meaning between the English language original version and any translation thereof, the English language original version shall be applicable.

24. Miscellaneous

**24.1 Disclaimer of
Agency**

This Agreement does not appoint either Party as the agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or responsibility on behalf of or in the name of the other Party.

**24.2 Entire
Agreement**

This Agreement, together with the Schedules and Exhibits hereto, constitutes the entire agreement between the Parties and includes all promises and representations, express or implied, and supersedes all other prior agreements and representations, written or oral, between the Parties relating to the subject matter. Anything that is not contained or expressly incorporated by reference in this instrument, is not part of this Agreement.

**24.3 Third Party
Beneficiaries**

The Parties do not intend any term of this Agreement to be for the benefit of, or enforceable by, any Third Party except as expressly provided in Section 7.7. The Parties may rescind or vary this Agreement, in whole or in part, without the consent of any Third Party, including those Third Parties referred to under Section 7.7, even if as a result such Third Party's rights to enforce a term of this Agreement will be varied or extinguished.

**24.4 Amendments and
Waiver**

This Agreement may not be supplemented, amended, modified or changed except by an instrument in writing signed by Seller and Buyer and expressed to be a supplement, amendment, modification or change to this Agreement. A Party shall not be deemed to have waived any right or remedy under this Agreement by reason of such Party's failure to enforce such right or remedy.

24.5 Exclusion

The United Nations Convention on Contracts for the International Sale of Goods (and the Convention on the Limitation Period in the International Sale of Goods) shall not apply to this Agreement and the respective rights and obligations of the Parties hereunder.

25. Notices

25.1 Form of Notice

25.1.1 Except as expressly set forth herein, any notice, invoice or other communication from one of the Parties to the other Party (or, where contemplated in this Agreement, from or to the Transporter or the master of the LNG Tanker), which is required or permitted to be made by the provisions of this Agreement shall be:

- (a) made in the English language;
- (b) made in writing;
- (c) (i) delivered by hand or sent by courier to the address of the other Party which is shown below or to such other address as the other Party shall by notice require or; (ii) be sent by facsimile to the facsimile number of the other Party which is shown below or to such other facsimile number as the other Party shall by notice require or; (iii) with respect to any notice, invoice or other communication to be sent pursuant to Sections 7, 8 or 12 (or others as may be agreed by the Parties), be sent by electronic mail to the e-mail address of the other Party which is show below or to such other e-mail address as the other Party shall by notice require; and
- (d) marked for the attention of the Person(s) there referred to or to such other Person(s) as the other Party shall by notice require.

25.1.2 The addresses of the Parties for service of notices are as follows:

Seller: Sabine Pass Liquefaction, LLC
700 Milam Street
Suite 800
Houston, TX 77002
Telephone: (713) 375-5121
Fax: (713) 375-6121
E-mail: Customer.Coordination@Cheniere.com

Attention: Commercial Operations

Buyer: BG Gulf Coast LNG, LLC

811 Main Street
Suite 3400
Houston, TX 77002
Tel: (713) 599-4000
Fax: (713) 599-3781
E-mail: LNGContracts.Houston@bg-group.com

Attention: Chief Counsel

25.2 Effective Time of Notice

25.2.1 Any notice, invoice or other communication made by one Party to the other Party in accordance with the foregoing provisions of this Section 25 shall be deemed to be received by the other Party if delivered by hand or by courier, on the Day on which it is received at that Party's address or, if sent by facsimile or electronic mail, on the next Day on which the office of the receiving Party is normally open for business following the Day on which it is received in a legible form at the address to which it is properly addressed. The foregoing shall not apply to notices or communications sent by facsimile or electronic mail under Sections 7.9.2, 7.9.3, and 7.10, which shall be deemed effective at the time transmitted to the facsimile number shown above or such other number or electronic mail address previously notified by the receiving Party.

25.2.2 Without limiting the meaning of the word "received" for the purpose of the preceding paragraph, a notice which is delivered by hand or by courier shall be deemed to have been received at a Party's address if it is placed in any receptacle normally used for the delivery of post to the address of that Party.

25.2.3 Any notice given by facsimile or electronic mail shall be subsequently confirmed by letter, unless otherwise agreed, but without prejudice to the validity of the original notice. The foregoing shall not apply to notices sent by facsimile or electronic mail under Sections 7 or 8.

26. Business Practices

26.1 Trade Law Compliance.

Buyer acknowledges and agrees that it will resell or transfer LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph D of DOE/FE Order No. 2961, issued May 20, 2011 in FE Docket No. 10-111-LNG and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Buyer further commits to cause a report to be provided to Seller that identifies the country of destination, upon delivery, into which the exported LNG was actually delivered during each prior Month, and to include in any resale contract for such LNG the necessary conditions to insure that Seller is made aware of all such actual destination countries. Alternatively, if Buyer resells or transfers LNG purchased hereunder to countries identified in Ordering Paragraph

B of DOE/FE Order No. 2833, issued September 7, 2010 in FE Docket No. 10-85-LNG, Buyer acknowledges and agrees that it may resell or transfer LNG purchased hereunder for delivery only to the countries identified in Ordering Paragraph B of such Order and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Buyer represents and warrants that the final delivery of LNG received pursuant to the terms of this Agreement are permitted and lawful under United States of America laws and policies, including the rules, regulations, orders, policies, and other determinations of the United States Department of Energy, the Office of Foreign Assets Control of the United States Department of the Treasury and the Federal Energy Regulatory Commission, and Buyer shall not take any action which would cause any Export Authorization to be withdrawn, revoked or not renewed. Buyer shall promptly provide to Seller all information required by Seller and SPLNG to comply with the Orders described in this Section 26.1 and shall provide the delivery destination report (as described in this Section 26.1) for all LNG sold hereunder to Seller and SPLNG not later than the fifteenth (15th) Day of the Month following the Month in which any relevant LNG is delivered to the country of destination. In addition to the information required in the first sentence of this Section 26.1, such delivery destination report for each LNG shall contain any other information required by the Export Authorization.

26.2 Use of LNG

At all times during the Term, Buyer shall, with respect to all LNG delivered by Seller to Buyer pursuant to this Agreement resell such LNG to other Persons provided that the transfer by Buyer to a Transporter of gas that boils off from a cargo in transit from the Delivery Point shall be considered to be a sale.

26.3 Prohibited Practices

26.3.1 Each Party agrees that in connection with this Agreement and the activities contemplated herein, it will take no action, or omit to take any action, which would (i) violate any Applicable Law applicable to that Party, or (ii) cause the other Party to be in violation of any Applicable Law applicable to such other Party, including the U.S. Foreign Corrupt Practices Act, the OECD convention on anti-bribery, the U.K. Bribery Act of 2010, E.U. and E.U. member country anti-bribery and corruption laws, and corruption or any similar statute, regulation, order or convention binding on such other Party, as each may be amended from time to time, and including any implementing regulations promulgated pursuant thereto.

26.3.2 Without limiting Section 26.3.1, each Party agrees on behalf of itself, its directors, officers, employees, agents, contractors, and Affiliates, not to pay any fees, commissions or rebates to any employee, officer or agent of the other Party or its Affiliates or shareholders nor provide or cause to be provided to any of them any gifts or entertainment of significant cost or value in order to influence or induce any actions or inactions in connection with the

commercial activities of the Parties hereunder.

**26.4 Records;
Audit**

Each Party shall keep all records necessary to confirm compliance with Sections 26.1, 26.2, 26.3.1(ii), and 26.3.2 for a period of five (5) years following the year for which such records apply. If either Party asserts that the other Party is not in compliance with Sections 26.1, , 26.2, 26.3.1(ii), or 26.3.2, the Party asserting noncompliance shall send a notice to the other Party indicating the type of noncompliance asserted. After giving such notice, the Party asserting noncompliance may cause an Independent Auditor to audit the records of the other Party in respect of the asserted noncompliance. The costs of any Independent Auditor under this Section 26.4 shall be paid (i) by the Party being

audited, if such Party is determined not to be in compliance with Sections 26.1, 26.2, 26.3.1(ii) or 26.3.2, as applicable, and (ii) by the Party requesting the audit, if the Party being audited is determined to be in compliance with Sections 26.1, 26.2, 26.3.1(ii), or 26.3.2, as applicable.

26.5 Indemnity

Each Party agrees to indemnify the other Party for any Losses arising out of the indemnifying Party's breach of any or all of Section 26.1, Section 26.3, or Section 26.4 or the breach of the representation and warranty in Section 17.3.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SELLER:

SABINE PASS LIQUEFACTION, LLC

/s/ H. Davis Thames

Name: H. Davis Thames
Title: Executive Vice President

BUYER:

BG GULF COAST LNG, LLC

/s/ Elizabeth Spomer

Name: Elizabeth Spomer
Title: President

Exhibit A

Measurement

1. Parties to Supply Devices

- a) General. Unless otherwise agreed, Buyer and Seller shall supply equipment and conform to procedures that are in accordance with the latest version of the standards referred to in this document.
- b) Buyer Devices. Buyer or Buyer's agent shall supply, operate and maintain, or cause to be supplied, operated and maintained, suitable gauging devices for the liquid level in LNG tanks of the LNG Tankers, pressure and temperature measuring devices, and any other measurement or testing devices which are incorporated in the structure of LNG vessels or customarily maintained on board ship.
- c) Seller Devices. Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, devices required for collecting samples and for determining quality and composition of the LNG and any other measurement or testing devices which are necessary to perform the measurement and testing required hereunder at the Sabine Pass Facility.
- d) Dispute. Any Dispute arising under this Exhibit A shall be submitted to an Expert under Section 21.2 of this Agreement.

2. Selection of Devices

All devices provided for in this Exhibit A shall be approved by Seller, acting as a Reasonable and Prudent Operator. The required degree of accuracy (which shall in any case be within the permissible tolerances defined herein and in the applicable standards referenced herein) of such devices selected shall be mutually agreed upon by Buyer and Seller. In advance of the use of any device, the Party providing such device shall cause tests to be carried out to verify that such device has the required degree of accuracy.

3. Verification of Accuracy and Correction for Error

- a) Accuracy. Accuracy of devices used shall be tested and verified at the request of either Party, including the request by a Party to verify accuracy of its own devices. Each Party shall have the right to inspect at any time the measurement devices installed by the other Party, provided that the other Party is notified in advance. Testing shall be performed only when both Parties are represented, or have received adequate advance notice thereof, using methods recommended by the manufacturer or any other method agreed to by Seller and Buyer. At the request of any Party hereto, any test shall be witnessed and verified by an independent surveyor mutually agreed upon by Buyer and Seller. Permissible tolerances shall be as defined herein or as defined in the applicable standards referenced herein.
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b) Inaccuracy. Inaccuracy of a device exceeding the permissible tolerances shall require correction of previous recordings, and computations made on the basis of those recordings, to zero error with respect to any period which is definitely known or agreed upon by the Parties as well as adjustment of the device. All invoices issued during such period shall be amended accordingly to reflect such correction, and an adjustment in payment shall be made between Buyer and Seller. If the period of error is neither known nor agreed upon, and there is no evidence as to the duration of such period of error, corrections shall be made and invoices amended for each delivery of LNG made during the last half of the period since the date of the most recent calibration of the inaccurate device. However, the provisions of this Paragraph 3 shall not be applied to require the modification of any invoice that has become final pursuant to Section 10.3.2 of this Agreement.

c) Costs and Expenses of Test Verification. All costs and expenses for testing and verifying Seller's measurement devices shall be borne by Seller, and all costs and expenses for testing and verifying Buyer's measurement devices shall be borne by Buyer. The fees and charges of independent surveyors for measurements and calculations shall be borne by the Parties in accordance with Section 13.11.3 of this Agreement.

4. Tank Gauge Tables of LNG Tankers

a) Initial Calibration. Buyer shall arrange or caused to be arranged, for each tank of each LNG Tanker, a calibration of volume against tank level. Buyer shall provide Seller or its designee, or cause Seller or its designee to be provided, with a certified copy of tank gauge tables for each tank of each LNG Tanker verified by a competent impartial authority or authorities mutually agreed upon by the Parties. Such tables shall include correction tables for list, trim, tank contraction and any other items requiring such tables for accuracy of gauging.

Tank gauge tables prepared pursuant to the above shall indicate volumes in cubic meters expressed to the nearest thousandth (1/1000), with LNG tank depths expressed in meters to the nearest hundredth (1/100).

b) Presence of Representatives. Seller and Buyer shall each have the right to have representatives present at the time each LNG tank on each LNG Tanker is volumetrically calibrated.

c) Recalibration. If the LNG tanks of any LNG Tanker suffer distortion of such nature as to create a reasonable doubt regarding the validity of the tank gauge tables described herein (or any subsequent calibration provided for herein), Buyer or Buyer's agent shall recalibrate the damaged tanks, and the vessel shall not be employed as an LNG Tanker hereunder until appropriate corrections are made. If mutually agreed between Buyer and Seller representatives, recalibration of damaged tanks can be deferred until the next time when such damaged tanks are warmed for any reason, and any corrections to the prior tank gauge tables will be made from the time the distortion occurred. If the time of the distortion cannot be ascertained, the Parties shall mutually agree on the time period for retrospective adjustments.

5. Units of Measurement and Calibration

The Parties shall co-operate in the design, selection and acquisition of devices to be used for measurements and tests in order that all measurements and tests may be conducted in the SI system of units, except for the quantity delivered which is expressed in MMBtu, the Gross Heating Value (volume based) which is expressed in Btu/SCF and the pressure which is expressed in millibar and temperature in Celsius. In the event that it becomes necessary to make measurements and tests using a new system of units of measurements, the Parties shall establish agreed upon conversion tables.

6. Accuracy of Measurement

All measuring equipment must be maintained, calibrated and tested in accordance with the manufacturer's recommendations. In the absence of a manufacturer's recommendation, the minimum frequency of calibration shall be one hundred eighty (180) days, unless otherwise mutually agreed between the Parties. Documentation of all tests and calibrations will be made available by the Party performing the same to the other Party. Acceptable accuracy and performance tolerances shall be:

a) Liquid Level Gauging Devices.

Each LNG tank of the LNG Tanker shall be equipped with primary and secondary liquid level gauging devices as per Paragraph 7(b) of this Exhibit A.

The measurement accuracy of the primary gauging devices shall be plus or minus seven point five (± 7.5) millimeters and the secondary liquid level gauging devices shall be plus or minus ten (± 10) millimeters.

The liquid level in each LNG tank shall be logged or printed.

b) Temperature Gauging Devices.

The temperature of the LNG and of the vapor space in each LNG tank shall be measured by means of a number of properly located temperature measuring devices sufficient to permit the determination of average temperature.

The measurement accuracy of the temperature gauging devices shall be as follows:

(i) in the temperature range of minus one hundred sixty five to minus one hundred forty degree Celsius (-165°C to -140°C), the accuracy shall be plus or minus zero point two degree Celsius ($\pm 0.2^{\circ}\text{C}$);

(ii) in the temperature range of minus one hundred forty to plus forty degree Celsius (-140°C to $+40^{\circ}\text{C}$), the accuracy shall be plus or minus one point five degree Celsius ($\pm 1.5^{\circ}\text{C}$).

The temperature in each LNG tank shall be logged or printed.

c) Pressure Gauging Devices.

Each LNG tank of the LNG Tanker shall have one (1) absolute pressure gauging device.

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

The pressure in each LNG tank shall be logged or printed.

d) List and Trim Gauging Devices.

A list gauging device and a trim gauging device shall be installed. These shall be interfaced with the custody transfer system.

The measurement accuracy of the list and the trim gauging devices shall be better than plus or minus zero point zero five (± 0.05) degrees for list and plus or minus zero point zero one (± 0.01) degrees for trim.

7. Gauging and Measuring LNG Volumes Delivered

a) Gauge Tables. Upon Seller's representative and the independent surveyor, if present, arriving on board the LNG Tanker prior to the commencement of or during loading, Buyer or Buyer's representative shall make available to them a certified copy of tank gauge tables for each tank of the LNG Tanker.

b) Gauges. Volumes of LNG delivered pursuant to this Agreement shall be determined by gauging the LNG in the tanks of the LNG Tankers before and after loading. Each LNG Tanker's tank shall be equipped with a minimum of two (2) independent sets of level gauges, each set utilizing preferably a different measurement principle. Comparison of the two (2) systems, designated as Primary and Secondary Measurement Systems, shall be performed from time to time to ensure compliance with the acceptable performance tolerances stated herein.

c) Gauging Process. Gauging the liquid in the tanks of the LNG Tankers and measuring of liquid temperature, vapor temperature and vapor pressure in each LNG tank, trim and list of the LNG Tankers, and atmospheric pressure shall be performed, or caused to be performed, by Buyer before and after loading. Seller's representative shall have the right to be present while all measurements are performed and shall verify the accuracy and acceptability of all such measurements. The first gauging and measurements shall be made immediately before the commencement of loading. The second gauging and measurements shall take place immediately after the completion of loading.

d) Records. Copies of gauging and measurement records shall be furnished to Seller immediately upon completion of loading.

e) Gauging Liquid Level of LNG. The level of the LNG in each LNG tank of the LNG Tanker shall be gauged by means of the primary gauging device installed in the LNG Tanker for that purpose. The level of the LNG in each tank shall be logged or printed.

Measurement of the liquid level in each LNG tank of the LNG Tanker shall be made to the nearest millimeter by using the primary liquid level gauging devices. Should the primary devices fail, the secondary device shall be used.

Five (5) readings shall be made following manufacturer's recommendations on reading interval. The arithmetic average of the readings rounded to the nearest millimeter using one (1) decimal place shall be deemed the liquid level.

f) Determination of Temperature. The temperature of the LNG and of the vapor space in each LNG tank shall be measured by means of a sufficient number of properly located temperature measuring devices to permit the determination of average temperature. Temperatures shall be measured at the same time as the liquid level measurements and shall be logged or printed.

In order to determine the temperature of liquid and vapor respectively in the LNG Tanker one (1) reading shall be taken at each temperature gauging device in each LNG tank. An arithmetic average of such readings rounded to the nearest zero point one degree Celsius (0.1 °C) using two (2) decimal places with respect to vapor and liquid in all LNG tanks shall be deemed the final temperature of the vapor and liquid respectively.

Buyer shall cause each cargo tank in the LNG Tanker to be provided with a minimum of five (5) temperature measuring devices. One such measuring device shall be located in the vapor space at the top of each cargo tank, one near the bottom of each cargo tank and the remainder distributed at appropriate intervals from the top to the bottom of the cargo tank. These devices shall be used to determine the average temperatures of the liquid cargo and the vapor in the cargo tank.

The average temperature of the vapor in an LNG Tanker shall be determined immediately before loading by means of the temperature measuring devices specified above at the same time as when the liquid level is measured. The temperature measuring devices shall be fully surrounded by the vapor. This determination shall be made by taking the temperature readings of the temperature measuring devices in question to the nearest zero point zero one degrees Celsius (0.01°C), and if more than one of the devices are fully surrounded by the vapor, by averaging those readings, and rounding to one (1) decimal place.

The average temperature of the liquid in an LNG Tanker shall be determined immediately after loading by means of the temperature measuring devices specified above.

g) Determination of Pressure. The pressure of the vapor in each LNG tank shall be determined by means of pressure measuring devices installed in each LNG tank of the LNG Tankers. The atmospheric pressure shall be determined by readings from the standard barometer installed in the LNG Tankers. Pressures shall be measured at the same time as the liquid level measurements, and shall be logged or printed.

Buyer shall cause the LNG Tanker to be provided with pressure measuring equipment capable of determining the absolute pressure of the vapor in each cargo tank with an accuracy equal to or better than plus or minus one percent ($\pm 1\%$) of the measuring range.

The pressure of the vapor in an LNG Tanker shall be determined immediately before loading at the same time as when the liquid level is measured.

Such determination shall be made by taking the pressure readings of the pressure measuring devices to the nearest millibar, then averaging these readings and rounding to a whole millibar.

h) Determination of Density. The LNG density shall be calculated using the revised Klosek-McKinley method. Should any improved data, method of calculation or direct measurement device become available which is acceptable to both Buyer and Seller, such improved data, method or device shall then be used.

8. Samples for Quality Analysis

a) General. Representative liquid samples shall be collected from an appropriate point located as close as practical to the loading line starting one (1) hour after full loading rate is reached and ending one (1) hour before ramping down from the full loading rate. A sample shall be taken and analyzed at least once every twenty (20) minutes by an on-line chromatograph during this period. Samples taken when biphasic or overheated LNG is suspected to be in the main transfer line will be disregarded. These incremental samples will be passed through a vaporizer, and samples of the vaporized liquid will be analyzed. The resulting analyses, which are generally proportional to time, will be arithmetically averaged to yield an analysis that is representative of the loaded LNG cargo. This arithmetically averaged analysis shall be used for all appropriate calculations associated with the delivered LNG cargo. If both Seller and the Buyer agree that the result of the arithmetic average does not give a fair representation of the composition of the LNG, both Parties shall meet and decide in good faith the appropriate method to determine the composition of the LNG. Should the automatic sampling system fail during the loading, manual samples shall be collected and analyzed for accounting purposes.

b) Manual Samples. Prior to the end of the loading cycle, three (3) sets of spot samples shall be collected from the vaporizer at the following intervals during loading, when loading is twenty-five percent (25%), fifty percent (50%), and seventy-five percent (75%) complete. Spot samples shall be collected in accordance with Gas Processors Association ("GPA") Standard 2166 - Methods for Obtaining Gas Samples for Analysis by Gas Chromatography - or by other mutually agreeable methods. The samples shall be properly labeled and then distributed to Buyer and Seller. Seller shall retain one (1) sample for a period of thirty (30) days, unless the analysis is in dispute. If the analysis is in dispute, the sample will be retained until the dispute is resolved.

Sampling and analysis methods and procedures that differ from the above may be employed with the mutual agreement of the Parties.

9. Quality Analysis

a) Certification and Deviation. Chromatograph calibration gasses shall be provided and their composition certified by an independent third party. From time to time, deviation checks shall be performed to verify the accuracy of the gas composition mole percentages and resulting calculated physical properties. Analyses of a sample of test gas of known composition resulting when procedures that are in accordance with the above mentioned standards have been applied will be considered as acceptable if the resulting calculated gross heating value is within plus or minus zero point three percent ($\pm 0.3\%$) of the known gross heating value of the test gas sample. If the deviation exceeds the tolerance stated, the gross real heating value, relative density and compressibility previously calculated will be corrected immediately. Previous analyses will be corrected to the point where the error occurred, if this can be positively identified to the satisfaction of both Parties. Otherwise it shall be assumed that the drift has been linear since the last recalibration and correction shall be based on this assumption.

b) GPA Standard 2261. All samples shall be analyzed by Seller to determine the molar fraction of the hydrocarbon and other components in the sample by gas chromatography using a mutually agreed method in accordance with GPA Standard 2261 - Method of Analysis for Gas and Similar Gaseous Mixtures by Gas Chromatography, current as of January 1, 1990 and as periodically updated or as otherwise mutually agreed by the Parties. If better standards for analysis are subsequently adopted by GPA or other recognized competent impartial authority, upon mutual agreement of Buyer and Seller, they shall be substituted for the standard then in use, but such substitution shall not take place retroactively. A calibration of the chromatograph or other analytical instrument used shall be performed by Seller immediately prior to the analysis of the sample of LNG delivered. Seller shall give advance notice to Buyer of the time Seller intends to conduct a calibration thereof, and Buyer shall have the right to have a representative present at each such calibration; *provided, however*, Seller will not be obligated to defer or reschedule any calibration in order to permit the representative of Buyer to be present.

c) GPA Standard 2377 and 2265. Seller shall determine the presence of Hydrogen Sulfide (H₂S) by use of GPA Standard 2377 - Test of Hydrogen Sulfide and Carbon Dioxide in Gas Using Length of Stain Tubes. If necessary, the concentration of H₂S and total sulfur will be determined using one or more of the following methods as is appropriate: gas chromatography, Gas Processors Standard 2265 - Standard for Determination of Hydrogen Sulfide and Mercaptan Sulfur in Gas (Cadmium Sulfate - Iodometric Titration Method) or any other method that is mutually acceptable. If Hydrogen Sulfide or Carbon Dioxide are detected by the above methods then Seller shall confirm the presence of Hydrogen Sulfide or Carbon Dioxide in accordance with GPA Standard 2261-00 (Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography).

10. Operating Procedures

a) Notice. Prior to conducting operations for measurement, gauging, sampling and analysis provided in this Exhibit A, the Party responsible for such operations shall notify the appropriate representatives of the other Party, allowing such representatives reasonable opportunity to be present for all operations and computations; *provided* that the absence of the other Party's representative after notification and opportunity to attend shall not prevent any operations and computations from being performed.

b) Independent Surveyor. At the request of either Party any measurement, gauging, sampling and analysis shall be witnessed and verified by an independent surveyor mutually agreed upon by Buyer and Seller. The results of such surveyor's verifications shall be made available promptly to each Party.

c) Preservation of Records. All records of measurement and the computed results shall be preserved by the Party responsible for taking the same, or causing the same to be taken, and made available to the other Party for a period of not less than three (3) years after such measurement and computation.

11. Quantities Delivered

a) Calculation of MMBtu Quantities. The quantity of MMBtu delivered shall be calculated by Seller and verified by Buyer. Either Party may, at its own expense, require the measurements and calculations and/or their verification by an independent surveyor, mutually agreed upon by the Parties. Consent to an independent surveyor proposed by a Party shall not be unreasonably withheld by the other Party.

b) Determination of Gross Heating Value. All component values shall be in accordance with the latest revision of GPA Standard 2145 SI (2009) - Physical Constants for Hydrocarbons & Other Compounds of Interest to the Natural Gas Industry and the latest revision of the reference standards therein. Standard reference conditions for Hi component should be 15°C & 101.325 kPa.

c) Determination of Volume of LNG Loaded.

(i) The LNG volume in the tanks of the LNG Tanker before and after loading (valves have to be closed) shall be determined by gauging on the basis of the tank gauge tables provided for in Paragraph 6. During the period when measurement is occurring, no LNG cargo, ballast, boil-off gas, fuel oil or other cargo transfer activity will be carried out on the LNG Tanker. Measurements shall first be made immediately before loading commences. Accordingly, after connection of the loading arms, but prior to their cool-down, and immediately before opening the manifold ESD valves of the LNG Tanker, the initial gauging shall be conducted upon the confirmation of stoppage of all spray pumps and compressors and shut-off of the gas master valve to the LNG Tanker's boilers or any other gas consuming unit. The gas master valve to the LNG Tanker's boilers or any other gas consuming unit shall remain closed until after the second gauging, unless a regulatory change requires the consumption of gas during the vessel loading operations and/or upon mutual agreement between all parties upon which event the procedure for the measurement of gas consumed during loading shall be calculated in accordance with Paragraph 12.4 of this Exhibit A. A second gauging shall be made immediately after loading is completed. Accordingly, the second gauging shall be conducted upon the confirmation of shut-off of the manifold ESD valves, with transfer pumps off and allowing sufficient time for the liquid level to stabilize. Measurements prior to loading and after loading will be carried out based on the condition of the LNG Tanker's lines upon arrival at berth. Since significant volumes of LNG may remain in the LNG Tanker's manifold and crossover, gauging will be performed with these lines in the same condition prior to loading and after loading. If the LNG Tanker's manifold and crossover lines are empty (warm) when measurement is taken before loading commences, they will be emptied prior to measurement following the completion of loading. If the crossover lines are liquid filled (cold) when measurement is taken before loading commences, they will remain full (cold) until measurement is taken following the completion of loading. The volume of LNG remaining in the tanks immediately before loading of the LNG Tanker shall be subtracted from the volume immediately after loading and the resulting volume shall be taken as the volume of the LNG delivered from the terminal to the LNG Tanker.

The volume of LNG stated in cubic meters to the nearest zero point zero zero one (0.001) cubic meter, shall be determined by using the tank gauge tables and by applying the volume corrections set forth therein.

(ii) Gas returned to the terminal and gas consumed by the LNG Tanker during loading shall be taken into account to determine the volume loaded for Buyer's account in accordance with the formula in Paragraph 12.4 of this Exhibit A - MMBtu Calculation of the Quantity of LNG Loaded.

(iii) If failure of the primary gauging and measuring devices of an LNG Tanker should make it impossible to determine the LNG volume, the volume of LNG loaded shall be determined by gauging the liquid level using the secondary gauging and measurement devices. If an LNG Tanker is not so equipped, the volume of LNG loaded shall be determined by gauging the liquid level in Seller's onshore LNG storage tanks immediately before and after loading the LNG Tanker, in line with the terminal procedures, and such volume shall have subtracted from it an estimated LNG volume, agreed upon by the Parties, for boil-off from such tanks during the loading of such LNG Tanker. Seller shall provide Buyer, or cause Buyer to be provided with, a certified copy of tank gauge tables for each onshore LNG tank which is to be used for this purpose, such tables to be verified by a competent impartial authority.

12. Calculations

The calculation procedures contained in this Paragraph 12 are generally in accordance with the Institute of Petroleum Measurement Manual, Part XII, the Static Measurement of Refrigerated Hydrocarbon Liquids, Section 1, IP 251/76.

d = density of LNG loaded at the prevailing composition and temperature T1 in kg/m³, rounded to two (2) decimal places, calculated according to the method specified in Paragraph 12.1 of this Exhibit A.

Hi = gross heating value (mass based) of component "i" in MJ/kg, in accordance with Paragraph 12.6(a) of this Exhibit A.

Hm = gross heating value (mass based) of the LNG loaded in MJ/kg, calculated in accordance with the method specified in Paragraph 12.3 of this Exhibit A, rounded to four (4) decimal places.

Hv = gross heating value (volume based) of the LNG loaded in Btu/SCF, calculated in accordance with the method specified in Paragraph 12.5 of this Exhibit A.

K1 = volume correction in m³/kmol, at temperature T1, obtained by linear interpolation from Paragraph 12.6(c) of this Exhibit A, rounded to six (6) decimal places.

K2 = volume correction in m³/kmol, at temperature T1 obtained by linear interpolation from Paragraph 12.6(d) of this Exhibit A, rounded to six (6) decimal places.

M_i = molecular mass of component “i” in kg/kmol, in accordance with Paragraph 12.6(a) of this Exhibit A.

P = average absolute pressure of vapor in an LNG Tanker immediately before loading, in millibars, rounded to a whole millibar.

Q = number of MMBtu contained in the LNG delivered, rounded to the nearest ten (10) MMBtu.

T_l = average temperature of the liquid cargo in the LNG Tanker immediately after loading, in degrees Celsius, rounded to one (1) decimal place.

T_v = average temperature of the vapor in an LNG Tanker immediately before loading, in degrees Celsius, rounded to one (1) decimal place.

V = the volume of the liquid cargo loaded, in cubic meters, rounded to three (3) decimal places.

V_h = the volume of the liquid cargo in an LNG Tanker immediately before loading, in cubic meters, rounded to three (3) decimal places.

V_b = the volume of the liquid cargo in an LNG Tanker immediately after loading, in cubic meters, rounded to three (3) decimal places.

V_i = molar volume of component “i” at temperature T_l, in m³/kmol, obtained by linear interpolation from Paragraph 12.6(b) of this Exhibit A, rounded to six (6) decimal places.

X_i = molar fraction of component “i” of the LNG samples taken from the loading line, rounded to four (4) decimal places, determined by gas chromatographic analysis.

X_m = the value of X_i for methane.

X_n = the value of X_i for nitrogen.

12.1 Density Calculation Formula

The density of the LNG loaded which is used in the MMBtu calculation in 12.4 of this Exhibit A shall be calculated from the following formula derived from the revised Klosek-McKinley method:

$$d = \frac{\sum(X_i \times M_i)}{\sum(X_i \times V_i) - \left[K1 + \frac{(K2 - K1) \times X_n}{0.0425} \right] \times X_m}$$

In the application of the above formula, no intermediate rounding shall be made if the accuracy of “d” is thereby affected.

12.2 Calculation of Volume Delivered

The volume, in cubic meters, of each LNG cargo loaded shall be calculated by using the following formula:

$$V = V_b - V_h$$

12.3 Calculation of Gross Heating Value (Mass Based)

The gross heating value (mass based), in MJ/kg, of each LNG cargo loaded shall be calculated by using the following formula:

$$H_m = \frac{\sum(X_i \times i)}{\sum(X_i)}$$

12.4 MMBtu Calculation of the Quantity of LNG Loaded

The number of MMBtu contained in the LNG loaded shall be calculated using the following formula:

$$Q = \frac{1}{1055.12} \times \left\{ (V \times d \times H_m) - \left(V \times \frac{288.15}{273.15 + T_v} \times \frac{P}{1013.25} \right) \times 37.7 + Q_{BOG} \right\}$$

The derivation of the conversion factor 1/1055.12 in the formula in this Paragraph for the conversion of MJ into MMBtu is obtained from GPA-2145:1994 and IP-251:1976 as follows:

- (a) q(T,P) means the gross heating value (measured at temperature T and pressure P), contained in a given quantity of gas;
- (b) q(60°F, 14.696 psia) in MJ = 1/1.00006 x q(15°C, 1013.25 millibar) in MJ;
- (c) 1 MMBtu corresponds to 1055.06 MJ;
- (d) q(60°F, 14.696 psia) in MMBtu = 1/1055.06 x q(60°F, 14.696 psia) in MJ; and
- (e) Combining (b) and (d) above yields:

$$q(60^\circ\text{F}, 14.696 \text{ psia}) \text{ in MMBtu} = 1/1055.12 \times q(15^\circ\text{C}, 1013.25 \text{ millibar}) \text{ in MJ.}$$

Hence the number of MJ derived shall be divided by 1055.12 to obtain the number of MMBtu for invoicing purposes.

QBOG = the quantity of boil off gas in MJ consumed by the LNG tanker during loading, calculated as follows:

$$Q_{BOG} = (V_2 \times 55.575)$$

where:

V2 = the quantity of natural gas consumed by the LNG tanker during loading (as calculated pursuant to the below formula), stated in kg and rounded to the nearest kg; and

55.575 = the heating value of the vapor (assumed to be 100% of methane) stated in MJ/kg at standard reference conditions (15°C, 1.01325 bar) for both combustion & metering references (tables below).

Quantity of Natural Gas Consumed by LNG Tanker (V2)

The quantity of natural gas consumed by the LNG tanker during loading shall be computed by taking the initial and the final reading of Natural Gas Consumption Meter on board the tanker (i.e. final reading of Natural Gas Consumption Meter after completion of loading minus initial reading of Natural Gas Consumption Meter before the start of loading) and is calculated by using the following formula:

$$V2 = V_f - V_i$$

where:

V2 = the quantity of natural gas consumed by the LNG tanker during loading, stated in kg;

Vf = the reading of Natural Gas Consumption Meter on board the tanker after the completion of loading, stated in kg; and

Vi = the reading of Natural Gas Consumption Meter on board the tanker before the start of loading, stated in kg.

12.5 Calculation of Gross Heating Value (Volume Based)

The calculation of the Gross Heating Value (volume based) in Btu/SCF shall be derived from the same compositional analysis as is used for the purposes of calculating the Gross Heating Value (mass based) Hm and the following formula shall apply:

$$H_v = 1.13285 \times \sum (X_i \times M_i \times H_i)$$

The derivation of the conversion factor 1.13285 for the conversion of MJ/kmol into Btu/SCF is obtained as follows:

(a) molar gross heating value = $\sum (X_i \times M_i \times H_i)$ MJ/kmol;

(b) 1 kmol = 2.20462 lbmol;

- (c) 1 lbmol = 379.482 SCF;
 (d) hence 1 kmol = 836.614 SCF; and
 (e) $H_v = 1,000,000 / (1055.12 \times 836.614) \times \sum (X_i \times M_i \times H_i)$ Btu/SCF; or
 $H_v = 1.13285 \times \sum (X_i \times M_i \times H_i)$ Btu/SCF

12.6 Data

(a) Values of H_i and M_i

<u>Component</u>	<u>H_i (in MJ/kg)</u>	<u>M_i (in kg/kmol)</u>
Methane	55.575	16.0425
Ethane	51.951	30.0690
Propane	50.369	44.0956
Iso-Butane	49.388	58.1222
N-Butane	49.546	58.1222
Iso-Pentane	48.950	72.1488
N-Pentane	49.045	72.1488
N-Hexane	48.715	86.1754
Nitrogen	0	28.0134
Carbon Dioxide	0	44.0095
Oxygen	0	31.9988

Source: GPA Publication 2145 SI-2009: "Table of Physical Properties for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry".

(b) Values of V_i (cubic meter/kmol)

<u>Temperature</u>	<u>-150°C</u>	<u>-154°C</u>	<u>-158°C</u>	<u>-160°C</u>	<u>-162°C</u>	<u>-166°C</u>	<u>-170°C</u>
Methane	0.039579	0.038983	0.038419	0.038148	0.037884	0.037375	0.036890
Ethane	0.048805	0.048455	0.048111	0.047942	0.047774	0.047442	0.047116
Propane	0.063417	0.063045	0.062678	0.062497	0.062316	0.061957	0.061602
Iso-Butane	0.079374	0.078962	0.078554	0.078352	0.078151	0.077751	0.077356
N-Butane	0.077847	0.077456	0.077068	0.076876	0.076684	0.076303	0.075926
Iso-Pentane	0.092817	0.092377	0.091939	0.091721	0.091504	0.091071	0.090641
N-Pentane	0.092643	0.092217	0.091794	0.091583	0.091373	0.090953	0.090535
N-Hexane	0.106020	0.105570	0.105122	0.104899	0.104677	0.104236	0.103800
Nitrogen	0.055877	0.051921	0.048488	0.046995	0.045702	0.043543	0.041779
Carbon Diox	0.027950	0.027650	0.027300	0.027200	0.027000	0.026700	0.026400
Oxygen	0.03367	0.03275	0.03191	0.03151	0.03115	0.03045	0.02980

Source: National Bureau of Standards Interagency Report 77-867, Institute of Petroleum IP251/76 for Oxygen.

Note: For intermediate values of temperature and molecular mass a linear interpolation shall be applied

(c) Values of Volume Correction Factor, K1 (cubic meter/kmol)

<u>Molecular</u> <u>Mass</u> of <u>Mixture</u>	<u>-150°C</u>	<u>#VALUE!</u>	<u>-158°C</u>	<u>-160°C</u>	<u>-162°C</u>	<u>-166°C</u>	<u>-170°C</u>
16.0	(0.000012)	(0.000010)	(0.000009)	(0.000009)	(0.000008)	(0.000007)	(0.000007)
16.5	0.000135	0.000118	0.000106	0.000100	0.000094	0.000086	0.000078
17.0	0.000282	0.000245	0.000221	0.000209	0.000197	0.000179	0.000163
17.2	0.000337	0.000293	0.000261	0.000248	0.000235	0.000214	0.000195
17.4	0.000392	0.000342	0.000301	0.000287	0.000274	0.000250	0.000228
17.6	0.000447	0.000390	0.000342	0.000327	0.000312	0.000286	0.000260
17.8	0.000502	0.000438	0.000382	0.000366	0.000351	0.000321	0.000293
18.0	0.000557	0.000486	0.000422	0.000405	0.000389	0.000357	0.000325
18.2	0.000597	0.000526	0.000460	0.000441	0.000423	0.000385	0.000349
18.4	0.000637	0.000566	0.000499	0.000477	0.000456	0.000412	0.000373
18.6	0.000677	0.000605	0.000537	0.000513	0.000489	0.000440	0.000397
18.8	0.000717	0.000645	0.000575	0.000548	0.000523	0.000467	0.000421
19.0	0.000757	0.000685	0.000613	0.000584	0.000556	0.000494	0.000445
19.2	0.000800	0.000724	0.000649	0.000619	0.000589	0.000526	0.000474
19.4	0.000844	0.000763	0.000685	0.000653	0.000622	0.000558	0.000503
19.6	0.000888	0.000803	0.000721	0.000688	0.000655	0.000590	0.000532
19.8	0.000932	0.000842	0.000757	0.000722	0.000688	0.000622	0.000561
20.0	0.000976	0.000881	0.000793	0.000757	0.000721	0.000654	0.000590
25.0	0.001782	0.001619	0.001475	0.001407	0.001339	0.001220	0.001116
30.0	0.002238	0.002043	0.001867	0.001790	0.001714	0.001567	0.001435

Source: National Bureau of Standards Interagency Report 77-867.

Note 1: Molecular mass of mixture equals $\sum (X_i \times M_i)$.

Note 2: For intermediate values of temperature and molecular mass a linear interpolation shall be applied.

(d) Values of Volume Correction Factor, K2 (cubic meter/kmol)

<u>Molecular</u> <u>Mass</u> of <u>Mixture</u>	<u>-150°C</u>	<u>-154°C</u>	<u>-158°C</u>	<u>-160°C</u>	<u>-162°C</u>	<u>-166°C</u>	<u>-170°C</u>
16.0	(0.000039)	(0.000031)	(0.000024)	(0.000021)	(0.000017)	(0.000012)	(0.000009)
16.5	0.000315	0.000269	0.000196	0.000178	0.000162	0.000131	0.000101
17.0	0.000669	0.000568	0.000416	0.000377	0.000341	0.000274	0.000210
17.2	0.000745	0.000630	0.000478	0.000436	0.000397	0.000318	0.000246
17.4	0.000821	0.000692	0.000540	0.000495	0.000452	0.000362	0.000282
17.6	0.000897	0.000754	0.000602	0.000554	0.000508	0.000406	0.000318
17.8	0.000973	0.000816	0.000664	0.000613	0.000564	0.000449	0.000354
18.0	0.001049	0.000878	0.000726	0.000672	0.000620	0.000493	0.000390
18.2	0.001116	0.000939	0.000772	0.000714	0.000658	0.000530	0.000425
18.4	0.001184	0.001000	0.000819	0.000756	0.000696	0.000567	0.000460
18.6	0.001252	0.001061	0.000865	0.000799	0.000735	0.000605	0.000496
18.8	0.001320	0.001121	0.000912	0.000841	0.000773	0.000642	0.000531
19.0	0.001388	0.001182	0.000958	0.000883	0.000811	0.000679	0.000566
19.2	0.001434	0.001222	0.000998	0.000920	0.000844	0.000708	0.000594
19.4	0.001480	0.001262	0.001038	0.000956	0.000876	0.000737	0.000623
19.6	0.001526	0.001302	0.001078	0.000992	0.000908	0.000765	0.000652
19.8	0.001573	0.001342	0.001118	0.001029	0.000941	0.000794	0.000681
20.0	0.001619	0.001382	0.001158	0.001065	0.000973	0.000823	0.000709
25.0	0.002734	0.002374	0.002014	0.001893	0.001777	0.001562	0.001383
30.0	0.003723	0.003230	0.002806	0.002631	0.002459	0.002172	0.001934

Source: National Bureau of Standards Interagency Report 77-867.

Note 1: Molecular mass of mixture equals $\sum (X_i \times M_i)$.

Note 2: For intermediate values of temperature and molecular mass a linear interpolation shall be applied.

Exhibit B

FORM OF PORT LIABILITY AGREEMENT

EXHIBIT C

Form of Guaranty

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Exhibit D

Second Amended and Restated LNG Terminal Use Agreement

Exhibit E

COOPERATION Agreement

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Exhibit F

Transportation Precedent Agreement Firm Transportation Services

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EXHIBIT G

TUG SERVICES AGREEMENT

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EXHIBIT H

TUG CHARACTERISTICS

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EXHIBIT I

ADDITIONAL TRAINS WINDOW-NARROWING MECHANISM

1. Train 2
DFCD

The Day notified by Seller to Buyer on which Seller anticipates that Train 2 will become commercially operable shall be the “**Nominated T2 DFCD**”, which Day shall be determined by taking into account development and construction schedules, as set forth below:

- a. The period that begins on the first Day of the Month that follows the date that is fifty-nine (59) Months after the Train 2 FID and ends one hundred eighty (180) Days later shall be the “**Train 2 First Window Period**”.
- b. Seller shall notify Buyer at least one hundred twenty (120) Days prior to the commencement of the Train 2 First Window Period of a ninety (90) Day period falling within the Train 2 First Window Period (“**Train 2 Second Window Period**”) during which the Nominated T2 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 1(b), the Train 2 Second Window Period shall be deemed to be the last ninety (90) Days of the Train 2 First Window Period.
- c. Seller shall notify Buyer at least ninety (90) Days prior to the commencement of the Train 2 Second Window Period of a sixty (60) Day period falling within the Train 2 Second Window Period (“**Train 2 Third Window Period**”) during which the Nominated T2 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 1(c), the Train 2 Third Window Period shall be deemed to be the last sixty (60) Days of the Train 2 Second Window Period.
- d. Seller shall notify Buyer at least sixty (60) Days prior to the commencement of the Train 2 Third Window Period of a thirty (30) Day period falling within the Train 2 Third Window Period (“**Train 2 Final Window Period**”) during which the Nominated T2 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 1(d), the Train 2 Final Window Period shall be deemed to be the last thirty (30) Days of the Train 2 Third Window Period.
- e. Seller shall notify Buyer at least forty-five (45) Days prior to the commencement of the Train 2 Final Window Period of the Day within the Train 2 Final Window Period which shall be the Nominated T2 DFCD, or, in the absence of notification by Seller in accordance with this Section 1(e), the Nominated T2 DFCD shall be deemed to be the last Day of the Final Window Period.
- f. The Nominated T2 DFCD shall be the date so notified or deemed pursuant to this Section 1, regardless of whether any LNG is scheduled for delivery to Buyer or whether any LNG is in fact so delivered. Seller will provide non-binding good faith estimates of the Nominated T2 DFCD from time to time as credible and relevant information becomes available (but not less frequently than one (1) update every six (6) Months). Each window period identified in this Section 1 may be extended, and the Nominated T2 DFCD may be deferred, on a Day-for-Day basis, in the event of Force Majeure affecting Seller which delays Train 2 becoming commercially operable; *provided that* such extension or deferral shall not exceed three hundred sixty-five (365) Days.

2. Train 3
DFCD

The Day notified by Seller to Buyer on which Seller anticipates that Train 3 will become commercially operable shall be the “**Nominated T3 DFCD**”, which Day shall be determined by taking into account development and construction schedules, as set forth below:

- a. The period that begins on the first Day of the Month that follows the date that is fifty-nine (59) Months after the Train 3 FID and ends one hundred eighty (180) Days later shall be the “**Train 3 First Window Period**”.
- b. Seller shall notify Buyer at least one hundred twenty (120) Days prior to the commencement of the Train 3 First Window Period of a ninety (90) Day period falling within the Train 3 First Window Period (“**Train 3 Second Window Period**”) during which the Nominated T3 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 2(b), the Train 3 Second Window Period shall be deemed to be the last ninety (90) Days of the Train 3 First Window Period.
- c. Seller shall notify Buyer at least ninety (90) Days prior to the commencement of the Train 3 Second Window Period of a sixty (60) Day period falling within the Train 3 Second Window Period (“**Train 3 Third Window Period**”) during which the Nominated T3 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 2(c), the Train 3 Third Window Period shall be deemed to be the last sixty (60) Days of the Train 3 Second Window Period.
- d. Seller shall notify Buyer at least sixty (60) Days prior to the commencement of the Train 3 Third Window Period of a thirty (30) Day period falling within the Train 3 Third Window Period (“**Train 3 Final Window Period**”) during which the Nominated T3 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 2(d), the Train 3 Final Window Period shall be deemed to be the last thirty (30) Days of the Train 3 Third Window Period.
- e. Seller shall notify Buyer at least forty-five (45) Days prior to the commencement of the Train 3 Final Window Period of the Day within the Train 3 Final Window Period which shall be the Nominated T3 DFCD, or, in the absence of notification by Seller in accordance with this Section 2(e), the Nominated T3 DFCD shall be deemed to be the last Day of the Final Window Period.
- f. The Nominated T3 DFCD shall be the date so notified or deemed pursuant to this Section 2, regardless of whether any LNG is scheduled for delivery to Buyer or whether any LNG is in fact so delivered. Seller will provide non-binding good faith estimates of the Nominated T3 DFCD from time to time as credible and relevant information becomes available (but not less frequently than one (1) update every six (6) Months). Each window period identified in this Section 2 may be extended, and the Nominated T3 DFCD may be deferred, on a Day-for-Day basis, in the event of Force Majeure affecting Seller which delays Train 3 becoming commercially operable; *provided that* such extension or deferral shall not exceed four hundred fifty-five (455) Days.

3. Train 4
DFCD

The Day notified by Seller to Buyer on which Seller anticipates that Train 4 will become commercially operable shall be the “**Nominated T4 DFCD**”, which Day shall be determined by taking into account development and construction schedules, as set forth below:

- a. The period that begins on the first Day of the Month that follows the date that is sixty-eight (68) Months after the Train 4 FID and ends one hundred eighty (180) Days later shall be the “**Train 4 First Window Period**”.
- b. Seller shall notify Buyer at least one hundred twenty (120) Days prior to the commencement of the Train 4 First Window Period of a ninety (90) Day period falling within the Train 4 First Window Period (“**Train 4 Second Window Period**”) during which the Nominated T4 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 3(b), the Train 4 Second Window Period shall be deemed to be the last ninety (90) Days of the Train 4 First Window Period.
- c. Seller shall notify Buyer at least ninety (90) Days prior to the commencement of the Train 4 Second Window Period of a sixty (60) Day period falling within the Train 4 Second Window Period (“**Train 4 Third Window Period**”) during which the Nominated T4 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 3(c), the Train 4 Third Window Period shall be deemed to be the last sixty (60) Days of the Train 4 Second Window Period.
- d. Seller shall notify Buyer at least sixty (60) Days prior to the commencement of the Train 4 Third Window Period of a thirty (30) Day period falling within the Train 4 Third Window Period (“**Train 4 Final Window Period**”) during which the Nominated T4 DFCD shall occur, or, in the absence of notification by Seller in accordance with this Section 3(d), the Train 4 Final Window Period shall be deemed to be the last thirty (30) Days of the Train 4 Third Window Period.
- e. Seller shall notify Buyer at least forty-five (45) Days prior to the commencement of the Train 4 Final Window Period of the Day within the Train 4 Final Window Period which shall be the Nominated T4 DFCD, or, in the absence of notification by Seller in accordance with this Section 3(e), the Nominated T4 DFCD shall be deemed to be the last Day of the Final Window Period.
- f. The Nominated T4 DFCD shall be the date so notified or deemed pursuant to this Section 3, regardless of whether any LNG is scheduled for delivery to Buyer or whether any LNG is in fact so delivered. Seller will provide non-binding good faith estimates of the Nominated T4 DFCD from time to time as credible and relevant information becomes available (but not less frequently than one (1) update every six (6) Months). Each window period identified in this Section 3 may be extended, and the Nominated T4 DFCD may be deferred, on a Day-for-Day basis, in the event of Force Majeure affecting Seller which delays Train 4 becoming commercially operable; *provided that* such extension or deferral shall not exceed four hundred fifty-five (455) Days.

CHENIERE ENERGY PARTNERS, L.P. NEWS RELEASE

BG Increases LNG Volumes to 5.5 MTPA under its 20-Year LNG Sale and Purchase Agreement at the Sabine Pass LNG Terminal

- BG to purchase an additional 2.0 mtpa of LNG as Trains 2, 3 and 4 commence operations

Houston, Texas - January 26, 2012 - Cheniere Energy Partners, L.P. ("Cheniere Partners") (NYSE Amex: CQP) announced today that its subsidiary, Sabine Pass Liquefaction, LLC ("Sabine Liquefaction"), has entered into an amended and restated liquefied natural gas ("LNG") sale and purchase agreement (the "SPA") with BG Gulf Coast LNG, LLC ("BG"), a subsidiary of BG Group plc, under which BG has agreed to purchase an additional 2.0 million tonnes per annum ("mtpa") of LNG, bringing BG's total annual contract quantity to 5.5 mtpa of LNG. BG will purchase 3.5 mtpa of LNG with the commencement of train one operations and will purchase a portion of the additional 2.0 mtpa of LNG as each of trains two, three and four commence operations.

Under the SPA, the purchase terms essentially remain the same, whereby BG will pay Sabine Liquefaction a fixed sales charge for the contracted quantity and will pay a contract sales price for LNG purchases based on the applicable Henry Hub index traded on the New York Mercantile Exchange, with the exception that the fixed sales charge will increase ratably in order to account for the increased fixed sales charge on the additional volumes.

Sabine Liquefaction is developing a liquefaction project at the Sabine Pass LNG terminal in the Gulf Coast region of the U.S. that is expected to include four liquefaction trains capable of producing up to 18 mtpa of LNG. To date, Sabine Liquefaction has entered into three LNG sale and purchase agreements, including the agreement with BG for 5.5 mtpa, an agreement with Gas Natural Fenosa for 3.5 mtpa that commences with the start of train two operations and an agreement with GAIL (India) Limited for 3.5 mtpa that commences with the start of train four operations. Sabine Liquefaction expects to sell an additional 3.5 mtpa of LNG under an agreement that would commence with the start of train three operations, which would bring total contracted volumes to 16.0 mtpa or approximately 90 percent of total expected LNG volumes.

"In assessing the optimal contracting strategy for the Sabine Liquefaction Project, we have decided to sell part of the additional volumes on a long-term basis to BG, our first foundation customer," said Charif Souki, Chairman and CEO. "There's a trade-off in whether we sell the additional volumes on a long-term basis or in the open market. Contracting a portion of the additional volumes adds further certainty to the long-term cash flows of the project and preserves the opportunity for additional upside."

BG Group plc (LSE: BG.L) is a world leader in natural gas, with a strategy focused on connecting competitively priced resources to specific, high-value markets. Active in more than 25 countries on five continents, BG Group has a broad portfolio of exploration and production, LNG and transmission and distribution business interests. It combines a deep understanding of gas markets with a proven track record in finding and commercializing reserves. For further information visit: <http://www.bg-group.com>.

Cheniere Partners owns 100 percent of the Sabine Pass LNG receiving terminal located on the Sabine Pass Channel in western Cameron Parish, Louisiana. The Sabine Pass terminal has regasification and send-out capacity of 4.0 billion cubic feet per day (Bcf/d) and storage capacity of 16.9 billion cubic feet equivalent (Bcfe). Cheniere Partners is developing a project to add liquefaction and export capabilities to the existing infrastructure at the Sabine Pass LNG terminal. As currently contemplated, the Sabine Pass Liquefaction project (the "Liquefaction Project") is being designed and permitted for up to four modular LNG trains, each with a nominal capacity of approximately 4.5 mtpa. The Liquefaction Project is expected to be constructed in phases, with each LNG train commencing operations approximately six to nine months after the previous train. The first phase will include two liquefaction trains. In November 2011, Sabine Liquefaction entered into a lump sum turnkey contract for the engineering, procurement and construction of the first phase of the Liquefaction Project with Bechtel Oil, Gas and Chemicals, Inc. Sabine Liquefaction has also entered into two long-term sale and purchase agreements for 7.7 mtpa, which are expected to underpin the financing of the first two trains. The customers are BG Gulf Coast LNG, LLC and Gas Natural Fenosa. Commencement of construction for the first phase is

subject, but not limited, to regulatory approvals and Cheniere Partners making a final investment decision. For the second phase of the Liquefaction Project, Cheniere is targeting contracts for a total of 8.3 mtpa of annual contract quantity. Cheniere has entered into sale and purchase agreements in connection with the second phase with GAIL (India) Limited for 3.5 mtpa and with BG for an additional 1.3 mtpa and continues to hold advanced discussions with additional global LNG buyers for the remaining 3.5 mtpa. Commencement of construction for the second phase is subject, but not limited to, entering into an engineering, procurement and construction contract, regulatory approvals and Cheniere Partners making a final investment decision. Cheniere Partners has placed documentation pertaining to the Liquefaction Project, including the applications and supporting studies, on its website located at <http://www.cheniereenergypartners.com>.

Milestone	Target Date	
	Phase 1	Phase 2
▪ DOE export authorization	Received	Received
▪ Definitive commercial agreements	Completed 7.7 mtpa	Target of 8.3 mtpa
- BG Gulf Coast LNG, LLC	4.2 mtpa	1.3 mtpa
- Gas Natural Fenosa	3.5 mtpa	
- Gail (India) Ltd.		3.5 mtpa
▪ EPC contract	Complete	4Q12
▪ Financing commitments	1Q12	1Q13
▪ FERC construction authorization	1Q12	1Q12
▪ Commence construction	2012	2013
▪ Commence operations	2015/2016	2017/2018

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere Partners' business strategy, plans and objectives, including the construction and operation of liquefaction facilities, (ii) statements regarding our expectations regarding regulatory authorizations and approvals and (iii) statements expressing beliefs and expectations regarding the development of Cheniere Partners' LNG terminal and liquefaction business. Although Cheniere Partners believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere Partners' actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere Partners' periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere Partners does not assume a duty to update these forward-looking statements.

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