PETROSYNC’S LEGAL SERIES

LNG & GAS CONTRACTS

Adapt with the Changing Dynamics in Contracting Strategies for LNG & Gas

14 November—18 November 2016
Jakarta, Indonesia

Sign Up Now & Get A Free Book on “A Framework for Negotiating and Managing Gas Industry Contracts”!
Course Overview

Recent market reports predict that LNG & Gas prices are broadly stable for the next two decades despite the oil price crisis. Major O&G companies have now lessen their exposure to oil and is focusing more on enhancing gas assets.

Our LNG & Gas Contracts course is developed to will enable participants to gain an insight into the way in which Buyers and Sellers view and negotiate GSPA’s and will provide participants a detailed understanding of the terms that are important in these transactions.

Course Design Focuses on GSPA and LNG Project Agreements

The first three days will be catered to GAS Supply and Purchase Agreements and the last two days on LNG Project Agreements. Participants will receive a copy of Professor Stickley’s book and CD “A Framework for Negotiating & Managing Gas Industry Contracts.

Includes Specific and Practical Case Studies

This course include case studies that examine the techniques for managing the risks inherent in a Gas Project. Besides, it will also include a case study that examines the options for documenting LNG project agreements.

How Does This Course Benefits You?

Negotiate Successfully

Negotiate the terms and conditions of Gas & LNG contracts successfully and achieve your company objectives via strategic negotiation skills.

Mitigate Risks

Secure high value Gas & LNG contracts for your company amidst complicated gas trade profile, volatile prices and other unpredictable risks in the international market.

Gain Better Position

Gain a clear understanding of the gas trade profiles and market structures across Asia Pacific, Europe, Middle East and Africa to attain a better position in agreement.

How does the current oil price crisis make impacts on the contracts?

Although the current focus is on the oil price levels, but gas and LNG markets are influenced by numerous factors. Let’s find out what are they.

What challenges faced by existing contracts in the market?

The existing contracts are not immune to the changes in the market conditions. How do we know what they are in order to overcome them? Sign up to know more!
PetroSync Distinguished Instructor

Dennis Stickley
International Legal Expert

Practical & Consulting
Over 30 years international experience in petroleum laws and contract negotiation. He is a qualified lawyer in the U.S. and listed in the Guide to World’s Leading Energy and Natural Resources Lawyers.

Training
Principal instructor in delivering workshops and seminars on Petroleum Industry Negotiations, Petroleum Service Contracts, Gas Industry Contracts, etc. for various corporate and government organizations internationally.

Books and Publications
- International Comparative Petroleum Law
- “A Framework for Negotiating and Documenting International Petroleum Transactions”

Who Needs This Program
- People involved in contract negotiations and who need an understanding of the principles of gas contract, including issues such as price terms and the allocation of risk.

Job Titles Include:
- Gas/LNG Contract Negotiators
- Petroleum Economists
- In-House Legal Counsels, Executives & managers
- Contract Executives, Specialist & Managers
- Commercial Executives, Managers & Lawyers
- Purchasing Executives & Managers
- Business Development Executives & Managers
- Project Executives & Managers
- Pipeline Marketing Executives & Managers
- Gas/ LNG Buyers, Sellers, Distributors, and Traders
- Gas/ LNG Project Investors and Advisors
- Senior Government Officials & Regulators

Course Schedule

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<td>08:00—09:00</td>
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PetroSync Quality Assurance
All PetroSync courses are developed with top quality to address all your training needs and purposes. Our courses are vetted strictly to ensure that we always deliver the best courses with the best industry expert.

PetroSync Inhouse Solutions
PetroSync can tailor our courses to meet your specific needs at your preferred location and schedule. Contact us for more information at +65 6415 4500 or email to general@petrosync.com
Course Agenda — 5 Days

DAY 1
Gas Contract Management (Gas Industry Overview & Principles of Gas Contracts)

Gas Industry Overview
- Development Logic: The contractual chain and commercial balance that is at the heart of gas projects
- Development Risk: A matrix approach to risk assessment and management
- Understanding Risk in Gas Projects
- Risk Apportionment
- Risk should lie with the party who can best control it
- How areas of risk are handled in the contractual arrangements
- Assessment of Gas Project Feasibility
- Techniques for Economic Assessment
- Financial Analysis of Gas Contracts

Exercise: Assessment of Natural Gas Project Feasibility

DAY 2
Gas Contract Management (Types of Gas Contracts & Key Contractual Clauses)

Upstream Agreements: Exploration, Processing and Storage
- Production Sharing and Operating Agreements
- Gas Processing
- Gas Storage

Gas Contracts
- Contract Sequence: Flow Chart explaining separately, gas contract
- Checklist of Articles for inclusion in the gas contracts with detailed explanations of their basis and composition

Explanation of Contract Clauses
- Gas Contract: Operational and commercial clauses to include Recital, Scope, First Supply Date, Commencement, Conditions Precedent, Quantities, Quality Specification, Pressure, Measurement, Facilities, Maintenance, Nominations, Shortfall Liabilities, Take or Pay Provisions, Billing and Payment
- Legal clauses covering Force Majeure, Dispute Resolution, termination, Liabilities, and Indemnities specific to gas contracts.

Commercial Issues in Gas Development
- Gas Markets: Development in the unbundling and deregulation of gas markets
- Gas Networks: Interconnections and trading hubs
- Gas Pricing Methodologies
- Enterprise Structures
- Financing Options in energy project developments: Balance Sheet, Non-resource Project, Multilateral Agency Funding

Gas Contracts—Key Principles
- Basic Principles and their Construction—Operational, commercial and legal basis for long term contracts
- Gas Contract terminology with calculation methodologies
- Interdependence of contracts in the gas chain
- Contract Sequence (Flow Chart for Gas)
- Contract Aim—Risk Mitigation and Commercial Value
- International Examples of Gas Sales and Purchase Agreement
- Background to Long-Term Gas Contracts

Exercise: Term Sheet for Gas Transportation

Current Practice in Pipeline Gas Supply & Purchase Agreements (GSPA)
- Duration and delayed start date provisions
- Indefinite pricing and indexation
- How to express gas quantities in pipeline gas contracts
- Take or Pay; Make-Up and Carry Forward
- Force-Majeure in Gas Sales Contracts; the difference between pipeline gas
- Current practice on shortfall penalties

Model Gas Sales and Transportation Contracts—Examples
- Current trends in gas contracts worldwide—GSPA
- Model Gas Sales and Purchase Agreement—GSPA
- Model Gas Transportation Agreements
- Specific Provision:
  → Price Reopener Clause: current trends
  → Dispute Resolution, Sole Expert, Arbitration, Reconciliation, available international forums
  → Side letters: Payment security mechanism, step in rights, change in contract provision

Exercise: Term Sheet for Gas Transportation
DAY 3
Gas Contract Management

Shipping and Risk Mitigation
- Shipping contract and ship chartering, CIF, FOB, Time Charter, Bareboat and Contract of Affreightment
- Commercial implications of financing ships, share of risk to different parties
- Gas Contract Risk Allocation Matrix, mitigation measures

High Pressure Gas Transmission and Gas Trade
- Flexibility mechanism in the gas market
- Ancillary gas contracts: Spot contract, Tolling contract, Depletion Contract
- Gas Balancing and Management of over/under run and imbalance
- Standard transportation contract—Checklist of Articles
- Gas Management System (GMS)
- Concept of high pressure transmission, gas balancing and management of over/under run

Gas Contract Negotiation—Principles and Techniques
- Contract Negotiation Stages, MOU, HOA, SPA and GSPA
- Contract Law and Legal Significance
- Important Concepts: Balance of Power between two parties, mutuality, interpersonal, orientation, Best Alternative to Negotiated Agreements (BATNA), Resistance Point
- Contract Negotiation Stages—preparation, fact finding, proposal, bargaining, tradable variables, offer of concession
- Profile of a Successful Negotiator
- Effect of Culture on Negotiation

Exercise: Negotiation Simulation for Delivery Price

DAY 4
LNG Contract Management (Evaluation of LNG Projects & Long Term Supply Agreement)

Evaluation of LNG Projects
- The LNG Chain
- The History and Philosophy of LNG Pricing
- Price Formulea used in the industry
- Recent Developments in Spot Market

Long Term LNG Supply Agreements
- Volume flexibility and options in LNG contracts—recent developments in destination clauses
- Forecasting, Nomination & Scheduling
- Make-up, Make Good, Restoration Quantities

Case Study in Gas Project Feasibility
- An overview, in workshop simulation format, of the techniques and steps for assessing project feasibility, types of commercial structures required in recent Gas Projects, and the major contractual interfaces required. The objective is to examine how the GSPA sits in light of the other contracts required gas project. In simulation format, the case study builds up typical commercial structures of a complex LNG Project, including gas supply to, and LNG sales from, the project.

Case Study in Gas Project Risk Matrix
- A detailed review, in workshop simulation format, of the development of a Risk Matrix for a typical LNG project. Based on the contractual interfaces required by such a project, from upstream development, through Gas Liquidation and shipping, to sale to end-user customers of re-gasified gas, this case study highlights the risks that need to be handled. In simulation format, the case study builds a Risk Matrix to identify these risks and to examine the various alternative means of addressing them.

Negotiation Simulation for Pipeline Gas/ LNG Supply & Sales Agreement
- A simulated negotiation of the terms and conditions in Pipeline Gas/ LNG Supply & Purchase Agreement. Based upon a hypothetical gas field, this simulation highlights all the issues addressed in such contracts, and examines the various alternative means of handling them. Results of the negotiation will be evaluated using the economic model Gas Pak.
COURSE DETAILS

Title: LNG & Gas Contracts—Negotiation, Drafting and Management
Date: 14—18 November, 2016
Location: Jakarta, Indonesia

INVESTMENT PACKAGES (Please Circle)

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<th>INVESTMENT PACKAGE</th>
<th>DEADLINE</th>
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<tr>
<td>Early Bird Offer</td>
<td>21 Oct 2016</td>
<td>USD 4,095</td>
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<tr>
<td>Group Discount (≥3 Delegates)</td>
<td>28 Oct 2016</td>
<td>10% Discount</td>
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Group Discount is based on Standard Price
* To enjoy the promotion & discount offer, payment must be made before dateline
* For 7 or more delegates, please inquire for more attractive package.
* Prices include lunches, refreshments and materials. Promotion & discount cannot be combined with other promotional offers.
* Important: Please note that registration without payment will incur a SGD 200 administration fee.

DELEGATES DETAILS

1st Delegate Name: ____________________________  Mr  Mrs  Ms  Dr  Others
Direct Line Number: ____________________________  Email: ____________________________
Job Title: ____________________________  Department: ____________________________
Head of Department: ____________________________

2nd Delegate Name: ____________________________  Mr  Mrs  Ms  Dr  Others
Direct Line Number: ____________________________  Email: ____________________________
Job Title: ____________________________  Department: ____________________________
Head of Department: ____________________________

3rd Delegate Name: ____________________________  Mr  Mrs  Ms  Dr  Others
Direct Line Number: ____________________________  Email: ____________________________
Job Title: ____________________________  Department: ____________________________
Head of Department: ____________________________

PAYMENT TERMS: Payment is due in full at the time of registration. Full payment is mandatory for event attendance.

CERTIFICATE OF ATTENDANCE

70% attendance is required for PetroSync’s Certificate of Attendance

DETAILS

Please accept our apologies for mail or email that is incorrectly addressed. Please email us at registration@petrosync.com and inform us of any incorrect details. We will amend them accordingly.

CHARGES & FEE(S)

- For Payment by Direct Telegraphic Transfer, client has to bear both local and oversea bank charges.
- For credit card payment, there is additional 4% credit card processing fee.

I agree to PetroSync’s terms & conditions, payment terms and cancellation policy.

Authorized Signature: ____________________________

CONFIRMATION