

FOR INFORMATION ONLY

CONTRACT FOR PURCHASE OF NATURAL GAS N°.....

Between the undersigned:

TEREGA

Private limited company governed by the laws of France, with capital of 17,579,088 euros, having its registered office in Pau (64010) at 40 avenue de l'Europe, registered under number 095 580 841 on the Pau Trades and Companies Register, represented by Mr Dominique MOCKLY in his capacity as Chairman and Managing Director,

referred to hereinafter as 'the Buyer' or 'TEREGA',

And:

NAME OF THE SUPPLIER

Company governed under the laws of, with capital of euros, having its registered office in (.....), at, registered under number on the Trades and Companies Register, represented by, in his/her capacity as,

referred to hereinafter as 'the Contractor' or '.....'.

The Buyer and the Contractor being referred to hereinafter together as 'Parties' or individually as 'Party'.

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1. RECITALS

The Buyer operates and develops a network of natural gas pipes in southwest France as well as a storage site for natural gas.

In order to ensure operation of its installations, the Buyer wishes to purchase natural subject to the provisions of article L431-3 paragraph 3 of the Energy Code.

Further to a call for tenders launched on **XX/XX/XX**, the Supplier submitted a bid that the Buyer wishes to retain.

In consideration of this bid, the Parties have agreed to set out the terms and conditions for the supply of natural gas through this contract.

IN CONSEQUENCE OF WHICH, IT HAS BEEN AGREED AS FOLLOWS:

2. DEFINITIONS

Under the Contract, the following terms shall have the meaning associated with them below, in both the singular and the plural:

Contract : The present document, which constitutes the entirety of the agreements between the Parties to the exclusion of all other documents or exchanges between them at an earlier time on the same subject.

Gas: Natural gas forming the subject of this Contract.

Day: Period of twenty-four (24) consecutive hours beginning at six (6) o'clock in the morning on a given calendar day and ending at six (6) o'clock in the morning on the day immediately thereafter. The date of a Day is the date of the calendar day that the Day begins.

Batch: Firm quantity of 10 GWh of natural gas at the Point of Gas Exchange of the TERÉGA transport network.

MWh: Unit of counting for a quantity of natural gas measured in Normal Cubic Metres and converted into an equivalent identity on the basis of the Maximum Calorific Value.

Maximum Calorific Value or MCV: Quantity of heat, expressed in kWh, that would be obtained by complete combustion of one m³(n) of dry gas in the air at a constant pressure equal to 1.01325 bar, with gas and air being at an initial temperature of twenty-five (25) degrees Celsius, all products of the combustion being brought to the temperature of twenty-five (25) degrees Celsius, the water formed during combustion being brought to a liquid state and the other products being in a gaseous state.

Contractual Quantity: Quantity of gas resulting from the accumulation of Batches purchased from the Supplier by the Buyer under the terms of the Contract

Daily Contractual Quantity: Quantity of gas the Supplier agrees to supply on a given Day.

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3. PURPOSE OF THE CONTRACT

The purpose of the Contract is to determine the terms and conditions under which the Supplier agrees to supply the Buyer, which accepts, a certain quantity of gas.

4. ASSOCIATED TRANSPORT CONTRACT

For performance of the Contract, the Parties acknowledge that they are bound by a Transport Contract signed on xxxxxx.

5. ALLOTMENT OF BATCHES

The breakdown of Batches purchased by the Buyer from the Supplier and the P_{batch} of this (these) Batch(es) is summarised in the following table:

i	Point of delivery (PEG ATR or PEG ATS)	Date or Period of delivery	Number of Batches (N)	Price (P_{batch}) = Unit price of the gas in €/MWh	Global quantity in MWh (for indication)	Global amount in euros (for indication)
1						
2						
3						
4						

6. DELIVERY

6.1 Place of delivery

The Supplier agrees to deliver each Batch to the Buyer at the corresponding point of delivery according to the article 'Allotment of batches'.

6.2 Delivery time

Observance of the delivery times of the gas is an essential condition of this Contract without which the Buyer would not have contracted with the Supplier.

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6.2.1 Delivery of the gas on a single date

When the Supplier agrees to deliver the gas on a single date, the Daily Contractual Quantity is equal to the Contractual Quantity.

6.2.2 Delivery of gas over a period of time

The Supplier can, within five (5) days following allotment of the contract, submit to the Buyer a delivery schedule specifying the various Daily Contractual Quantities over the period of delivery specified in the article 'Allotment of Batches'.

The delivery schedule will become binding and contractual only after it has been approved in writing by the Buyer.

In the absence of a delivery schedule or in the lack of agreement by TERÉGA on the schedule submitted by the Supplier, the Daily Contractual Quantity is equal to the Contractual Quantity divided by the number of Days of the delivery period specified in the article 'Allotment of Batches'.

6.3 Non-delivery

When non-observance of the delivery date of all or part of the Daily Contractual Quantity is foreseeable, the Supplier shall immediately inform the Buyer by electronic mail or by fax of the extent and the reasons for non-observance.

In case of total or partial lack of delivery, on a given Day, of the Daily Contractual Quantity, the Buyer can terminate all or part of the Contract ipso jure and, in dispensation of the stipulations of the article 'Termination', forthwith by written notification.

7. TRANSFER OF OWNERSHIP

Transfer of ownership takes place on the Day of delivery of the gas at the place of delivery specified in the Contract.

The Supplier renounces availing itself of any ownership reservation clause and guarantees that the chain of its own suppliers also renounces thereto.

8. PRICE

The Price of the Batch(es) (P_{Batch}) is summarised in the table included in the article 'Allotment of Batches' above.

The Contractual Price (P) is calculated as follows:

$$P = \sum (10\,000 \times N_i \times P_{\text{Batch}i})$$

With:

- i : the number of the line on the table
- N_i : number of Batches allotted by the Buyer to the Supplier in line i of the table
- $P_{\text{Batch}i}$: unit price in euros per MWh of the Batch(es) repeated in line i of the table

P is expressed in euros, rounded to the centime by default

9. BILLING AND TERMS OF PAYMENT

9.1 Billing

The invoice, drawn up no earlier than on the last Day of delivery by the Supplier, shall be sent to the Buyer by post at the following address:

TERÉGA - Service Comptabilité
40, avenue de l'Europe
CS 20522
64010 PAU

Point of attention: The Supplier shall ensure that at the time of billing the following order number is included on its invoice: **XXXXXXXX**.

In order to speed up payment, a fax of this invoice can be sent to the following address:

TERÉGA - Direction Développement Commerce
A l'attention de Thomas PETITET
Fax: +33 559 13 36 65

9.2 Terms and conditions of payment

The amount to be invoiced by the Supplier shall be paid by the Buyer thirty (30) days following the end of the month of the date the invoice is issued by bank transfer.

The Buyer has a period of ten (10) calendar days following receipt of the invoice to contest the amount thereof. After this deadline, the invoice is considered accepted.

If all or part of the amount of an invoice is contested by the Buyer, the Buyer reserves the right to suspend payment of the disputed sum. The Buyer sends, prior to the contractually agreed due date of the invoice, a note justifying its position.

Absent payment of all or part of the invoice within the above-mentioned deadline, the sums due are increased ipso jure, without there being any need for a formal notice, by delay penalty interest equal to three times the legal interest rate in force on the exact number of days lapsed between the day of payability of the payment and the date of effective payment.

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10. FORCE MAJEURE

Neither of the Parties has failed in its contractual obligations to the extent that their failure to perform results from a case of force majeure.

Considered a case of force majeure are events or circumstances that are unforeseeable, irresistible and external, as defined by jurisprudence applicable in the matter.

force majeure does free the Party that invokes it from its contractual obligations only to the extent and during the time it is prevented from performing them. Each Party bears all the expenses incumbent on it resulting from the occurrence of a case of force majeure.

The Party that invokes an event or circumstance referred to in this article shall inform the other Party thereof forthwith by telephone or by any other means agreed between the Parties and shall provide confirmation thereof by recorded delivery letter with acknowledgement of receipt.

The Party concerned shall take all reasonable measures making it possible to minimise the effects of the event or of the circumstance referred to in this article, and it shall strive to ensure resumption of normal performance of the Contract as quickly as possible.

During the period of interruption of its obligations, the Party concerned shall inform the other Party of the consequences of the event or of the circumstance concerned on realisation of its obligations, the measures it intends to take in order to minimise the effects on performance of the Contract, the progress of implementation of these measures, the estimated amount of time for resumption of normal performance of its contractual obligations and the date on which the event will cease.

If the Supplier's obligations under the Contract are reduced or interrupted in application of this article, the Buyer is released from its obligations of payment under the Contract within the limit of the share and duration of reduction or interruption of said obligations.

If there should occur an event or circumstance referred to in this article that might prevent one of the Parties from performing its obligations for a duration of more than fifteen (15) days, the Parties shall meet in view of examining the adaptations to be made to their respective obligations under the terms of the Contract in order to take account of this new situation. Absent an agreement between them within thirty (30) days following the occurrence of the event or the circumstance referred to in this article, the Party to which this event or this circumstance is opposed can then terminate the Contract ipso jure without prior notice or compensation of any kind.

11. RESPONSIBILITIES AND INSURANCE

11.1 Responsibilities

Each Party is responsible, by virtue of ordinary law, for any direct loss that it itself, its employees and/or its subcontractors might cause to the other Party or to third party due to performance of this Contract. It shall cover the other Party and its insurers against any loss and/or liability that this other Party might bear for this reason.

However, the Parties agree, for each event, to limit their responsibility, within the scope of ordinary law, for any direct loss that a Party might cause to the other Party, to the global amount of this Contract. Beyond this limit, each Party renounces recourse against the other Party and shall obtain equivalent assurances from insurers, except in the case of grave error or wilful misconduct.

11.2 Insurance

The Supplier and the Buyer shall cover by any means they judge appropriate, notably through possibly signing insurance policies, the risks that are respectively incumbent on them in application of the provisions of the article 'Responsibilities' above.

The Supplier and the Buyer shall bear the financial expenses and any possible premiums linked to implementation of the means they might have adopted in application of the previous paragraphs as well as the financial consequences and the franchises resulting from implementation of these means.

12. INFORMATION

The Parties shall keep each other informed at all times and as quickly as possible of any event or circumstance or information of any kind whatsoever that might have a significant impact on performance of the Contract.

13. CONFIDENTIALITY

Each Party agrees to preserve the confidentiality of all information, of any kind whatsoever, received from the other Party on the occasion of preparing and/or performing this Contract for two (2) years following signature of this Contract.

The Party receiving information can use this information only for the purpose of performing this Contract and is prohibited from communicating it to third parties other than company officers, employees, subcontractors or agents directly concerned, legal counsellors and auditors. The recipient Party agrees to take all useful measures to observe this obligation of confidentiality by its company officers, employees, subcontractors or agents directly concerned, legal counsellors and auditors.

However, this obligation of confidentiality does not apply to any information:

- known by the Party that has received it prior to the beginning of the Contract;

- which is in the public domain at the time it is revealed or that enters the public domain at a later time in the absence of effort or negligence by the Party that received it;
- lawfully obtained from another source not bound by an obligation of confidentiality with regard to the Party having issued it;
- that must be communicate to a third party as the compulsory effect of a law or of a court decision coming from a competent EU, French or foreign administrative authority;
- that can be communicated to persons and subject to the conditions in article L111-76 of the Energie Energy Code and in decree n° 2004-183 of 18 February 2004 relative to the confidentiality of information held by operators operating structures for the transport, distribution or storage of natural gas or installations for liquefied natural gas.

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14. TERMINATION

If one of the Parties fails to meet its obligations under the terms of this Contract, except for a case of force majeure, the other Party can terminate this Contract ipso jure and without prior notice after a formal notice to remedy said failures to perform obligations sent to the defaulting Party and remaining without reply for five (5) calendar days following receipt thereof.

All expenses relating to termination of the Contract shall be borne by the defaulting Party without prejudice to any or all damages that might be claimed by the non-defaulting Party.

15. TRANSFER OF THE CONTRACT

A Party cannot transfer the rights and obligations it holds under the terms of the Contract to a third party, including subsidiaries and affiliated companies, without prior written consent from the other Party.

16. MISCELLANEOUS

16.1 Modifications

The terms and conditions of the Contract are lawfully modified only by an amendment signed by the Parties' duly authorised representatives.

16.2 Partial nullity

If a provision of the Contract were to be null and void by virtue of a law, regulation or court decision, it shall be considered not written. In this case, the Parties shall negotiate in good faith a replacement clause approaching the nullified provision as much as possible from the legal and economic point of view.

16.3 Non-renunciation – tolerance

Each of the Parties has the possibility of renouncing application to the other Party, partially or fully, one or more times, one or several of the contractual provisions.

The fact that one of the Parties does not require of the other full performance of its obligations can in no case be considered as a renunciation to require performance thereof at a later time.

16.4 Independence of the Parties

This Contract confers on the Supplier no mandate to take commitments with third parties on behalf of the Buyer. The Supplier shall abstain from any act or omission that might create with third parties the appearance that such a mandate might exist.

17. LANGUAGE OF THE CONTRACT

Notwithstanding any translation that might be made thereof, signed or not, the binding language for interpretation and/or performance of the Contract is French.

18. GOVERNING LAW AND SETTLEMENT OF DISPUTES

The contract is governed by the laws of France. The Parties shall strive to settle any dispute with regard to formation, performance or interpretation of the Contract amicably. Should no amicable agreement be reached, these disputes are referred to the Commercial Court of Pau.

Signed in Pau, on, in original copies,

On behalf of the Supplier

On behalf of the Buyer,
Mr Dominique MOCKLY

Seal and signature

Seal and signature

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