

Licence No. EMA/LNGTO/001

Gas Licence for LNG Terminal Operator Licensee

granted
under the Gas Act (Cap. 116A) to

Singapore LNG Corporation Pte. Ltd.

Uda

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

TABLE OF CONTENTS

PART I: SCOPE OF THE LICENCE.....	1
PART II: GENERAL CONDITIONS OF THE LICENCE	2
Condition 1: Interpretation and Definitions.....	2
Condition 2: Authorised Business and Allowed Activities.....	5
Condition 3: Separate Accounts for Price Regulated Services.....	6
Condition 4: Dealings with Subsidiaries or Related Enterprises.....	7
Condition 5: Composition of the Board of Directors.....	8
Condition 6: Prohibition on Acquisition of Shares.....	8
Condition 7: Notification of Change in Shareholding.....	8
Condition 8: Codes of Practice.....	8
Condition 9: Regulatory Contracts.....	10
Condition 10: Tariffs for Price Regulated Services.....	10
Condition 11: Risk Management and Insurance.....	11
Condition 12: Confidential Information.....	11
Condition 13: Research and Development.....	12
Condition 14: International Obligations.....	12
Condition 15: Investigation of Offences.....	13
Condition 16: Information, Access and Audit Rights of the Authority.....	13
Condition 17: Payment of Fees.....	14
PART III: SPECIAL CONDITIONS APPLICABLE TO THE OPERATION OF THE LNG TERMINAL	15
Condition 18: Planning, Development, Operation, Maintenance and Repair of the LNG Terminal.....	15
Condition 19: Construction or Modification of LNG Terminal.....	15
Condition 20: Obligation to Maintain Appropriate Resources.....	16
Condition 21: Compliance with Gas Network Code, System Entry Agreement.....	16
Condition 22: Special Administration Order.....	17
Condition 23: Standards of Performance.....	17
Condition 24: LNG Terminal Technical and Safety Audits.....	17
Condition 25: Preparation for Emergencies and Security Arrangements.....	18
Condition 26: LNG Terminal Safety and Security Procedures.....	18
Condition 27: Attendance to Gas Escapes.....	19
Condition 28: Provision of Real-Time Information and Data of the Price Regulated Services.....	20
Condition 29: Provision of Information to Relevant Gas Transporter, Relevant Gas Transport Agent and Customers.....	21
Condition 30: Port Liability Regime.....	21
Condition 31: Low Pressure Override.....	21

Ugha

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 32: Inspection	22
SCHEDULE 1:	23
Description of the Licensee's LNG Terminal	23
SCHEDULE 2:	24
Price Regulated Services of the LNG Terminal	24
SCHEDULE 3:	24
Other Regulated Services of the LNG Terminal	24

Ybl

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

PART I: SCOPE OF THE LICENCE

1. The Energy Market Authority of Singapore (the "Authority") in exercise of the powers conferred by Section 7(3) of the Gas Act (Cap 116A) (the "Act"), hereby grants to Singapore LNG Corporation Pte. Ltd., a company incorporated in the Republic of Singapore with Registration Number 200911659N (the "Licensee"), a gas licence (the "Licence") authorising the Licensee to manage and operate the LNG Terminal in Singapore described in Schedule 1, subject to the conditions of this Licence (the "Conditions").
2. The Conditions are subject to modification in accordance with Sections 14, 15 and 16 of the Act.
3. Subject to paragraphs 4 and 5 below, this Licence shall be for a term of thirty (30) years commencing on the date set out below. The Licensee may, no earlier than 3.5 (three and a half) years and no later than 2.5 (two and a half) years prior to the expiry of this Licence, apply to the Authority, in writing, for a renewal of the Licence. The renewal shall be on such terms and conditions as the Authority deems fit and will be notified to the Licensee, in writing, no later than 2 (two) years prior to the expiry of this Licence.
4. The Authority may at any time during the term of this Licence revoke or suspend this Licence in accordance with Section 18 of the Act.
5. Any request for the termination of this Licence by the Licensee is subject to the approval of the Authority. The Licensee shall continue to be bound by the terms of this Licence until such time as the Authority notifies the Licensee in writing of such approval. The Licensee shall not be released from any obligation arising under the Licence prior to such date.

1 March 2013



CHEE HONG TAT
Chief Executive
Energy Market Authority of Singapore

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

PART II: GENERAL CONDITIONS OF THE LICENCE

Condition 1: Interpretation and Definitions

1. Unless the context otherwise requires, words and expressions used in this Licence shall be construed as if they were in an Act of Parliament and the Interpretation Act (Cap. 1) applied to them and references to an enactment shall include any statutory modification or re-enactment thereof or any legislation substituted therefore after the date when this Licence comes into operation. A reference in this Licence to a body, whether statutory or not, which ceases to exist or whose functions are transferred to another body includes a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties. A reference in this Licence to the word "including" or a grammatical variation thereof means "including but not limited to".
2. Unless the context otherwise requires or the term is otherwise defined in paragraph 3 of this Condition, all terms defined in the Act shall have the same meaning when used in this Licence.
3. In this Licence, unless the context otherwise requires:

"Act"	means the Gas Act (Cap. 116A);
"Allowed Activities"	means activities, other than the Authorised Business, which the Licensee may engage in, subject to the provisions of paragraph 3 of Condition 2, and "Allowed Activity" means any of them;
"Authorised Business"	means the Licensee's management and operation of the LNG Terminal, which includes provision of the Price Regulated Services and Other Regulated Services as and when introduced by the Licensee;
"Authority"	means the Energy Market Authority of Singapore;
"Customers"	means all persons who have entered into a Terminal Use Agreement or any similar agreements to purchase the Price Regulated Services from the Licensee, and "Customer" means any of them;
"End Users"	means buyers and end users of gas that is regasified at the Licensee's LNG Terminal
"Gas Metering Code"	means the code of practice that sets out the obligations of meter owners, gas shippers and the Licensee with regards to meter installations and metering data;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

"Gas Network Code"	means the Singapore Gas Network Code issued by the Authority in accordance with the Gas Act;
"Gas Supply Code"	means the code of practice that sets out the obligations of gas licensees to comply with the standards and procedures for the safe operation of the gas supply system;
"LNG"	means liquefied natural gas;
"LNG Terminal"	means the LNG receiving terminal facility more particularly described in Schedule 1;
"LPO Charge"	means the charge to be imposed by the Licensee when injecting Regasified LNG into the gas supply system to stabilize the pressure level (i) in the event the pressure level falls below the level prescribed in the Standing Instructions; or (ii) in circumstances where the Relevant Gas Transporter or the Relevant Gas Transport Agent declares a system emergency;
"Other Regulated Services"	means in respect of the Licensee, the other regulated services in respect of the LNG Terminal as described in Schedule 3;
"Price Regulated Services"	means in respect of the Licensee, the price regulated services of the LNG Terminal as described in Schedule 2;
"Regasified LNG"	means gas derived from the conversion of LNG received by the Licensee from its liquefied state to a gaseous state;
"Related Enterprise"	in relation to the Licensee or its Subsidiary means any corporation ¹ or partnership over which the Licensee or its Subsidiary, as the case may be (either directly or

¹ As defined under the Singapore Companies Act, "corporation" means any body corporate formed or incorporated or existing in Singapore or outside Singapore and includes any foreign company but does not include —

(a) any body corporate that is incorporated in Singapore and is by notification of the Minister in the *Gazette* declared to be a public authority or an instrumentality or agency of the Government or to be a body corporate which is not incorporated for commercial purposes;

(b) any corporation sole;

(c) any co-operative society;

(d) any registered trade union; or

(e) any limited liability partnership.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

through another subsidiary company) is able to exercise control, that is, to direct the decision-making process of the corporation or partnership, whether through holding issued share capital or voting power of the company or partnership;

"Relevant Gas Transporter" means a person licensed to convey gas under Section 7(3) of the Act;

"Relevant Gas Transport Agent" means a person licensed under Section 7(3) of the Act to convey gas for or on behalf of a Relevant Gas Transporter;

"Relevant Legislation" means the Act and the Energy Market Authority of Singapore Act (Cap. 92B), and includes in each case the regulations made thereunder;

"Standing Instructions" means the Standing Instructions For The Response To Downstream Pipeline Network Low Pressure issued by the Authority in accordance with paragraph 1 of Condition 32;

"Subsidiary" shall be construed in accordance with Section 5 of the Companies Act (Cap. 50);

"Terminal Access Code" means the code of practice issued or to be issued by the Authority pursuant to Section 62 of the Act that sets out among other things the obligation of gas licensees to comply with the standards and procedures for the access to the LNG Terminal.

4. For the purposes of the restriction on the transfer of this Licence, the provisions of Section 10 of the Act shall apply and, accordingly:
 - (a) this Licence is not transferable without the approval in writing of the Authority; and;
 - (b) any purported transfer of this Licence without the approval in writing of the Authority shall be void.
5. Any reference in this Licence to a numbered paragraph is a reference to the paragraph bearing that number in the Condition in which the reference occurs.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

6. A reference to:
 - (a) "Condition" and "Conditions" refer to a condition and conditions of this Licence, respectively; and;
 - (b) "Schedule" and "Schedules" refer to a schedule and schedules to this Licence respectively.
7. Headings are for convenience only and shall not affect the interpretation of the Conditions.
8. Where in this Licence the Licensee is required to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit.
9. The provisions of Section 95 of the Act shall apply for the purposes of the service of any document by the Authority on the Licensee pursuant to this Licence.

Condition 2: Authorised Business and Allowed Activities

1. The Licensee shall conduct the Authorised Business.
2. The Licensee may, upon approval of the Authority in writing and subject to such conditions as may be imposed by the Authority at the time of approval or at any time thereafter, engage in any Allowed Activity that:
 - (a) the Licensee is already competent in; and
 - (b) provides synergies with the activities comprised in the Authorised Business.
3. In making an application to the Authority for approval to engage in an Allowed Activity, the Licensee shall provide an assessment of the extent to which its engagement in such activity complies with the criteria mentioned in paragraph 2 of this Condition. The Licensee shall not change the nature or scope of such Allowed Activity or cease such Allowed Activity without the Authority's prior approval in writing.
4. Other than the Authorised Business and Allowed Activities, the Licensee:
 - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and;
 - (b) shall procure that each of its Subsidiaries and Related Enterprises do not engage, or seek to obtain from the Authority a gas licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.
5. This Condition shall not prevent the Licensee from:
 - (a) engaging in any business, undertaking or activity incidental to the performance of its Authorised Business, Allowed Activities or any of the businesses, undertakings or activities that were already performed by the Licensee on the date that this Licence comes into effect; or;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

- (b) subject to Condition 4, making available to its Subsidiaries the services of employees of the Licensee in order that such Subsidiaries may provide to third parties such technical services, advice and assistance in respect of the services comprised within the Authorised Business or any Allowed Activity.
6. The Authority may, upon the application of the Licensee, relieve the Licensee from its obligations under paragraphs 4 and 5 of this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Authority shall specify in writing.

Condition 3: Separate Accounts for Price Regulated Services

1. The Licensee shall maintain accounting and reporting arrangements that enable separate accounts to be prepared for and to show the financial affairs of:
 - (a) the Price Regulated Services;
and;
 - (b) the businesses of the Licensee in aggregate.
2. The Licensee shall, in respect of the Price Regulated Services and the businesses of the Licensee in aggregate:
 - (a) keep or cause to be kept for the period referred to in Section 199 of the Companies Act (Cap. 50) and in the manner referred to in that section such accounting records
 - (i) as would by Section 199 of the Companies Act (Cap. 50) be required to be kept in respect of such business; and
 - (ii) in accordance with such reasonable accounting policies as the Authority may from time to time prescribe or impose;
 - (b) prepare, on a consistent basis from such accounting records, accounting statements which conform to generally accepted accounting practices in Singapore, stating the accounting policies adopted, and in such form and substance as the Authority may from time to time require;
 - (c) procure, in respect of the accounting statements prepared in accordance with this Condition, a report by the auditors of the Licensee addressed to the Authority stating whether in their opinion those statements have been properly prepared in accordance with this Condition and give a true and fair view of revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Price Regulated Services and the business of the Licensee in aggregate; and;
 - (d) deliver to the Authority a copy of the accounting statements required to be prepared by this Condition together with the auditors' report referred to in sub paragraph (c) above as soon as reasonably practicable and in

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

any event no later than five (5) months after the end of the period to which they relate.

3. The Licensee shall:
 - (a) in respect of its financial affairs keep and prepare such accounts and accounting statements for, and as at the end of, each financial year as would be required by the Companies Act (Cap. 50) to be kept by the Licensee if the Licensee were a company which were not a Subsidiary of any other company and which did not have any Subsidiaries or Related Enterprises; and;
 - (b) procure, in relation to such accounting statements, a report of the auditors of the Licensee addressed to the Authority, and deliver a copy of such accounting statements together with the auditor's report to the Authority, in conformity with the requirements of sub-paragraphs (c) and (d) of paragraph 2 of this Condition, which shall apply mutatis mutandis to this paragraph.
4. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 4: Dealings with Subsidiaries or Related Enterprises

1. The Licensee shall not, without the written consent of the Authority, enter into any agreement or arrangement for the supply of goods or services in connection with the Price Regulated Services and Other Regulated Services with any of its Subsidiaries or Related Enterprises except where such agreement or arrangement is entered into on an arm's length basis. The Licensee shall also not unduly discriminate in favour of its Subsidiaries or Related Enterprises.
2. In determining whether any such agreement or arrangement is on an arm's length basis, the Authority shall have regard to whether:
 - (a) the price and other terms affecting the financial value of the agreement or arrangement are in accordance with the market value based on the then current trends and practices to be ascertained by an independent qualified person to be appointed by the Licensee at its own cost and approved by the Authority;
 - (b) the parties are contracting freely and independently of each other;
 - (c) there is any special relationship between the parties; and;
 - (d) the terms are made on a "willing buyer and willing seller" basis given the circumstances surrounding the agreement or arrangement, as the case may be.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 5: Composition of the Board of Directors

1. The Licensee shall procure that at all times its directors shall not be employed by nor hold any office or engagement with:
 - (a) any person (other than the Licensee) authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of subsections (c), (d), (g) or (h) of Section 6(1) of the Act; or;
 - (b) any person (other than the Licensee) authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred to in one or more of subsections (a), (c), (d) or (f) of Section 6(1) of the Electricity Act (Cap. 89A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 6: Prohibition on Acquisition of Shares

1. The Licensee shall not directly or indirectly through its Subsidiaries or Related Enterprises acquire or hold any shares in:
 - (a) any person authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of subsections (c), (d), (g) or (h) of Section 6(1) of the Act; or;
 - (b) any person authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred to in one or more of subsections (a), (c), (d) or (f) of Section 6(1) of the Electricity Act (Cap. 89A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 7: Notification of Change in Shareholding

1. The Licensee shall inform the Authority without delay, if the Licensee becomes aware of any change or impending change in its shareholding or corporate group structure, whether such change is effected directly or indirectly through its immediate, intermediate or ultimate holding company(ies).

Condition 8: Codes of Practice

1. Where applicable, the Licensee shall be subject to and shall comply with:
 - (a) the Terminal Access Code;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

- (b) the Gas Metering Code;
 - (c) the Gas Supply Code; and;
 - (d) any other relevant codes of practice as the Authority notifies the Licensee in writing.
2. In conjunction with paragraph 1 of this Condition, the Licensee may participate in the development of any code of practice if such code of practice will directly or indirectly affect the Authorised Business of the Licensee.
3. If any new code of practice exceeds any of the Licensee's contractual agreements pre-dating the Licence, the Licensee shall be given a reasonable period of time, to be determined by the Authority, to comply with such code of practice.
4. Notwithstanding paragraph 1 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any code of practice, in whole or in part, and subject to such terms and conditions as the Authority may determine.
5. The Licensee may propose modifications to a code of practice that is in force at the relevant time by notifying the Authority in writing of the proposed modification. The Authority shall review the proposed modification to a code of practice and determine whether the proposed modification should be made, in accordance with the code modification process set out in the relevant code.
6.
 - (1) The Licensee shall not:
 - (a) with regard to its Authorised Business or Singapore's gas industry:
 - (i) make, prepare, attest to or certify, orally or in writing, any representation or statement that is false, incorrect or misleading or open to misconstruction by any person; or;
 - (ii) make any representation or statement, orally or in writing, or give any answer, orally or in writing, or otherwise conduct itself in a manner that is likely to mislead any person; or
 - (b) mislead or confuse any person about its Authorised Business.
 - (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of sub-paragraph (1) above, the Authority may, by notice in writing to the Licensee, direct the Licensee to take such steps as are specified in such direction to correct such false, incorrect or misleading representation, statement or answer or to correct such confusion, including but not limited to requiring the Licensee to publish a correction or to write to such persons to set out the correct facts within a specified period of time as directed by the Authority.
 - (3) The Authority may take enforcement action against the Licensee in accordance with the provisions of the Act if the Licensee fails to comply with the direction of the Authority issued under sub-paragraph (2) above.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 9: Regulatory Contracts

1. The Licensee shall be required to enter into such Regulatory Contracts as has been designated by the Authority, in consultation with the Licensee, for the purposes of this Condition.
2. The Licensee shall be required to participate in the preparation of any Regulatory Contract to which the Licensee will be a party.
3. If after a period which appears to the Authority to be reasonable, or such period agreed to between the parties and approved by the Authority, or such other period as stipulated by the Authority from time to time, the Licensee has failed to enter into a Regulatory Contract, the Authority may, at the request of the Licensee or of the person aggrieved by such failure, determine any terms of the Regulatory Contract in such manner as appears to the Authority to be reasonable. The Licensee shall thereafter enter into the Regulatory Contract on the terms as determined by the Authority.
4. Paragraph 3 of this Condition shall not apply to any Regulatory Contract under which the Authority or an entity that is operated by or to which the Authority has a shareholding is a party, in which case an independent third party shall be appointed to negotiate any terms that remain unresolved as between the Authority or the aforesaid entity, as the case may be, and the Licensee.

Condition 10: Tariffs for Price Regulated Services

1. The Licensee shall develop a tariff methodology (the "Tariff Methodology") setting out the basis upon which the tariffs shall be derived for the provision of the Price Regulated Services. The Tariff Methodology and any proposed revisions thereto shall be submitted to the Authority for approval together with a schedule of proposed tariffs (the "Tariff Schedule") applicable to the Licensee's Customers and their respective End Users in such detail as the Authority may reasonably require.
2. The information referred to in paragraph 1 shall be submitted by the Licensee to the Authority for approval no less than sixty (60) days, or any such period as stipulated by the Authority, prior to the date on which the proposed tariffs set forth in the Tariff Schedule are proposed to be first levied.
3. The Tariff Methodology and any proposed revisions thereto shall be developed taking into consideration the following guidelines:
 - (a) the recovery of costs, together with a reasonable return to be determined by the Authority having regard for the capital and operating costs incurred by the Licensee and any inherent risks associated with providing the applicable services; and;
 - (b) the tariffs set forth in the Tariff Schedule or in any revision thereto for the provision of the Price Regulated Services do not give any cross-subsidy to, or receive any cross-subsidy from, any other business of the Licensee or of any Subsidiary or Related Enterprises of the

4/6/11

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Licensee nor discriminate between any persons or class or classes of persons similarly situated.

4. The Licensee shall publish statements, in a form approved by the Authority, setting out the basis upon which the tariffs for the Price Regulated Services will be levied with such detail as shall be necessary to enable any person to ascertain the tariffs to which he would become liable for the receipt of the Price Regulated Services.
5. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 11: Risk Management and Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance (including self-insurance) of risks associated with its Authorised Business.

Condition 12: Confidential Information

1. The Licensee shall take reasonable measures to ensure that all confidential information received by it in relation to the Authorised Business :
 - (a) is kept confidential by the Licensee except as otherwise permitted by the Authority, this Licence, any applicable code of practice or the Gas Network Code, and that access to such confidential information is provided only, and as is necessary for the due performance of their lawful functions, to directors, officers and employees of the Licensee or to a financier, legal adviser, auditor or agent of the Licensee that has agreed in writing to observe this requirement of confidentiality;
 - (b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose permitted by this Licence, any applicable code of practice or the Gas Network Code; and
 - (c) is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the Authorised Business and Allowed Activities.
2. The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as the Authority may from time to time require to ensure the confidential information acquired by it in connection with the Authorised Business is, except as otherwise permitted by the Authority, this Licence, any applicable code of practice or the Gas Network Code, kept confidential by the Licensee and not dealt with in a manner which may restrict, distort or prevent competition in any of the industries to which it provides its services.
3. The Licensee shall, if requested by the Authority, procure that a certificate is issued by its auditors, in such form as the Authority may require, which

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

confirms that the Licensee is complying with the requirements of this Condition.

4. Nothing in this Condition shall be construed as requiring the Licensee to keep confidential any confidential information that is or becomes generally and publicly available other than as a result of a breach by the Licensee of paragraph 1 or 2 of this Condition.

Condition 13: Research and Development

1. The Authority may from time to time give directions to the Licensee requiring the Licensee to perform research and development activities, and to co-operate with other gas licensees to perform research and development activities in relation to the conduct of the Authorised Business, and the Licensee shall comply with any such directions.
2. Where the Authority gives directions to the Licensee pursuant to paragraph 1 of this Condition for major research and development work, or the Licensee, on its own volition initiates major research and development work, the Licensee shall prepare a fully developed business case for the approval of the Authority prior to commencing any such research and development activity.
3. Such a business case shall fully detail the nature of the research and development work to be undertaken, the benefits being sought from the research and development activity along with the economic costs and benefits of the proposed research and development work, the proposed sources of funding and cost recovery mechanism, and the proposed arrangements for the handling of any intellectual property developed during the course of the approved work.

Condition 14: International Obligations

1. The Licensee shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner which is consistent with the Government's obligations:
 - (a) by virtue of the Government being a member of an international organisation or a party to an international agreement; or;
 - (b) to attain or facilitate the attainment of that which is requisite and expedient in view of the Government being a member of such an organisation or a party to such an agreement,to the extent that the Licensee has notice of such membership or agreement pursuant to paragraph 2 of this Condition.
2. The Authority shall notify the Licensee from time to time of any membership or agreement to which paragraph 1 of this Condition applies.
3. The Licensee may apply to the Government for compensation or grant to offset any loss or damage sustained as a result of complying with paragraph 1 of this Condition based on an audited claim submitted by the Licensee for such loss or damage.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 15: Investigation of Offences

1. The Licensee shall monitor its activities with respect to compliance with this Licence or with the Relevant Legislation and shall report any suspected non-compliance to the Authority. The Licensee shall also submit quarterly, or at such other frequency as notified by the Authority in writing, a compliance statement to the Authority that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.
2. Where it comes to the attention of the Licensee that another gas licensee has breached its gas licence or the Relevant Legislation or any other person has breached the Relevant Legislation, the Licensee shall report such non-compliance to the Authority.
3. Where the Licensee reports suspected non-compliance by itself or non-compliance by another gas licensee or any other person pursuant to paragraph 2 above, or requests the Authority to institute a prosecution against any gas licensee or any other person for breach of a provision of the Relevant Legislation in relation to the Licensee's Authorised Business, the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a written report on the suspected non-compliance or contravention; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and any relevant information and evidence requested by the Authority.
4. Where the Authority receives any information from any person other than the Licensee indicating that an offence under Relevant Legislation may have been committed in respect of activities or property belonging to or managed by the Licensee, the Authority may, subject to Section 5 of the Act, inform the Licensee of such information and the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a written report on the suspected offence; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and any relevant information and evidence requested by the Authority.
5. The Licensee and its directors and officers shall give full assistance and cooperation to the Authority and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 1 through 4 of this Condition.

Condition 16: Information, Access and Audit Rights of the Authority

1. The Licensee shall promptly inform the Authority of any circumstances that result, or are likely to result, in a change in the information provided by the Licensee to the Authority and shall provide updated information to the Authority in a timely manner.
2. Without prejudice to the powers of the Authority to call for information under or pursuant to any other conditions in this Licence or the Relevant Legislation, the Licensee shall, at the Licensee's own cost, furnish to the Authority such

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

information as the Authority requires pursuant to Section 4 of the Act and in such form as the Authority requires.

3. The Licensee shall conduct, or cause to be conducted by such independent third party as the Authority may specify, at the Licensee's own cost, such audits of the Licensee's financial records, systems or procedures pertaining to the Authorised Business as the Authority may from time to time require and shall submit to the Authority such reports as the Authority may direct in respect of such audits.

Condition 17: Payment of Fees

1. The Licensee shall, at the times stated hereunder, pay to the Authority fees in the amount specified in, or determined under, paragraphs 2 to 5 of this Condition.
2. The Authority shall, after the issuance of this Licence, notify the Licensee in writing of the initial fee to be paid and the Licensee shall pay such fee to the Authority within thirty (30) calendar days.
3. The Authority shall notify the Licensee on or before the 1st of April of each subsequent year in which this Licence is in effect of the fee to be paid and the Licensee shall pay such fee to the Authority on or before 30th of April of each such subsequent year.
4. Without prejudice to any other powers of the Authority under this Licence or the Act, if the Licensee fails to pay in full any fee due pursuant to this Condition on or before the due date for payment thereof, the Licensee shall pay to the Authority interest at the Prescribed Rate described in paragraph 5 below, which interest shall accrue daily on the amount unpaid on and from such due date to the date of actual payment and shall be compounded monthly at the end of each calendar month.
5. The Prescribed Rate shall be the rate which is four percentage points (4%) above the arithmetic average of the rates quoted in Singapore by DBS Bank Limited, Overseas-Chinese Banking Corporation Limited and United Overseas Bank Limited (or such other banks as the Authority may specify in writing from time to time) as being the respective prime lending rates of such banks for each day of the period for which interest accrues, and in respect of any day during such period which is not a day for which such a rate is quoted, the last preceding rate quoted shall apply.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE
PART III: SPECIAL CONDITIONS APPLICABLE TO THE OPERATION OF THE LNG TERMINAL

Condition 18: Planning, Development, Operation, Maintenance and Repair of the LNG Terminal

1. The Licensee shall plan, develop, operate, maintain and repair its LNG Terminal, including the Licensee's injection metering facilities, for the provision of the Authorised Business in a reasonable, efficient, economic, safe and prudent manner and shall carry out these activities and all refurbishments, replacements, modifications and new investments in the LNG Terminal in accordance with the Relevant Legislation, the Conditions of the Licence, the Terminal Access Code, relevant international LNG Terminal standards, relevant codes of practice and relevant standards of performance.
2. In the event of a disruption to the operation of the LNG Terminal or where the level of reliability falls below the level which the LNG Terminal is designed, the Licensee shall:
 - (a) ensure that the operation of the LNG Terminal can be restored as soon as practicable; and;
 - (b) conduct an investigation at its own expense to establish the cause of the incident and shall furnish to the Authority, as soon as practicable, a written report on the incident and any other information as may be requested by the Authority.
3. The Licensee shall develop and review periodically appropriate plans, processes and procedures for preventing possible disruptions to the operation of the LNG Terminal. The Licensee shall comply with the aforesaid plans, processes and procedures.
4. Following any disruption to the operation of the LNG Terminal, the Licensee shall review and revise such plans, processes and procedures referred to in paragraph 3, as may be appropriate or as may be directed by the Authority at its sole discretion.

Condition 19: Construction or Modification of LNG Terminal

1. Without prejudice to applicable laws, before commencing any construction works that may modify or impact materially on the LNG Terminal, the Licensee shall give the Authority, any other gas licensees and persons who may be directly and materially affected by such construction works, notice of the intended construction works, including as appropriate the following details:
 - (a) the nature of the proposed construction works, and their impact on existing LNG Terminal;
 - (b) the impact on the facilities of other gas licensees;
 - (c) the relevant international LNG Terminal standards to be used for the construction works; and
 - (d) the timeline for completion of the construction works.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

2. The Licensee shall not commence any material construction works on the LNG Terminal without the prior written approval of the Authority.

Condition 20: Obligation to Maintain Appropriate Resources

1. The Licensee shall ensure that at all times it has appropriate physical, financial and human resources and arrangements in place to enable the Licensee to comply with the Conditions.

Condition 21: Compliance with Gas Network Code, System Entry Agreement

1. Where applicable, the Licensee shall comply with and perform its obligations in accordance with the Gas Network Code.
2. The Licensee shall be required, where applicable and upon a request or a notification by the Authority:
 - (a) to participate in the development and subsequent modifications of the Gas Network Code; and
 - (b) to participate in market trials or any other activity as required or commissioned by the Authority for:
 - (i) the purpose of implementing the Gas Network Code at a date to be specified by the Authority;
 - (ii) the purpose of complying with the provisions of the Gas Network Code applicable to the Licensee upon implementation of such provisions;
 - (iii) the purpose of complying with any proposed modifications which may materially change the operation of the Gas Network Code upon their implementation; or;
 - (iv) any other purpose related to the development and subsequent modification of the Gas Network Code to be specified by the Authority.
3. The Licensee shall, where applicable and by such date as the Authority may specify to the Licensee, enter into and comply with a System Entry Agreement with the Relevant Gas Transporter pursuant to the Gas Network Code.
4. Where the Licensee and Relevant Gas Transporter do not agree on the terms of the System Entry Agreement required under Paragraph 3 of this Condition, the Licensee must:
 - (a) accept the decision of the Authority; and
 - (b) comply with any directions regarding costs made by the Authority.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 22: Special Administration Order

1. In accordance with any special administration order made by the Minister under Section 34 of the Act, the Authority may directly or indirectly manage the affairs, business and property of the Licensee in accordance with Section 33 of the Act. In such an event, the Licensee shall allow the Authority such access to or control of its property as required to permit the Authority to meet its obligations under the special administration order during the period for which the order is in force.

Condition 23: Standards of Performance

1. The Licensee shall, no later than one hundred and eighty (180) days or such other period stipulated by the Authority prior to the commencement of the operation of the LNG Terminal, submit to the Authority its proposed standards of performance relating to its Price Regulated Services.
2. The Licensee shall be subject to and shall comply with the agreed standards of performance, and any other standards of performance as the Authority may notify the Licensee in writing.
3. The Licensee shall within ninety (90) days after the end of the first financial year following the commencement of the operation of the LNG Terminal, and for each financial year thereafter, or within thirty (30) days of such other date as stipulated by the Authority, submit to the Authority a report indicating the performance of the Licensee during that financial year compared with the agreed standards of performance established pursuant to this Condition. The Licensee shall, if required by the Authority, publish these details in a manner to be determined by the Authority.
4. Notwithstanding paragraph 2 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any standard of performance, in whole or in part, and subject to such terms and conditions as the Authority may determine.

Condition 24: LNG Terminal Technical and Safety Audits

1. The Licensee shall, at its own cost, conduct or have conducted by such independent third party as the Authority may, after consultation with the Licensee, specify, technical audits (the "LNG Terminal Technical Audit") and safety audits (the "LNG Terminal Safety Audit") of the key processes and procedures within its LNG Terminal in order to ensure compliance with the conditions set out below.
2. The LNG Terminal Technical Audit shall be undertaken to measure the technical performance of the LNG Terminal facilities:
 - (a) at such intervals and on such terms as the Authority may direct and such intervals shall not be less than one year;
 - (b) after significant changes in the configuration of the LNG Terminal facilities;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

- (c) at the direction of the Authority, following the occurrence of any major incident; and;
 - (d) in accordance with any regulation made by the Authority pursuant to Section 96 of the Act.
3. The Licensee shall develop a process and methodology for the LNG Terminal Technical Audit and shall submit the process and methodology to the Authority for approval.
4. The Authority may approve the proposed process and methodology for the LNG Terminal Technical Audit, or may direct reasonable changes with which the Licensee must comply at its own cost.
5. The LNG Terminal Safety Audit shall be undertaken, at the Licensee's own cost, to measure the safety risks and vulnerabilities of the administration, operation and maintenance of the Licensee's LNG Terminal facilities to the general public and for any other purposes as prescribed by the Authority:
 - (a) at such intervals and on such terms as the Authority may direct (and as set out in the Authority's gas safety regulatory framework when issued), and such intervals shall not be less than one year; and;
 - (b) at the direction of the Authority, following the occurrence of any major incident.
6. Upon completion of each LNG Terminal Technical Audit or LNG Terminal Safety Audit, the Licensee shall provide to the Authority a copy of the audit report and details of any actions to rectify any identified shortcomings.

Condition 25: Preparation for Emergencies and Security Arrangements

1. The Licensee shall take such action as the Authority may reasonably require, taking into consideration but not limited to the provisions of the Terminal Access Code, to plan and prepare for emergencies, including taking part in tests and exercises.
2. The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity or restoration of its operations in the event of an emergency.
3. The Licensee shall have in place contingency plans to ensure that the Licensee will be able to continue or restore as soon as practical the Authorised Business in the event of a public emergency affecting the LNG Terminal.

Condition 26: LNG Terminal Safety and Security Procedures

1. The Licensee shall prepare prior to the commencement of the operation of the LNG Terminal, or by such other date as the Authority may approve, its:
 - a) proposed LNG Terminal Safety Procedures;
 - b) proposed LNG Terminal Security Procedures, in line with the Ministry of Home Affairs requirements; and;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

- c) proposed LNG Terminal Emergency Response Plan.
2. The Authority may approve the proposed procedures and plan or may direct reasonable changes with which the Licensee must comply.
3. The Licensee shall review the agreed LNG Terminal Safety Procedures, LNG Terminal Security Procedures and LNG Terminal Emergency Response Plan at least once every 3 years or when directed by the Authority.
4. The LNG Terminal Safety and Security Procedures as set out in paragraph 1 in this Condition shall set out;
 - a) procedures for the safety and security of all persons at the LNG Terminal;
 - b) advice on the potential dangers arising from the operation of the LNG Terminal and safety and security measures to minimise such dangers; and;
 - c) such other information as may be specified by the Authority.
5. The LNG Terminal Emergency Response Plan as set out in paragraph 1 in this Condition shall set out how the Licensee:
 - a) will monitor its LNG Terminal and respond in the event of a major incident affecting its LNG Terminal in a reasonable and prudent manner, to ensure the restoration of Price Regulated Services and Other Regulated Services as soon as practicable;
 - b) will advise the Authority in a timely manner of any major incident and the actions being undertaken to restore normal operating conditions;
 - c) will manage information and communication protocols with the Authority, and such other persons as specified by the Authority; and;
 - d) will provide such other information as specified by the Authority.
6. The Licensee shall in consultation with the Authority and such other persons as specified by the Authority prepare a timetable for regular drills for the purpose of testing the LNG Terminal Emergency Response Plan.
7. The Licensee shall, at its own cost, carry out (or cause to have carried out by an independent third party) investigations into all significant incidents related to its LNG Terminal, either upon its own accord or upon request by the Authority, and submit a written report to the Authority in such detail and within such period as the Authority may reasonably require.

Condition 27: Attendance to Gas Escapes

1. This Condition shall apply in the case of a gas supply system emergency resulting from;
 - (a) an escape, or suspected escape, of natural gas occurring at the LNG Terminal operated by the Licensee; or;
 - (b) an escape, or suspected escape, of natural gas occurring elsewhere in the gas supply system;

where the circumstances are such that;

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

- (i) the safety of the LNG Terminal, or any part of the LNG Terminal is significantly at risk;
 - (ii) the safety of the gas supply system or any part of the gas supply system is significantly at risk;
 - (iii) the safe conveyance of gas by the gas supply system is significantly at risk; or;
 - (iv) the gas conveyed by the LNG Terminal is at such a pressure or of such a quality as to constitute, when supplied to the gas supply system, a danger to life or property.
2. Where the Licensee notifies the Authority, the Relevant Gas Transporter or Relevant Gas Transport Agent, or is notified by them that this Condition applies, the Licensee shall make best endeavours to take the appropriate actions and comply immediately with all requests made by the Authority, the Relevant Gas Transporter or Relevant Gas Transport Agent (provided such requests are not unreasonable) for the purpose of, as may be appropriate to:
 - (a) avert or reduce any danger to life or property;
 - (b) secure the safety of the LNG Terminal; and/or;
 - (c) secure the safety of the gas supply system.

Condition 28: Provision of Real-Time Information and Data of the Price Regulated Services

1. The Licensee, shall at its own cost, provide real-time information to the Authority in a manner and according to the arrangements reasonably required by the Authority for the purpose of real-time monitoring of the Licensee's LNG Terminal and associated equipment. Such information shall include valve and equipment status of the LNG Terminal, quantity/inventory of the LNG tank storage, pressure, flow, temperature and quality of the re-gasified LNG and such other information as may be reasonably required by the Authority from time to time.
2. The Licensee must provide to the Authority, promptly upon its becoming aware, any information critical to maintaining the integrity of the LNG Terminal and the gas supply system, including but not limited to information relating to:
 - (a) whether the projected (over the next 30 days) and actual quantities of LNG in the LNG Terminal are sufficient to meet the nominations of End Users (over the same period); and/or;
 - (b) planned or unplanned maintenance activities or circumstances at the LNG Terminal facility that may cause a disruption of gas supply to End Users.
3. The Licensee shall, at its own cost, provide the plans, drawings and other details of and the respective parameters for the LNG Terminal and associated equipment as may be required by the Authority from time to time for the modelling of the Licensee's LNG Terminal.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

Condition 29: Provision of Information to Relevant Gas Transporter, Relevant Gas Transport Agent and Customers

1. The Licensee shall provide to the Relevant Gas Transporter or Relevant Gas Transport Agent information reasonably requested by the Relevant Gas Transporter, Relevant Gas Transport Agent or the Authority:
 - (a) for the purpose of enabling the Relevant Gas Transporter or the Relevant Gas Transport Agent to fulfil its Licence obligations for the safe operation, development or maintenance of its gas supply system;
 - (b) for the purpose, as the Relevant Gas Transporter or Relevant Gas Transport Agent may reasonably request, of preventing or detecting theft of natural gas, fraud in relation to gas trading or gas escapes; or;
 - (c) as required pursuant to the Gas Network Code, the Gas Supply Code and/or the Gas Metering Code.
2. The Licensee shall forthwith inform its Customers, the Relevant Gas Transporter or Relevant Gas Transport Agent, after becoming aware of any information related to the LNG Terminal, including but not limited to planned or unplanned interruptions to LNG Terminal operations, which may cause disruptions to the gas supplies and which may affect the integrity of the gas supply system.
3. This Condition shall not require the Licensee to produce any documents or give any information which it could not be compelled to produce or give in civil proceedings before any Singapore court.

Condition 30: Port Liability Regime

1. The Licensee shall, not permit the berthing of any LNG vessels, unless it has entered into the necessary port liability agreements with the owner(s) of the LNG vessel or other equivalent liability apportionment arrangements.

Condition 31: Low Pressure Override

1. The Licensee shall comply with the Standing Instructions For The Response To Downstream Pipeline Network Low Pressure (the "Standing Instructions") issued by the Authority in consultation with the Licensee that set out the circumstances and procedures under which the Licensee shall inject Regasified LNG into the gas supply system to stabilize the pressure level (i) in the event that the pressure level falls below the level prescribed in the Standing Instructions or (ii) in circumstances where the Relevant Gas Transporter or the Relevant Gas Transport Agent declares a system emergency. In such event, the Licensee shall inject sufficient Regasified LNG into the gas supply system to stabilize pressure levels at the level prescribed in the Standing Instructions in accordance to the Standing Instructions.
2. The Licensee shall make arrangements with the Relevant Gas Transporter or the Relevant Gas Transport Agent to obtain real-time information on the

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

pressure levels of the gas supply system, or such other information specified by the Authority, for the purposes of complying with the Standing Instructions.

3. The Licensee shall ensure that at all times it has appropriate resources and arrangements in place to gain access to on site LNG inventory for the purposes of regasification and injection of Regasified LNG into the gas supply system in accordance to the Standing Instructions.
4. The Licensee shall develop, in consultation with the Authority, and such other persons as specified by the Authority, a LPO Charge methodology (the "LPO Charge Methodology") setting out the basis upon which the LPO Charge shall be derived for regasification and injection of Regasified LNG into the gas supply system in accordance to the Standing Instructions. The LPO Charge Methodology and any proposed revisions thereto shall be submitted to the Authority for approval in such detail as the Authority may reasonably require.
5. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 32: Inspection

1. Any person duly authorised by the Authority in writing may, at any time and with reasonable notice or such notice as may be practicable considering the circumstances, enter the LNG Terminal or any premises occupied by the Licensee to inspect any activity, equipment or facility therein in respect of the Licence.
2. A person contemplated in paragraph 1 may, when conducting an inspection, require the Licensee to produce any information or document relating to matters dealt with in this Licence or the Act for inspection, or for the purpose of obtaining copies thereof or extracts therefrom.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

SCHEDULE 1:

Description of the Licensee's LNG Terminal

The LNG Terminal:

Singapore LNG Corporation Pte. Ltd.'s LNG Terminal at 6 Meranti View, Singapore 627600.

Y. L.

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

SCHEDULE 2:

Price Regulated Services of the LNG Terminal

1	<p>Price Regulated Services means:-</p> <ul style="list-style-type: none">(i) the Throughput Services; and/or(ii) any other Price Regulated Services as introduced by the Licensee and approved by the Authority; <p>"Throughput Services" means:-</p> <ul style="list-style-type: none">a. the unloading of an LNG Vessel;b. temporary storage of unloaded LNG at the LNG Terminal; andc. the subsequent vaporization and send-out of such unloaded LNG (in the form of Regasified LNG) into downstream pipeline(s).

GAS LICENCE FOR LNG TERMINAL OPERATOR LICENSEE

SCHEDULE 3:

Other Regulated Services of the LNG Terminal

	NIL

Yls