



(c) Settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the Party experiencing such situations and nothing herein shall require such Party to settle such industrial disputes.

12.2 Notice; Resumption of Normal Performance; Termination

(a) Notices

- (i) Initial Notices of Force Majeure. Should an event of Force Majeure occur at any time during the Term, the Party unable to perform ("Affected Party") shall as soon as practicable thereafter give notice to the other Party ("Non-Affected Party") of:
- (A) the nature of the event (such notice to contain all details then reasonably available as to the nature and severity of the problems encountered by the Affected Party);
  - (B) all details then reasonably available regarding actions which can be taken by or on behalf of the Affected Party to overcome the effects of the event of Force Majeure; and
  - (C) the Affected Party's best estimate of both its ability to partially perform during the pendency of the event of Force Majeure, and the date on which the event of Force Majeure will no longer prevent its full performance hereunder or, if the Affected Party cannot make a reasonable estimate of such a date, a statement to that effect.
- (ii) Adjustment to Deemed Initial Delivery Date. If an event of Force Majeure delays the Start Date, the deemed Initial Delivery Date referred to in Section 4.4 shall be extended on a day-for-day basis, based on the notices provided by the Affected Party under this Section 12.2.

**[REDACTED]**

(b) Resumption of Performance

During the pendency of any event of Force Majeure (unless this Contract has been terminated or canceled in accordance with its terms):

- (i) in order to resume normal performance of this Contract within the shortest practicable time, the Affected Party shall take all measures to this end which are reasonable in the circumstances, taking into account the consequences resulting from such event of Force Majeure and shall, every month thereafter, give the Non-Affected Party a written statement on its progress, updating the information provided under Section 12.2(a);
- (ii) the Parties shall endeavor to perform their obligations under this Contract to the extent not prevented by an event of Force Majeure and take reasonable steps to mitigate the impact of such event. If the event of Force Majeure limits Seller's supply of, or ability to transport, LNG from the Trinidad Facilities, Seller and Buyer shall meet or otherwise consult and endeavor in good faith to agree on an allocation of quantities, if any, which Seller is able to load and transport under the Trinidad Supply Contract as between Buyer and other firm customers of Seller or Seller's Affiliates, giving due regard to the effect of the event of the Force Majeure on the Atlantic Delivery Programme and the other provisions of Article 7 above; and
- (iii) the Non-Affected Party shall be free to make such alternate sales or purchase arrangements as are commercially reasonable given the nature and expected duration of the Force Majeure and their impact on the performance of the Affected Party as they may change from time to time. As soon as practicable after making such an alternate arrangement, the Non-Affected Party shall give the Affected Party notice of the scope and duration of each such alternate arrangement. The Non-Affected Party shall provide for a termination of such alternate arrangement to permit an orderly resumption of performance hereunder to the extent such

**[REDACTED]**

provision is commercially reasonable at the time such arrangement is entered into.

(c) Termination in the Event of Extended Force Majeure

- (i) If Seller reasonably expects (and notifies Buyer under this Section 12.2) that the Initial Delivery Date will be delayed beyond February 1, 2002, by an event of Force Majeure affecting Seller, or if the Initial Delivery Date is in fact so delayed, Buyer shall be entitled at any time prior to the occurrence of the Initial Delivery Date to give notice of termination of this Contract to Seller. The termination of this Contract shall be effective as of the date such notice is given.
  
- (ii) If the Affected Party reasonably expects (and notifies the Non-Affected Party under this Section 12.2) that as a result of the occurrence of an event of Force Majeure on or after the Initial Delivery Date it will not be able to perform its obligations hereunder within 24 months after the commencement of such event of Force Majeure (or such performance has in fact not occurred for a 24-month period), the Non-Affected Party shall be entitled to terminate this Contract at any time after such notice (or such 24-month period) by notice given to the Affected Party at any time prior to the date the Affected Party has resumed its performance hereunder. The termination of this Contract shall be effective as of the date such notice is given.

If this Contract is terminated as a result of an event of Force Majeure pursuant to this Section 12.2(c), no amount shall be due under Section 3.3 and neither Party shall have any obligation or liability to the other (except to pay amounts that are owed as a result of performance or non-performance occurring prior to such termination) and, upon payment by Buyer of any amount so owed, Seller shall immediately surrender to Buyer the Letter of Credit provided pursuant to Section 9.5.

**[REDACTED]**

(d) No Make-Up Sales or Purchases


Neither Seller nor Buyer shall have the right to a make-up sale, or a make-up purchase, as the case may be, of LNG which is unable to be scheduled or delivered pursuant to Article 7 as a result of Force Majeure.


12.3 Special Algeria Contingency

(a) Buyer acknowledges that Seller's Affiliate, Distrigas Corporation ("Distrigas"), has an agreement dated February 21, 1988, (such agreement and any amendments, extensions or successor agreements, herein called the "Algerian Supply Contract") for the purchase of LNG from a wholly owned subsidiary of Societe Nationale Sonatrach, the Algerian national energy company ("Sonatrach"), and a transportation agreement (the "Transportation Agreement") of the same date with Sonatrach under which Sonatrach transports the LNG purchased under the Algerian Supply Contract to Seller's Receiving Facilities. Buyer and Seller understand and agree that Seller's willingness and ability to sell and deliver the Winter Cargo requested by Buyer during the period from the Initial Contract Year through the construction and commercial operation of a second liquefaction train at, or utilizing common facilities with, the Trinidad Facilities ("Algerian Contingency Period") depends on the sale and loading under the Algerian Supply Contract of quantities of LNG at least equal to the Winter Cargo and the loading of such quantities for transportation under the Transportation Agreement to Seller's Receiving Facilities.

(b) During the Algerian Contingency Period, the provisions of this paragraph (b) shall apply.

(i) At the time that Seller specifies the Delivery Window for the Winter Cargo, Seller shall specify the anticipated loading dates in Trinidad for the Winter Cargo and the cargo to be delivered to Seller immediately preceding the Winter Cargo ("Prior Loading"). Thereafter, Seller shall promptly inform Buyer of any changes in such scheduled loading dates.

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- (ii) Seller shall use its best reasonable efforts to schedule a loading of a cargo for Distrigas under the Algerian Supply Contract ("Algerian Loading") during a period commencing two days before the Prior Loading and ending three days before the scheduled loading of the Winter Cargo (the "SAC Window"). If Seller has attempted to but is unable to complete an Algerian Loading within the SAC Window, Seller shall not be required to deliver a Winter Cargo to Buyer, provided that the failure to complete the Algerian Loading is not the result of a default by Seller or Distrigas. Seller shall keep Buyer reasonably informed of the loading schedule and actual loadings under the Algerian Supply Contract. Seller shall promptly notify Buyer as soon as it is aware that a loading for Distrigas will not occur within the SAC Window and that it will exercise its rights hereunder not to deliver the Winter Cargo, and shall provide Buyer with its best information as to the cause of the failure to complete an Algerian Loading within the SAC Window. In the event that Seller has not so notified Buyer by the end of the third day prior to the scheduled loading of the Winter Cargo, Seller's right not to deliver such Winter Cargo under this paragraph (b) shall expire. If a cargo originally scheduled for, or requested by, Buyer has not been delivered pursuant to Seller's rights under this Section 12.3, Seller shall reoffer such cargo to Buyer before delivering it to any destination other than Seller's Receiving Facilities.
- (iii) In the event that Seller exercises its rights not to deliver the Winter Cargo, Seller shall provide Buyer with the Trinidad and Algerian loading schedules over the 60 days following the scheduled loading date of the Winter Cargo, and Buyer shall have the right to designate one of the scheduled Trinidad loadings therein as a replacement Winter Cargo, subject to the continued application of the other provisions of this Section 12.3(b). Seller shall use reasonable efforts to make any other changes in the delivery schedule hereunder in order to accommodate such replacement Winter Cargo.

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- (iv) Buyer may give notice to Seller prior to December 1 that it has the opportunity to secure replacement fuel for the Winter Cargo, in which case Seller shall have 10 days to notify Buyer that it has released the right not to deliver the Winter Cargo under this paragraph (b) and will make such delivery. Otherwise, such Winter Cargo shall be deleted from the ACQ and the amounts to be calculated under Sections 8.1(a)(ii), 8.2(a)(ii) and 8.2(a)(iv) and the Winter Underdeliveries under Section 5.3(a) shall all be deemed to be zero for the applicable Contract Year.
- (v) If the Algerian Loading does not occur due to a breach of the Algerian Supply Contract or Transportation Agreement by Sonatrach or its subsidiary, Seller shall cause Distrigas to diligently pursue its rights and remedies arising from such breach, and to share up to 50 percent of any damages recovered from the breaching party with Buyer, to the extent of the actual loss incurred by Buyer as a result of the non-delivery of its requested Winter Cargo.

(c) Seller shall advise Buyer of any decision by Atlantic LNG or any other Person to construct a second train at, or utilizing common facilities with, the Trinidad Facilities and shall regularly thereafter inform Buyer of the progress of any construction and the projected date of commencement of commercial production. If, upon the date of expiration of the Algerian Supply Contract, commercial production by a second train has not begun, Seller shall have no further obligation to deliver a Winter Cargo to Buyer unless, by such date, Seller or Distrigas has entered into a new or replacement Algerian supply contract, in which case Seller's obligation shall continue, subject to this Section 12.3, or unless, subsequent to such date, a second train at, or utilizing common facilities with, the Trinidad Facilities begins commercial production.

### **ARTICLE 13 - DUTIES, TAXES AND OTHER GOVERNMENTAL CHARGES**

13.1 Subject to Section 6.4(b) above, Seller shall pay all port charges, including, without limitation, customs clearance and immigration fees and ship's agent fees, and any other fees, duties, taxes or similar charges imposed by the United States of America, the Commonwealth of Puerto Rico, or any subdivision of either, or by any other governmental authority having jurisdiction with respect to such



matter, on LNG Tankers employed by Seller for the transportation of LNG to Buyer's Receiving Facilities.

13.2 Buyer shall be responsible for all taxes, other than income taxes, on LNG or the sale of LNG imposed on Seller by the United States of America, the Commonwealth of Puerto Rico, or any subdivision of either, or by any other governmental authority having jurisdiction with respect to such matter, but not for taxes based on activities of Seller that constitute either a permanent establishment or doing business within the Commonwealth of Puerto Rico.

#### **ARTICLE 14 - REPRESENTATIONS, WARRANTIES AND INDEMNITIES**

##### **14.1 Buyer's Representations**

Buyer hereby makes the following representations and warranties.

(a) Buyer is a Bermuda exempted limited partnership duly organized, validly existing and in good standing under the laws of Bermuda. Buyer has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver and perform its obligations under this Contract.

(b) Except to the extent previously disclosed by Buyer, the execution, delivery and performance by Buyer of this Contract have been duly authorized by all necessary action, and do not and will not (i) require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of Buyer or of any other person or entity, except approvals or consents that have been obtained, (ii) violate any provision of Buyer's organic documents, any indenture, contract or agreement to which it is a party or by which it or its properties may be bound, or any law, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect, or (iii) result in a breach of or constitute a default under Buyer's partnership agreement or other organic documents or other material indentures, contracts or agreements to which it is a party or by which it or its properties may be bound.

**[REDACTED]**

(c) This Contract is a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

(d) Except as previously disclosed in writing, there is no pending or, to its best knowledge, threatened action or proceeding against Buyer before any court, governmental agency or arbitrator that could reasonably be expected to affect materially and adversely the financial condition or operations of Buyer or the ability of Buyer to perform its obligations under, or that purports to affect the legality, validity or enforceability of this Contract as in effect on the date hereof.

#### 14.2 Seller's Representations


Seller hereby makes the following representations and warranties.

(a) Seller is a corporation duly organized and validly existing under the laws of Delaware and has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Contract.

(b) Except to the extent previously disclosed by Seller, the execution, delivery and performance by Seller of this Contract have been duly authorized by all necessary action and do not and will not (i) require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of Seller or of any other person or entity, except approvals or consents that have been obtained, (ii) violate any provision of any of Seller's organic documents, any indenture, contract or agreement to which it is a party or by which it or its properties may be bound, or any law, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect, or (iii) result in a breach of or constitute a default under its organic documents or other material indentures, contracts or agreements to which it is a party or by which it or its properties may be bound.

(c) This Contract is a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms.





(d) Except as previously disclosed in writing, there is no pending or, to its best knowledge, threatened action or proceeding against Seller before any court, governmental agency, or arbitrator that could reasonably be expected to affect materially and adversely the financial condition or operations of Seller or the ability of Seller to perform its obligations under, or which purports to affect the legality, validity or enforceability of this Contract as in effect on the date hereof.

#### 14.3 Seller's Warranty and Indemnity

Seller warrants and covenants that it will have title to all LNG supplied hereunder, that it has and will have the right to sell the same, that such LNG will be free from liens, Encumbrances, adverse claims and proprietary rights at the passing of title at the Delivery Point and that no circumstances will then exist which could give rise to any such Encumbrances, adverse claims or proprietary rights other than those that may be caused by acts or omissions of the Buyer. Seller shall indemnify and hold Buyer and its Affiliates harmless against all loss, liability, damage and expense of every kind on account of adverse claims or proprietary rights to title in the LNG supplied by Seller at the Delivery Point or Encumbrances thereon, other than claims, rights or Encumbrances caused by Buyer's or any of its Affiliate's acts or omissions. For purposes of this Article 14, the term "Encumbrance" shall include, without limitation, any mortgage, pledge, lien, charge, assignment by way of security, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security except, prior to the arrival at the Delivery Point, for any assignment or other security agreement or arrangement, if any, required of Seller in connection with the financing of the Trinidad Facilities. **EXCEPT FOR SELLER'S OBLIGATION TO PROVIDE LNG THAT COMPLIES WITH ARTICLE 10, INCLUDING THE APPLICATION OF SECTION 10.3, SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO SAMPLES, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.**

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#### 14.4 Limitation on Seller's Alienation of Assets

Seller represents and warrants that, as of the date of this Contract: (i) Seller owns and controls all of the capital stock of Distrigas Corporation, which has entered into the Algerian Supply Contract, and Distrigas of Massachusetts Corporation, ("DOMAC") which owns Seller's Receiving Facilities; (ii) Seller and Cabot LNG Shipping Corporation, which owns the LNG Tanker GAMMA, are both wholly owned subsidiaries of Cabot Corporation; and (iii) Seller has the right to exclusive use of Seller's Receiving Facilities and the GAMMA (the Seller's Receiving Facilities and the GAMMA together "Seller's Assets") except, in each case, as set forth on Exhibit 14.4. Seller covenants that, during the Term, it shall not, and shall procure that DOMAC and Cabot LNG Shipping Corporation (and any other Affiliates that may own Seller's Assets) shall not, sell, transfer, assign, convey or otherwise alienate or release any right to the beneficial use of Seller's Assets or permit any of these to occur in a manner that materially adversely affects Seller's ability to meet its delivery obligations to Buyer hereunder but without prejudice to Seller's or Seller's Affiliates' rights and obligations with respect to the GAMMA in accordance with the Trinidad Supply Contract and the guaranty thereof provided by Cabot Corporation as in effect on the date hereof; provided, however, that nothing in this Contract shall prevent, or be construed to prevent, Cabot Corporation from selling, transferring, assigning, leasing, or otherwise freely disposing of any or all of its shareholding or other interests, rights or title, whether held directly or indirectly, in or to Seller, or Seller together with Seller's Affiliates owning Seller's Assets, or merging or permitting the merger, partnership, joint venture, or other arrangement or combination of Seller, or of Seller together with such Affiliates, to or with another Person or Persons, provided that, if any such transaction does not result in the same ultimate parent owning Seller and each of Seller's Assets, each such other Person (and, if any, such Person's ultimate parent) undertakes to Buyer in writing with respect to such Seller's Assets as shall be thereafter owned directly or indirectly by it that such Seller's Assets shall not, for the then remaining Term of the Contract, be utilized, transferred or in any other way committed in a manner that materially adversely affects Seller's performance hereunder. Seller represents and warrants that, as of the date of this Contract, except as set forth on Exhibit 14.4, there exists no contract, commitment, lien, pledge or any other restriction on the ownership or use of the GAMMA that could interfere with the use of the GAMMA to transport LNG to Buyer as contemplated hereunder and covenants that it will not permit any new contract,

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commitment, lien, pledge or any other restriction on the ownership or use of the GAMMA to be made or to arise that is inconsistent with any of the obligations of Seller hereunder.


### **ARTICLE 15 - APPLICABLE LAW**

This Contract shall be governed by and interpreted in accordance with the laws of the State of New York, United States of America and, to the extent applicable, the laws of the United States of America, excluding any choice-of-law rules which would require the application of the laws of any other jurisdiction.

### **ARTICLE 16 - DISPUTE RESOLUTION**

16.1 Except for any disputes covered by Section 16.2, Seller and Buyer shall resolve all claims, disputes or matters relating to the interpretation or application of this Contract in accordance with a separate Dispute Resolution Agreement to be executed by them which shall include the statement that "This Dispute Resolution Agreement is the one called for in Section 16.1 of the LNG Sales Contract amended and restated and dated as of July 31, 1997 between the Parties" or, failing such execution, on the basis of good faith discussion and, if necessary, resort to the courts of the United States.

16.2 The Parties agree that any dispute relating to a technical or mathematical calculation under Schedule A and Schedule B or under Articles 6 and 10, and Sections 5.1, 8.3(c) (other than determination of whether a Force Majeure has occurred or whether a delay has been caused by an action or omission of Buyer, its agents or employees) and 8.5 shall be referred to an expert in such matters. Either Party shall be entitled to refer a dispute covered by this Section 16.2 to the expert and, upon doing so, shall give notice thereof to the other Party. The other Party shall have at least five days after receipt of notice to submit any information that it deems material to the expert. The expert shall collect such additional information as the expert deems necessary, and shall render a decision no more than 30 days after the date the matter was referred unless both Parties agree to extend such deadline. The Parties agree to be bound by the decision of the expert.



The parties shall no later than May 1, 1997, agree on one or more individuals to act as an expert hereunder, and from time to time agree on a successor whenever the currently agreed expert is no longer able or willing to continue to perform in accordance with the reference. Absent an agreement on a successor expert, or if the currently agreed expert is unwilling or unable to perform, the dispute shall be resolved in accordance with Section 16.1. The Parties shall share equally in the costs of the expert and shall bear their own costs in connection with participating in the resolution of any matter referred pursuant to this Section 16.2.

#### ARTICLE 17 - CONFIDENTIALITY

Except as provided below, information or documents which come into the possession of one Party from the other Party in connection with the negotiation or performance of this Contract (including this Contract or any summary or description thereof) ("Confidential Information") may not be communicated or otherwise disclosed to third parties without mutual written agreement of the Parties. However, either Party shall have the right to disclose such information or documents:

(a) to its direct or indirect shareholders (or partners); and to Atlantic LNG and its direct and indirect shareholders; provided that the recipient of such disclosure undertakes in writing to keep such information or documents disclosed confidential and to make no use thereof save for the purpose for which the same were disclosed; and to legal counsel, accountants, other professional consultants (collectively "Consultants") for either Party or for the parents or owners of a Party, provided, in the case of Consultants, such disclosure is solely to further the purpose for which such persons were engaged;

(b) to (1) underwriters or providers (or prospective providers) of finance or equity capital or (2) purchasers (and prospective purchasers) of significant equity interests in (or interests in assets of) either Party or the parents, owners or subsidiaries of a Party (and to such person's Consultants) provided (i) such disclosure is solely to further the purpose for which such persons were engaged, (ii) in the case of purchasers (or prospective purchasers) that the material to be disclosed is submitted in advance to the non-disclosing Party for its consent that such material is not misleading, and (iii) no such disclosure may be made to any

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person identified by the non-disclosing Party to the extent the non-disclosing Party reasonably believes such disclosure would have a material adverse impact on the competitive position of such Party and so informs the other Party;


(c) if required by any order of court or any law, rule, regulation, or directive of any governmental agency or entity with jurisdiction over a Party or an affiliate of such Party and having authority to require such disclosure in accordance with that authority or pursuant to the rules of any recognized stock exchange or agency established in connection therewith; and

(d) to the extent any such information or document has entered the public domain other than through the fault or negligence of the Party making the disclosure or by those to whom it previously made disclosures hereunder.

In the case of disclosures under (a) or (b) above, such disclosures can only be made if the recipient of the information executes the following acknowledgment: "The undersigned has received the attached copy of Article 17 of the LNG Sales Contract between Cabot LNG Corporation and EcoEléctrica, L.P. and agrees, on behalf of itself and each employee to whom it makes disclosures of the Confidential Information, to notify each recipient of, and to abide by, the provisions of such Article 17."

#### **ARTICLE 18 - NOTICES**

All notices and other communications for purposes of this Contract shall be in writing and shall be effective when received or deemed to have been received. Such notices and communications shall include transmission by facsimile or other electronic method of written transmission mutually agreed by Seller and Buyer, except that notices given from LNG Tankers at sea may be by radio or telex. Communications by telex will be deemed received when transmitted, provided there is an answerback. For communications by facsimile, other electronic method of written transmission or radio, receipt shall occur when the notices are actually received, but the receiving Party shall immediately acknowledge receipt by the same means as the communication and acknowledgment shall be conclusive evidence of receipt. Any other notices and communications shall be effective upon receipt after



delivery by hand, by registered or certified mail, return receipt requested, postage prepaid, or by recognized overnight courier. The notice addresse(s) are as follows:

(a) to Seller at the following mail, telex and facsimile addresses:


Cabot LNG Corporation  
75 State Street, 12th Floor  
Boston, MA 01209  
Facsimile: (617) 526-8343  
Telex: 671-6307  
Attention: President;

(b) to Buyer at the following mail, telex and facsimile addresses:

EcoEléctrica, L.P.  
Plaza Scotiabank  
279 Ponce de León Avenue  
Suite 902  
Hato Rev. PR 00918  
Facsimile: (787) 282-0986  
Attention: General Manager;

with copies (except for routine operational notices) to the following persons at their mail and facsimile addresses:

- (i) Enron International Inc.  
333 Clay St.  
Houston, TX 77002  
Facsimile: 713-646-7760  
Attn: General Counsel - Puerto Rico;
  
- (ii) Kenetech Energy Systems, Inc.  
355 Research Parkway  
Meriden, CT 06540  
Facsimile: 203-238-7874  
Attn: Puerto Rico Project Manager; and



(iii) ABN AMRO Bank N.V.  
New York Branch  
500 Park Avenue  
New York, NY 10022  
Facsimile: 212-838-7300  
Attention: Administrative Services.

The Parties may designate additional addresses for particular communications as required from time to time, and may change addresses, by notice given thirty (30) days in advance of such additions or changes. Without prejudice to the validity of the original notice, the Party receiving any notice given by facsimile or other electronic method of written transmission may request the confirmation of the notice by letter and, promptly upon such request, the sending Party shall make such confirmation by letter

#### **ARTICLE 19 - ASSIGNMENT**

19.1 Except as provided in this Article 19 or Section 20.4, neither this Contract nor any rights or obligations hereunder may be assigned by Buyer without the prior written consent of Seller, or by Seller without the prior written consent of Buyer, which consent may be withheld at the sole option and discretion of the non-assigning Party. No assignment shall release the assigning Party from any of its obligations under this Contract except to the extent expressly agreed in writing by the other Party.

19.2 Either Party shall be entitled to assign all (but not some) of its rights and obligations under this Contract to any of its Affiliates, provided that, unless the other Party agrees otherwise in writing, the original assigning Party (except as provided in Section 19.3) and each subsequent Affiliate assignee from such Party (having itself assigned to an Affiliate) shall be fully liable under this Contract in the event of non-fulfillment of its obligations hereunder by the most recent Affiliate to have taken an assignment. An unsatisfied award pursuant to Article 16 (or any court order made in connection therewith) shall be immediately enforceable against each of such assignors notwithstanding the fact that such assignor has not participated in the proceedings giving rise to such award or court order. Any assignment pursuant

**[REDACTED]**

to this Section 19.2 shall become effective upon delivery to the non-assigning Party of a valid and enforceable covenant by the assignee Affiliate to observe and perform all the obligations of the assignor Affiliate under this Contract.

19.3 Buyer may, without the consent of Seller, assign its rights and benefits but not its obligations and duties under this Contract to the Eco Lenders as collateral security in order to obtain financing, provided that Buyer shall not be relieved of its responsibility to carry out its duties and obligations under this Contract. Seller agrees to execute such consent to the collateral assignment of this Contract to the Eco Lenders, as may be reasonably required, so long as such consent neither diminishes the rights, nor increases the obligations, of Seller under this Contract and the execution of such consent shall be a condition precedent to Buyer's obligations under this Contract. Seller acknowledges that as a result of an assignment of EcoEléctrica's rights and interests (but not its obligations) under this Contract to the Eco Lenders: (i) the Eco Lenders will have the right, upon the occurrence of a default under the Eco Lenders' agreements with Buyer that gives the Eco Lenders the right to foreclose on the Power Facility or Buyer's Receiving Facilities, to assume or cause a nominee to assume all of the rights and obligations of Buyer under this Contract; and (ii) the Eco Lenders will have the right to cure defaults by Buyer under this Contract for a period of thirty (30) days following receipt of written notice from Seller of the existence of a default. Seller shall send to the Eco Lenders at the addresses listed in Article 18 copies of all notices sent to Buyer pursuant to this Contract.

19.4 Seller shall be entitled to assign this Contract to Atlantic LNG, but only if, as of the date of assignment, Atlantic LNG satisfies the Shipping Requirement as defined below. Upon the acceptance of such assignment by Atlantic LNG and the satisfaction of the Shipping Requirement (together, an "ALNG Assignment With Shipping"), neither the assignor nor Buyer shall have any further obligation to the other hereunder (but shall remain responsible for any liabilities or obligations outstanding and unsatisfied as of the date of such assignment). "Shipping Requirement" shall mean the right to use the GAMMA (or, in lieu of the GAMMA, an LNG Tanker that can reasonably be expected to meet the requirements of Sections 6.1 and 6.2 for the then remaining Term of this Contract) for such period and pursuant to such terms as would be sufficient for Atlantic LNG to perform the remainder of Seller's delivery obligations under this Contract.





## ARTICLE 20 - LIABILITIES AND REMEDIES

### 20.1 Consequential Loss or Damage

Except as expressly provided in this Contract, neither Party shall be liable to the other Party, any Affiliate or any Indemnified Person for or in respect of any consequential loss or damage, including any claim, demand or action made or brought against the other Party, any Affiliate or any Indemnified Person by a third party or for special or punitive damages or loss of profits or business interruption, suffered or incurred by the other Party, any Affiliate or any Indemnified Person resulting from breach of or failure to perform this Contract or the breach of any representation or warranty hereunder, whether express or implied.

### 20.2 Tortious Liability

The Parties recognize that, with respect to breaches of this Contract (and acts or omissions which constitute breaches), their relationship with each other is contractual and that neither Party shall have any claim against the other in tort with respect to such breaches. This Section 20.2 is not intended to exclude a Party's right of contribution or indemnity against the other to the extent such right would be available by contract or in law or equity.


### 20.3 No Third Party Beneficiaries

Nothing in this Contract, express or implied, is intended to confer on any other person any rights or remedies as a third party beneficiary in or by reason of this Contract. Buyer expressly recognizes that it is not, and agrees that it shall not claim to be, a third party beneficiary in or of the Trinidad Supply Contract or Algerian Supply Contract or the Algerian Transportation Agreement, and Seller expressly recognizes that it is not, and shall not claim to be, a third party beneficiary in or of the Power Agreement, or any other agreement of Buyer or EcoEléctrica relating to the sale of either LNG, natural gas or electricity.

**20.4 Special Events**

**(a) Cancellation or Termination of Trinidad Supply Contract by Seller as a Result of Breach or Abandonment by Atlantic LNG**

- (i) In the event that Seller cancels or terminates the Trinidad Supply Contract by reason of a default or breach by Atlantic LNG or, if Atlantic LNG has, or claims to have, abandoned the construction or operation of the Trinidad Facilities, Seller shall so notify Buyer within 90 days of such cancellation, termination, abandonment, or claimed abandonment, and upon such notice the obligations of both Parties hereunder shall be suspended without liability for nonperformance of such obligations on the part of either Party during the period of suspension, except that Seller shall (A) at the written request of Buyer, execute a document in the form of Exhibit 20.4 and (B) consult with Buyer on an ongoing basis and diligently pursue, giving due regard to Buyer's interests, any remedies it may have against Atlantic LNG and share with Buyer one-third of any damages or other compensation recovered by Seller from Atlantic LNG under the Trinidad Supply Contract. This Section 20.4(a)(i) shall survive the termination of this Contract and shall continue to apply to Cabot LNG Corporation if this Contract is assigned to Atlantic LNG pursuant to 20.4(a)(i)(A).
- (ii) If this Contract has been suspended pursuant to Section 20.4(a)(i), such suspension shall remain in effect for 48 months after the suspension notice unless within such 48-month period (A) Buyer, at any time, gives notice of termination of this Contract, in which case, termination shall be effective on such notice, (B) there is an ALNG Assignment With Shipping or (C) Buyer gives notice to Seller to resume performance under this Contract. Buyer shall be entitled to give notice under (C) above only if (x) in the case of a claimed abandonment where the Trinidad Supply Contract has not been terminated, construction or operation of the Trinidad Facilities resumes within



such 48-month period or (y) Seller, or any Affiliate, shareholder or owner of Seller, or any Affiliate of any such shareholder or owner loads LNG at the Trinidad Facilities subsequent to the suspension notice but within such 48-month period. In the case of (B) or (C) above, Seller and Buyer shall resume performance promptly upon the effectiveness of an ALNG Assignment with Shipping or Buyer's notice, respectively. Unless, by the end of such 48-month period, this Contract has been terminated or resumption of performance hereunder has been required as provided above, this Contract shall automatically terminate and neither Party shall have any liability to the other arising out of such termination.

(b) Other Cancellation or Termination of Trinidad Supply Contract

- (i) In the event that the Trinidad Supply Contract is cancelled or terminated in circumstances other than those described in Section 20.4(a), Seller shall, within 90 days after any such cancellation or termination, either (A) arrange an alternate supply of LNG for the then remaining Term of this Contract on terms acceptable to Buyer, and supply security for Seller's performance reasonably acceptable to Buyer and Eco Lenders or (B) effect an ALNG Assignment With Shipping; provided that if, as of the date of such termination or cancellation, Seller is unable to satisfy the Shipping Requirement, Seller's obligation under this Section 20.4(b)(i) shall be suspended and the 90-day period tolled so long as Seller is unable to satisfy the Shipping Requirement in compliance with Section 6.1(e).

**[REDACTED]**


(c) **Cancellation or Termination of this Contract as a  
Result of Breach by, or Force Majeure Affecting, Seller**

- (i) During any period that Buyer is entitled to give notice of cancellation or termination of this Contract pursuant to Section 20.5(b), it shall be entitled by notice to Seller to require Seller to effect an ALNG Assignment With Shipping.
- (ii) During any period (A) that Buyer is entitled to give notice of cancellation or termination of this Contract pursuant to Section 20.5(a) or as a result of an event of Force Majeure affecting Seller or (B) in the event that the suspension and tolling described in Section 20.4(b)(i) occurs, Buyer shall be entitled by notice to Seller to require that Seller promptly execute a document in the form of Exhibit 20.4 or, at Seller's election, effect an ALNG Assignment With Shipping.
- (iii) In the event that Atlantic LNG accepts assignment of this Contract or enters into a replacement contract with Buyer in circumstances where this Contract has been cancelled or terminated pursuant to Sections 20.5(a) or (b) or as a result of an event of Force Majeure affecting Seller, Cabot LNG Corporation shall be deemed to have relinquished any rights to such quantities of LNG under the Trinidad Supply Contract as Atlantic LNG reasonably requires to supply LNG to Buyer equivalent to Buyer's entitlement hereunder as of the date of such assignment, cancellation or termination, provided that such relinquishment shall not occur until such time as Atlantic LNG has released Cabot LNG Corporation in writing from its obligation under the Trinidad Supply Contract to purchase such quantities. In the event that, pursuant to such replacement contract, Atlantic LNG supplies LNG to Buyer on an FOB basis, Buyer shall be entitled to sell to Seller, for delivery at Seller's Receiving Facilities, LNG that Buyer is unable to receive at Buyer's Receiving Facilities for inventory or logistical reasons, subject to mutual reasonable

**[REDACTED]**

agreement on price and on other terms and conditions based on then prevailing market conditions.

- (d) **Cancellation or Termination of the Power Agreement or Buyer Abandonment of Buyer's Receiving Facilities or the Power Facility**
- (i) In the event that Buyer cancels or terminates the Power Agreement by reason of a default or breach by PREPA or, if Buyer has, or claims to have abandoned the development, construction or operation of the Buyer's Receiving Facilities or the Power Facility, Buyer shall so notify Seller within 90 days of such cancellation, termination or abandonment or claimed abandonment, and upon such notice the obligations of both Parties hereunder shall be suspended without liability for nonperformance of such obligations on the part of either Party, except that Buyer shall consult with Seller on an ongoing basis and shall diligently pursue, giving due regard to Seller's interests, any remedies it may have against PREPA. In such case, Buyer shall share with Seller the portion of any damages or other compensation recovered by Buyer from PREPA under the Power Agreement (excluding any amounts payable to Eco Lenders or other secured creditors) equal to the ratio of (A) the direct damages suffered by Seller as a result of such cancellation, termination, abandonment or claimed abandonment to (B) the sum of the direct damages suffered by Buyer (excluding any amounts payable to Eco Lenders or other secured creditors) and the direct damages suffered by Seller as a result of such cancellation, termination, abandonment or claimed abandonment. This Section 20.4(d)(i) shall survive the termination of this Contract.
- (ii) If this Contract has been suspended pursuant to Section 20.4(d)(i), the suspension shall remain in effect for 48 months after the suspension notice unless within such 48-month period (A) Seller, at any time, gives notice of termination of this Contract, in which case, termination shall be effective on such



notice, or (B) Seller gives notice to Buyer to resume performance under this Contract. Seller shall be entitled to give notice under (B) above only if (x) in the case of a claimed abandonment where the Power Agreement has not been terminated, construction or operation of the Buyer's Receiving Facilities resumes within such 48-month period or (y) Buyer, or any Affiliate, shareholder or partner of Buyer, or any Affiliate of any such shareholder or partner receives LNG at the Buyer's Receiving Facilities subsequent to the suspension notice but within such 48-month period. In the case of (B) above, Seller and Buyer shall resume performance promptly upon the effectiveness of such notice. Unless, by the end of such 48-month period, this Contract has been terminated or resumption of performance hereunder has been required as provided above, this Contract shall automatically terminate and neither Party shall have any liability to the other arising out of such termination.

(e) Absence of Atlantic LNG Consent

Buyer and Seller acknowledge that Atlantic LNG has not provided its consent to any assignment to Atlantic LNG of either of Buyer's or Seller's interests under this Contract nor to the delegation to Atlantic LNG of any of Buyer's or Seller's liabilities or obligations under this Contract in any event or circumstance, and for the avoidance of doubt, Buyer and Seller acknowledge that Atlantic LNG has not executed, nor agreed to execute, any document in the form of Exhibit 20.4 or any document pursuant to which Atlantic LNG agrees at any time to accept an assignment as contemplated in Sections 20.4(a), 20.4(b) and 20.4(c) of this Contract.

20.5 Cancellation Rights

(a) If, in any period of three successive Contract Years during the Term of this Contract, the cumulative aggregate Annual Shortfall Quantities during such period exceeds 50% of a volume of LNG equal to three times the ACQ, Buyer shall have the right to cancel this Contract by notice to Seller within 180 days of the end

**[REDACTED]**


of the third Contract Year of such period. If Buyer gives such notice, this Contract shall be cancelled upon Seller's receipt of the notice. In such event, each Party's liability to the other shall be limited to amounts that are outstanding and unpaid or uncredited as of the date of cancellation, and neither Party shall have any further liability or obligation to the other, including any liability or obligation for damages arising or flowing from such cancellation.

(b) If at any time either Party is required by this Contract to make payment to the other in an amount (after applying any allowable credits or adjustments) exceeding \$30 million and (i) the Party owing such amount fails to make timely payment and receives a Default Notice and (ii) after the expiration of the applicable cure period the amount outstanding and unpaid remains in excess of \$30 million, then the non-defaulting Party shall have the right to provide a notice of cancellation to the defaulting Party, and a copy to any secured lender of the defaulting Party (and any other parties entitled to receive a notice of cancellation) previously identified as such by the defaulting Party. If such past due amounts have not been fully paid by the 30<sup>th</sup> day after such notice, or by the 90<sup>th</sup> day after such notice in the event the defaulting Party has such secured lenders, this Contract shall be cancelled as of such later expiration. In such event, each Party's liability to the other shall be limited to the amounts that are outstanding and unpaid or uncredited as of the date of cancellation, and neither Party shall have any further liability or obligation to the other, including any liability or obligation for damages arising or flowing from such cancellation.

(c) The provisions of Section 12.2 and this Section 20.5 shall be the only basis upon which one Party shall be entitled to cancel or terminate this Contract as a result of the other Party's failure to perform and each Party expressly waives whatever other rights it may have to cancel or terminate this Contract in such circumstances at law or in equity.

#### 20.6 Third Party Claims

(a) Each Party shall indemnify and hold harmless the other Party and each of its Affiliates and each of their respective directors, officers, shareholders, partners, employees, agents and representatives and each of their respective heirs, successors and assigns (each an "Indemnified Person") from and against any and



all damages, claims, losses, liabilities, actions, causes of action, costs, expenses and obligations (including, without limitation, all reasonable attorneys' fees), whether arising in contract, tort or otherwise, to third parties for or on account of injury, bodily or otherwise, or death of persons or for damages to, or destruction of, property, in each case to the extent resulting from, arising out of or in connection with the negligent act or omission of the indemnifying Party, its agents or employees.

(b) In the event either Party to this Contract receives notice of any claim or cause of action for which such Party elects to assert a right of indemnification and hold harmless from the other party, the Party receiving such notice must give prompt written notice, but in any event within 30 days, to the other Party of the claim or cause of action. Failure to provide such notice within the required period shall relieve such other party from its obligation to indemnify and to hold harmless the party asserting such a right to the extent of the adverse consequences, if any, arising from such untimeliness.

(c) The Party required to give the indemnification and hold harmless under the terms and provisions of this Contract shall have control of the defense of any such claim or cause of action (except to the extent prevented by any legal conflict of interest), including the selection of counsel to handle same. In addition to the counsel so selected, the party being indemnified and held harmless shall be entitled to be represented by counsel of its own choosing but, in such event, the cost and expense of said additional counsel shall be borne by the indemnitee.

#### 20.7 Parties' Liability: Relationship of Affiliates

Seller's sole recourse and remedy under this Contract shall be against the Buyer and its assets (which shall be deemed to include, for purposes of this Contract, the Letter of Credit), and Buyer's sole recourse and remedy under this Contract shall be against Seller and Seller's Assets (other than the GAMMA). Neither Party shall have any right, and each Party hereby expressly waives any right, to pursue any action or claim arising under, relating to, or in connection with, this Contract against any of the other Party's Affiliates or the partners or shareholders of Affiliates.





## ARTICLE 21 - MISCELLANEOUS

### 21.1 Amendment

This Contract supersedes all prior agreements, written or oral, between the Parties relating to the subject matter hereof. This Contract shall not be amended, modified, varied or supplemented except by an instrument in writing signed by Seller and Buyer. Seller shall not (i) terminate, or permit the termination of, the Trinidad Supply Contract (except as expressly provided therein

or (ii) amend or modify such contract or waive any rights with respect thereto to the extent any such amendment, modification or waiver is likely to have a material adverse affect on Seller's ability to comply with its obligations under this Contract. Buyer shall not, without the prior written consent of Seller, either (i) terminate, or permit the termination of, the Power Agreement (except where the termination is a result of default or breach by PREPA) or (ii) amend or modify the Power Agreement or waive any rights with respect thereto, to the extent any such amendment, modification or waiver is likely to have a material adverse affect on Buyer's ability to comply with its obligations under this Contract.

### 21.2 Waiver

The failure of any Party at any time to require performance of any provision of this Contract shall not affect its right to require subsequent performance of such provision. Waiver by any Party of its rights and remedies in respect of any breach of any provision hereof shall not constitute a waiver in respect of any subsequent breach of such provision. Performance of any condition or obligation to be performed hereunder shall not be deemed to have been waived or postponed except by an instrument in writing signed by the Party who is claimed to have granted such waiver or postponement.

### 21.3 Headings

The headings of the Articles and Sections of this Contract are for convenience only and shall not be used in the interpretation of this Contract.



21.4 Counterparts

This Contract is executed in four identical counterparts each of which shall have the force and dignity of an original and all of which shall constitute but one and the same Contract.

IN WITNESS WHEREOF, each of The Parties has caused this Contract to be executed by its duly authorized officer as of the date first written above.


Seller:


Buyer:

CABOT LNG CORPORATION

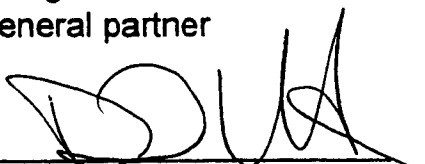
ECOELECTRICA, L.P.

By: KES Bermuda, Inc.,  
its general partner

By:   
R. Gordon Shearer  
President

By:   
Aaron Samson

By: Buenergía B.V.  
its general partner

By:   
David L. Haug



**Appendix 1**

**DEFINITIONS**

The terms or expressions below will have the following meanings in this Contract:

1. **ALNG Assignment With Shipping**

As defined in Section 19.4.

2. **ALNG Ninety-Day Schedule**

As defined in Section 7.2(b)(iii).

3. **Actual Unloading Time**

As defined in Section 6.7(b).

4. **Adjustment Factor**


As defined in Section 8.1(a).

5. **Affected Party**

As defined in Section 12.2(a)(i).

6. **Affiliate**

Any Person directly or indirectly controlling, controlled by or under common control with any other Person. For purposes of this definition the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or to cause the



direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.

7. Algerian Loading

As defined in Section 12.3(b)(ii).

8. Algerian Supply Contract

As defined in Section 12.3(a).

9. Algerian Contingency Period

As defined in Section 12.3(a).

10. Allotted Unloading Time

As defined in Section 6.7(a).

11. Alternate LNG Tanker


An LNG Tanker used by Seller to deliver LNG hereunder pursuant to Section 6.1(d) which complies with this Contract, including, but not limited to, the requirements of Article 6.

12. Annual Adjustments

As defined in Section 8.2(b).

13. Annual Amount

As defined in Section 5.3(a).

- 
14. Annual Contract Quantity (ACQ)  
As defined in Section 5.2(a).
  15. Annual Demand Charge  
As defined in Section 8.2(a).
  16. Annual Level  
As defined in Section 7.5
  17. Annual Shortfall Quantity  
As defined in Section 5.3(a).
  18. Annual Underdeliveries  
As defined in Section 5.3(a).
  19. Arrival at the Unloading Port  
As defined in Section 6.5.
  20. Atlantic Delivery Programme  
As defined in Section 7.1(a).
  21. Atlantic LNG  
As defined in Section 1.1.

22. British Thermal Unit (Btu)

The amount of heat required to raise the temperature of one avoirdupois pound of pure water from 59.0°F to 60.0°F at an absolute pressure of 14.696 pounds per square inch.

23. Business Day

Any day (other than Saturday or Sunday) on which commercial banks are normally open for business in San Juan, Puerto Rico and Boston, Massachusetts.

24. Buyer

As defined in the first sentence of the Contract and any Person that is an assignee of Buyer's obligations hereunder from and after the assumption of such obligations by such assignee.

25. Buyer's Bank Account

As defined in Section 9.4.

26. Buyer's Receiving Facilities

As defined in Section 1.2 and further described in Section 6.3.

27. Carryover Late Cargo

As defined in Section 7.2(c)(ii).

28. CM

A cubic meter.

29. Commodity Charge Rate

As defined in Section 8.3(a).

30. Commodity Surcharge Rate

As defined in Section 8.3(b).

31. Confidential Information

As defined in Article 17.

32. Consultants

As defined in Article 17.

33. Contract Year

The Initial Contract Year, each calendar year following the Initial Contract Year and prior to the Final Contract Year, and the Final Contract Year.

34. Default Notice

As defined in Section 9.5(b).

35. Delivery Date

The date of completion of discharge of a cargo delivered hereunder to Buyer's Facilities.

36. Delivery Point

The point at the Buyer's Receiving Facilities at which the flange coupling of the unloading line joins the flange coupling of the LNG