

Lochard Energy: Standing terms and conditions for services provided by the Iona Gas Storage Facility, published under rule 198F of the National Gas Rules

Gas Storage Services Agreement

Lochard Energy (Iona Operations) Pty Ltd as trustee for the Lochard Energy (Iona Operations) Trust

[Insert Buyer details]

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Until updated or replaced by new standing terms

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No

This document does not constitute an offer for the provision of gas storage services by Lochard Energy which is capable of acceptance. Any such services will only be provided to a person where a gas storage services agreement has been executed between Lochard Energy and that person.

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Date [insert date]

Parties Lochard Energy (Iona Operations) Pty Ltd (ABN 67 608 441 729), as trustee for the Lochard Energy (Iona Operations) Trust (ABN 25 151 811 449) of Level 10, 2 Southbank Boulevard, Southbank, Victoria, 3006 (Gas Storage)

[insert buyer name] (ABN [insert ABN]) of [insert address] (Buyer)

Recitals

- A Gas Storage operates the Iona Facility.
- B Gas Storage and the Buyer have agreed to the terms and conditions set out in this agreement for the provision of Gas Storage Services by Gas Storage to the Buyer.

Operative provisions

1. Definitions and Interpretation

Definitions

- 1.1 In this agreement, unless the context otherwise requires, the following expressions have the following meanings:

Acceptable Credit Rating means a long-term credit rating of at least:

- (a) BBB- from Standard & Poor's; or
- (b) Baa3 from Moody's;

Acceptable Ratings Agency means either Standard & Poor's or Moody's;

ADP Amendments has the meaning given in clause 8.2(a);

AEMO means the Australian Energy Market Operator;

AEST means Australian Eastern Standard Time (unadjusted for daylight savings in any jurisdiction);

Allocation Agent means an allocation agent as defined in the WMR;

Alternate Delivery Point means a connection point, other than a Pipeline Connection Point, at which gas can be delivered to the Buyer;

ADP Arrangement has the meaning given in clause 8.1;

Alternate DP Quantity has the meaning given in clause 8.1(a);

As-Available Service is the provision of gas storage services on a Gas Day in excess of the rights specified in items 1, 2, 3, 4, 6, 7 and 8 of Schedule 1, which has been requested by the Buyer and pre-approved by Gas Storage in accordance with clause 4.6;

As-Available Service Payment means the amounts determined under item 2.1 of Schedule 2;

As-Available Service Request has the meaning given in item 1 of Schedule 5;

Authorised Officer means a director or secretary of a party or any person from time to time nominated by that party;

Authorised Person means, in respect of a Recipient:

- (a) the officers and employees of the Recipient;
- (b) where the Recipient is Gas Storage:
 - (i) members of the Lochard Group, their securityholders, and the Related Bodies Corporate and advisers of those securityholders; and
 - (ii) investors (including prospective investors) and prospective financiers of Gas Storage or another member of the Lochard Group;
- (c) consultants, financiers and legal, financial and other professional advisers of the Recipient; and
- (d) the respective officers and employees of a person set out in paragraphs (b) to (c);

Bid Accreditation Table means the set of injection bid constraints accredited by AEMO in accordance with rule 210 of the WMR in respect of the Buyer's injection and withdrawal capability at the SWP Connection Point;

Bill Rate means on any day, the average bid rate (expressed as a percentage yield to maturity per annum rounded upwards if necessary to the nearest 0.01%) displayed on the page of the Reuters Monitor System, designated BBSY, at or about 10.30 a.m. Sydney time on that day (or if that day is not a Business Day then on the Business Day which immediately precedes that day) for the purchase of bills of exchange (as defined in the *Banking Act 1959* (Cth)) bearing the acceptance of a bank licensed under sections 8 or 9 of the *Banking Act 1959* (Cth) and having a term to maturity of 90 days;

Breach Event is defined in clause 15.2(c);

Business Day means a day other than a Saturday or Sunday or a day which has been proclaimed to be a public holiday in Melbourne;

Carbon Scheme means any current or future law of the Commonwealth of Australia or of a State or Territory of Australia or any requirement or condition of a licence, permit, governmental consent or approval with respect to the production or emission of, or to reduce, limit, cease, prevent, offset, remove or sequester, greenhouse gas emissions, including without limitation:

- (a) any statutory emissions trading scheme, tax, mandatory abatement or standards for the management or reduction of greenhouse gas emissions or concentrations;
- (b) any scheme to encourage renewable energy or energy from less carbon intensive sources; or
- (c) any scheme to encourage or require:
 - (i) the abatement of greenhouse gas emissions or the abatement of activities associated with the production of greenhouse gas emissions; or

- (ii) energy-efficient activities or initiatives;

Change in Financial Circumstances means:

- (d) any long-term credit rating assigned by an Acceptable Ratings Agency to the Buyer is not an Acceptable Credit Rating; or
- (e) the Buyer has not been assigned a credit rating by an Acceptable Ratings Agency;

Commencement Date means **[insert]**;

Confidential Information means, in respect of a Recipient, the following, whether or not in material form:

- (a) the terms of any negotiations or agreements between the parties in connection with this agreement;
- (b) the existence of this agreement;
- (c) all information of, related to, or connected with the Disclosing Party, including its transactions, operations and affairs (including all past, current and prospective financial, accounting, trading, marketing, technical and business information, trade secrets, know-how, business plans and strategies), directly or indirectly disclosed by or on behalf of the Disclosing Party to the Recipient, whether before or after execution of this agreement and whether through any officers, employees, agents, or advisers of the Disclosing Party or otherwise;
- (d) all other information of a confidential or proprietary nature directly or indirectly disclosed by or on behalf of the Disclosing Party to the Recipient;
- (e) if the Recipient is the Buyer, information relating to any member of the Lochard Group;
- (f) any note, calculation, conclusion, summary, record or other material based on, or derived or produced partly or wholly from, or incorporating any of, the information referred to in paragraphs (a) to (e) inclusive; and
- (g) all copies of the information, and those parts of the notes and other records, referred to in any of paragraphs (a) to (f) inclusive;

Confirmed Pipeline Injection Quantity means the SWP Confirmed Injection Quantity or the SEA Gas Confirmed Injection Quantity or each of them, as the case requires;

Confirmed Pipeline Withdrawal Quantity means the SWP Confirmed Withdrawal Quantity or the SEA Gas Confirmed Withdrawal Quantity or each of them, as the case requires;

Corporate Guarantee means a guarantee in a form acceptable to Gas Storage and given by the Guarantor;

Corporations Act means the *Corporations Act 2001* (Cth);

CPI means Consumer Price Index (weighted average of eight capital cities, all groups index) as published by the Australian Bureau of Statistics;

Credit Instrument means an irrevocable, on demand bank guarantee, letter of credit or performance bond obtained at the Buyer's expense and on terms reasonably acceptable to Gas

Storage from a financial institution with a long-term counterparty or issuer credit rating of not less than A from Standard and Poor's and for at least the Minimum Guarantee Amount;

Credit Support means a Corporate Guarantee or a Credit Instrument;

Curtail means suspend or reduce the provision of Gas Storage Services and Curtailment has a corresponding meaning;

Delivery Tolerance means 4% of the Confirmed Pipeline Injection Quantity or the Confirmed Pipeline Withdrawal Quantity (or both as the case may be) for a Gas Day;

Disclosing Party means a party disclosing Confidential Information to the other party;

Due Date is defined in clause 12.7;

Financial Statements means:

- (a) a Statement of Financial Performance;
- (b) a Statement of Financial Position; and
- (c) a Statement of Cash Flows,

prepared in accordance with Australian Accounting Standards, together with any notes to those documents and a directors' declaration as required under the Corporations Act and any other information necessary to give a true and fair view of the financial circumstances of the relevant company at that time;

Firm Reservoir Injection Service is defined in clause 4.4;

Firm Reservoir Withdrawal Service is defined in clause 4.5;

Fixed Payment means an amount determined under item 1 of Schedule 2;

Force Majeure is defined in clause 18.2;

Fuel Gas means the amounts determined under item 5 of Schedule 2;

Gas means any naturally occurring gas or mixture of naturally occurring and manufactured gases that meets the Specifications, but does not include hydrogen or a mixture of gases which incorporates hydrogen;

Gas Day is defined in the WMR;

Gas Storage Balance is defined in clause 11.5;

Gas Storage Customer means a customer of Gas Storage (or a Related Body Corporate of Gas Storage), including the Buyer, that is entitled to use storage capacity in the Storage Reservoirs;

Gas Storage Services means the:

- (a) Firm Reservoir Injection Service;
- (b) Firm Reservoir Withdrawal Service; and
- (c) As-Available Service;

GJ means gigajoule (10^9 joule);

Good Gas Industry Practice means:

- (a) exercising the skill, diligence, prudence and foresight which would be exercised by a skilled, competent and experienced person seeking at all times to comply with good industry practice;
- (b) acting in accordance with all those things that are generally accepted as good, safe, and commercially responsible in the carrying on of and operations for the transport and storage of Gas;
- (c) compliance with any minimum standards applicable under:
 - (i) this agreement; and
 - (ii) applicable Regulatory Instruments and Australian Standards; and
- (d) acting in accordance with commercially prudent practices in relation to provisioning reserves of Gas for contingencies;

Government Agency means in any jurisdiction:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office or minister of a government acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board or other governmental, semi-governmental, judicial, administrative, monetary or fiscal authority, whether statutory or not;

GST has the same meaning as in the GST Act;

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

Guarantor means an entity with an Acceptable Credit Rating;

Income Tax means any tax of general application imposed on net income;

Independent Expert means an independent expert determined in accordance with clause 22.6;

In-Situ Transfer Nomination has the meaning given in clause 9.1;

Insolvency Event means in respect of a party, the happening of one or more of the following events:

- (a) an application is made to a court for an order that the party be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed, unless the application is withdrawn, struck out or dismissed within 10 days of it being made;
- (b) a liquidator or provisional liquidator is appointed to the party;
- (c) a resolution is passed or a decision taken by anyone to appoint an administrator to the party or where there is a controller in possession or control of any of its assets;
- (d) except for the purpose of a reconstruction or amalgamation:
 - (i) where the party enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;
 - (ii) the party resolves to do anything in paragraph (i); or

- (iii) the party proposes a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors, or its winding up or dissolution;
- (e) the party is insolvent or states that it is insolvent;
- (f) the party becomes insolvent under administration as defined in section 9 of the Corporations Act or any action is taken which would result in that event;
- (g) the holder of a Security Interest taking possession of the property of the party;
- (h) the party suspending payment of, or failing to pay, or stating that it is unable to pay, its debts;
- (i) the party ceasing (or threatening to cease) to carry on all or a material part of its business; or
- (j) anything having a substantially similar effect to any of the events specified above happens to the party under the law of any jurisdiction;

Insurance Policy is defined in clause 10.5;

Interest Rate means interest compounded on a daily basis, at the rate per annum equal to the Bill Rate plus two percentage points;

Iona Facility means the Storage Reservoirs and the Iona Gas Plant;

Iona Gas Plant means the gas processing plant located at Iona which is operated by Gas Storage;

kPa means absolute pressure in kilopascals;

Law means all laws including rules of common law and equity, statutes, regulations, by-laws, ordinances, mandatory codes of conduct, writs, orders, injunctions and judgments;

Lochard Group means the following trusts and companies and their respective Related Bodies Corporate:

- (a) Lochard Energy (Iona Operations) Pty Ltd (ABN 67 608 441 729);
- (b) Lochard Energy (Iona Operations Holding) Pty Ltd (ABN 23 608 441 041);
- (c) Lochard Energy (Iona Asset) Pty Ltd (ACN 608 441 701);
- (d) Lochard Energy (Iona Asset Holding) Pty Ltd (ACN 608 441 103);
- (e) Lochard Energy (Iona Gas Storage) Pty Ltd (ABN 71 079 089 311);
- (f) Lochard Energy (Iona Gas Storage Holding) Pty Ltd (ABN 98 085 235 749);
- (g) Lochard Energy (Iona Finance) Pty Ltd (ABN 96 608 445 030);
- (h) Lochard Energy (Iona Operations) Trust (ABN 25 151 811 449);
- (i) Lochard Energy (Iona Operations Holding) Trust (ABN 26 587 710 573);
- (j) Lochard Energy (Iona Asset) Trust (ABN 51 120 386 390);
- (k) Lochard Energy (Iona Asset Holding) Trust (ABN 53 214 582 638); and

(l) Lochard Energy (Iona Heytesbury) Pty Ltd (ABN 75 010 728 962);

Maintenance Days means Planned Maintenance Days and Unplanned Maintenance Days;

Market is defined in the WMR;

Market Participant is defined in the WMR;

Market Price means the 6am BOD price as published by AEMO in its INT041 report (price_bod_gst_ex) for each Gas Day, averaged over the previous 365 Gas Days, or where that price is renamed, varied, or discontinued, the price that is the closest available equivalent;

MIBB has the meaning given in item 2 of Schedule 3;

Minimum Guarantee Amount means an amount equal to three (3) Months of the Fixed Payment during the Term;

Minimum Operational Gas Flow has the meaning given in clause 7.3;

MIRN means metering installation registration number;

Month means a period of time commencing at the beginning of the first Gas Day of a calendar month and ending at the end of the last Gas Day of that calendar month;

National Gas Rules means the National Gas Rules made under the National Gas Law (contained in a schedule to the *National Gas (South Australia) Act 2008* and implemented in Victoria under the *National Gas (Victoria) Act 2008*), as amended from time to time;

New Reservoir Withdrawal Quantity is defined in clause 7.8(a);

Off-Specification Gas means gas that does not meet the Specifications;

Operational Capabilities are set out in Schedule 4;

Pipeline Connection Point means the SWP Connection Point or the SEA Gas Connection Point or each of them as the case requires;

Pipeline Injection means injection of Gas into the SEA Gas Pipeline or the SWP;

Pipeline Injection Rights means the quantities specified in items 3 and 6 of Schedule 1;

Pipeline Withdrawal means withdrawal of Gas from the SWP or the SEA Gas Pipeline for receipt at the Iona Facility;

Pipeline Withdrawal Rights means the quantities specified in items 4 and 7 of Schedule 1;

Planned Maintenance means repairs, testing, maintenance, replacing or upgrading all or part of the Iona Facility, which is advised to the Buyer more than fourteen (14) days in advance;

Planned Maintenance Days means any Gas Day during the Term that Gas Storage Services are Curtailed for Planned Maintenance;

Planned Maintenance Factor is defined in clause 21.3;

PPS Act means the *Personal Property Securities Act 2009* (Cth);

PPS Law is defined in clause 28.1;

Quantity means a measured volume of Gas adjusted to Standard Heating Value;

Recipient means a party receiving Confidential Information from the other party;

Regulatory Instruments means any instrument of governmental regulation which regulates or affects the gas industry in Victoria, including, but not limited to, the *Gas Industry Act 2001*, the *Gas Safety Act 1997*, the *Petroleum Act 1998*, the *Pipelines Act 1967*, the *Pipelines Act 2005* and any code, order, rule or regulation made under any such instrument;

Related Body Corporate or **Related Bodies Corporate** is defined in section 50 of the Corporations Act but on the basis that ‘subsidiary’ has the meaning given to Subsidiary in this agreement and that ‘body corporate’ includes a trust;

Reservoir Injection means an injection of Gas into the Storage Reservoirs from Gas supplied by the Buyer to Gas Storage;

Reservoir Injection Nomination means the SWP Withdrawal Nomination and the SEA Gas Withdrawal Nomination less the SWP Injection Nomination and the SEA Gas Injection Nomination;

Reservoir Injection Rights means the quantities specified in item 2 of Schedule 1;

Reservoir Withdrawal means a withdrawal of Gas from the Storage Reservoirs;

Reservoir Withdrawal Rights means the quantities specified in item 1 of Schedule 1;

Responsible Person means a responsible person as defined in the WMR;

RIMDQF is specified in item 2 of Schedule 1;

RIMHQF is specified in item 2 of Schedule 1;

RWMDQF is specified in item 1 of Schedule 1;

RWMHQF is specified in item 1 of Schedule 1;

Scheduling Interval is defined in the WMR;

SEA Gas means South East Australia Gas Pty Ltd;

SEA Gas Confirmed Injection Quantity is defined in item 4 of Schedule 3;

SEA Gas Confirmed Withdrawal Quantity is defined in item 4 of Schedule 3;

SEA Gas Connection Point means the point at which the SEA Gas Pipeline connects to the Iona Facility (formerly known as the ‘WUGS Lateral Connection Point’);

SEA Gas Firm Service Charge is defined in item 1 Schedule 2;

SEA Gas Firm Service Rate has the meaning given in item 1 Schedule 2;

SEA Gas Injection Nomination is defined in item 3 of Schedule 3;

SEA Gas Injection Rights means the quantities specified in item 6 of Schedule 1;

SEA Gas Pipeline means the high pressure steel pipeline system for the transportation of Gas from Port Campbell to Adelaide, including all laterals, which is operated by SEA Gas;

SEA Gas Withdrawal means withdrawal of Gas from the SEA Gas Pipeline for receipt at the Iona Facility;

SEA Gas Withdrawal Nomination is defined in item 3 of Schedule 3;

SEA Gas Withdrawal Rights means the quantities specified in item 7 of Schedule 1;

Security Interest means an interest which provides security for, or protects against default by, a person for the payment or satisfaction of a debt, obligation or liability including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, or arrangement for the retention of title;

SGIMDQF is specified in item 6 of Schedule 1;

SGIMHQF is specified in item 6 of Schedule 1;

SGWMDQF is specified in item 7 of Schedule 1;

SGWMHQF is specified in item 7 of Schedule 1;

Specifications means the gas quality requirements under the *Gas Industry Act 2001*, *Gas Safety Act 1997*, Gas Safety (Gas Quality) Regulations 1998, Gas Quality Guidelines as issued by AEMO from time to time, and the WMR and Australian Standard AS 4564/AG 864;

Standard Heating Value means the heat, measured in MJ cubic metre (**MJ/m³**), generated from the combustion of one cubic metre of Gas in gaseous oxygen to form gaseous carbon dioxide and liquid water, the reactants and products all being at fifteen degrees Celsius temperature and 101.325 kPa pressure;

Storage Capacity means the Quantity of Gas (in TJ) published from time to time as the Storage Nameplate Rating of the Iona Facility on the MIBB;

Storage Limit means the portion of the Storage Capacity that is available to be used by the Buyer under this agreement, being that specified in item 5 of Schedule 1;

Storage Loss means the amounts determined under Schedule 2;

Storage Nameplate Rating has the meaning given to that term in rule 141 of the National Gas Rules;

Storage Reservoirs means the naturally occurring underground reservoirs for the injection, storage and withdrawal of gas which are connected to the Iona Gas Plant, and owned by Lochard Energy (Iona Asset) Trust and operated by Gas Storage;

Subsidiary has the same meaning as in the Corporations Act but so that a trust may be a Subsidiary (for the purposes of which a unit of other beneficial interest will be regarded as a share) and a corporation or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation;

SWP means the South West Pipeline owned, as at the date of this agreement, by APA GasNet Australia Limited and operated by AEMO;

SWP Confirmed Injection Quantity is defined in item 4 of Schedule 3;

SWP Confirmed Withdrawal Quantity is defined in item 4 of Schedule 3;

SWP Connection Point means the point at which the SWP connects to the Iona Facility, and which has the MIRN 30000154PC for injections into the SWP and the MIRN 30000156PC for withdrawals from the SWP;

SWP Firm Service Charge has the meaning given in item 1 of Schedule 2;

SWP Firm Service Rate has the meaning given in item 1 of Schedule 2;

SWP Injection means injection of Gas into the SWP;

SWP Injection Nomination is defined in item 2 of Schedule 3;

SWP Injection Rights means the quantities specified in item 3 of Schedule 1;

SWPIMDQF is specified in item 3 of Schedule 1;

SWPIMHQF is specified in item 3 of Schedule 1;

SWPWMDQF is specified in item 4 of Schedule 1;

SWPWMHQF is specified in item 4 of Schedule 1;

SWP Withdrawal means withdrawal of Gas from the SWP for receipt at the Iona Facility;

SWP Withdrawal Nomination is defined in item 2 of Schedule 3;

SWP Withdrawal Rights means the quantities specified in item 4 of Schedule 1;

Tax means any royalty (whether based on value, profit or otherwise), tax (other than Income Tax and capital gains tax), including goods and services tax, or environmental tax, excise, levy, fee, rate or charge imposed by the Commonwealth of Australia or the State of Victoria or any governmental, semi-governmental or other body authorised by law to impose that tax which directly or indirectly leads to or gives rise to any increase or adjustment of any amount which is or may become payable in respect of the gas storage, processing or consuming gas in the Iona Gas Plant, but excludes GST;

Tax Invoice is defined in the GST Act;

Term has the meaning given in clause 3.1;

TJ means terajoule (10^{12} joules);

Trust has the meaning given in clause 27.1(a);

Trustee has the meaning given in clause 27.1(a);

Unapproved As-Available Reservoir Injection Service Rate has the meaning given in item 2.2 of Schedule 2;

Unapproved As-Available SEA Gas Injection Service Rate has the meaning given in item 2.2 of Schedule 2;

Unapproved As-Available Service is defined in clause 4.8;

Unapproved As-Available Service Payment is specified in item 2.2 of Schedule 2;

Unapproved As-Available SWP Injection Service Rate has the meaning given in item 2.2 of Schedule 2;

Unplanned Maintenance means repairs, testing, maintenance or replacing or upgrading all or part of the Iona Facility where it is not reasonably possible to advise the Buyer of such repairs, tests, maintenance or replacements or upgrades with greater than fourteen (14) days' notice;

Unplanned Maintenance Day means any Gas Day during the Term that Gas Storage Services are Curtailed for Unplanned Maintenance;

Unplanned Maintenance Factor is defined in clause 21.4;

Variable Charges are set out in item 3 of Schedule 2;

Variable Payment is defined in item 3 of Schedule 2;

Variable Storage Fee means the variable storage fee calculated in accordance with item 3 of Schedule 2;

WMR means the Declared Wholesale Gas Market Rules shown in Part 19 of the National Gas Rules; and

Year means a calendar year during the Term.

Interpretation

1.2 In this agreement, unless the context otherwise requires:

- (a) a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this agreement) is a reference to that document (including any schedules and annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (v) to parties means the parties to this agreement and to a party means a party to this agreement;
 - (vi) to a notice means all notices, approvals, demands, requests, nominations or other communications given by one party to another under or in connection with this agreement;
 - (vii) to a clause or Schedule means a clause of or a Schedule to this agreement;
 - (viii) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency; and
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators;
 - (ix) to a law:
 - (A) includes a reference to any constitutional provision, subordinate legislation, treaty, decree, convention, statute, regulation, rule, ordinance, proclamation, by-law, judgment, rule of common law or equity or rule of any applicable stock exchange;
 - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
 - (C) is a reference to any regulation, rule, ordinance, proclamation, by-law or judgment made under that law;

- (x) to proceedings includes litigation, arbitration, and investigation;
 - (xi) to a judgement includes an order, injunction, decree, determination or award of any court or tribunal;
 - (xii) to time is a reference to AEST; and
 - (xiii) to the words "including" or "includes" means "including, but not limited to", or "includes, without limitation", respectively;
- (b) headings are for convenience only and are ignored in interpreting this agreement;
 - (c) if a period of time is specified and dates from, after or before, a given day or the day of an act or event, it is to be calculated exclusive of that day;
 - (d) if a payment or other act must (but for this clause) be made or done on a day which is not a Business Day, then it must be made or done on the next Business Day;
 - (e) this agreement must not be construed adversely to a party solely because that party was responsible for preparing it; and
 - (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
-

2. Warranties

The Buyer's Warranties

2.1 The Buyer represents and warrants to Gas Storage that:

- (a) it is or will be registered as a Market Participant, if and while it is required to be registered under the WMR;
- (b) at the time of delivery of Gas to the Iona Facility at a Pipeline Connection Point, the Buyer will be the legal and beneficial owner of that Gas, the Gas will be free of any Security Interests and the Buyer will have full and unconditional authority to deliver Gas for withdrawal at the Pipeline Connection Point and injection into the Storage Reservoirs; and
- (c) at the time of nominating for the injection of Gas into the SWP or the SEA Gas Pipeline at the relevant Pipeline Connection Point pursuant to this agreement, the Buyer will have full and unconditional authority to inject such Gas.

2.2 The Buyer will provide to Gas Storage upon request a Bid Accreditation Table which is consistent with its rights under this agreement (having regard to its rights and obligations under the Gas sale, supply, transport and storage arrangements to which it is a party).

Exclusion of implied warranties

2.3 To the extent permitted by law, each party excludes all implied warranties, conditions and terms in relation to its obligations under this agreement.

3. Term

Term

- 3.1 This agreement commences at the start of the Gas Day on the Commencement Date and, subject to clause 18.10, expires at the end of the Gas Day on *[insert date]* (**Term**) unless earlier terminated under clause 18.11 or 19. **[Drafting note: Lochar Energy's standard gas storage services product is for a minimum term of 1 year.]**

Inventory

- 3.2 In the event that the Buyer has a positive Gas Storage Balance at the completion of the Term, no further storage service agreement has been entered into between the parties and clauses 18.10, 18.12 or 19.6 do not apply, then (to the extent not already assigned) all rights and title to that Gas will automatically pass to Gas Storage for consideration of \$1.00 payable on demand.

4. General Obligations

Provision of Gas Storage Services

- 4.1 During the Term, Gas Storage will provide the Gas Storage Services to the Buyer on a firm and an as-available basis in accordance with the conditions and limitations set out in this agreement.
- 4.2 The procedure for nominating the Firm Reservoir Injection Service and the Firm Reservoir Withdrawal Service is set out in Schedule 3.
- 4.3 The procedure for requesting the As-Available Service is set out in Schedule 5.

Firm Services

- 4.4 The ***Firm Reservoir Injection Service***, which starts on the Commencement Date and concludes at the end of the Term, comprises of the following services that are provided on a firm basis:
- (a) the SWP Withdrawal Rights;
 - (b) the SEA Gas Withdrawal Rights;
 - (c) the Reservoir Injection Rights; and
 - (d) the storage of Gas in the Storage Reservoirs up to the Storage Limit.
- 4.5 The ***Firm Reservoir Withdrawal Service***, which starts on the Commencement Date and concludes at the end of the Term, comprises of the following services that are provided on a firm basis:
- (a) the Reservoir Withdrawal Rights;
 - (b) the SWP Injection Rights; and
 - (c) the SEA Gas Injection Rights.

As-Available Services

- 4.6 The As-Available Service may be requested by the Buyer for any Gas Day during the Term in accordance with Schedule 5. Acceptance of any request for As-Available Services is at the sole discretion of Gas Storage. If an As-Available Service Request is accepted by Gas Storage then, subject to clause 4.7, the rights specified in items 0, 2, 3, 4, 6, 7 and 8 of Schedule 1 will be increased to the amount accepted by Gas Storage for that Gas Day. The As-Available Service Payment as set out in item 2.1 of Schedule 2 will be payable by the Buyer to Gas Storage for each Gas Day that the As-Available Service is provided.
- 4.7 The As-Available Service is an interruptible service. In the event of unanticipated high demand on the Iona Facility during a Gas Day in which the As-Available Service is being provided, priority of Gas flows will be provided to Gas Storage Customers that have firm service rights.

Unapproved As-Available Services

- 4.8 Gas Storage may, but has no obligation to, inject or withdraw any Quantity of Gas from the Storage Reservoirs scheduled in accordance with Schedule 3 that is not compliant with or which exceeds the rights specified in items 1, 2, 3, 4, 6, 7 and 8 of Schedule 1 (as amended by clause 4.6) (*Unapproved As-Available Service*). For the avoidance of doubt, injection or withdrawal of a Quantity of Gas which is less than the Reservoir Injection Rights or Reservoir Withdrawal Rights is not an Unapproved As-Available Service.
- 4.9 If Gas Storage chooses to inject or withdraw Gas in accordance with clause 4.8 then this will be delivered as an Unapproved As-Available Service. The Unapproved As-Available Service Payment will apply to this service as set out in item 2.2 of Schedule 2 (calculated by applying the Unapproved As-Available Reservoir Injection Service Rate, Unapproved As-Available SWP Injection Service Rate and the Unapproved As-Available SEA Gas Injection Service Rate as set out in item 2.2 of Schedule 2 (as applicable) to the Quantity of Gas injected or withdrawn in excess of the Buyer's firm capacity rights set out in Schedule 1 (as amended by clause 4.6) (as applicable)).

Standards

- 4.10 The parties must perform their obligations under this agreement in accordance with:
- (a) Good Gas Industry Practice;
 - (b) the WMR; and
 - (c) the Operational Capabilities.

5. Reservoir Injection Rights and Pipeline Withdrawal Rights

Compliance with Operational Capabilities

- 5.1 Both parties agree that any SWP Withdrawal Nominations and any SEA Gas Withdrawal Nominations must be consistent with the Operational Capabilities.

Reservoir Injection Quantities

- 5.2 Subject to clauses 5.1 and 5.3:

- (a) the Buyer may deliver to Gas Storage for injection into the Storage Reservoirs at the Pipeline Connection Points; and
- (b) Gas Storage must inject for the Buyer into the Storage Reservoirs, a Quantity up to, but not in excess of the Reservoir Injection Rights in Schedule 1 (as amended by clause 4.6).

Pipeline Withdrawal MHQ and MDQ Limitations

- 5.3 Gas Storage may, but has no obligation to, accept any quantity that is not compliant with the nomination procedures in Schedule 3, or which exceeds the Reservoir Injection Rights or Pipeline Withdrawal Rights contained in Schedule 1.

Limitation on Storage Capacity

- 5.4 The Buyer acknowledges that, notwithstanding any contrary provision in this agreement, Gas Storage is not required to inject any Quantity into the Storage Reservoirs that would result in the Gas Storage Balance exceeding the Storage Limit.
- 5.5 Gas Storage must notify the Buyer if the Quantity in the Storage Reservoirs approaches 75% of the Storage Capacity and in the reasonable opinion of Gas Storage is likely to lead to the restrictions as contemplated by clause 5.6.
- 5.6 If the Quantity in the Storage Reservoirs is or will be more than 75% of the Storage Capacity, then Gas Storage may reduce the Buyer's RIMDQF by up to 50%.
- 5.7 The Fixed Payment will remain payable by the Buyer for any Gas Days during which Gas Storage reduces the Buyer's RIMDQF under clause 5.6.

Withdrawal Obligation and Settlement

- 5.8 Subject to the timely delivery by the Buyer of the Confirmed Pipeline Withdrawal Quantity at the Pipeline Connection Points on the relevant Gas Day, Gas Storage will make a Pipeline Withdrawal of the Confirmed Pipeline Withdrawal Quantity:
- (a) in accordance with Schedule 4; and
 - (b) in the case of a Pipeline Withdrawal from the SWP, during the relevant Scheduling Interval in accordance with the WMR.
- 5.9 Gas Storage will be deemed to have met its obligation under clause 5.8 if it has used reasonable endeavours to make a Pipeline Withdrawal of the Confirmed Pipeline Withdrawal Quantity and:
- (a) the difference between the actual amount of the Pipeline Withdrawal and the Confirmed Pipeline Withdrawal Quantity does not exceed the Delivery Tolerance; or
 - (b) Gas Storage has been unable to make the Pipeline Withdrawal because the Gas is not made available at the Pipeline Connection Point at a pressure between the relevant maximum pressure and minimum pressure as specified in Schedule 4.

Pipeline Withdrawal Pressure

- 5.10 The Buyer must deliver Gas for withdrawal at the SWP Connection Point and the SEA Gas Connection Point at:
- (a) less than or equal to the relevant maximum pressure as specified in Schedule 4; and

- (b) greater than or equal to the relevant minimum pressure as specified in Schedule 4.
-

6. Storage Rights

6.1 During the Term, Gas Storage will:

- (a) maintain in the Storage Reservoirs a capacity entitlement equal to the Storage Limit for the Buyer's sole use; and
- (b) store on behalf of the Buyer a Quantity in the Storage Reservoirs equal to the Gas Storage Balance which will be available for withdrawal by the Buyer for injection into the SWP or the SEA Gas Pipeline at the corresponding Pipeline Connection Point when required,

in accordance with this agreement.

7. Reservoir Withdrawal Rights and Pipeline Injection Rights

Compliance with the Operational Capabilities

7.1 Both parties agree that any SWP Injection Nominations and any SEA Gas Injection Nominations must be consistent with the:

- (a) Operational Capabilities described in Schedule 4; and
- (b) Cumulative Pipeline Injection Capacity Limits described in item 8 of Schedule 1.

Reservoir Withdrawal Quantities

7.2 Subject to clauses 7.1, 7.4 and 7.5, Gas Storage agrees to withdraw from the Storage Reservoirs and deliver to the Buyer at the Pipeline Connection Points, quantities of Gas as required by the Buyer up to but not in excess of the Reservoir Withdrawal Rights in Schedule 1 (as amended by clause 4.6).

7.3 The parties acknowledge that the operation of the Iona Facility is subject to minimum operating rates such that on any Gas Day, the sum of all nominations from all users of the Iona Facility must require the withdrawal from the Storage Reservoirs of the greater of:

- (a) one (1) TJ of Gas per hour for four (4) hours; and
- (b) an amount of Gas at a rate sufficient to permit accurate metering at the Pipeline Connection Points,

(the *Minimum Operational Gas Flow*).

7.4 If on a Gas Day, Gas Storage determines that the nominations from all users of the Iona Facility are such that the Minimum Operational Gas Flow cannot be met without varying flows under this agreement then:

- (a) Gas Storage must so notify the Buyer;
- (b) Gas Storage may request the Buyer to increase or decrease any of its nominations for that Gas Day by such amount or amounts which Gas Storage reasonably determines to be necessary to meet the Minimum Operational Gas Flow, provided that Gas Storage cannot in any circumstances request an increased nomination exceeding:

- (i) in the case of a SWP Injection Nomination, the SWP Injection Rights;
 - (ii) in the case of a SWP Withdrawal Nomination, the SWP Withdrawal Rights;
 - (iii) in the case of a SEA Gas Injection Nomination, the SEA Gas Injection Rights; and
 - (iv) in the case of a SEA Gas Withdrawal Nomination, the SEA Gas Withdrawal Rights;
- (c) the Buyer must, within one hour of receiving a request from Gas Storage under clause 7.4(b), notify Gas Storage whether it accepts or rejects that request. The Buyer cannot partially accept a request for revised nominations, nor can it, in the case of a request for revisions to multiple nominations for that Gas Day, accept one revised nomination but not the others, and in both these circumstances, the Buyer will be deemed to have accepted the request fully;
 - (d) if the Buyer either accepts or is deemed to have accepted the request within the required period, or fails to notify Gas Storage of its response within the required period, it will be deemed to have submitted the revised nomination(s) requested by Gas Storage in accordance with this agreement;
 - (e) if the Buyer rejects, in accordance with clause 7.4(c), a request for revised nominations issued by Gas Storage under clause 7.4(b), then Gas Storage may take such actions as it reasonably considers necessary to mitigate the operational constraints including by fully Curtailing Gas Storage Services to the Buyer for that Gas Day provided that the Buyer is treated equitably with other Gas Storage Customers; and
 - (f) for the avoidance of doubt, the Fixed Payment will remain payable by the Buyer during any Curtailment of Gas Storage Services under clause 7.4(e).

Pipeline Injection MHQ and MDQ Limitations

7.5 Gas Storage may, but has no obligation to, deliver any Quantity that is not compliant with the nomination procedures in Schedule 3, or which exceeds the Reservoir Withdrawal Rights and Pipeline Injection Rights contained in Schedule 1.

Limitation on Storage Capacity

7.6 The Buyer acknowledges that Gas Storage is not obliged to withdraw any Quantity from the Storage Reservoirs that would result in the Gas Storage Balance being less than zero (0).

7.7 Gas Storage must notify the Buyer if the Quantity in the Storage Reservoirs approaches 25% of the Storage Capacity and in the reasonable opinion of Gas Storage, is likely to lead to the restrictions as contemplated by clause 7.8.

7.8 If the Quantity in the Storage Reservoirs is or will be less than 25% of the Storage Capacity, then Gas Storage may, subject to clause 7.9, reduce the Buyer's RWMDQF in accordance with paragraphs (a), (b) and (c) of this clause 7.8:

- (a) Gas Storage will determine, acting reasonably and in accordance with Good Gas Industry Practice, the aggregate volume of Reservoir Withdrawal that may be provided to all Gas Storage Customers on each Gas Day during the period that the Quantity in the Storage Reservoirs is or will be less than 25% of the Storage Capacity (*New Reservoir Withdrawal Quantity*);

- (b) Gas Storage may amend the Buyer's RWMDQF in accordance with the following formula:

$$ARWMDQF = NRWQ \times \left(\frac{GSB}{AGSB} \right)$$

where:

ARWMDQF means the amended Buyer's RWMDQF;

NRWQ means the New Reservoir Withdrawal Quantity calculated under paragraph (a);

GSB means the Buyer's Gas Storage Balance at the point in time that the New Reservoir Withdrawal Quantity is determined; and

AGSB means the total Quantity held by Gas Storage in the Storage Reservoirs for all of its Gas Storage Customers at the point in time that the New Reservoir Withdrawal Quantity is determined; and

- (c) Gas Storage may determine the New Reservoir Withdrawal Quantity in accordance with paragraph (a) and amend the Buyer's RWMDQF in accordance with paragraph (b) at a time and for such periods as provided by its operational procedures notified to the Buyer from time to time, provided that Gas Storage must notify the Buyer of any such amendment to the Buyer's RWMDQF for a Gas Day by 2.00pm on the previous Gas Day for the amendment to take effect.

7.9 Gas Storage is not permitted to reduce the Buyer's RWMDQF under clause 7.8 by an amount exceeding 50% of the unadjusted RWMDQF.

7.10 The Fixed Payment will remain payable by the Buyer for any Gas Days during which Gas Storage reduces the Buyer's RWMDQF under clause 7.8.

Injection Obligation and Settlement

7.11 Gas Storage will inject and make available for the Buyer to take delivery at the relevant Pipeline Connection Point, the Confirmed Pipeline Injection Quantity:

- (a) in accordance with Schedule 4; and
(b) in the case of a Pipeline Injection into the SWP, during the relevant Scheduling Interval in accordance with the WMR.

7.12 Gas Storage will be deemed to have met its obligation under clause 7.11 if it has used reasonable endeavours to inject the Confirmed Pipeline Injection Quantity at the relevant Pipeline Connection Point and:

- (a) the difference between the actual amount of Gas injected and the Confirmed Pipeline Injection Quantity does not exceed the Delivery Tolerance; or
(b) Gas Storage is unable to inject the Gas because the pressure at the Pipeline Connection Point was not between the relevant maximum pressure and minimum pressure as specified in Schedule 4.

8. Alternate Delivery Point

8.1 At any time during the Term of this agreement, Gas Storage may elect to nominate an Alternate Delivery Point under this agreement for a specified period of time, for the purpose of allowing:

- (a) Gas Storage to arrange for the delivery of a Quantity of gas up to the Buyer's SWP Injection Nomination (**Alternate DP Quantity**) at the Alternate Delivery Point (in lieu of the delivery of that Quantity for injection into the SWP under this agreement); and
- (b) an amount of Gas equal to the Alternate DP Quantity to be transferred, in-situ at the Iona Facility, from the Buyer to Gas Storage,

(ADP Arrangement).

8.2 If Gas Storage nominates an Alternate Delivery Point under clause 8.1:

- (a) Gas Storage may propose such amendments to this agreement, if any, as it reasonably considers are necessary for the purpose of implementing the ADP Arrangement (**ADP Amendments**);
- (b) the parties must cooperate, each acting in good faith, to implement the ADP Arrangement as soon as is reasonably practicable, including by negotiating in good faith to seek to agree any necessary ADP Amendments; and
- (c) Gas Storage will reimburse the Buyer's reasonable, incremental costs which are directly attributable to the ADP Arrangement, provided that the Buyer is able to provide evidence of such costs and verify that they were reasonably incurred.

8.3 If the parties are unable to reach agreement on the ADP Amendments within 21 days after the commencement of negotiations under clause 8.2 (or such other period of time as is agreed between the parties), either party may refer the dispute to dispute resolution under clause 22, for the purposes of which:

- (a) the dispute will be deemed to be a dispute of a financial nature; and
- (b) the dispute is to be determined on a basis which gives effect to the parties' intention that an ADP Arrangement nominated by Gas Storage in accordance with this clause 8 should be given effect, provided that Gas Storage complies with its cost reimbursement obligations under clause 8.2(c) and that the Buyer's overall commercial position under this agreement is otherwise substantially equivalent (or better) than its position in the absence of the ADP Arrangement.

9. In-situ Trades of Gas in Storage

9.1 On a Gas Day, the Buyer may request Gas Storage to:

- (a) transfer Gas from the Buyer's Gas Storage Balance to the gas storage balance of another Gas Storage Customer with storage rights; or
- (b) transfer Gas from the gas storage balance of another Gas Storage Customer with storage rights to the Buyer's Gas Storage Balance,

(In-situ Transfer Nomination) provided that;

- (c) the In-situ Transfer Nomination is for a minimum of 10 TJ;
 - (d) there is a limit of one in-situ transfer per Month; and
 - (e) Gas Storage receives a confirmation from both the Buyer and the other Gas Storage Customer involved in the proposed in-situ transfer by email to: GasStorage@Lochard Energy.com.au.
- 9.2 Gas Storage will make the in-situ transfer on the Gas Day immediately following the Gas Day that it receives confirmation from both the Buyer and the other Gas Storage Customer.
- 9.3 Gas Storage may, but has no obligation to, make an in-situ transfer where the relevant In-situ Transfer Nomination is not compliant with this clause 9.
-

10. Possession, Title and Risk

- 10.1 Subject to clauses 10.2, 10.3 and 10.4, the Buyer will continue to hold title to Gas which it delivers to Gas Storage for injection into and storage in the Storage Reservoirs while that Gas is in the Storage Reservoirs, so that the Quantity of Gas to which the Buyer has title at any point in time is equal to the Gas Storage Balance.
- 10.2 Possession of and risk in Gas delivered by the Buyer to Gas Storage for injection into and storage in the Storage Reservoirs under this agreement will pass to Gas Storage when the Buyer delivers that Gas to the relevant Pipeline Connection Point.
- 10.3 Possession of and risk in Gas withdrawn from the Storage Reservoirs on behalf of the Buyer will revert to the Buyer when that Gas is delivered to the relevant Pipeline Connection Point by Gas Storage.
- 10.4 The Buyer acknowledges and agrees that:
- (a) Gas Storage may commingle Gas injected on behalf of the Buyer with Gas injected on behalf of third parties and Gas Storage's Gas in the Storage Reservoirs;
 - (b) Gas Storage may subject the Buyer's Gas to compression, cleaning and other processes for the purpose of storing the Buyer's Gas in the Storage Reservoirs; and
 - (c) different molecules of Gas may be returned to the Buyer after being withdrawn from the Storage Reservoirs than those which were delivered by the Buyer for injection into and storage in the Storage Reservoirs.
- 10.5 Subject to the Buyer fulfilling its obligations under clause 10.6, Gas Storage must:
- (a) insure the Buyer's Gas against loss and damage while it is stored in the Storage Reservoirs (*Insurance Policy*). Such Insurance Policy must be with a reputable insurance provider, on terms reasonably satisfactory to the Buyer, and will name the Buyer as an additional insured under the policy and must insure the gas held at the Iona Facility for the Buyer under this agreement for at least \$[##] per GJ; and
 - (b) upon request by the Buyer, arrange for a certificate of currency of insurance to be issued to the Buyer. If the Buyer requests details of the Insurance Policy for the purpose of verifying Gas Storage's compliance with this clause 10.5, Gas Storage is entitled to redact or withhold from the Buyer those parts of the Insurance Policy which

Gas Storage determines (acting reasonably) to be of a commercially sensitive nature (including, without limitation, details of or relating to other Gas Storage Customers, premiums payable, financial or commercial information relating to the Iona Facility or its operations, and information pertaining to assets other than the Iona Facility which may be the subject of the Insurance Policy).

- 10.6 The Buyer agrees to cooperate with Gas Storage and provide all information reasonably necessary for Gas Storage to arrange the Insurance Policy under clause 10.5 and meet any relevant notification requirements as advised by Gas Storage.
- 10.7 Subject to Gas Storage complying with its obligations under clause 10.8, Gas Storage's liability to the Buyer in respect of an event causing loss or damage to the Buyer's Gas will not exceed the amount which Gas Storage is able to and does recover under the Insurance Policy in respect of the Buyer's Gas.
- 10.8 If Gas held at the Iona Facility for the Buyer under this agreement is lost or damaged, the Buyer can elect either:
- (a) to make a claim under the Insurance Policy directly, in connection with such loss or damage, in which case Gas Storage must cooperate with and use reasonable endeavours to assist the Buyer in respect of any such claim; or
 - (b) to require Gas Storage to make a claim under the Insurance Policy in connection with such loss or damage, in which case Gas Storage must use all reasonable endeavours and do everything reasonably necessary to ensure it recovers the maximum amount pursuant to its insurance in connection with that loss or liability.
- 10.9 The parties agree that in no circumstances does anything in clauses 10.7 or 10.8 apply to limit the obligation on Gas Storage's insurer to meet any claim.
- 10.10 Gas Storage shall ensure that any Security Interest granted by Gas Storage in respect of Gas held in the Storage Reservoir acknowledges, and is subject to, the Buyer's interest in Gas held in the Storage Reservoir as set out in this clause 10.

11. Gas Storage Balance

Fuel and Gas Losses

- 11.1 The Buyer will contribute amounts of Gas for Fuel Gas used and Storage Losses incurred in respect of the Gas Storage Services provided under this agreement pursuant to item 5 of Schedule 2.
- 11.2 The parties acknowledge that the percentages specified in item 5 of Schedule 2 may, from time to time, be varied (up or down) by Gas Storage in order to more accurately reflect actual costs and losses incurred by Gas Storage in respect of the Gas Storage Services.
- 11.3 Gas Storage must notify the Buyer of any change in the percentages or deduction for Fuel Gas or for Storage Losses under clause 11.2 prior to such changes taking effect and must, upon request, provide the Buyer with necessary information to support such a change.
- 11.4 The parties agree that:
- (a) the Buyer may, at its cost, engage an Independent Expert acceptable to Gas Storage (acting reasonably) to review and report upon the calculation methodology used to

determine contributions of Gas that the Buyer is required to make for Fuel Gas and/or Storage Losses under clause 11.1; and

- (b) if the Independent Expert determines that the relevant calculation methodology is not reasonable, he or she may determine a new calculation methodology which the parties must comply with (barring manifest error by the Independent Expert).

Calculation of Gas Storage Balance

11.5 The *Gas Storage Balance* at any point of time is equal to:

- (a) the Quantity injected into the Storage Reservoirs on behalf of the Buyer since the Commencement Date; plus
 - (b) any in-situ transfers made to the Buyer under this agreement,
- less
- (c) deductions for Fuel Gas under item 5 of Schedule 2;
 - (d) deductions for Storage Losses under item 5 of Schedule 2;
 - (e) the Quantity withdrawn from the Storage Reservoirs on behalf of the Buyer since the Commencement Date; and
 - (f) in-situ transfers made by the Buyer under this agreement.

Maintenance of Records

11.6 Subject to the timely provision of MIRN data relating to injections and withdrawals by AEMO and other data sources, Gas Storage will maintain at least on a weekly basis, and make available to the Buyer, records of:

- (a) the aggregate Quantities of Reservoir Injections by Gas Storage under this agreement on behalf of the Buyer:
 - (i) since the Commencement Date;
 - (ii) during the relevant Month; and
 - (iii) during that Year,
- (b) the amounts of Fuel Gas and Storage Losses incurred by the Buyer;
- (c) the aggregate Quantities of Reservoir Withdrawals by Gas Storage under this agreement on behalf of the Buyer:
 - (i) since the Commencement Date;
 - (ii) during the relevant Month; and
 - (iii) during the Year,
- (d) the Gas Storage Balance; and
- (e) the difference between the Buyer's Storage Limit and the Gas Storage Balance.

11.7 Gas Storage will, upon reasonable request by the Buyer, make the records kept under clause 11.6 available for audit by an independent third party acceptable to Gas Storage (acting

reasonably) at the Buyer's cost. If, as a result of the audit, it is found that there are errors in the records of Gas Storage that impact the Buyer materially, Gas Storage will reimburse the Buyer for the reasonable costs of such an audit and the Gas Storage Balance will be adjusted to correct the errors identified.

12. Payment and Invoicing

Payment Obligation

12.1 In consideration for the provision of Gas Storage Services under this agreement during the Term, the Buyer agrees to pay Gas Storage each Month:

- (a) the Fixed Payment; plus
- (b) the Variable Payment; plus
- (c) any As-Available Service Payment; plus
- (d) any Unapproved As-available Service Payment,

in accordance with clause 12.7, and as set out in a Tax Invoice issued to the Buyer in accordance with clause 12.4.

Pre-payment of Variable Payment and As-Available Service

12.2 If at any time during the Term, the sum of the outstanding cumulative Variable Storage Fees, As-Available Service Payments and Unapproved As-Available Service Payments in respect of a Month exceed the cumulative Variable Payments made by the Buyer to Gas Storage for that Month, then Gas Storage may withhold supply of further Gas Storage Services until such time that the Buyer has made additional pre-payments to cover the Gas Storage Services to be provided.

12.3 At the end of the Term, Gas Storage will, at the request of the Buyer, rebate or set off any Variable Payments made by the Buyer in excess of the Variable Storage Fees, As-Available Service Payments and Unapproved As-Available Service Payments incurred during the Term.

Invoicing

12.4 On or after the first Business Day of each Month, Gas Storage will provide the Buyer with a valid Tax Invoice (or, where estimates are used, documents that the Commissioner of Taxation treats as Tax Invoices or, where no such invoices exist, ordinary invoices) specifying:

- (a) the Fixed Payment payable by the Buyer in relation to the forthcoming Month;
- (b) the Variable Payment;
- (c) any As-Available Service Payments in relation to Gas Days in the preceding Month; and
- (d) any Unapproved As-Available Service Payments in relation to Gas Days in the preceding Month.

12.5 Upon execution of this agreement, Gas Storage will provide the Buyer with a valid Tax Invoice specifying:

- (a) that portion of the Fixed Payment and Variable Payment payable by the Buyer in relation to the Month in which the Commencement Date occurs; and
- (b) if execution occurs during the same Month as the Commencement Date, the Fixed Payment and Variable Payment payable by the Buyer in relation to the Month following the Month in which the Commencement Date occurs.

Contents of Invoice

12.6 Each Tax Invoice will include an itemised list of the amounts (and any credits) due, with each item clearly described and with sufficient information to enable the Buyer to verify the amount claimed.

Payment

12.7 The Buyer will pay the aggregate amount stated in each Tax Invoice by the date which is 10 Business Days after receipt of the Tax Invoice (**Due Date**) by direct credit to a nominated bank account or such other means as agreed by the parties.

Disputed Invoices

12.8 If the Buyer disputes part or all of a Tax Invoice:

- (a) the Buyer will, within 10 Business Days after receipt of the Tax Invoice, notify Gas Storage in writing specifying the amount in dispute and the reasons for the dispute; and
- (b) each party must, within 3 Business Days of the Buyer's notice:
 - (i) nominate an officer who will meet with the other party's officer to try to resolve the dispute; or
 - (ii) if those officers fail to resolve the dispute within 21 Business Days of Gas Storage receiving the Buyer's notice under clause 12.8(a), each party will comply with the dispute resolution procedures in clause 22.

12.9 Notwithstanding clause 12.8, the Buyer will pay the full undisputed amount of any disputed Tax Invoice in accordance with clause 12.7. The remaining disputed portion of the invoice may be withheld until the dispute is resolved. If this amount is subsequently determined to have been payable, then the Buyer will pay this amount and pay interest on the amount withheld, calculated from the Due Date to the date of payment (both days inclusive) at an annual percentage rate equal to the Interest Rate.

12.10 If any disputed amount is paid but later determined or agreed not to have been payable, then Gas Storage will refund the disputed amount and pay interest on the amount refunded to the Buyer, calculated from the Due Date to the date of payment (both days inclusive) at an annual percentage rate equal to the Interest Rate.

12.11 A refund under clause 12.10 may be made as a credit in a subsequent Tax Invoice, unless otherwise agreed by the Buyer and Gas Storage.

12.12 A party may not claim from the other party any amount over or under charged if more than 15 Months has elapsed since the date when the invoice was delivered.

Late Payment

- 12.13 If a Tax Invoice is undisputed by the Buyer but the amount claimed in the Tax Invoice is not fully paid by the Due Date, then the Buyer will pay interest on the amount, calculated from the Due Date to the date of payment (both days inclusive) at an annual percentage rate equal to the Interest Rate.

Adjustment Where Invoice Estimated

- 12.14 Information used for invoicing may be actual or estimated. Gas Storage must use all reasonable endeavours to use actual information for invoicing. If actual information necessary for invoicing is not available in time for Gas Storage to prepare a Tax Invoice, Gas Storage may use estimated information to prepare the Tax Invoice.
- 12.15 When actual information becomes available in respect of a Tax Invoice prepared using estimated information, adjustments will be made in the next Tax Invoice to reflect the difference between the actual and estimated information. Documentation of these adjustments must be such as to satisfy the requirements of the GST Act and related materials (such as regulations, rulings and determinations).
- 12.16 Without limiting clause 12.15, neither Gas Storage nor the Buyer will be entitled to interest on any adjustment under clause 12.15.

13. Allocation, Gas Measurement and Testing

Service Provider's Obligations

- 13.1 The parties agree that Gas Storage at the Commencement Date will be:

- (a) the Responsible Person; and
- (b) the Allocation Agent,

for the SWP Connection Point for the purpose of the WMR and will allocate all injections into, and withdrawals from, the SWP in accordance with the WMR and this agreement.

WMR

- 13.2 Gas Storage will perform all metering used to determine the Quantity and the quality of any Gas injected into the SWP from the Storage Reservoirs under this agreement in accordance with the WMR (including, but not limited to, all metering information necessary to enable the Buyer to comply with its obligations under the WMR).

SEA Gas Service

- 13.3 The Quantity of Gas injected into, or withdrawn from, the SEA Gas Pipeline at the SEA Gas Connection Point on a Gas Day will be determined in accordance with the apportionment procedures applying under agreements between SEA Gas and Gas Storage in their capacities as Allocation Agents.

Allocation

- 13.4 The quantities of Gas injected into and withdrawn from the Pipeline Connection Points by Gas Storage must be allocated among Gas Storage Customers and Gas Storage's allocation of Gas to itself (and its Related Bodies Corporate) pro rata in proportion to their respective nominations (or requirements in the case of Gas Storage's own consumption).

- 13.5 The quantities of Gas injected into and withdrawn from the Pipeline Connection Points by Gas Storage that are allocated to the Buyer must then be sub-allocated among the Buyer and the Buyer's customers in accordance with directions given by the Buyer to Gas Storage. Gas Storage may charge the Buyer a reasonable fee for performing such sub-allocation activities.
- 13.6 For the avoidance of doubt, Gas Storage must, in the case of Pipeline Injections into and Pipeline Withdrawals from the SWP:
- (a) allocate (as that term is defined in the WMR) the quantities of Gas which are injected into and withdrawn from the SWP for the Buyer in accordance with clause 13.4 and the WMR; and
 - (b) sub-allocate the quantities of Gas which are injected into and withdrawn from the SWP for the Buyer and the Buyer's customers in accordance with clause 13.5 and the WMR.
-

14. Quality

Required Quality

- 14.1 The parties must ensure that:
- (a) in the case of Gas Storage, all Gas withdrawn from the Storage Reservoirs and made available to the Buyer; and
 - (b) in the case of the Buyer, all Gas delivered by the Buyer from the Pipeline Connection Points into the Storage Reservoirs,
- complies with the Specifications.

Notice

- 14.2 Any party that becomes aware of the fact that it has delivered or may deliver Off-Specification Gas in breach of clause 14.1 must provide the other party with notice of that fact immediately (including details of how and the extent to which that Gas differs from the Specifications and an estimate as to when that party expects to be able to rectify the non-compliance). The party must also notify the other party as soon as Gas available for delivery:
- (a) again complies with the Specification; or
 - (b) is outside the parameters set out in any notice previously given under this clause 14.2.

Acceptance

- 14.3 Neither party is required to accept delivery of any Off-Specification Gas and either party may, by giving notice to the other party, refuse or immediately terminate the receipt of such Gas.
- 14.4 If AEMO or any other relevant pipeline operator:
- (a) accepts Off-Specification Gas, then the Buyer is deemed to accept delivery of such Gas; or
 - (b) refuses Off-Specification Gas, then the Buyer is deemed to refuse delivery of such Gas.

Payments

- 14.5 Fixed Payments will remain payable by the Buyer for any periods during which Gas Storage Services are Curtailed as a result of Gas Storage's refusal to accept delivery of Off-Specification Gas by the Buyer under clause 14.3.
- 14.6 Gas Storage will refund to the Buyer any charges paid by the Buyer under this agreement for Firm Reservoir Withdrawal Services which were Curtailed as a result of the Buyer's refusal to accept delivery of Off-Specification Gas by Gas Storage under clause 14.3 (but only to the extent of the Curtailment).

Indemnity

- 14.7 Each party indemnifies the other party for all direct and reasonably foreseeable loss, damage, or cost arising from the delivery of Off-Specification Gas by that party to the other party, except where prior to delivery of the Off-Specification Gas:
- (a) the other party was aware; or
 - (b) the other party should reasonably have been aware,
- that the delivered Gas did not conform with the requirements of clause 14.1 and did not notify the other party that it rejected the Off-Specification Gas in accordance with clause 14.3.

15. Confidentiality

- 15.1 The Recipient may disclose Confidential Information only:
- (a) to its Authorised Persons (but only to the extent the Authorised Person needs to know the information);
 - (b) if the Disclosing Party has consented in advance to the disclosure; or
 - (c) if, and only to the extent, required by Law, legal process (including any notice, order, regulation or prudential standard of any governmental agency) or under the Listing Rules of the ASX, where applicable and binding on the Recipient or its Related Bodies Corporate, to disclose and where to the extent practicable, the Recipient has:
 - (i) promptly notified the Disclosing Party of the obligation and reasonably consulted with the Disclosing Party regarding the form and substance of disclosure; and
 - (ii) if requested, promptly and reasonably assisted and co-operated with the Disclosing Party if the Disclosing Party wishes to seek to limit or resist the disclosure.
- 15.2 The Recipient must, at its expense:
- (a) take reasonable efforts to maintain appropriate security measures over the Confidential Information which it receives;
 - (b) ensure that, at all times, each Authorised Person to whom Confidential Information is disclosed, observes and complies with the terms of this clause 15 as if each such Authorised Person was an original party and signatory to this agreement;

- (c) notify the Disclosing Party as soon as reasonably practicable if it becomes aware of any actual, suspected, likely or threatened unauthorised access, use, copying or disclosure of Confidential Information (including in breach of this agreement) **(Breach Event)**;
 - (d) promptly take all steps to prevent, stop or remedy the Breach Event;
 - (e) promptly comply with any reasonable direction issued by the Disclosing Party from time to time regarding enforcement of its rights in respect of a Breach Event; and
 - (f) promptly provide assistance reasonably requested by the Disclosing Party in relation to any proceedings the Disclosing Party may take against any person for a Breach Event.
- 15.3 The obligations of confidentiality under this agreement do not extend to information which (whether before or after this agreement is executed):
- (a) is rightfully known to or in the possession or control of the Recipient or an Authorised Person and not subject to an obligation of confidentiality on the Recipient or that Authorised Person; or
 - (b) is or becomes public knowledge (otherwise than as a result of a breach of this agreement or the obligations of confidentiality under any other agreement).
- 15.4 The parties agree that no party will disclose, or authorise the disclosure of, to an “interested person” (as defined in section 275(9) of the PPS Act) or any other person, any information of the kind described in section 275(1) of the PPS Act, unless such disclosure is permitted under this clause 15 (except that clause 15.1(c) does not permit a party to disclose any information under section 275(4) of the PPS Act unless section 275(7) of the PPS Act applies).
- 15.5 The Buyer acknowledges and agrees that Confidential Information disclosed by Gas Storage under this agreement may relate to or be owned by the Lochard Group and its securityholders and their Related Bodies Corporate. To that extent:
- (a) Gas Storage enters into and holds the benefit of this clause 15 on its own behalf and on trust for the Lochard Group and its securityholders and their Related Bodies Corporate; and
 - (b) references in this clause 15 to Gas Storage shall be read as references to the Lochard Group and its securityholders and their Related Bodies Corporate.

16. Goods and Services Tax

- 16.1 Except where express provision is made to the contrary, any consideration expressed to be provided under this agreement (other than pursuant to this clause) for any taxable supply is GST exclusive.
- 16.2 If a supply is a taxable supply, the amounts payable or the value of the consideration provided for that supply (Payment) will be increased by the amount of GST payable in relation to the supply.
- 16.3 If a supply made under this agreement is a taxable supply made for non-monetary consideration then:

- (a) the supplier must provide the recipient with a Tax Invoice which states the GST inclusive market value of the non-monetary consideration; and
 - (b) for the avoidance of doubt, any non-monetary consideration payable under or in connection with this agreement is GST inclusive.
- 16.4 Any amount recoverable under this clause is payable by within 10 Business Days of a valid Tax Invoice being received.
- 16.5 If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier, within 14 days of becoming aware of the adjustment event:
- (a) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving 7 days' written notice;
 - (b) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply to the extent that the supplier is entitled to a refund or credit from the Commissioner of Taxation; and
 - (c) must issue an adjustment note or Tax Invoice reflecting the adjustment event in relation to the supply to the recipient within 28 days of the adjustment event.
- 16.6 Where any amount is payable as a reimbursement, indemnification or similar payment calculated by reference to a loss, cost, expense or other amount incurred, then that amount must be reduced by any input tax credit available to that party and, if a taxable supply, must be increased by the GST payable in relation to the supply and a Tax Invoice will be provided by the party being reimbursed or indemnified.
- 16.7 Terms defined in the GST Act have the same meaning when used in this agreement.
-

17. Changes in Law

- 17.1 The charges payable by the Buyer under this agreement will be adjusted by Gas Storage if, after the date of this agreement:
- (a) there is an amendment, variation or other change to an existing Law or Regulatory Instrument; or
 - (b) a new Law or Regulatory Instrument is introduced after the date of this agreement; and
 - (c) the effect of such amendment, variation, change or introduction is to increase the cost to Gas Storage, or another member of the Lochard Group, in connection with the provision of Gas Storage Services or Gas under this agreement.
- 17.2 In this clause 17, 'Law' may include a Tax or a Carbon Scheme.
- 17.3 The Buyer may, on reasonable notice of not less than three (3) Months to Gas Storage, have the records of Gas Storage for any period during the prior two Years audited by an independent auditor at the Buyer's expense should it question or require verification of any payment required to be made under clause 17.1 and Gas Storage will make its relevant records available for this purpose. An audit under this clause 17.3 will not affect the timing of, or obligation to make, payments under this agreement or affect any dispute resolution mechanism

then commenced or subsequently commenced under clause 22 or any court or other proceedings.

- 17.4 The independent auditor will be required to provide to the Buyer and Gas Storage a statement of its opinion concerning the question raised or verification requested. All activities of the independent auditor and the statement of its opinion will be private and confidential to the parties and will be subject to the provisions of clause 15.

18. Force Majeure

Non-performance excused

- 18.1 Subject to clause 18.3, a party shall be excused for failing to perform any of its obligations, in whole or in part, or for otherwise being in breach of any covenant or undertaking hereunder to the extent that such failure is caused by an occurrence of an event of Force Majeure.

Force Majeure defined

- 18.2 **Force Majeure** means any event or circumstance the occurrence of which is beyond the reasonable control of the party affected, and which by the exercise of Good Gas Industry Practice, the party affected is not reasonably able to prevent or overcome, including any of the following events or circumstances provided they fulfil the foregoing criteria:
- (a) acts of God including earthquakes, floods, fires, explosions, landslides, lightning, action of the elements, washouts, storms and storm warnings and natural disaster;
 - (b) radioactive contamination and toxic dangerous chemical contamination;
 - (c) fire and explosion including radioactive and toxic explosions;
 - (d) epidemic or quarantine;
 - (e) strikes, lockouts, bans or other industrial disturbances;
 - (f) acts of an enemy, including wars (declared or undeclared), civil disturbances, blockades, insurrections, riots, malicious damage and epidemics;
 - (g) any law, order, rule, regulation, act, judgment, ruling, decisions, directions, decrees, enforcement actions, restraint, omission or failure to act of any governmental body or authority, civil or military (whether or not in fact legally valid);
 - (h) any valid direction or instruction by AEMO to Gas Storage or to the party claiming the Force Majeure;
 - (i) failure of gas transportation, or low or excessive pressure at a Pipeline Connection Point;
 - (j) accident, failure, breakage or malfunction or loss of or damage or corrosion to plant, equipment, pipelines, materials or facilities resulting in the partial or complete shutdown of any part of the Iona Facility or which is otherwise necessary to enable Gas Storage to provide services under this agreement including reservoirs, machinery, production facilities, processing equipment, compressors, pipelines or wells;
 - (k) a circumstance or event that endangers safety or the integrity of the Iona Facility;

- (l) hydrate obstruction or freezing of wells, machinery, production facilities, processing equipment or lines of pipe;
- (m) premature, partial or entire failure of gas wells;
- (n) shortage of any necessary equipment, materials or labour which affects persons other than the party claiming Force Majeure;
- (o) reservoir failure;
- (p) any production, transmission or distribution shut-down or interruption which is required or directed by the State or Commonwealth Government or a governmental agency or Minister; and
- (q) circumstances described above which occur in relation to the Iona Facility and prevent Gas Storage from injecting or withdrawing gas.

Payment not excused

- 18.3 No party shall be excused by an event of Force Majeure from making timely payment of any moneys otherwise due and payable under this agreement.
- 18.4 Gas Storage will refund to the Buyer all charges paid by the Buyer to Gas Storage under this agreement for Gas Storage Services which relate to periods when Gas Storage was unable to provide those services due to an event of Force Majeure.

Notification

- 18.5 A party claiming Force Majeure under this clause 18 shall notify the other party of the occurrence and nature of any event or circumstance of Force Majeure as soon as practicable but no later than 2 Business Days after becoming aware of the Force Majeure event and shall keep the other party informed of the steps being taken to overcome the Force Majeure event or circumstance or its effects and to resume performance of such of its obligations hereunder as may be affected, and shall furnish or procure the furnishing of such relevant information as is reasonably available relating to such event or circumstance.

Performance excused

- 18.6 Subject to clause 18.3, performance is excused under this clause 18 during the time and to the extent that such performance is hindered or prevented by an event of Force Majeure and to that extent shall not give rise to liability to the party affected by Force Majeure for loss or damage of any kind arising out of or in connection with the non-performance.

Remedy

- 18.7 Any party whose non-performance is excused under this clause 18 shall as soon as reasonably practicable after the commencement of the Force Majeure event or circumstance, proceed with diligence and do all things reasonably practicable at its own reasonable cost to remedy the event or circumstance causing the failure as expeditiously as possible and to minimise the interruption thereby caused to the performance of such of its obligations hereunder as may be affected, provided that the party excused by a Force Majeure event shall not be required to settle, or procure the settlement of, any strikes, lock-outs or other industrial disputes or public disturbance except in such manner as it shall in its own judgment consider fit.

Allocation and other consequences

18.8 If due to an event of Force Majeure, Gas Storage does not have available the quantities of Gas Storage Services necessary to enable Gas Storage to satisfy its obligations under this agreement, then:

- (a) Gas Storage, to the extent that it is unable to make Gas Storage Services available in accordance with clause 4.1 as a result of the event of Force Majeure, will be relieved of its obligations under clause 4.1;
- (b) the Buyer will still be entitled to issue nominations, it being acknowledged that such nominations may not be satisfied and that such nominations will only have force and effect to the extent that Gas Storage is not excused from making Gas Storage Services available under paragraph (a); and
- (c) the quantities of Gas made available for delivery at the Pipeline Connection Points (if any) will be allocated in accordance with clause 13.4 and, in the case of quantities of Gas made available for delivery at the SWP, clause 13.6.

No extension of Agreement

18.9 Subject to clause 18.10, the occurrence of Force Majeure events and related excused performance shall not be construed as, or result in, an extension to the Term.

18.10 If:

- (a) the occurrence of a Force Majeure event or events has materially impacted the Buyer's ability to exercise its Reservoir Withdrawal Rights and Pipeline Injection Rights under clause 7 for:
 - (i) a period of 30 days or more in aggregate during the Term;
 - (ii) a period of 10 days or more in aggregate during the last 20 days of the Term;
or
 - (iii) the last 5 consecutive days of the Term; and
- (b) on the date that the Term would otherwise expire the Gas Storage Balance exceeds zero (0),

then the Term will be automatically extended by a further period equal to the total number of days during the Term which satisfy the requirements of clause 18.10(a), starting from the later to occur of:

- (c) the date the Term would otherwise expire; or
- (d) the date on which the Buyer is able to utilise its Reservoir Withdrawal Rights and Pipeline Injection Rights under clause 7 following the cessation of any Force Majeure event,

to allow the Buyer a reasonable opportunity to withdraw stored Gas from the Storage Reservoirs.

Prolonged Force Majeure

18.11 If the performance of a material obligation of a party is suspended by reason of any event or circumstance of Force Majeure and:

- (a) the other party is materially adversely affected by the suspension; and
- (b) that suspension of obligations continues for a continuous period exceeding nine (9) Months,

then the other party may, by notice to the party whose performance is suspended, terminate this agreement.

18.12 If upon the termination of this agreement in accordance with clause 18.11 the Gas Storage Balance exceeds zero (0), then without limiting any other rights of the Buyer, Gas Storage will pay the Buyer within 14 days of termination, an amount calculated by multiplying the Gas Storage Balance at the date of termination by the lesser of:

- (a) the average Market Price immediately before termination occurred; and
- (b) \$[##]/GJ,

less any monies due and payable by the Buyer to Gas Storage up to the date of termination.

19. Termination

Default by the Buyer

19.1 If the Buyer:

- (a) suffers an Insolvency Event; or
- (b) defaults in the performance of a material obligation under this agreement and where such default is capable of remedy, fails to remedy or remove the default within a period of 10 days from the receipt of a notice from Gas Storage to remedy or remove the default; or
- (c) defaults in the payment of any moneys due and payable in accordance with this agreement (including without limitation any pre-payment required to be made under clause 12.2) for a period of 14 days following receipt of a notice of demand from Gas Storage,

then Gas Storage may at its discretion:

- (d) suspend the provision of Gas Storage Services pursuant to this agreement until such time as all moneys owing under this agreement have been paid, the non-financial default has been remedied or removed, or the Insolvency Event has been remedied or removed, as the case may be;
- (e) subject to clause 19.11 by notice, terminate this agreement from the date of giving the notice; and/or
- (f) seek any other remedy Gas Storage considers appropriate.

The Fixed Payment will remain payable by the Buyer during any suspension under clause 19.1(d) of this agreement.

19.2 Notwithstanding clause 19.1, if on the first day of any Month, the Buyer has not paid an invoice issued by Gas Storage under clause 12.4, then provided that:

- (a) the relevant invoice was issued at least 10 Business Days prior to the end of the previous Month; or
- (b) all or part of payment of the invoice is not being withheld under clause 12.9,

Gas Storage may at its discretion suspend the provision of Gas Storage Services pursuant to this agreement until such time as all moneys owing under this agreement have been paid.

The Fixed Payment will remain payable by the Buyer during any suspension under this clause 19.2.

Effects of termination by Gas Storage

19.3 Termination of this agreement under clause 19.1 will not relieve:

- (a) the Buyer of its obligations to pay any moneys outstanding at that time in relation to Gas Storage Services provided prior to termination; or
- (b) Gas Storage of any obligations or liabilities accrued prior to termination.

19.4 Subject to clauses 3.2, 12.3, 19.3, 19.6, 19.9 and 19.10, upon termination Gas Storage will have no further obligations to the Buyer and the Buyer will have no further rights or obligations under this agreement.

Default by Gas Storage

19.5 If Gas Storage:

- (a) suffers an Insolvency Event; or
- (b) defaults in the performance of a material obligation under the agreement and where such default is capable of remedy, fails to remedy or remove the default within a period of 10 days from the receipt of a notice from the Buyer to remedy or remove the default,

then the Buyer may, subject to clause 19.11, by notice terminate this agreement from the date of giving notice or seek any other remedy the Buyer considers appropriate.

19.6 If upon the Buyer giving a valid termination notice under clause 19.5 the Gas Storage Balance exceeds zero (0), then without limiting any other rights of the Buyer, Gas Storage will pay the Buyer within 14 days of termination, an amount calculated by multiplying the Gas Storage Balance at the date of termination by the lesser of;

- (a) the average Market Price immediately before termination occurred; and
- (b) \$[##]/GJ,

less any monies due and payable by the Buyer to Gas Storage up to the date of termination.

19.7 If Gas Storage pays the Buyer the full amount as determined by clause 19.6 by the due date, then title to the gas comprising the Gas Storage Balance will vest in Gas Storage and the Gas Storage Balance will be reduced to zero (0) upon the date of the Buyer receiving the payment.

19.8 If the Buyer does not receive the full amount from Gas Storage as determined by clause 19.6, then the transfer of title in the Gas Storage Balance to Gas Storage will only take effect, and the Gas Storage Balance will only reduce, by the proportion that equates to the proportion of the amount paid by Gas Storage under clause 19.6 and the Buyer's rights will not be limited with respect to the remaining Gas Storage Balance.

Additional Remedies

19.9 The termination rights and remedies set out in clauses 19.1, 19.2, 19.3, 19.4, 19.5 and 19.6 shall be in addition to and not in substitution for any rights or remedies available to the parties whether pursuant to this agreement, at law, at equity or otherwise.

Effect of Termination

19.10 Termination by a party shall be without prejudice to any accrued rights or remedies of either party as at the date of termination.

Dispute resolution process

19.11 This agreement cannot be terminated during the dispute resolution process where the subject matter of the dispute resolution process is the subject matter of the termination.

20. Buyer credit support

Financial Statements

20.1 Upon request by Gas Storage, the Buyer shall, as soon as practicable, give the audited Financial Statements of the Buyer for a financial year or half year to Gas Storage.

Change in financial circumstances

20.2 If, at any time after the date of this agreement, a Change in Financial Circumstances occurs, then:

- (a) the Buyer must, immediately upon becoming aware of this change, provide notice to Gas Storage of the Change in Financial Circumstances; and
- (b) Gas Storage may by notice to the Buyer require the Buyer to provide Credit Support to Gas Storage in accordance with this clause 20.

20.3 The Buyer shall provide the Credit Support specified in the notice within 5 Business Days following receipt of the notice, and shall maintain at all times, subject to clause 20.4, the Credit Support.

Release of support

20.4 The Buyer's obligation to provide and maintain Credit Support pursuant to a notice from Gas Storage under clause 20.2 continues until the date on which the Buyer has been assigned an Acceptable Credit Rating by an Acceptable Ratings Agency.

21. Maintenance

21.1 Gas Storage may Curtail Gas Storage Services;

- (a) for Planned Maintenance, upon not less than 14 days' prior notice by Gas Storage to the Buyer; and
- (b) for Unplanned Maintenance, upon the maximum notice by Gas Storage to the Buyer as is reasonably practicable.

21.2 Gas Storage must use reasonable endeavours to:

- (a) agree with the Buyer on the timing of any Planned Maintenance; and
 - (b) minimise Planned Maintenance during the months of June, July and August during each Year of the Term.
- 21.3 For each Planned Maintenance Day, a **Planned Maintenance Factor** shall be calculated as the proportion (expressed as a number between 0 and 1 inclusive) corresponding to the extent to which Gas Storage Services have been Curtailed for that Gas Day due to Planned Maintenance (For example; a Planned Maintenance Factor of 1 represents the complete withdrawal of the Gas Storage Services for Planned Maintenance for the Gas Day. If the Iona Facility capacity is reduced by 40% for only half the day then the Planned Maintenance Factor would be 0.2).
- 21.4 For each Unplanned Maintenance Day, an **Unplanned Maintenance Factor** shall be calculated as the proportion (expressed as a number between 0 and 1 inclusive) corresponding to the extent to which Gas Storage Services have been withheld for that Gas Day due to Unplanned Maintenance (For example; an Unplanned Maintenance Factor of 1 represents the complete withdrawal of the Gas Storage Services for Unplanned Maintenance for the Gas Day. If the Iona Facility capacity is reduced by 40% for Unplanned Maintenance for only half the day then the Unplanned Maintenance Factor would be 0.2).
- 21.5 Fixed Payments remain payable by the Buyer during Maintenance Days except for those Maintenance Days when the sum of all Planned Maintenance Factors plus the sum of all Unplanned Maintenance Factors for previous Gas Days in that Year exceeds 28 days.
-

22. Dispute Resolution

Intent

- 22.1 If a dispute arises out of or relates to this agreement, or the breach, termination, validity or subject matter thereof, or as to any claim in tort, in equity or pursuant to any domestic or international statute or law, the parties to this agreement and to the dispute expressly agree to endeavor in good faith to settle the dispute in accordance with the process contained in this clause 22.

Notice of dispute and first meeting

- 22.2 A party claiming that a dispute has arisen, must give written notice to the other party to the dispute specifying the nature and particulars of the dispute.
- 22.3 Within 10 Business Days of a notice being given under clause 22.2, Authorised Officers of each party with authority to settle the dispute, must meet and attempt to come to a binding decision to resolve the dispute.
- 22.4 If the matter is not resolved within 30 Business Days of the meeting of the Authorised Officers under clause 22.3:
- (a) for disputes of a technical or financial nature — the parties may refer the matter to the Independent Expert; and
 - (b) for any other disputes (including any dispute which includes contentious technical or financial matters but is not solely of a technical or financial nature) — either party may commence proceedings in a court of competent jurisdiction.
- 22.5 Determination of the Independent Expert in accordance with clause 22.4 shall be final and binding upon the parties in the absence of manifest error.

Independent Expert

- 22.6 The *Independent Expert* will be appointed by agreement between the parties. If the parties are unable to reach agreement, then the Independent Expert will be:
- (a) for financial matters — a person appointed by the President of the Institute of Arbitrators & Mediators Australia; or
 - (b) for technical matters — a person appointed by the President of the Institute of Engineers Australia.
- 22.7 The appointment of the Independent Expert shall be on reasonable terms determined by the parties, given the Independent Expert's qualifications, functions, expertise and responsibility.
- 22.8 The Independent Expert appointed in accordance with clause 22.6 must:
- (a) be an expert in the principal subject matter of the dispute;
 - (b) act as an expert and not as an arbitrator;
 - (c) not be a current employee or contractor to a party;
 - (d) enter into an undertaking to retain the confidentiality of information disclosed by the parties;
 - (e) hold a discretion to determine procedures and gather information;
 - (f) act independently and apply procedural fairness in deciding the dispute;
 - (g) be required to resolve the dispute in a reasonable time; and
 - (h) provide a written determination to each party.
- 22.9 Any monies determined by the Independent Expert to be payable by a party to the other party shall be payable within 30 days of the Independent Expert's determination.

Costs

- 22.10 The costs in relation to a determination by the Independent Expert shall be dealt with as follows:
- (a) the costs of the Independent Expert will, unless the parties otherwise agree before the submission of the issue to the Independent Expert, be borne in equal shares; and
 - (b) each party will bear its own costs incurred in the preparation and presentation of any submissions or evidence to the Independent Expert.

Continuing Obligations

- 22.11 Notwithstanding this clause 22, the parties will continue to comply with their obligations under this agreement, provided that the obligations do not involve the subject matter of the dispute.

Interlocutory or urgent relief

- 22.12 Nothing in this clause 22 prevents a party from seeking urgent interlocutory or declaratory relief from a court of competent jurisdiction where, in that party's reasonable opinion, that action is necessary to protect that party's rights.

23. Assignment and Transfer

- 23.1 Subject to clause 23.4, the Buyer may not assign, create an interest in or deal in any other way with any of its rights under this agreement without the prior written consent of Gas Storage, which may not be unreasonably withheld.
- 23.2 Subject to clause 23.4, Gas Storage may not assign, create an interest in or deal in any other way with any of its rights under this agreement without the prior written consent of the Buyer, which may not be unreasonably withheld.
- 23.3 Without limiting clauses 23.1 and 23.2, a party may not assign rights under this agreement unless the proposed assignee covenants directly with the other party to observe and perform all of the obligations of the assigning party under this agreement, in a document acceptable to that other party (acting reasonably).
- 23.4 A party may assign, transfer or otherwise dispose of all or any of its rights under this agreement to:
- (a) a Related Body Corporate; or
 - (b) in the case of Gas Storage:
 - (i) a member of the Lochard Group;
 - (ii) a securityholder of a member of the Lochard Group; or
 - (iii) a Related Body Corporate of a person described in clause 23.4(b)(ii),
- with sufficient financial and technical resources to discharge that party's obligations under this agreement, and whose place of incorporation is in Australia, without the prior written consent of the other party, subject to compliance with clause 23.3.
- 23.5 To avoid doubt, a transfer of shares in a party or a Related Body Corporate of a party does not constitute an assignment, transfer or disposal of that party's rights under this agreement.
- 23.6 Subject to clause 10.10, nothing in this clause 23 prohibits a party from mortgaging, pledging, charging or otherwise encumbering its rights and interests under this agreement.

24. Notices

Requirements

- 24.1 All notices must be:
- (a) in legible writing and in English;
 - (b) addressed to the recipient at the address set out below or to any other address that a party may notify to the other; and
 - (c) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or email.

Notifications to **Gas Storage**

Address:

Lochard Energy (Iona Operations) Pty Ltd
Level 10, 2 Southbank Boulevard
Southbank VIC 3006

Attention: General Manager - Commercial

Email: gasstorage@lochardenergy.com.au

Notifications to the **Buyer**:

Address: **[insert]**

Attention: **[insert]**

Email: **[insert]**

Receipt

24.2 Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by pre-paid post, 3 Business Days for posting within Australia (if posted within Australia to an address in Australia) or 10 Business Days for posting overseas (if posted from one country to another) after the date of posting; or
- (c) if sent by email, on the day the sender has received a confirmation email from the addressee of the original email, except if the email confirmation is an auto-generated reply,

but if a notice is served by hand, or is received by the recipient's email, on a day that is not a Business Day, or after 5:00pm eastern standard time on a Business Day, the notice will be considered to have been received by the recipient at 9.00am on the next Business Day.

25. Waiver and exercise of rights

- 25.1 A waiver by a party of a provision of or of a right under this agreement is binding on the party granting the waiver only if it is given in writing and is signed by the party or an Authorised Officer of the party granting the waiver.
- 25.2 A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- 25.3 A single or partial exercise of a right by a party does not preclude another exercise or attempted exercise of that right or the exercise of another right.
- 25.4 Failure by a party to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

26. Limitation of liability

- 26.1 Notwithstanding any other provision in this agreement, neither party is liable for indirect or consequential loss or damage (including for loss of profit (whether direct, indirect, anticipated or otherwise), loss of revenue, loss of expected savings, opportunity costs, business interruption, loss of business (including loss or reduction of goodwill), damage to reputation and loss or corruption of data regardless of whether any or all of these things are considered to be indirect or consequential losses or damage) in contract, tort (including negligence), under any statute or otherwise arising from or related in any way to this agreement or its subject matter (including claims by a party's customer or any other person).
- 26.2 Without limiting clause 10.7, Gas Storage's total liability for loss or damage of any kind however caused, in contract, tort (including negligence), under any statute or otherwise arising from or relating in any way to this agreement or its subject matter is limited:
- (a) in respect of any and all claims arising from events commencing in a Year, to an amount equal to 50% of the sum of all Fixed Payments paid or payable by the Buyer under this agreement during that Year; and
 - (b) in aggregate for any and all claims to an amount equal to 50% of the sum of all Fixed Payments paid or payable by the Buyer under this agreement.
- 26.3 This agreement excludes all conditions, warranties and terms implied by the *Competition and Consumer Act 2010* (Cth), and any other law or custom, except any such implied condition, warranty or term the exclusion of which would contravene any statute or cause all or any part of this agreement to be void.

27. Limitation of trustees' liabilities and obligations

- 27.1 Notwithstanding any other provision of this agreement, the parties acknowledge and agree that:
- (a) This clause 27 applies to any party who is a trustee (*Trustee*) of a trust or fund (*Trust*).
 - (b) Each Trustee enters into and performs this agreement in its capacity as trustee of its Trust and in no other capacity. This applies also in respect of any past and future conduct (including omissions) relating to this agreement.
 - (c) No Trustee is liable to pay or satisfy any of its obligations under and in connection with this agreement and will have no liability to any other person except to the extent of the Trustee's right of indemnity out of the assets of its Trust.
 - (d) A party other than the Trustee waives their rights and releases each Trustee from any personal liability whatsoever in respect of any loss or damage which cannot be paid or satisfied out of the assets of the Trustee's Trust.
 - (e) No party may sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to property of the Trust), a liquidator, an administrator, or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to property of the Trust).

28. Personal Property Securities Law

Definitions

28.1 For the purposes of this clause 28:

- (a) “**PPS Law**” means:
 - (i) the PPS Act and any regulations made at any time under the PPS Act, as amended from time to time; or
 - (ii) any relevant amendment made at any time after the date of this agreement to any other legislation as a consequence of paragraph (i) above; and
- (b) “**Financing Statement**”, “**Financing Change Statement**”, “**Security Interest**”, “**Serial Numbers**” and “**Verification Statement**” have the meaning given to those terms in the PPS Act.

PPS Law acknowledgement

28.2 If:

- (a) a party determines that this agreement or any of the transactions contemplated by it contains a Security Interest; and
- (b) in the reasonable opinion of that party, the PPS Law:
 - (i) adversely affects or would adversely affect that party’s security position or the rights or obligations of that party under or in connection with a Security Interest in favour of that party which is provided for by this agreement or any of the transactions contemplated by it; or
 - (ii) enables or would enable that party’s security position in respect of such Security Interest to be improved without adversely affecting another party in a material respect,

the party may from time to time give notice to another party requiring that party to do anything, including:

- (c) promptly providing all necessary information (including Serial Numbers) and taking all necessary action (including obtaining any consent or agreement or giving any notice) to enable the party to register fully valid and effective Financing Statements or Financing Change Statements with respect to any Security Interest held or intended to be held by the party under this agreement at any time; or
- (d) amending this agreement or executing any agreement,

that in the party’s reasonable opinion is necessary to ensure that, to the maximum possible extent, the party’s security position, and rights and obligations, are not adversely affected as contemplated by clause 28.2(b)(i) (or that any such adverse effect is overcome to the maximum extent possible), or that the party’s security position is improved as contemplated in clause 28.2(b)(ii). The other party must comply with the requirements of that notice within the time stipulated in the notice, provided such time is reasonable.

Exclusion of PPS Act provisions

- 28.3 The provisions specified in section 115(1) of the PPS Act (except sections 96 (when a person with an interest in the whole may retain an accession), 117 (obligations secured by interests in personal property and land), 120 (enforcement of liquid assets), 123 (right to seize collateral), 126 (apparent possession), 128 (secured party may dispose of collateral), 129 (disposal by purchase), 134 (retention of collateral) and Division 6 of Part 4.3 (seizure and disposal or retention of crops and livestock)) are excluded in full and will not apply to any Security Interest under this agreement.
- 28.4 In the circumstances permitted under section 115(7) of the PPS Act, sections 132 (Secured party to give statement of account) and 137(3) (persons entitled to notice may object to proposal) of the PPS Act are also excluded and will not apply to any Security Interest under this agreement.
- 28.5 To the extent not prohibited by the PPS Act, each party waives its right to receive any notice otherwise required to be given by the other party under section 157 (Verification Statements) or any other provision of the PPS Act.
-

29. Governing Law

- 29.1 This agreement will be governed by and construed according to the laws of Victoria.
- 29.2 Gas Storage and the Buyer irrevocably and unconditionally:
- (a) submit to the non-exclusive jurisdiction of the courts of Victoria; and
 - (b) waive, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.
-

30. Compliance with Laws

Compliance with Regulatory Instruments

- 30.1 Gas Storage and the Buyer must comply with all applicable Regulatory Instruments when performing their obligations under this agreement.

Consequences of policy change

- 30.2 The parties acknowledge that if the structure of the Market changes during the Term in a way that materially affects the provision of the SWP Injection Rights or the SWP Withdrawal Rights, then the parties will negotiate in good faith to vary any term of this agreement which is no longer operational, or no longer operates as originally intended by the parties.
- 30.3 If the parties cannot agree on any matter relating to clause 30.2, including the effect of any amendment to the WMR or appropriate amendments to this agreement, then the matter will be resolved in accordance with clause 22.

31. General provisions

Entire agreement

31.1 This agreement is the entire agreement of the parties about the subject matter of this agreement and, on the Commencement Date, supersedes all other representations, negotiations, term sheets, arrangements, understandings or agreements and all other communications. No party has entered into this agreement relying on any representations made by or on behalf of the other, other than those expressly made in this agreement.

Amendment

31.2 The provisions of this agreement may not be amended except in writing signed by both parties.

Costs

31.3 Each party must pay its own costs in respect of this agreement and the documents and transactions contemplated by this agreement.

31.4 Each party must, at its own expense, whenever reasonably requested by the other party, promptly do or arrange for others to do, everything reasonably necessary or desirable to give full effect to this agreement and the transactions contemplated by this agreement.

Invalid or unenforceable provisions

31.5 If a provision of this agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of:
 - (i) that provision in another jurisdiction; or
 - (ii) the remaining provisions.

Counterparts

31.6 This agreement may be signed in counterparts and all counterparts taken together constitute one document.

Electronic execution

31.7 This agreement may be executed by or on behalf of the parties by affixing electronic signatures to this agreement.

31.8 If executed by electronic method, an electronic copy of this agreement duly executed by a party will be taken to be an original.

Consents and approvals

31.9 A party may give its approval or consent conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this agreement expressly provides otherwise.

Schedule 1

Iona Facility Capacity Rights

[Drafting note: Lochard Energy’s standard gas storage services product consists of a fixed ratio of firm capacity rights – every 1 TJ/day of Reservoir Withdrawal Firm Daily Capacity is coupled with 0.25 TJ/day of Reservoir Injection Firm Daily Capacity and 40 TJ of Storage Limit.

The standard gas storage service product includes a minimum of 1 TJ/day of Reservoir Withdrawal Firm Daily Capacity.]

1. Reservoir Withdrawal Rights

| | Defined term | |
|---|---------------|--|
| Reservoir Withdrawal Firm Daily Capacity | RWMDQF | <input checked="" type="checkbox"/> TJ/day |
| Reservoir Withdrawal Firm Hourly Capacity | RWMHQF | RWMDQF/24/hour |

2. Reservoir Injection Rights

| | Defined term | |
|--|---------------|--|
| Reservoir Injection Firm Daily Capacity | RIMDQF | <input checked="" type="checkbox"/> TJ/day |
| Reservoir Injection Firm Hourly Capacity | RIMHQF | RIMDQF/24/hour |

3. SWP Injection Rights

| | Defined term | |
|------------------------------------|-----------------|--|
| SWP Injection Firm Daily Capacity | SWPIMDQF | <input checked="" type="checkbox"/> TJ/day |
| SWP Injection Firm Hourly Capacity | SWPIMHQF | SWPIMDQF/24/hour |

4. SWP Withdrawal Rights

| | Defined term | |
|--|--------------|--|
|--|--------------|--|

| | | |
|-------------------------------------|-----------------|--|
| SWP Withdrawal Firm Daily Capacity | SWPWMDQF | <input checked="" type="checkbox"/> TJ/day |
| SWP Withdrawal Firm Hourly Capacity | SWPWMHQF | SWPWMDQF/24/hour |

5. Storage Reservoir Capacity Right

| | |
|---------------|--|
| Storage Limit | <input checked="" type="checkbox"/> TJ |
|---------------|--|

6. SEA Gas Pipeline Injection Rights

| | Defined term | |
|--|----------------|--|
| SEA Gas Injection Firm Daily Capacity | SGIMDQF | <input checked="" type="checkbox"/> TJ/day |
| SEA Gas Injection Firm Hourly Capacity | SGIMHQF | SGIMDQF/24/hour |

7. SEA Gas Pipeline Withdrawal Rights

| | Defined term | |
|---|----------------|---------------------------------|
| SEA Gas Withdrawal Firm Daily Capacity | SGWMDQF | <input type="checkbox"/> TJ/day |
| SEA Gas Withdrawal Firm Hourly Capacity | SGWMHQF | SGWMHQF/24/hour |

8. Cumulative Pipeline Injection Capacity Limits

The sum of the Buyer’s flow into the SWP on a Gas Day (“**SWPIDF**”) plus two times the Buyer’s flow into the SEA Gas Pipeline on that Gas Day (“**SGIDF**”) cannot exceed **SWPIMDQF**, as follows:

$$SWPIDF + (2*SGIDF) \leq SWPIMDQF \quad \text{for firm capacity}$$

The sum of the Buyer’s flow into the SWP in an hour (“**SWPIHF**”) plus two times the Buyer’s flow into the SEA Gas Pipeline in that hour (“**SGIHF**”) cannot exceed **SWPIMHQF** as follows:

$$SWPIHF + (2*SGIHF) \leq SWPIMHQF \quad \text{for firm capacity}$$

If the limits above are exceeded, then the excess flow of Gas will be considered as an As-available Service or Unapproved As-available Service (as applicable) and the relevant charges for that service will be applied.

Schedule 2

Charges

1. Fixed Payment

The Buyer agrees to pay Gas Storage a Fixed Payment for the provision of Gas Storage Services. The Fixed Payment for each Year during the Term is the sum of:

- (a) the SWP Firm Service Charge; and
 - (b) the SEA Gas Firm Service Charge,
- (each as defined below).

[Drafting note: please refer to the standing prices document published by Lochard Energy in accordance with Rule 198F of the National Gas Rules..]

SWP Firm Service Charge

| | |
|-------------------------|---|
| SWP Firm Service Charge | SWP Firm Service Rate (escalated in accordance with item 4 of Schedule 2) x SWPIMDQF (in GJ/day) per year |
| SWP Firm Service Rate | [\$##] per GJ/day per annum as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |

SEA Gas Firm Service Charge

| | |
|-----------------------------|--|
| SEA Gas Firm Service Charge | SEA Gas Firm Service Rate (escalated in accordance with item 4 of Schedule 2) x SGIMDQF (in GJ/day) per year |
| SEA Gas Firm Service Rate | [\$##] per GJ/day per annum as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |

For the avoidance of doubt, the Buyer will not be required to pay any Fixed Payment relating to any period prior to the Commencement Date.

2. As-Available Service Payment

- 2.1 For each Gas Day that the As-Available Service is approved in accordance with clause 4.6 during the Term, the Buyer agrees to pay Gas Storage the As-Available Service Payment, as detailed below:

| | |
|---|--|
| As-Available Reservoir Injection Service Rate | [\$##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
|---|--|

| | |
|---|---|
| As-Available SWP Injection Service Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| As-Available SEA Gas Injection Service Rate | [insert] |
| As-Available Service Payment | <p>In any Gas Day, the sum of:</p> <p>(a) As-Available Reservoir Injection Service Rate × the maximum amount that the hourly Reservoir Injection Nomination (in GJ/hour) accepted by Gas Storage exceeded the RIMHQP (RIMHQP to be calculated for this purpose ignoring the amount of an accepted As-Available Service nomination (if any) which would otherwise increase RIMHQP under clause 4.6) during that Gas Day x 24; and</p> <p>(b) applicable As-Available SWP Injection Service Rate × the maximum amount that the hourly SWP Confirmed Injection Quantity (in GJ/hour) accepted by Gas Storage exceeded the SWPIMHQP (SWPIMHQP to be calculated for this purpose ignoring the amount of an accepted As-Available Service nomination (if any) which would otherwise increase SWPIMHQP under clause 4.6) during that Gas Day x 24; and</p> <p>(c) applicable As-Available SEA Gas Injection Service Rate × the maximum amount that the hourly SEA Gas Confirmed Injection Quantity (in GJ/hour) accepted by Gas Storage exceeded the SGIMHQP (SGIMHQP to be calculated for this purpose ignoring the amount of an accepted As-Available Service nomination (if any) which would otherwise increase SGIMHQP under clause 4.6) during that Gas Day x 24.</p> |

2.2 For each Gas Day where the Unapproved As-Available Service is scheduled as per clause 4.9 during the Term, the Buyer agrees to pay Gas Storage the Unapproved As-Available Service Payment, as detailed below:

| | |
|--|--|
| Unapproved As-Available Reservoir Injection Service Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| Unapproved As-Available SWP Injection Service Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| Unapproved As-Available SEA Gas Injection Service Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| Unapproved As-Available Service Payment | In any Gas Day, the sum of: |

| | |
|--|--|
| | <p>(a) Unapproved As-Available Reservoir Injection Service Rate × the maximum amount that the hourly Reservoir Injection Nomination (in GJ/hour) exceeded the approved RIMHQF (as amended by clause 4.6) for that Gas Day x 24; and</p> <p>(b) Unapproved As-Available SWP Injection Service Rate × the maximum amount that the hourly SWP Confirmed Injection Quantity (in GJ/hour) exceeded the approved SWPIMHQF (as amended by clause 4.6) for that Gas Day x 24; and</p> <p>(c) Unapproved As-Available SEA Gas Injection Service Rate x the maximum amount that the hourly SEA Gas Confirmed Injection Quantity (in GJ/hour) exceeded the approved SGIMHQF (as amended by clause 4.6) for that Gas Day x 24.</p> |
|--|--|

2.3 For the avoidance of doubt, Variable Charges, and Fuel Gas and Storage Loss Deductions also apply to the actual amounts of Gas flowed, in addition to the As-Available Service Payment.

3. Variable Payment

Each Month the Buyer agrees to pay Gas Storage a *Variable Payment* which is to be calculated as:

3.1 Prepayment of the maximum Variable Storage Fee (defined in the table below) for the following Month, which is the greater of:

- (a) the number of days in the following Month multiplied by the SWPIMDQF multiplied by the Reservoir Withdrawal for Injection into SWP Variable Rate (defined in the table below); or
- (b) the number of days in the following Month multiplied by the RIMDQF multiplied by the SWP Withdrawal for Injection into Reservoir Variable Rate (defined in the table below),

plus

3.2 the Variable Storage Fee for the previous Month;

less

3.3 a rebate for the prepayment of the previous Month's Variable Storage Fees, which is the greater of:

- (a) the number of days in the previous Month multiplied by the SWPIMDQF multiplied by the Reservoir Withdrawal for Injection into SWP Variable Rate (defined in the table below); or
- (b) the number of days in the previous Month multiplied by the RIMDQF multiplied by the SWP Withdrawal for Injection into Reservoir Variable Rate (defined in the table below).

Variable Charges

| | |
|---|--|
| Reservoir Withdrawal for Injection into SWP Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| Reservoir Withdrawal for Injection into SEA Gas Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| SWP Withdrawal for Injection into Reservoir Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| SWP Withdrawal for Injection into SEA Gas Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| SEA Gas Withdrawal for Injection into Reservoir Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| SEA Gas Withdrawal for Injection into SWP Variable Rate | \$[##]/GJ as at 1 [### 202#] (escalated in accordance with item 4 of Schedule 2) |
| Variable Storage Fee | <p>In any Month, the sum of:</p> <ul style="list-style-type: none"> (a) Reservoir Withdrawal for Injection into SWP Variable Rate × the number of GJs which were withdrawn from the Storage Reservoir and injected into SWP in that Month; and (b) Reservoir Withdrawal for Injection into SEA Gas Variable Rate x the number of GJs which were withdrawn from the Storage Reservoir and injected into the SEA Gas Pipeline in that Month; and (c) SWP Withdrawal for Injection into Reservoir Variable Rate × the number of GJs which were injected from SWP into the Storage Reservoir in that Month; and (d) SWP Withdrawal for Injection into SEA Gas Variable Rate x the number of GJs which were withdrawn from SWP and injected into the SEA Gas Pipeline in that Month; and (e) SEA Gas Withdrawal for Injection into Reservoir Variable Rate x the number of GJs which were withdrawn from the SEA Gas Pipeline and injected into the Storage Reservoirs in that Month; and (f) SEA Gas Withdrawal for Injection into SWP Variable Rate x the number of GJs which were withdrawn from the SEA Gas Pipeline and injected into the SWP in that Month. |

4. Escalation

- 4.1 All rates and charges specified in this agreement are subject to escalation in accordance with this item 4.
- 4.2 All rates and charges will be escalated on each 1 January during the Term, starting with the first escalation on 1 January [insert year], in accordance with the following formula:

$$\mathbf{RCP = the\ greater\ of\ (CP \times CPI_y / CPI_{base})\ and\ CP}$$

Where:

RCP is the rate to apply from 1 January for the relevant calendar year for which the calculation is made.

CP is the relevant rate to be escalated.

CPI_y is the CPI for September quarter of the year immediately prior to the date on which the escalation is to be calculated.

CPI_{base} is the September [insert year] CPI being [insert base CPI].

5. Fuel Gas and Storage Loss Deductions

- 5.1 All Gas injected into the Storage Reservoirs is subject to a 1.5% deduction as an allowance for Fuel Gas consumed plus a further 0.75% deduction as an allowance for Storage Losses (note that the 1.5% deduction for Fuel Gas excludes Gas injected into the Storage Reservoirs that is sourced from the SEA Gas Pipeline).

$$\mathbf{RI_AF = (SWPW_RI_AF) * (0.9775) + (SGW_RI_AF) * (0.9925)}$$

Where:

RI_AF is the Allocated Flow for Injections in to the Storage Reservoirs.

SWPW_RI_AF is the Allocated SWP Withdrawal Flow to the Storage Reservoirs.

SGW_RI_AF is the Allocated SEA Gas Withdrawal Flow to the Storage Reservoirs.

- 5.2 All Gas injected into the SWP (excluding Gas sourced from the SEA Gas Pipeline) is subject to a 1% deduction as an allowance for Fuel Gas consumed due to compression of the Gas.

$$\mathbf{SWPI_AF = (RW_SWPI_AF) * (0.99) + SWPW_SWPI_AF + SGW_SWPI_AF}$$

Where:

SWPI_AF is the Allocated SWP Injection Flow.

RW_SWPI_AF is the Allocated Reservoir Withdrawal Flow to the SWP.

SWPW_SWPI_AF is the Allocated SWP withdrawal flow to SWP (i.e. simultaneous withdrawal and injection nomination).

SGW_SWPI_AF is the Allocated SEA Gas flow to SWP.

- 5.3 All Gas injected into the SEA Gas Pipeline is subject to a 2% deduction as an allowance for Fuel Gas consumed.

$$\text{SGI_AF} = (\text{RW_SGI_AF} + \text{SWPW_SGI_AF}) * (0.98)$$

Where:

SGI_AF is the Allocated SEA Gas Injection Flow.

RW_SGI_AF is the Allocated Reservoir Withdrawal Flow to SEA Gas.

SWPW_SGI_AF is the Allocated SWP Withdrawal flow to SEA Gas.

| Gas Flow Source | Gas Flow Destination | Fuel Gas Deduction | Storage Loss Deduction |
|---------------------------|-----------------------------|---------------------------|-------------------------------|
| SWP | Storage Reservoirs | 1.5% | 0.75% |
| Storage Reservoirs | SWP | 1.0% | 0 |
| SEA Gas | Storage Reservoirs | 0 | 0.75% |
| All | SEA Gas | 2.0% | 0 |

Schedule 3

Firm Nomination Management Process

The process for nominating Gas flows to and from the Iona Facility shall be as follows:

1. The Buyer is responsible for submitting bids and market schedules for injections to and withdrawals from the SWP at the SWP Connection Point to AEMO in accordance with the WMR.
2. AEMO publishes for each Market Participant the scheduled system injection and withdrawal quantities at the Iona Facility on the Market Information Bulletin Board (*MIBB*). The Buyer consents to AEMO publishing these scheduled quantities for Gas Storage. Gas Storage will not disclose this information to other parties. The scheduled SWP withdrawal and injection quantities for the Buyer from the MIBB will become the Buyer's *SWP Withdrawal Nomination* and *SWP Injection Nomination* respectively for each Gas Day.
3. The Buyer may provide a nomination for injection of Gas at the SEA Gas Connection Point (*SEA Gas Injection Nomination*), and withdrawal of Gas at the SEA Gas Connection Point (*SEA Gas Withdrawal Nomination*), for a Gas Day by email (or other reasonable means as advised by Gas Storage – i.e. electronic nomination system) to Gas Storage by 3:00pm on the previous Gas Day.
4. A SEA Gas Injection Nomination under item 3 of this Schedule 3 (or an intraday nomination change relating to SEA Gas injection under item 6 of this Schedule 3) must, if different to the previous nomination made by the Buyer, be submitted by the Buyer at least 2 hours before the start of the hour to which the nomination (or intraday nomination change) relates.
5. The *SWP Confirmed Withdrawal Quantity*, *SWP Confirmed Injection Quantity*, *SEA Gas Confirmed Withdrawal Quantity* and *SEA Gas Confirmed Injection Quantity* will be:
 - (a) where consistent with the Buyer's entitlements under this agreement, the SWP Withdrawal Nomination, the SWP Injection Nomination, the SEA Gas Withdrawal Nomination and the SEA Gas Injection Nomination respectively; or
 - (b) where, and to the extent that, such nominations are not consistent with the Buyer's entitlements under this agreement, the greatest quantity or quantities consistent with the Buyer's entitlements under this agreement.
6. Intraday nomination changes for injections into and withdrawals from the SWP and SEA Gas Pipeline are permitted. When it is practicable to do so, the Buyer will make nomination changes for injections into and withdrawals from the SEA Gas Pipeline at times that coincide with AEMO's Scheduling Intervals for the SWP (as described in the WMR).

Schedule 4

Operational Capabilities

| | SWP Withdrawal | SWP Injection | SEA Gas Withdrawal | SEA Gas Injection |
|-------------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| Ramp Rate (TJ/hr/hr) | <u>SWPWMDQF</u> 24 x 2 | <u>SWPIMDQF</u> 24 x 4 | <u>SGWMDQF</u> 24 x 2 | <u>SGIMDQF</u> 24 x 4 |
| Maximum Pressure (kPa) | 9,600 | 9,600 | 15,000 | 15,000 |
| Minimum Pressure (kPa) | 4,500 | 4,500 | 13,000 | 4,500 |

The Ramp Rates of all users of the Iona Facility may be amended to better reflect AEMO’s scheduling capabilities.

Schedule 5

As-Available Service Request Process

1. The Buyer will request an As-Available Service for a Gas Day by email to Gas Storage (*As-Available Service Request*) by no later than 11.00am on the preceding Gas Day.
2. An As-Available Service Request must set out the services, and the Quantities of Gas in relation to those services, that are being requested by the Buyer for the relevant Gas Day.
3. Where Gas Storage receives an As-Available Service Request under item 1 of this Schedule 5, Gas Storage will respond to the As-Available Service Request by 3.00pm on the day that it received that request.
4. The Buyer may make an As-Available Service Request after 11.00am on the preceding Gas Day, and Gas Storage will use reasonable endeavours to respond to that request within 4 hours.
5. Gas Storage may accept or decline an As-Available Service Request at its sole discretion.

Execution

Executed as an agreement.

Signed by
Lochard Energy (Iona Operations) Pty Ltd
ABN 67 608 441 729 as trustee of the Lochard
Energy (Iona Operations) Trust ABN 25 151
811 449
by its duly authorised representative:

Signature of authorised representative

Name of authorised representative (please print)

Executed by
[Insert Buyer and ABN]
in accordance with section 127(1) of the
Corporations Act 2001 (Cth):

Signature of director

Signature of director/company secretary

Name of director
(please print)

Name of director/company secretary
(please print)