

**TERMS AND CONDITIONS**

**FOR**

**TRANSPORTATION AND PROCESSING**

**OF NGL**

**IN**

**VESTPROCESS**

**Valid for transportation and processing services as from  
1 October 2024**

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# 1 APPLICABILITY, RELATIONSHIP, DEFINITIONS, AND DOCUMENTS

## 1.1 Applicability

The objective of these Terms and Conditions is to regulate the rights and obligations of the Parties with regard to the provision and use of the Transportation and Processing Services.

The Terms and Conditions apply to all of the Shipper's Bookings in the Transportation and Processing System and any Transportation and Processing Services provided in respect of Shipper's NGL.

The Shipper's Bookings and the Terms and Conditions, the Appendices and the relevant parts of the Shipper Manual constitute the Transportation and Processing Agreement.

The Parties' rights and obligations pursuant to these Terms and Conditions shall be interpreted and construed to comply with, and be limited by, applicable statutory laws and regulations pertaining to the Transportation and Processing System.

## 1.2 Relationship

The Transportation and Processing Agreement is entered into between the Shipper and Vestprosess.

The Operator is Vestprosess' representative under the Transportation and Processing Agreement. The Operator will provide the Transportation and Processing Services on behalf of Vestprosess and execute all Vestprosess' rights and obligations under the Transportation and Processing Agreement.

## 1.3 Definitions

In the Terms and Conditions and in the Appendices the following terms shall have the meaning ascribed to them below:

1. "Affiliated Company" shall in relation to a Party, mean:
  - (i) any enterprise which directly or indirectly holds more than 50 per cent of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest, in such Party, or
  - (ii) any enterprise in which such Party directly or indirectly holds more than 50 per cent of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest, or

- (iii) any enterprise of which more than 50 per cent of share capital or votes are held directly or indirectly, or which in any other way directly or indirectly is controlled, by one or more enterprise(s) which hold directly or indirectly more than 50 percent of the share capital or the votes, or in any other way exercises directly or indirectly a controlling interest, in such Party.
2. "Agent" shall mean any person who has been appointed by the Shipper and who acts on behalf of the Shipper with regard to that Shipper's rights and obligations in connection with the Transportation and Processing Agreement.
  3. "Appendix" or "Appendices" shall mean the documents listed in Article 1.4.
  4. "Area" shall mean the relevant area of the Transportation and Processing System as further detailed in Appendix B.
  5. "Article" shall mean an article of the Terms and Conditions.
  6. "Bilateral Transaction" shall mean transactions related to change of entitlement to NGL upstream of or at any Entry Point and/or at any Exit Point, which will affect deliveries or redeliveries of Shipper's NGL.
  7. "Booked Capacity" shall mean the Booked Entry Capacity and/or Booked Processing Capacity and/or Interruptible Booking, as the case may be, according to the Shipper's Bookings.
  8. "Booked Entry Capacity" shall mean the sum of the capacity rights expressed in Sm<sup>3</sup> per Day for which the Shipper holds Bookings at the designated Entry Point(s) for Area M.
  9. "Booked Processing Capacity" shall mean the Shipper's Processing Capacity rights in tonnes per Day for the services in Area N.
  10. "Booking" shall mean a Transportation and Processing Request made by the Shipper and accepted by the Operator in accordance with the Booking Manual.
  11. "Booking Manual" shall mean the detailed procedures established by the Operator, at any time applicable, for inter alia the reservation, allocation, transfer, release and adjustment of capacity in the Transportation and Processing System.
  12. "Booking Period" shall mean the period that consists of each of the Days for which the Shipper has Booked Capacity.

13. "Business Day" shall mean any calendar day that is neither a Saturday, a Sunday nor public holiday in Norway.
14. "Butane" shall mean any mixture of n-butane and iso-butane redelivered from Area N.
15. "Capacity Fee Obligation" shall have the meaning set forth in Article 5.2 first paragraph.
16. "Company Agreement" shall mean the "Company Agreement for Utilisation of Gassco Systems" between the Operator and the Shipper.
17. "Confidential Information" shall mean any information obtained by the Shipper from the Operator or by the Operator from the Shipper in connection with the Transportation and Processing Agreement, which is not available in the public domain.
18. "Contractor" shall mean any person who has entered into an agreement with a Party for the supply of materials and/or services in connection with the Transportation and Processing Agreement and who acts in its own name and on its own behalf.
19. "Daily Nominations" shall have the meaning set forth in Article 3.3.
20. "Daily Transportation and Processing Commitment" shall have the meaning set forth in Article 2.3.
21. "Day" shall mean the period beginning at 00:00 hours on a day and ending at 24:00 hours on such day.
22. "Degree Celsius" or "°C" shall be determined as the particular interval between any temperature in Kelvin minus the temperature of 273.15 Kelvin.
23. "Desk Quotation" shall mean the broker proposal obtained by the Operator each year for insurance of the Transportation and Processing System, including Third Party liability insurance.
24. "Entry Point" shall mean the point at which the Shipper will deliver NGL to Vestprosess for Transportation and Processing Services. The Entry Points are further defined in Appendix B.
25. "Exit Point" shall mean a point where Vestprosess will redeliver NGL to the Shipper. The Exit Points are further defined in Appendix B.
26. "Financially Qualified Company" shall mean an undertaking that has passed and continues to pass the credit rating conditions given in the Qualification of Shipper Procedure.

27. "Force Majeure" shall have the meaning set forth in Article 11.1.
28. "Fuel Gas" shall mean gas delivered to Mongstad Refinery according to contractual commitment in order to operate the Transportation and Processing System.
29. "Gassco Booking System" shall mean the internet based solution for inter alia booking of capacity and services in the Transportation and Processing System.
30. "Interruptible Booking" shall mean a Transportation and Processing Request in respect of Interruptible Capacity made by the Shipper and accepted by the Operator in accordance with the Booking Manual.
31. "Interruptible Capacity" shall mean capacity that may be interrupted by the Operator at any time in order to fulfil shippers' nomination under a firm capacity reservation.
32. "Island mode" shall have the meaning set forth in Article 3.6.
33. "Kollsnes Terminal" shall mean the terminal at Kollsnes for processing of petroleum from upstream fields and inter alia further delivery of NGL into the Transportation and Processing System.
34. "Legacy Agreements" shall mean the transportation and processing agreements entered into between Vestprosess DA and shippers prior to 1 January 2018 as described under Area M and Area N in Tarifforskriften § 4.
35. "Lifting Procedure" shall mean the detailed regulation for lifting of NGL as described in Appendix C.
36. "Linefill" shall have the meaning set forth in Article 2.1.
37. "Maintenance Period" shall have the meaning set forth in Article 2.5.
38. "Ministry" shall mean the Norwegian Ministry of Energy or its successor.
39. "Mongstad Refinery" shall mean the facilities for refining and handling of oil products at Mongstad owned by Equinor Refining Norway AS.
40. "Month" shall mean the period beginning on the first Day of any calendar month and ending on the last Day of such calendar month.

41. "Naphtha" shall mean all stabilised C<sub>5+</sub> fractions produced as bottom product from stabilizer T-1104 and redelivered from Area N.
42. "NGL" (or Natural Gas Liquids) shall mean any hydrocarbons or mixture of hydrocarbons with molecular structure consisting of two or more carbon atoms condensed to the liquid state.
43. "Off-spec NGL" shall mean NGL that does not meet the Specifications at the relevant Entry Point and / or Exit Point.
44. "Operations Manual" shall mean the detailed requirements for operation of the Transportation and Processing System as described in Appendix A.
45. "Operator" shall mean Gassco AS or its successor as determined by the Ministry.
46. "Participant" shall mean any of the owners of Vestprosess at any time.
47. "Party" shall mean either Vestprosess or the Shipper, and "Parties" shall mean Vestprosess and the Shipper.
48. "Propane" shall mean propane redelivered from Area N.
49. "Qualification of Shipper Procedure" shall mean the at any time applicable part of the Booking Manual regarding the credit rating requirements applicable for undertakings that want to transport NGL in the Transportation and Processing System.
50. "Reasonable and Prudent" when used to describe the standard of care to be exercised by a Party or the Operator in performing its obligations hereunder shall mean that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced companies engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other Party.
51. "Replacement Gas" shall mean NGL for replacement of minor losses under normal operation of the Transportation and Processing System.
52. "Shipper" shall mean the company designated as such in the Booking and thereby being a Party to the Transportation and Processing Agreement. When the term "shipper" or "shippers" is used it shall mean the parties designated as such in some or all bookings in the Transportation and Processing System and thereby parties to some or all Transportation and Processing Agreements with Vestprosess. The term shipper/shippers shall also include the Shipper.



53. "Shipper Manual" shall mean detailed procedure established by the Operator, at any time applicable, for inter alia regulating the communication between the Shipper and the Operator.
54. "Shipper's Bookings" shall mean the sum of the Bookings the Shipper holds at any time.
55. "Shipper's Facilities" shall mean;
- a) any platforms, pipelines, wells, plant, machinery or any other equipment or facilities (whether or not owned or operated by the Shipper) upstream of the Entry Point(s) used from time to time to produce, receive, process, compress, store, treat and transport NGL to be delivered at the Entry Point(s) under the Transportation and Processing Agreement; and/or
  - b) any pipelines, plant, machinery, meters, valves or other equipment or facilities (whether or not owned or operated by the Shipper) at or immediately downstream of the Exit Point(s) required for the Shipper to take redelivery of NGL at the Exit Point(s).
56. "Shipper's Terminal(s)" shall mean the Kollsnes Terminal, the Sture Terminal and the Mongstad Refinery, as applicable.
57. "Shipper's Terminal Operator(s)" shall mean the operators at the Kollsnes Terminal, the Sture Terminal and the Mongstad Refinery, as applicable.
58. "Sm<sup>3</sup>" (standard cubic metre) of NGL shall mean the quantity of NGL at 15 Degrees Celsius and at an absolute pressure of 1.01325 bar that occupies the volume of 1 cubic metre.
59. "Specifications" shall mean the operating conditions and quality specifications given in the Operations Manual articles 4.1 and 4.2.
60. "Sture Terminal" shall mean the terminal at Sture for processing of petroleum from upstream fields and inter alia further delivery of NGL into the Transportation and Processing System.
61. "Subcontractor" shall mean any person who has entered into an agreement with a Contractor for the supply of materials and/or services in connection with the Terms and Conditions and who acts in its own name and on its own behalf.
62. "Tariff(s)" shall mean the at any time applicable fees payable for the Transportation and Processing Services.

63. "Tarifforskriften" shall mean "Forskrift om fastsettelse av tariffier m.v. for bestemte innretninger av 20. desember 2002" as amended from time to time.
64. "Terms and Conditions" shall mean the rules herein setting out the Parties' rights and obligations regarding the services in the Transportation and Processing System.
65. "Third Party" shall mean any party other than the Operator and the Parties.
66. "Transportation and Processing Agreement" shall have the meaning set forth in Article 1.1 third paragraph.
67. "Transportation and Processing Commitment" shall have the meaning set forth in Article 2.2.
68. "Transportation and Processing Request" shall mean a request for Transportation and Processing Services submitted to the Operator in accordance with the Booking Manual.
69. "Transportation and Processing Services" shall mean all or part of the services offered to the Shipper by Vestprosess in the Transportation and Processing System.
70. "Transportation and Processing System" shall mean the facilities at any time in place to receive Shipper's NGL at the Entry Point(s), handle, process, transport and redeliver the NGL at the Exit Point(s), in accordance with the Transportation and Processing Agreement, as detailed in Appendix B. The Transportation and Processing System is determined as Area M and Area N in Tarifforskriften.
71. "Transportation and Processing System Description" shall mean the detailed description of the Transportation and Processing System described in Appendix B.
72. "Vestprosess" shall mean the owner of the Transportation and Processing System.

#### 1.4 Appendices

The following Appendices are attached to the Terms and Conditions:

- Appendix A: Operations Manual  
 Appendix B: Transportation and Processing System Description  
 Appendix C: NGL Lifting Procedure

#### 1.5 Hierarchy

Unless otherwise explicitly stated or clearly appears from the context, in the event of any conflict between the provisions in the various parts of

the Transportation and Processing Agreement, they shall be given priority in the following order:

- 1) The Terms and Conditions
- 2) The Appendices
- 3) The Shipper Manual

## **2 TRANSPORTATION AND PROCESSING COMMITMENT AND OPERATION**

### **2.1 Linefill**

In order for Vestprosess to take on the Transportation and Processing Commitment, the Shipper is obliged to provide Vestprosess with its share of the minimum quantity of NGL necessary to pressurise the Transportation and Processing System (“Linefill”)

The basis for and any change or recalculation of the ownership of the Linefill shall be in accordance with the procedure set forth in the Shipper Manual.

### **2.2 Transportation and Processing Commitment**

Vestprosess undertakes to receive quantities of NGL up to the Booked Entry Capacity from the Shipper at the Entry Point(s) and to process Shipper's NGL up to the Booked Processing Capacity and transport and redeliver NGL to the Shipper at the Exit Points throughout the Booking Period (the “Transportation and Processing Commitment”).

Vestprosess does not undertake any Transportation and Processing Commitment in respect of Interruptible Booking.

### **2.3 Daily Transportation and Processing Commitment**

Vestprosess’ Daily Transportation and Processing Commitment shall unless otherwise specified in the Transportation and Processing Agreement be equal to the quantities nominated by the Shipper in accordance with Article 3.3.

If the Shipper after the deadline for the Daily Nominations makes a re-nomination, the Operator shall use reasonable endeavours to accept the re-nomination. If the Operator accepts the re-nomination, the Transportation and Processing Commitment shall be equal to the re-nominated quantities.

### **2.4 Operation**

Throughout the Booking Period Vestprosess shall operate, maintain and repair the Transportation and Processing System in a Reasonable and Prudent manner.

## **2.5 Planned maintenance**

Vestprosess shall each year for reasons of planned maintenance of the Transportation and Processing System have the right to reduce (if necessary down to 0) the Transportation and Processing Services (the "Maintenance Period").

The Maintenance Period shall be determined by the Operator in accordance with the Operations Manual article 2.4. The Operator shall use all reasonable efforts to minimise the duration of the Maintenance Period and to coordinate the Maintenance Period in order to minimise the disruption to the Transportation and Processing Services.

## **2.6 Safety, repair and extraordinary maintenance**

Vestprosess may for reasons of safety, capacity restrictions, repairs and/or extraordinary maintenance of the Transportation and Processing System, curtail or shut-off the Shipper's delivery of NGL to the Transportation and Processing System, provided that said actions cannot reasonably be deferred to a subsequent Maintenance Period.

The curtailment or shut-off period will be determined by the Operator acting in a Reasonable and Prudent manner. The Operator shall promptly notify the Shipper of the reason for such action, the extent of curtailment or shut-off and the possible duration of such curtailment or shut-off. To the extent time is available, the Operator shall coordinate the curtailment or shut-off with the Shipper in order to minimise the effect of such curtailment or shut-off.

## **2.7 Installations, connections, modifications, tie-in**

Vestprosess may curtail or shut-off the Shipper's delivery of NGL to the Transportation and Processing System if necessary for reasons of any operations, inter alia installations, connections, modifications, tie-in operations, disconnections and removals related to the Transportation and Processing System, which cannot be reasonably deferred to a Maintenance Period.

In the planning and scheduling of the operations the Operator shall seek to minimise necessary shut-off periods and to cause least possible disruptions to the Transportation and Processing Services including minimising the negative effects for the Shipper.

## **2.8 Extraordinary curtailments and shut-offs**

In the event of breakdown or failure of equipment and/or for safety and/or for environmental reasons related to the Transportation and Processing System, Vestprosess may require, without prior notice to the Shipper, curtailment or shut-off of the total quantity of the Shipper's delivery to the Transportation and Processing System.

## 2.9 Priorities

In case of reduced capacity in the Transportation and Processing System, the Operator will reallocate capacity to the shippers according to the priority rules set out in the Operations Manual article 3.3.

# 3 DELIVERY RIGHT AND OBLIGATION AND OFFTAKE

## 3.1 Delivery Right and Obligation

The Shipper has, throughout the Booking Period, the right to deliver at the Entry Point(s), the quantities of NGL corresponding to its Daily Nominations.

## 3.2 Forecasts

The Shipper shall provide forecasts of its deliveries of NGL at each Entry Point. The content of the forecasts shall be in accordance with the requirements of the Operations Manual article 2.1.

## 3.3 Nomination

The Shipper shall for each Day make nominations of quantities of NGL to be delivered at the Entry Point M1 (the "Daily Nominations"). The Daily Nominations shall be made, and adjusted in case of re-nominations, in accordance with the Operations Manual article 2.2.

The Shipper's nomination of quantities of NGL at Entry Point M1 will be based on a day starting at 06:00, but will for the Daily Nominations be deemed to be for the Day.

The Shipper shall instruct the Shipper's Terminal Operator to make a nomination of quantities of NGL at Entry Point M2a and Entry Point M2b. The quantities shall be specified by Entry Point. Such nomination shall be equal to actual flow (the "Daily Nominations").

The Shipper shall instruct the Shipper's Terminal Operator to make a nomination of quantities of NGL at Entry Point N2 and Entry Point N3. Such nomination shall be equal to actual flow (the "Daily Nominations").

The Daily Nominations shall not exceed the Shipper's Booked Capacity for the Day in question. This paragraph shall only apply for Daily Nominations related to NGL from Entry Point M1.

## 3.4 Offtake

In cases where Area N is shut down and Vestprosess accept the receipt of NGL, the Shipper shall on each Day be obliged to accept redelivery of NGL at Exit Point M2.

The Shippers shall on each Day be obliged to accept redelivery of NGL at Exit Points N1.

The Shipper's obligation to take NGL at the Exit Point N2, Exit Point N3 and Exit Point N4 shall be as set out in the Lifting Procedure.

### **3.5 Changes to Booked Capacity**

Any changes to the Shipper's Booked Capacity shall be made in accordance with the Booking Manual.

### **3.6 Island Mode**

If the Operator receives notification or has reason to believe that Shipper is isolated from normal communication lines affecting the ability to perform dispatching ("Island mode"), the Operator shall be authorised, as the Operator deems appropriate in its sole opinion, to proceed in accordance with the Island mode procedure as described in the Shipper Manual. Any costs, claims (including third party claims), losses and other consequences related to the Operator's actions or inactions under Island mode shall be for the Shipper's risk and account.

## **4 OPERATING AND QUALITY REQUIREMENTS**

### **4.1 Requirements at the Entry Point(s)**

The Shipper shall at the Entry Point(s) deliver NGL that meets the Specifications.

Notwithstanding the above, if the Shipper's NGL is delivered together with other shippers' NGL at the Entry Point, the Shipper's NGL shall be deemed to meet the Specifications if the commingled stream of all shippers' NGL delivered at the Entry Point, meets the Specifications at such Entry Point.

### **4.2 Right to refuse delivery**

The Operator may at all times refuse to accept the Shipper's Off-spec NGL or the Shipper's NGL if delivered in an Off-spec NGL commingled stream. The Shipper shall in such case immediately stop any delivery of NGL.

### **4.3 NGL not complying with requirements at the Entry Point**

Notwithstanding Articles 4.1 and 4.2, Vestprosess shall use reasonable endeavour to accept Off-spec NGL or the Shipper's NGL if delivered in an Off-spec NGL commingled stream, provided that, in the reasonable opinion of the Operator, such Off-spec NGL would neither be detrimental to the operation of the Transportation and Processing System nor affect the commercial value of the NGL being received or the Vestprosess' ability to redeliver NGL to all shippers in accordance with Article 4.5.

#### 4.4 Right to take operational actions

If the Shipper has delivered Off-spec NGL or has delivered NGL in an Off-spec NGL commingled stream, the Operator shall have the right to take necessary operational actions to dispose of the Shipper's NGL at a convenient location.

#### 4.5 Requirements at the Exit Point(s)

Vestprosess shall redeliver at the Exit Point(s) NGL and Fuel Gas that meets the Specifications.

## 5 TARIFF

### 5.1 Transportation and Processing Tariffs

The Tariffs for the Transportation and Processing Service shall be calculated in accordance with Tarifforskriften.

The Tariffs shall be published on [www.gassco.no](http://www.gassco.no).

### 5.2 Capacity Fee Obligation

Throughout the Booking Period, the Shipper is obliged to pay the Tariffs for a quantity of NGL corresponding to the Booked Capacity, or the actually processed, handled and / or transported quantity, whichever is the higher, for the applicable Area/service. For the actual quantities of NGL related to the Legacy Agreements the Shipper shall, throughout the Booking period, pay the capacity tariff and the throughput tariff as described in the relevant Legacy Agreement instead of the K-element of the Tariffs (the "Capacity Fee Obligation").

The Capacity Fee Obligation shall be suspended during any period and to the extent Vestprosess does not provide Transportation and Processing Services including, but not limited to;

- a) events described in Articles 2.5, 2.6, 2.7, 2.8 or Force Majeure (according to Article 11) affecting Vestprosess and preventing the Shipper's NGL from being received, transported, processed or redelivered by Vestprosess,
- b) periods when Vestprosess does not redeliver NGL in accordance with Article 4.5,
- c) periods when Shipper is curtailed or shut off in any of the Areas/services and cannot utilise in whole or in part its Booked Capacity in either of the Areas/services as applicable.

### 5.3 Other costs

The Shipper shall reimburse the Operator or Vestprosess, as applicable, relevant taxes and / or fees levied on the Shipper's NGL that the Operator or Vestprosess pays on behalf of the Shipper.

#### **5.4 Removal and abandonment costs**

Costs for removal and/or abandonment according to legal requirement, of all or any part of the Transportation and Processing System, and any costs including but not limited to clean up costs associated therewith shall be paid by the shippers.

The Shipper's share of removal and abandonment cost in the respective Area / Service is based on the Shipper's cumulative throughput of NGL in proportion to all shippers' cumulative throughput of NGL in such Area / Service.

## **6 MONTHLY INVOICE AND PAYMENT**

### **6.1 Monthly statement and invoice**

On or before the 7th Business Day of each Month or later subject to postponed allocation report according to the Operations Manual article 6.1.1, the Operator shall submit an invoice to the Shipper showing the total amount payable by the Shipper to Vestprosess for the preceding Month. The invoice shall inter alia specify;

- a) the volume basis for the Tariffs,
- b) the Tariffs applicable,
- c) deductions, if any, in Capacity Fee Obligation according to Article 5.2 second paragraph,
- d) deductions, if any, for compensation for Fuel Gas according to Article 8.2, and
- e) any other information that influence the amount payable.

The Tariffs and the total amount payable shall be in the official Norwegian currency.

If all data is not available, Vestprosess may issue a preliminary invoice.

### **6.2 Payment**

The amount payable by the Shipper shall be paid and credited to bank accounts designated by Vestprosess on the 20th day of the Month in which the invoice referred to in Article 6.1 was submitted or not later than 10 days after receipt of said invoice, whichever date comes later.

The invoiced amount shall except in the case of manifest errors be paid without any deductions whether or not any part of or the entire amount is disputed.



### **6.3 Adjustment of preliminary invoice**

If any invoice was based on preliminary figures Vestprosess shall, as soon as possible, render to the Shipper a new invoice showing the appropriate adjustments to the preliminary invoice in the same manner as described in Article 6.1. The amount resulting from the adjustment, including interest, shall if payable by the Shipper, be paid not later than 20 days after the date of receipt of said new invoice. The amount resulting from the adjustment, including interest, shall if payable by Vestprosess, be paid not later than 20 days after the date of submission of said new invoice.

Interest on the amount of adjustment shall be calculated at an annual rate equal to 3 months NIBOR as published by the Dagens Næringsliv, Oslo, on the first Business Day in the Month of issuance of the new invoice.

Interest shall be paid for the period starting from and including the due date of the relevant preliminary invoice and ending on but excluding the value date of payment of said adjustment.

### **6.4 Interest on amount due**

Should any Party fail to make any payment due hereunder at the time and in the manner provided for herein, the amount due shall bear interest for the period starting on and including the due date for payment and ending on, but excluding the value date for payment, calculated in accordance with the Law relating to Interest on Overdue Payments etc., of 17 December 1976 no. 100 ("Forsinkelsesrenteloven").

### **6.5 Suspension and termination**

If the Shipper's failure to pay any sum due continues for 5 Business Days or more following the due date for payment of such amount, then at any time thereafter Vestprosess may by 5 Business Days' notice to the Shipper, suspend the Transportation and Processing Services until the amount due has been paid by the Shipper (or by a guarantor on behalf of the Shipper).

The suspension shall not relieve the Shipper from the Capacity Fee Obligation.

If the Shipper's default continues for 60 days or more following the due date for payment, then at any time thereafter Vestprosess may by notice to the Shipper, terminate the Transportation and Processing Agreement from the date specified in such notice.

### **6.6 Financial qualification**

If the Shipper is not a Financially Qualified Company, the Shipper shall provide such guarantee as required by the Operator without undue delay.

Until a required guarantee is provided, the Shipper shall be obliged to make its Tariff payments in advance. The Shipper shall be required to pre-pay an amount equal to the estimated sum of the Tariffs applicable to the Shipper's Booked Capacity for the current and the following 2 Months, and then by pre-payment on the 20th day of each Month maintain a pre-paid amount equal to the estimated sum of the Tariffs applicable to the Shipper's Booked Capacity for the current and the following 2 Months.

If the Shipper fails to provide a guarantee within a reasonable deadline determined by the Operator or make any required pre-payment, Vestprosess shall have the right to suspend the Transportation and Processing Services or terminate the Transportation and Processing Agreement immediately, and Article 6.5 second paragraph shall apply.

### **6.7 Change in financial circumstances**

The Shipper shall notify the Operator immediately if at any time

- a) the Shipper initiates a merger, dissolution, liquidation, winding up, reduction of share capital or a similar process, or
- b) there is a material deterioration in the financial resources of the Shipper,

that is likely to have an adverse effect on the Shipper's ability to fulfil its obligations under the Transportation and Processing Agreement and/or in case of a credit rating downgrade of the Shipper or its guarantor.

### **6.8 Audit**

The Shipper shall, upon 30 days' notice to the Operator, have the right to examine and audit the Operator's and Vestprosess' books and records for the years in which the Shipper's NGL was transported in the Transportation and Processing System and which are relevant to the allocation of Shipper's NGL and the Tariffs charged to the Shipper.

The audits shall be conducted within the 24 months period following the end of the year in question. If the audit reveals any inaccuracy in any invoice rendered, the necessary adjustments to such invoice and payments including interest in accordance with Article 6.3, shall be made promptly. No adjustment for any invoice or payments shall be made with respect to any claims filed after the expiration of the 24 months period.

The Shipper shall conduct the audits at reasonable hours and in a manner, which will result in a minimum of inconvenience to Vestprosess and the Operator. The Shipper shall cover its own expenses for the audit.

The Shipper's right to audit shall not include Confidential Information regarding other shippers. If examination of such Confidential Information is necessary, an independent auditor shall perform such part of the audit. The independent auditor shall only confirm whether the

Operator's calculations are correct and shall not reveal any Confidential Information to the Shipper.

Subject to the preceding paragraph, the Shipper shall endeavour to conduct the audit during the same period as other shippers.

### **6.9 Rounding**

Unless otherwise explicitly stated, all calculations in the Transportation and Processing Agreement shall be made to 7 places of decimals. A figure of 5 or more in the 8th decimal place shall cause a rounding up of the 7th decimal place.

## **7 MEASUREMENT, TEST AND ANALYSES**

### **7.1 General**

All measurement, testing, on-line analysis and sampling shall be performed in accordance with the requirements in the Operations Manual article 5.

### **7.2 Measurement audit**

The Parties may conduct such audits as provided for in the Operations Manual article 5 at each other's facilities. Such audits shall be performed during the normal office hours in effect at the facilities at the time of the audit and in a manner which shall result in a minimum of inconvenience. The Shipper shall give a notice of at least 90 Days, specifying involved facilities, scope and options for preferred audit periods.

## **8 DETERMINATION OF QUANTITIES**

### **8.1 Allocation of NGL**

The allocation to the Shipper of quantities of NGL hereunder shall be determined in accordance with the Operations Manual article 6.

### **8.2 Fuel Gas and Replacement Gas**

Replacement Gas shall be supplied by the Shipper in kind based on the Shipper's Daily Nominations.

Fuel gas components shall be provided by shippers as follows:

- Shipper providing fuel gas components at Entry Point N2 and / or Entry Point N3 shall provide such components according to contractual commitment between Vestprosess and Mongstad Refinery,
- Shipper providing fuel gas components at Entry Point M2 shall deliver such components as produced, and
- Shippers providing fuel gas components at Entry Point M1 shall deliver such components according to request from Vestprosess

Vestprosess has the right to request shippers providing NGL at Entry Point M1 to provide up to 5.0 tons/hour of ethane in order to fulfil Vestprosess' contractual obligation to deliver Fuel Gas. The Shipper shall use reasonable endeavour to accommodate such request.

Shippers receiving Fuel Gas at Exit Point N5 (cf. Article 4.5) shall be considered to have immediately delivered the Fuel Gas back to Vestprosess and the Shipper shall be compensated for such delivery deeming that each ton of Fuel Gas contains 1 300 Sm<sup>3</sup> of Fuel Gas.

The compensation shall be 26 øre/Sm<sup>3</sup> if the average monthly quotation of Brent Blend oil (dated) is 10 USD per barrel or lower based on Platt's quotation ("mean assessments" in Platt's Crude Oil Marketwire). If Platt's quotation for Brent Blend oil are no longer available, such reference shall be replaced by another publication giving a similar representative quotation.

At an oil price higher than 10 USD per barrel of Brent Blend oil based on quotations as described above, the compensation shall increase or decrease, floatingly, by up to 1 øre/Sm<sup>3</sup> per 1 USD per barrel up to an oil price of 20 USD per barrel, however, in case the oil price is higher than 20 USD per barrel, for the part of the oil price exceeding 20 USD the compensation shall increase or decrease, floatingly, by up to 0,5 øre per 1 USD per barrel. The compensation shall, however, never be higher than 36 øre/Sm<sup>3</sup> escalated according to the Norwegian consumer price index per 1 January each year, based on the latest published consumer price index. The basis shall be the consumer price index per 1 January 2000.

The calculation of the compensation shall be made each calendar month for the preceding calendar month, and shall be made to 2 places of decimal from the øre.

Deliveries of Fuel Gas and Replacement Gas shall be made in accordance with the Operations Manual article 6.

## 9 GUARANTEE

### 9.1 Shipper's guarantee

The Shipper guarantees that it at the time of delivery and continuing up and until the time of redelivery has the right to dispose of all NGL delivered by it to Vestprosess.

The Shipper agrees to indemnify Vestprosess and the Operator against all suits, judgements, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse legal claims of any and all persons to or against the NGL. Vestprosess shall, within a reasonable time after receiving notice of such claim, notify the Shipper of such fact and shall permit them to participate in the defence against such claim.

## 9.2 Vestprosess' guarantee

Vestprosess guarantees that the NGL redelivered to the Shipper at the Exit Point(s) shall be free from all claims of any kind and nature, except in case any such claims existed at the time of receipt by Vestprosess.

Vestprosess agrees to indemnify the Shipper against all suits, judgements, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any legal claims of any and all persons to or against said NGL except to the extent such claim or defects are attributable to the NGL which the Shipper delivered or caused to be delivered to Vestprosess hereunder and existed at the time of such delivery. The Shipper shall, within a reasonable time after receiving notice of the assertion of any claim, notify Vestprosess of such fact and shall permit it to participate in the defence against such claim.

## 10 LIABILITY AND INSURANCE

### 10.1 Risk of loss and title

Risk of loss of and damage to the Shipper's NGL and title to the Shipper's NGL shall at all times be and remain with the Shipper.

For the purpose of determining any risk or liability under the Transportation and Processing Agreement, the NGL delivered shall be deemed to be situated in the designated Area/service in accordance with the Booked Entry Capacity or Booked Processing Capacity in such Area/service, as applicable.

### 10.2 Shipper's indemnification right

Vestprosess shall indemnify and hold the Shipper and/or its Agents, and/or its Contractors and/or Subcontractors and any of the aforesaid's employees, harmless from and against any loss, damage and/or expense arising out of any claim for;

- a) injuries to or death of any employees of Vestprosess and/or the Operator, and/or their Contractors and/or Subcontractors, and/or
- b) loss of or damage to the property of Vestprosess and/or the Operator, and/or their Contractors and/or Subcontractors, and any of the aforesaid's employees, and/or
- c) all indirect losses, which include but are not limited to loss of profit, to Vestprosess and/or the Operator, and/or their Contractors and/or Subcontractors and any of the aforesaid's employees,

arising out of or in connection with the Transportation and Processing Agreement, including the non-performance by the Shipper of any of its

obligations, except where such claim is a result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of the Shipper and/or its Agents, its Contractors and/or Subcontractors.

### **10.3 Vestprosess' and the Operator's indemnification right**

The Shipper shall indemnify and hold Vestprosess and the Operator, and/or their Contractors and/or Subcontractors and any of the aforesaid's employees, harmless from and against any loss, damage and/or expense arising out of any claim for;

- a) injuries to or death of any employees of the Shipper and/or its Agents, its Contractors and/or Subcontractors, and/or
- b) loss of or damage to the property of the Shipper and/or its Agents, its Contractors and/or Subcontractors, and any of the aforesaid's employees, and/or
- c) all indirect losses, which include but are not limited to loss of profit, to the Shipper and/or its Agents, its Contractors and/or Subcontractors, and any of the aforesaid's employees,

arising out of or in connection with the Transportation and Processing Agreement, including the non-performance by Vestprosess or the Operator of any of its obligations, except where such claim is a result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of Vestprosess or the Operator and/or their Contractors and/or Subcontractors.

### **10.4 Use of Third Party facilities**

To the extent that Vestprosess makes use of Third Party facilities for the Transportation and Processing Services, these Terms and Conditions shall apply to such use.

### **10.5 Liability for Off-spec NGL**

Notwithstanding Article 10.2, the Shipper having delivered Off-spec NGL shall be liable for any loss of NGL and/or direct costs to Vestprosess caused by or resulting from the deliveries of Off-spec NGL. If the Shipper's NGL is delivered in an Off-spec NGL commingled stream, the Shipper shall be liable pro rata to its share in the Off-spec NGL commingled stream, unless;

- a) the Operator in a joint statement from all shippers delivering NGL in the commingled stream has been instructed to distribute such liability otherwise, or
- b) the Shipper, or a group of shippers, stipulates another distribution of liability within 10 Business Days after the Operator have informed about the intention to distribute the liability pro rata to the share in the Off-spec NGL commingled

stream, and none of the other shippers concerned have objection to this within 10 Business Days following notice of such other distribution.

The Operator shall endeavour to minimise such costs and losses.

#### **10.6 Escape of NGL**

Notwithstanding Articles 10.2 and 10.3, but subject to the second and third paragraph of this Article 10.6, all expenses and damages which may be incurred by either of the Parties as a result of environmental pollution, explosion, fire or any other events arising out of the escape of NGL from the Transportation and Processing System shall be divided between all shippers of NGL in the relevant Area/service of the Transportation and Processing System as determined in accordance with Article 10.9.

Notwithstanding Article 10.2 above and the first paragraph of this Article 10.6, if such pollution, explosion, fire or other events are caused by an act or omission by the Shipper, then the Shipper shall be held liable, provided, however, that each shipper, including the Shipper, shall indemnify and hold Vestprosess and the Operator harmless from and against expenses and damages incurred as a result thereof as determined in accordance with Article 10.9. The Shipper hereby accepts and agrees to indemnify Vestprosess and the Operator in such manner.

However, if such expenses and damages are caused by gross negligence or wilful misconduct by the managerial and/or supervisory personnel of Vestprosess and/or the Operator, their Contractors and/or Subcontractors, then Vestprosess shall indemnify the Shipper.

Irrespective of the liability principles stated above, all expenses and damages which may be incurred as a result of environmental pollution, explosion, fire or any other events arising out of the escape of NGL from the Transportation and Processing System shall be recovered under the insurances arranged by Vestprosess pursuant to Article 10.7 up to the maximum limits of such insurances as stipulated in the Desk Quotation.

To the extent that such expenses and damages can be recovered under the insurances arranged by Vestprosess pursuant to Article 10.7, such recovered amounts shall be credited the shippers pro rata to each shipper's liability in respect of such expenses and damages as determined in accordance with Article 10.9.

If the total loss exceeds the maximum limits as stipulated in the Desk Quotation, then the shippers will be responsible for the excess amount as calculated in accordance with Article 10.9.

#### **10.7 Insurance**

Vestprosess shall be responsible for arranging all insurance in respect of the Transportation and Processing System, as well as Third Party liability insurance covering Vestprosess' liability arising out of or in connection

with any activity or omission related to the Transportation and Processing Agreement.

All such insurance shall contain waivers of all rights of subrogation in favour of the Shipper (including its Affiliated Companies) and/or its Agents, its Contractors and/or Subcontractors, and any of the aforesaid's employees. Further, such insurance shall specify that the shippers' liabilities under Article 10.6 shall be covered under the insurance up to the respective maximum limit as stipulated in the Desk Quotation.

The Shipper shall be responsible for arranging all insurance in respect of the property of the Shipper.

All Shipper's insurances shall contain waivers of all rights of subrogation in favour of Vestprosess, and the Operator, and/or their Contractors and/or Subcontractors, and any of the aforesaid's employees.

Vestprosess and the Shipper shall upon request submit to each other their insurance programmes relevant to the Transportation and Processing Agreement and undertake to inform each other of changes made therein.

#### **10.8 Vestprosess' liability**

The liability of each Participant related to the Transportation and Processing Agreement shall be several, according to its ownership interest in Vestprosess at any time, and not joint or collective

#### **10.9 Shippers' shared liability**

The liability for expenses, losses and/or damages for which neither an individual shipper nor Vestprosess can be held liable according to the Transportation and Processing Agreement and, subject to Article 6 third paragraph, the liability for expenses and damages which may be incurred by either of the Parties as a result of environmental pollution, explosion, fire or any other events arising out of the escape of NGL from the Transportation and Processing System as described in Article 10.6, shall be shared between the shippers. The Shipper's liability shall be determined according to its share of the total Booked Entry Capacity in Area M or its total Booked Processing Capacity in the relevant service in Area N, depending on in which Area/service the liability is related to, for the 365 Days preceding the Day when the event causing expenses, losses and/or damages occurred.

## **11 FORCE MAJEURE**

### **11.1 Force Majeure**

Force Majeure shall mean any event beyond Vestprosess' and the Operator's control related to the Transportation and Processing System and the operation thereof or any event beyond the Shipper's control related to the Shipper's Facilities and the operation thereof that the



Operator or the Shipper, as the case may be, could not reasonably be expected to have taken into account at the time when the relevant Booking(s) was made.

### **11.2 Relief due to Force Majeure**

As long as and to the extent a Party is rendered unable to perform any of its obligations due to Force Majeure, the Party shall be relieved from liability for failure to perform such obligations other than the obligation of payment of money.

A Party rendered unable wholly or in part to make any payment due and payable, shall not be relieved from its obligation to pay interest, according to the interest rate given in Article 6.3, for the period from the due date of payment until payment is actually made.

### **11.3 Notification and Remedies**

A Party claiming relief on account of Force Majeure shall;

- a) as soon as practical give notice to the other Party of the event said to constitute Force Majeure, such notice including information about the circumstances and a statement of the steps and time believed necessary to remedy the Force Majeure situation and afford reasonable facilities for a site inspection if desired at the expense and risk of the Party making examination, and
- b) proceed with diligence and at its own expense to take steps to remedy the failure as soon as possible in a Reasonable and Prudent manner, provided always that no Party shall be required to make more than commercially reasonable investments nor shall it be obligated to settle any labour dispute except in such manner as it shall in its own judgement think fit.

### **11.4 Long term Force Majeure**

If a Party due to an event of Force Majeure has been rendered unable to perform any of its obligations for a period of 24 consecutive Months, either Party shall have the right, after the expiry of such period, to terminate the part of the Transportation and Processing Agreement affected by Force Majeure.

## **12 MISCELLANEOUS**

### **12.1 Notices**

Any notice or other communication required or permitted to be given pursuant to the Transportation and Processing Agreement shall be in writing and may be given by delivering the same by hand or by sending the same by prepaid first class post or electronic mail to the relevant address or electronic mail address set out in the Company Agreement or such other address or electronic mail address as any Party may give in

writing, from time to time, to the other in accordance with this Article 12.1.

Any such notice, given as aforesaid, shall be deemed to have been given or received at the time of delivery if delivered by hand, at the time at which confirmation of successful delivery is received if sent by electronic mail and on the 5th Business Day next following the day of sending if sent by prepaid first class post. The use of electronic mail for transfer of documents shall at all times be in accordance with internationally recognised standards as may be adopted by the Operator. The chosen standard shall enable the use of digital signatures or similar electronic safety device, encryption, filing and retrieving.

### **12.2 Notice in case of restructuring**

If the Shipper initiate a merger, dissolution, liquidation, winding up, reduction of share capital or a similar process that is likely to have an adverse effect on the Shipper's ability to fulfil its obligations under the Transportation and Processing Agreement, or suffers a material credit rating downgrade also after the Shipper's last Booking Period has expired, the Shipper shall give notice to the Operator immediately after such process have been initiated and / or such credit rating downgrade has occurred.

### **12.3 Confidentiality**

Confidential Information shall not be disclosed by the Parties or the Operator to any Third Party. Confidential Information related to individual shipper data shall not be disclosed by the Operator to Vestprosess.

However, Confidential Information may be disclosed by;

- a) the Operator to;
  - (i) the Agent or Affiliated Company of the Shipper,
  - (ii) the Contractors and/or Subcontractors of the Operator to the extent disclosure is required for the proper execution of their work,
  - (iii) the advisers of the Operator or to arbitrators to the extent it is required for the proper execution of their assignments, or
  - (iv) governmental authorities in connection with required reports.
  
- b) the Shipper to;
  - (i) the Agent or any Affiliated Company of the Shipper,
  - (ii) any bona fide potential buyer of the Shipper's NGL or an interest in the sources delivering NGL under the Transportation and Processing Agreement,

- (iii) any bona fide potential assignee of the Shipper's Transportation and Processing Agreement,
- (iv) any relevant institution in connection with the borrowing of funds or issuance or sale of security,
- (v) the stock exchanges on which any securities of the Shipper are or may be quoted to the extent required by the applicable rules of such stock exchanges,
- (vi) the advisers of the Shipper or to arbitrators to the extent it is required for the proper execution of their assignments, or
- (vii) any governmental authorities in connection with required reports.

Notwithstanding the above, the Operator may;

- a) provide Confidential Information that has both been made anonymous and aggregated with other shippers' confidential information,
- b) at any time in connection with bona fide legal disputes arising out of the Transportation and Processing Agreement, provide Vestprosess with any relevant Confidential Information.

Where disclosure of Confidential Information is made to a Third Party or Vestprosess, the disclosing Party shall ensure that appropriate safeguards are undertaken to prevent the Third Party or Vestprosess, from making any further disclosure of such information.

#### **12.4 Telecommunications and data transmission**

The Shipper shall, at its own cost and expense, install or ensure that necessary telecommunication equipment according to the Operator's specifications is installed.

#### **12.5 Time reference**

Any reference to time shall be to the time in force in Norway.

#### **12.6 Sanctions**

Shipper shall ensure that vessels used for lifting NGL are not in breach of or violates any applicable UN, US, UK, EU and/or Norwegian sanctions in force at any given time until the vessel has left the jetty, and to notify the Operator immediately if such breach or violation may occur.

Shipper shall indemnify and hold Vestprosess and the Operator, and/or their Contractors and/or Subcontractors and/or any of the aforesaid's employees harmless from and against any loss, damage and/or expense arising out of any breach or violation of any of the above mentioned sanctions.

## **12.7 Amendments**

Amendments to the Terms and Conditions including the Appendices are subject to approval by the Ministry. Proposals for such amendments shall be developed by the Operator. Before any such proposals are submitted to the Ministry the Operator shall submit the proposals in writing for consultation in accordance with "Forskrift 27. juni 1997 nr. 653 til lov om petroleumsvirksomhet", section 65, second paragraph.

The Shipper shall submit its comments within 20 Business Days after receipt of such notice from the Operator. The Operator shall take due consideration of the Shipper's comments and submit them to the Ministry, along with the proposals.

The amendments shall enter into force as determined by the Ministry.

## **13 TERM OF AGREEMENT**

### **13.1 Termination of the Transportation and Processing Agreement**

The Transportation and Processing Agreement shall terminate on the earlier of;

- a) the date when the Shipper's last Booking Period has expired,
- b) the date Vestprosess ceases to own and operate the Transportation and Processing System provided Vestprosess has given 24 months prior notice of said event, or
- c) the date specified in the termination notice issued according to Article 6.5 or on date of termination according to Article 6.6 or Article 11.4.

### **13.2 Survival of Termination**

The termination shall be without prejudice to any payment obligation being unfulfilled or any liability incurred and not paid at the date of termination.

The Parties rights and obligations according to Articles 6.8 and 12.3 shall remain for a period of 3 years from the date of termination.

The Shipper's obligation according to Articles 5.4 and 12.2 shall survive the termination of the Transportation and Processing Agreement.

## 14 ASSIGNMENT

The Shipper may only assign its rights and obligations under the Transportation and Processing Agreement subject to prior written consent from Vestprosess.

Notwithstanding the above, the Shipper may assign its rights and obligations to unused Booked Capacity provided that;

- a) the Operator has confirmed that the assignee;
  - (i) is a Financially Qualified Company,
  - (ii) has entered into a Company Agreement, and
  - (iii) fulfils the requirements in the Booking Manual for obtaining Booked Capacity in the secondary market,

and,

- b) the assignee has accepted to be bound by the Transportation and Processing Agreement.

For the avoidance of doubt, an assignment of ownership to the Transportation System entails a corresponding assignment of rights and obligations under the Transportation and Processing Agreement.

## 15 APPLICABLE LAW AND ARBITRATION

The Transportation and Processing Agreement shall be governed and construed in accordance with Norwegian law.

Any controversy or dispute that may arise in connection with or as a result of the Transportation and Processing Agreement and which cannot be resolved by mutual agreement between the Parties shall be finally decided by arbitration in Stavanger in accordance with Norwegian Arbitration Act of 14 May 2004 No 25 (“Lov om voldgift”), as subsequently amended or replaced. Unless otherwise agreed, the arbitration proceedings, documents and correspondence in connection with the arbitration and awards delivered pursuant to this Article 15 are confidential in accordance with the confidentiality provisions herein.

Documents and statements in the Norwegian and English language shall be allowed in any procedure involving arbitration. Translation thereof shall be at the expense of the Party requesting such translation.

**APPENDIX A**

**TO**

**TERMS AND CONDITIONS FOR**

**TRANSPORTATION AND PROCESSING**

**OF NGL**

**IN**

**VESTPROSESS**

**\*\*\***

**OPERATIONS MANUAL**

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# 1 APPLICABILITY, DEFINITIONS, PRIORITIES AND AMENDMENTS

## 1.1 Applicability

This Operations Manual sets out the operational regulation regarding the Shipper's and Vestprosess' rights and obligations given in the Terms and Conditions.

The Operator will execute Vestprosess' rights and obligations according to this Operations Manual.

## 1.2 Definitions

The definitions set out in the Terms and Conditions applies to this Operations Manual. In addition, the following terms shall have the meaning ascribed to them below:

1. "Accounting Period" shall mean a Month.
2. "Components" means nitrogen, carbon dioxide, methane, ethane, propane, iso-butane, normal butane or the combined pentanes and heavier hydrocarbons.
3. "Entry Point Availability" shall mean the quantity of NGL that at a given point in time can be delivered from a Shipper's Terminal at an Entry Point.
4. "Exit Point Availability" shall for any Exit Point mean the quantity of NGL that Vestprosess at a given time is able to redeliver to all shippers at that Exit Point.
5. "Processing Capacity Availability" shall for any service in Area N mean the quantity of NGL that Vestprosess at a given time is able to process for all shippers in such service.
6. "Significant Systematic Error" shall mean a Systematic Error that exceeds 0,02 per cent of total mass flow provided that the economic value of the error is greater than the cost of correcting such error.
7. "Systematic Error" shall mean a detected error in a measurement result that is not corrected by the measurement model and that is caused by issues such as:
  - failure of measurement equipment (equipment that does not meet performance requirements)
  - non-compliance with internal requirements and routines (management system)
  - incorrectly read values
  - errors in calculations



- incorrectly entered parameters in computer system (incorrect parameters used in calculations)

For the avoidance of doubt, if routine recalibrations tests reveal any deviations compared to previous measurement results, such deviations shall normally not be considered a Systematic Error.

8. "Transportation Curtailment" shall mean any event affecting the Transportation and Processing System, including, but not limited to, events described in the Terms and Conditions Articles 2.5, 2.6, 2.7, 2.8 or Force Majeure, that reduces the capacity in the Transportation and Processing System.

### 1.3 Relation to the Shipper Manual

The regulations set out in the Operations Manual are supplemented by the Shipper Manual. In case of conflict between the Operations Manual and the Shipper Manual, the regulation in the Operations Manual shall unless otherwise expressly stated, always prevail.

## 2 NOMINATIONS

### 2.1 Forecasts

Forecast according to this article 2.1 shall have the content, and be in accordance with time limits, as described in the Shipper Manual.

The Shipper shall issue, or provide Shipper's Terminal Operator(s) to issue, to the Operator:

- Long-term forecasts
- Monthly forecasts (15-month rolling)
- Weekly forecasts

of its deliveries of NGL at each Entry Point.

The forecasts shall in all aspects be consistent with the relevant forecasts submitted to the Norwegian authorities.

Based on the information provided pursuant to this article 2.1, the Operator shall submit to the Shipper forecasts of NGL for each Month by 15 April or 15 October as the case may be.

The Shipper shall ensure that the Shipper's Terminal Operator(s) inform(s) the Operator of relevant plans for maintenance, tests, shut-down, temporary periods of decreased/increased deliveries of NGL, and available processing capacity at the Shipper's Terminals and the time and duration for such events, as soon as such information is available.

The Operator shall inform the Shipper of programmes for planned maintenance, shut-downs, tests and any other activities related to the Transportation and Processing System which could affect the Entry Point Availability or Processing Capacity Availability or otherwise influence delivery and/or redelivery of Shipper's NGL.

## 2.2 Daily Nominations and re-nominations

The Shipper shall submit to the Operator its Daily Nominations, except for Interruptible Capacity, for each Day before 14:00 hours on the preceding Day.

The Shipper shall submit to the Operator its Daily Nominations for Interruptible Capacity in accordance with the procedure described in the Shipper Manual.

The Daily Nominations shall specify deliveries and shall have a content as further described in the Shipper Manual.

The Operator shall accept the Shipper's Daily Nomination submitted within the deadline in the first paragraph. If the Shipper after the deadline makes a re-nomination, the Operator shall use reasonable endeavours to accept the re-nomination. If the Operator accepts the re-nomination, the re-nomination shall be deemed to be a Daily Nomination.

The nomination procedure is further described in the Shipper Manual.

## 2.3 Reporting

The Operator shall on a daily basis notify the Shipper of the Shipper's NGL delivered at the Entry Point M1 on the previous Day.

The Shipper shall ensure that the Shipper's Terminal Operator(s) on a monthly basis notifies the Operator of the quantity of NGL delivered by the Shipper at the relevant Entry Point(s) of the previous Month.

The Shipper shall notify the Operator of the date and time of any Bilateral Transactions as soon as reasonably practical. Any Bilateral Transactions that takes place within Day shall for the purpose of these Terms and Conditions take effect as from the time the appurtenant re-nomination takes effect.

## 2.4 Planned Maintenance

The Operator shall each calendar year during the period between May and December discuss with the Shipper the maintenance plan for the following two calendar years. The decision on the duration of and the reduction in Transportation and Processing Services during the Maintenance Period(s) shall be made solely by the Operator. However, when deciding upon the Maintenance Period(s) the Operator shall inter alia take into account;

- a. that the Maintenance Period(s) shall be determined with the objective to minimise disruption to the Transportation and Processing Services to the extent possible,

- b. the need for maintenance of the Shipper's Terminal(s).

The Operator shall before 16 December in each calendar year submit a notice to the Shipper stating the Maintenance Period(s), any possible quality implications and the transportation and processing capacity available to the Shipper on each Day of the Maintenance Period(s) for the following two calendar years.

## 2.5 Meetings

The Operator and the Shipper shall, if requested, meet in order to discuss subjects related to the delivery and redelivery of NGL under the Transportation and Processing Agreement.

The schedules for meeting and for exchanging information may be adjusted to coincide with the Shipper's procedure(s) for reporting to the Norwegian authorities.

Furthermore, the Operator and the Shipper shall meet when requested by the Shipper.

## 3 OPERATIONS

### 3.1 Obligations prior to commencement of Transportation and Processing Services

Prior to the commencement of the Transportation and Processing Services:

- a. The Shipper shall at the Operator's request provide evidence to the Operator that telemetry and communication facilities for monitoring of the operating conditions and the quality of NGL to be delivered at the Entry Points are in good operational order;
- b. The Shipper shall make available to the Operator the necessary analysis and test results to verify that the NGL to be delivered at the Entry Points is within the Specifications as set forth in article 4.1. The requirements according to this article 3.1 shall also upon the Operator's request apply after any major shut-off;
- c. The Operator shall at the Shipper's request provide evidence to the Shipper that telemetry and communication facilities for monitoring of the operating conditions and the quality of NGL at the Exit Point(s) are in good operational order.

### 3.2 Capacity tests

The Operator shall be entitled to perform capacity tests in the Transportation and Processing System. If such tests would require changes or stable conditions in NGL delivery and/or redelivery, the Shipper shall in cooperation with the Shipper's Terminal Operators use reasonable endeavours to comply with requests for such changes.

### 3.3 Transportation Curtailment

In the event of Transportation Curtailment, the Operator shall calculate, as applicable, the new Entry Point Availability in Area M and the new Processing Capacity Availability in Area N, for the Shipper and inform the Shipper without delay.

For Area M the Shipper's new reduced capacity at the Entry Point shall be calculated as its pro rata share of all shippers' Bookings at the Entry Point for the Day for which the total capacity is reduced.

Notwithstanding the previous paragraph, the Shipper's new reduced capacity at Entry Point M2 shall be as determined by the operator at the Sture Terminal.

For Area N the Shipper's new reduced Processing Capacity Availability shall be calculated as the result of the Transportation Curtailment in Area M as described above.

Notwithstanding the above, in case of Transportation Curtailment such Transportation Curtailment shall first be performed at Entry Point M2, thereafter at Entry Point M1 and finally at Entry Point N2 and N3. The right to perform Transportation Curtailment at Entry Point M2 first is valid as long as there is contractual commitment supporting this.

Notwithstanding all of the above, Firm 2 Capacity, as defined in the Booking Manual, has a lower curtailment priority and shall be curtailed first.

### 3.4 Interruption

In case of interruption of Interruptible Capacity, the Operator shall calculate the Shipper's new reduced capacity at the relevant Exit Point and / or Processing Point as its pro rata share of all shippers' Interruptible Booking at the relevant Exit Point and / or Processing Point for the Day for which the Interruptible Capacity is reduced.

In case of interruption after the Day has started the already delivered, processed and / or redelivered quantities of NGL shall be allocated to the Shipper for the period prior to the point in time when the interruption occurred.

### 3.5 Minimum throughput

If on any Day the sum of quantities of NGL nominated by all shippers does not add up to the minimum throughput capacity as required to operate the Transportation and Processing System, Vestprosess' Daily Transportation and Processing Commitment shall be suspended.

### 3.6 Maximum increase in throughput

If on any Day the quantities of NGL nominated by the Shipper for the following Day increase compared to the Shipper's nomination for the current Day to the extent that the nomination, in the Operator's sole opinion, cannot be honoured by Vestprosess due to a physical limitation to the total increase in the

Transportation and Processing System throughput from one Day to another, Vestprosess' Daily Transportation and Processing Commitment shall be suspended.

## **4 OPERATING CONDITIONS AND QUALITY REQUIREMENTS**

### **4.1 Requirements at the Entry Point(s)**

For NGL entering Area M, the operating conditions and quality specifications in article 7.1 shall apply (the "Specifications").

For NGL entering Area N at Entry Point N2 or Entry Point N3, the operating conditions and quality specifications in article 7.2 shall apply (the "Specifications").

In addition, the NGL shall be free from objectionable odours, materials, or liquid matter, waxes, gums and gum-forming constituents and dust or other solid matter which might cause damage to or interference with the proper operation of facilities through which it flows.

### **4.2 Requirements at the Exit Point(s)**

For Naphtha being redelivered from Area N, the operating conditions and quality specifications in article 7.3 shall apply (the "Specifications").

In addition, the Naphtha shall be free from objectionable odours, materials, or liquid matter, waxes, gums and gum-forming constituents and dust or other solid matter which might cause damage to or interference with the proper operation of the Mongstad Refinery.

For Propane and Butane being redelivered from Area N, the operating conditions and quality specifications in article 7.4 shall apply (the "Specifications").

For Fuel Gas being redelivered from Area N, the quality specifications in article 7.5 shall apply (the "Specifications").

If the Operator redelivers or expects to redeliver Off-spec NGL to the Shipper, the Operator shall inform the Shipper as soon as possible.

## **5 MEASUREMENTS, TESTS AND ANALYSES**

### **5.1 General**

Subject to governmental regulations, all measurement, testing, on-line analysis and sampling facilities and procedures necessary to monitor the NGL quality and perform allocation of Shipper's NGL according to article 6, shall be in accordance with this article 5. The procedures shall be made on the basis of high and consistent accuracy between measurement, test, on-line analysis and sampling of the NGL streams.

## 5.2 Measurements, tests and analyses at the Entry Point(s)

In order to monitor the operating conditions and the quality of the NGL to be delivered at the Entry Point(s), the Shipper shall carry out or cause to be carried out on its behalf necessary measurements, analyses and tests in the manner and frequency as requested by the Operator and shall have results from such measurements, analyses and tests transmitted to the Operator.

Relevant data and specifications for any measuring facilities required upstream the Entry Point(s) to perform such monitoring of the operating conditions and the quality of the NGL shall be subject to review by the Operator.

## 5.3 Measurements, tests and analyses at the Exit Point(s)

In order to monitor the operating conditions and the quality of the NGL redelivered at the Exit Point(s), the Operator shall carry out or cause to be carried out the necessary measurements, analyses and tests in the manner and frequency set by the Operator and shall make the results from such measurements, analyses and tests available to the Shipper if so requested.

## 5.4 Facilities upstream of the Entry Point(s)

The Shipper shall, at its own expense, have or ensure to have measurement, testing, on-line analysis and/or sampling facilities installed maintained and operated upstream of the Entry Point(s). The design, installation and operation of said facilities shall be subject to approval by the Operator. Such approval shall not be unreasonably withheld or delayed.

The Shipper shall ensure that the Operator have access at reasonable times to said facilities to witness the calibrations and tests and to observe the operation of the measurement, testing, on-line analysis and/or sampling facilities installed upstream the Entry Point(s). The Shipper shall furnish the Operator, at its request and for its audit, any and all metering data and other test information applicable to said facilities reasonably necessary for verification of the measurements contemplated in this article 5.4.

In the event the Shipper or the Shipper's Terminal Operator(s) experience a malfunction of its measurement, testing, on-line analysis and/or sampling facilities which may affect the accuracy of measurement, the Shipper shall ensure that the Shipper's Terminal Operator(s) as soon as practically possible advise the Operator of the same. In such a case, the NGL quantities delivered shall be estimated by the respective Shipper's Terminal Operator(s) and approved by the Operator. In the event that the malfunction prevents the Operator from properly allocating the received quantities to each shipper in accordance with article 6 and the malfunction cannot be corrected within a period of time acceptable to the Operator and as notified to the Shipper, then deliveries hereunder shall cease until such time as the malfunction has been corrected to the satisfaction of the Operator and the Operator has notified the Shipper that deliveries may be resumed.

## 5.5 Facilities downstream of the Entry Point(s)

Vestprosess shall arrange at its expense, with respect to all deliveries within and redeliveries from the Transportation and Processing System, to have all measurement, testing, on-line analysis and/or sampling facilities installed, operated and maintained downstream the Entry Point(s). All tests and other procedures according to this article necessary for allocation and accounting of Shipper's NGL in accordance with article 6 shall be performed in strict compliance herewith at each point where measurement, testing, on-line analysis and/or sampling facilities are installed in the Transportation and Processing System for allocation of Shipper's NGL.

Furthermore, at the request of the Shipper, the Operator will give reasonable notice to permit representatives of the Shipper to witness calibrations and tests, and to observe the operation of the relevant measurement, testing, on-line analysis and/or sampling facilities for allocation and accounting of Shipper's NGL and the Operator shall also furnish to the Shipper at its request and for its audit, any and all metering data and other analyses and testing information applicable to said facilities, reasonably necessary for the verification of the measurements contemplated in this article 5.5.

## 5.6 Design of measurement facilities

Subject to governmental regulations, the following principles shall apply for the metering equipment used for allocation of Shipper's NGL in the Transportation and Processing System.

- (i) The following related to the allocation of the Shipper's NGL, shall be measured;
- the mass and / or volume of NGL for all deliveries into the Transportation and Processing System, and
  - the mass and / or volume of all redeliveries of NGL from the Transportation and Processing System.

Metering systems shall be designed according to one of the following principles;

- Orifice meters in accordance with applicable international standard,
- Turbine meters in accordance with applicable international standard,
- Vortex meters in accordance with applicable international standard,
- Coriolis meters in accordance with applicable international standards,
- Ultrasonic meters according to applicable international standard standards, or
- any other design agreed between the Operator and the shippers.

Any metering system shall be designed and constructed to have a high and consistent accuracy.

Flow weighted composition and density based on on-line chromatograph as described in article 5.8 shall be used. If monthly flow weighted analysis is not available or found to be erroneous, the last monthly approved composition and analysis shall be used. This may be changed manually if necessary.

- (ii) The mass of any NGL and Fuel Gas between Area N and the Mongstad Refinery and between the Mongstad Refinery and Area N shall be determined by meters in accordance with item i) or by any other method agreed with the Operator.

Design details not given by recognised standards and code, shall be agreed between the Operator and the shippers on the basis that each of the metering facilities shall have a high accuracy and consistency with the other metering facilities as required to achieve an equitable allocation of ownership.

## 5.7 Maintenance, calibration and measurement errors

### 5.7.1 Maintenance and calibration

To ensure that measurement accuracy is maintained within tolerance limits, all measurement equipment shall be maintained and operated in accordance with;

- governmental regulations,
- relevant governing documents of the Operator and the Shipper's Terminal Operator,
- applicable codes, and
- manufacturer's specifications.

Tolerance limits are specified in the same regulations, codes, specifications and requirements as described above.

Calibration tests of the measurement equipment shall be performed in accordance with the above.

Any Shipper whose interests may be affected by a measurement error may request the Operator to initiate special tests of the above measurement equipment in addition to the agreed regularly scheduled tests. The expense of any such special test shall be borne by the Shipper requesting such special test, unless such test shows that the error in the total mass flow, caused by a component being in error or out of calibration, exceeds 0.4 per cent, in which case the expense of the special test shall be included as normal operating cost in the relevant Area/service.

### 5.7.2 Measurement errors etc.

If any measurement equipment is out of service and the quantity of NGL delivered is not correctly indicated by the reading thereof, the quantity delivered,



during such period, shall be estimated by the operator of the measurement equipment in question on the basis of the best data available

- by using the registration of any check/backup measurement equipment, or
- by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations, or
- by estimating the quantity of delivery by deliveries during preceding and/or subsequent periods under similar conditions when the measurement equipment was in service.

If a measurement error is detected, the relevant measurement equipment shall be replaced, repaired or adjusted to record accurately, as determined appropriate by the Operator.

In case of Significant Systematic Errors, previous recordings shall be corrected for the relevant period. If it is not possible to document how long such error has persisted, the corrections shall be performed for half the time elapsed since the date of the last test.

## 5.8 Analysis

Analyses for allocation of Shipper's NGL shall be established by on-line chromatography, by analysing flow proportional composite samples from the streams in question or by analysing representative spot samples of the streams in question.

This equipment used for the analyses shall be operated and maintained according to applicable standards and best practices.

Any analysis to be used in the allocation of Shipper's NGL shall be representative for the stream and time in question.

The NGL shall be analysed to determine the content in weight % of;

- nitrogen,
- carbon dioxide,
- methane,
- ethane,
- propane,
- iso-butane,
- normal butane,
- iso-pentane,
- normal-pentane,
- hexanes and heavier components.

For some meters restrictions may limit the analysis to pentanes and heavier components. For other meters nitrogen and carbon dioxide may not be metered.

Based on analysis the density shall be calculated. When on-line chromatograph is used a daily flow weighted analysis and density shall be calculated. For allocation purposes a monthly flow weighted analysis and density shall be established and reported.

The following principles shall apply for the operation of flow- proportional samplers to obtain composite samples and for the operation of spot sampling:

- i) Samples shall be collected in pressure containers for determination of quality and composition with a duplicate sample retained for at least 90 days, or as mutually agreed by the Parties, from the date of publication of analysis result in the event of need to replace the sample analysed. The analytical work on samples should be in an identical manner for all like samples and carried out in the same laboratory, except if otherwise agreed among the Parties.
- ii) The Shipper may request that the retained duplicate sample shall be delivered to a mutually acceptable laboratory whose analysis shall be final and binding upon the Parties unless otherwise mutually agreed. If such analysis results differ by greater amounts than the published reproducibility limits recommended by applicable international standard or other limits agreed between the Parties, the costs will be treated as normal operating costs. In the event that the results fall within the agreed reproducibility limits for such test and standards, the original analysis shall be used for allocation purpose and the Shipper shall bear the costs, unless otherwise agreed.

## 5.9 Codes and standards

Codes and standards to be used for measurement, test, on-line analysis and/or sampling of the NGL and Fuel Gas are subject to governmental regulations.

Listed below are codes which are generally accepted in the oil and gas industry, any of which may be used for the purpose herein. The Operator will inform the Shipper if a change to a newer version of any standard is prepared.

- NORSOK standard I – 106  
Fiscal metering systems for hydrocarbon liquid and gas.
- International Standard ISO 80000  
Quantities and Units
- International Standard ISO 5167  
Measurement of fluid flow by means of pressure differential devices inserted in circular cross-section conduits running full - Part I: General principles and requirements, Part 2: Orifice plates, Part 3: Nozzles and Venturi nozzles, Part 4: Venturi tubes
- International Standard ISO 5168  
Measurement of Fluid Flow – Procedure for the Evaluation of Uncertainty

- International Standard ISO 5024  
Petroleum Liquids and Liquefied Petroleum Gases – Measurement – Standard reference conditions
- API Manual of Petroleum Measurement Standards
- N.J.V – Norske Juster Vesen  
Norwegian Service of Legal Metrology
- International Standard ISO 3170  
Petroleum Liquids – Manual Sampling
- International Standard ISO 6551  
Petroleum Liquids and Gases – Fidelity and Security of Dynamic Measurement – Cabled Transmission of Electrical and/or Electronic Pulsed Data
- ISO DIS 7066  
Assessment of Uncertainty in Calibration and Use of Flow Measurement
- ISO DIS 7278  
Liquid Hydrocarbons – Proving Systems Used in Dynamic Measurement
- ASTM D- 1265  
Standard Practice for Sampling Liquefied Petroleum Gases (manual method)
- ASTM D- 1945  
Analysis of Natural Gas Chromatography
- UOP 539  
Gas Analysis by Gas Chromatography
- ASTM D 5134  
Standard Test Method for Detailed Analysis of Petroleum Naphtha through n-Nonane by Capillary Gas Chromatography
- ASTM D 4928  
Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration
- ASTM D 3700  
Standard Test Method for Obtaining Hydrocarbon Fluid Samples Using a Floating Piston Cylinder
- International Standard ISO 10715  
Sampling Guidelines
- International Standard ISO 6976  
Natural gas -- Calculation of calorific values, density, relative density and Wobbe index from composition

- GPA 8173 - 94  
Method for converting mass of natural gas liquids and vapors to equivalent liquid volumes
- SI Engineering Data Book section 23 - 1998
- ISO 17089-1  
Measurement of fluid flow in closed conduits - Ultrasonic meters for gas - Part 1: Meters for custody transfer and allocation measurement

## 6 ALLOCATION OF SHIPPER'S NGL

### 6.1 General

#### 6.1.1 Preliminary reporting

The Operator shall report the metered quantities and the calculations of the Shipper's NGL to the Shipper within the 7<sup>th</sup> Business Day of the succeeding Month. The report may be postponed if the mass and analysis result as described in article 6.2.2 third paragraph is issued later than the 1<sup>st</sup> Business Day of the Month succeeding the Month in which the analysis was taken. The standards and practices applicable to the metering and analysis in article 5 shall apply for the allocation calculations.

#### 6.1.2 Final reporting

The Operator shall report the final metered quantities and the calculations of the Shipper's NGL to the Shipper within the 7<sup>th</sup> Business Day of the next succeeding Month. The standards and practices applicable to the metering and analysis in article 5 shall apply for the allocation calculations.

#### 6.1.3 Reallocation

In case of Significant Systematic Errors or in case of other errors in the Operator's system that affect the Shipper, reallocation shall normally be performed by adjustment in the actual Month, however performed by reallocation of the last month in the accumulation period (normally December in the actual calendar year). The Operator may decide to reallocate other months in the actual calendar year if required.

In case of any of the abovementioned errors having occurred more than 24 Months before the start of the current calendar year, the Operator decides how reallocation shall be performed, preferably by adjustments to the last 24 Months.

The Operator may, in its sole opinion, decide not to perform reallocation for errors if the cost for such reallocation exceeds the value of the error or otherwise is unreasonable

Operator's decisions according to this article 6.1.3 are final.

### 6.1.4 Yearly reallocation

The Operator will report adjustments to the final metered quantities during the first half of the succeeding calendar year taking into account any reporting from the Shippers after the final reporting as described in article 6.1.2. In case of significant errors the Operator may perform a reallocation during the calendar year.

## 6.2 NGL allocation

### 6.2.1 Measurement scheme

The measurement scheme for the Transportation and Processing System comprises measurement facilities at the following locations:

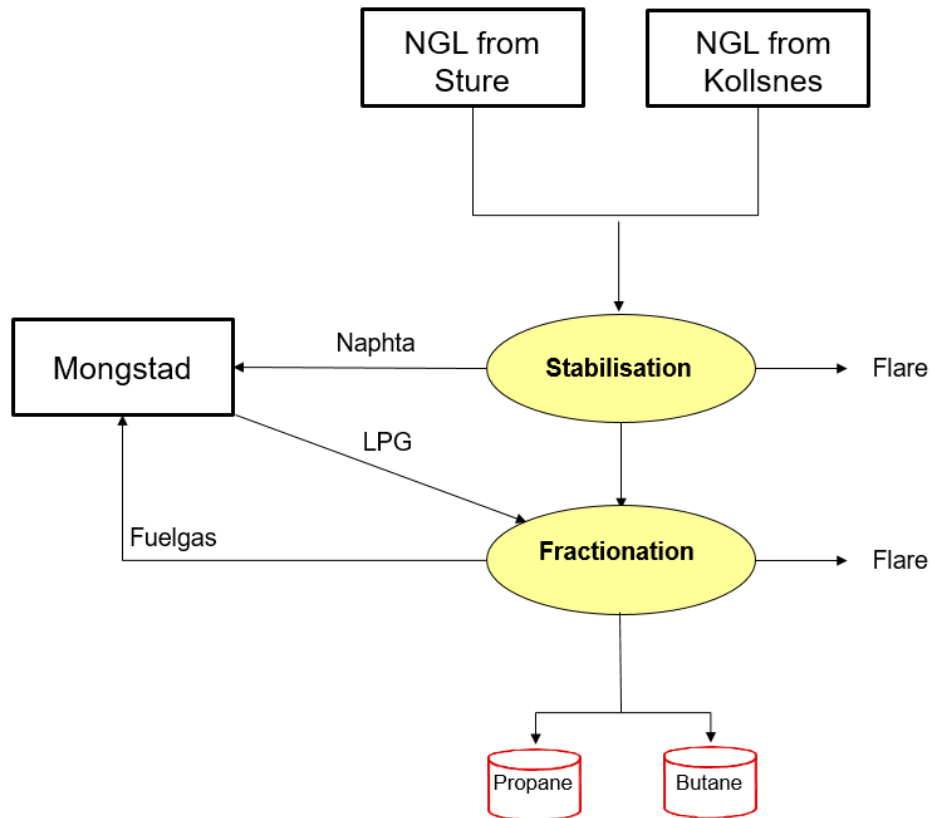
a) At each of the Kollsnes Terminal and Sture Terminals for delivering NGL into Area M and at the Mongstad Refinery for delivering NGL into Area N and at any future connected field and related terminal before the NGL enters the Transportation and Processing System.

b) In the Transportation and Processing System where facilities are provided to measure the:

- Delivery streams of NGL to ships, and into pipelines owned by the Mongstad Refinery
- NGL present in storage caverns
- NGL present in the NGL buffer cavern
- Fuel Gas consumption
- Other streams or storage used in connection with ownership allocation

A principles sketch of the measurement scheme is shown in figure 1 below.

**Figure 1** gives the Transportation and Processing System measurement scheme description.



### 6.2.2 Measuring, sampling and analysis

The Operator shall determine the total mass of each separate stream of NGL as shown in Figure 1 by continuous metering of mass, or using other applicable methods agreed between the Operator and the shippers.

The total mass of each stream of NGL shipped from Area N by vessel shall be determined by metering the mass during loading of vessels.

The Shipper shall, if requested by the Operator, ensure that a verified mass and a representative analysis is obtained from each of the streams from the Shipper's Terminals to determine the Components and any other substances as may be required for purposes of allocation of Shipper's NGL. Such mass and analysis results shall be issued to the Operator within the 1<sup>st</sup> Business Day of the Month succeeding the Month in which the analysis was undertaken, or within such other time as agreed with the Operator.

The Shipper shall ensure that the result of sample analysis at the Shipper's Terminal(s) is reported to the Operator for each Component as described in article 5. The Operator shall use the result of such analysis for accounting and allocation purposes.

### 6.2.3 Allocation of Components

The input stream(s) from the Shipper's Terminal(s) shall be metered and analysed in accordance with article 6.2.1. during each Accounting Period. The

mass of each of the individual Components in a stream shall be equal to the total mass of such stream multiplied by the mass fraction of each Component.

The Shipper's fractional share of a Component in a commingled stream shall be the mass of that Component in the input stream(s) from the Shipper's Terminal, divided by the total mass of that Component for all input streams entering and becoming a part of the commingled streams.

If a Component in the input stream is zero (0) for all Shippers, then a Shipper's fractional ownership of such Component in a commingled stream shall be that Shipper's total mass in the input stream divided by the total mass for all input streams entering into the commingled stream.

When a commingled stream is split into two or more separate streams, the Shipper's fractional share of a Component shall remain the same in each such separate stream.

Ownership of all streams leaving the Transportation and Processing System, including NGL lifted by vessel, shall be determined in accordance with the principles described in the above paragraph.

Allocation of Components shall be based on an accumulated allocation for a calendar year.

#### **6.2.4 Fuel Gas and Replacement Gas**

Any Fuel Gas delivered by the Shipper to Vestprosess, cf. Terms and Conditions Article 8.2, shall be accounted for and debited the Shipper in accordance with the principles set forth in article 6.2.3 above.

Where determinable losses occur, Replacement Gas shall be accounted for and debited the Shipper in accordance with article 6.2.3.

All other losses withdrawn for transportation, processing and handling purposes in the Transportation and Processing System shall be deemed lost for purpose of ownership allocation.

## 7 TABLES

### 7.1 Entry specification for NGL being delivered to Area M

Designation and unit	Specification	Notes
Maximum operating pressure (barg at sea level)		
- Kollsnes	50 <sup>1</sup>	
- Sture	15	
Minimum operating pressure (barg at sea level)		
- Kollsnes	20	
- Sture	10	
Maximum operating temperature (°C)	55	
Minimum operating temperature (°C)	0	
Maximum water content (ppm weight)		
- Kollsnes	40	
- Sture	10	
Maximum carbon dioxide (mole %)	1.00	
Maximum hydrogen sulphide (ppm weight)	2.00	
Maximum mercaptans/COS as sulphur C <sub>4</sub> fraction (ppm weight)	6	
Maximum sulphur C <sub>5+</sub> fraction (weight %)	0.5	
Maximum true vapour pressure at 100 °F (37.8 °C) (bara)	13	2
Maximum residue (375+ °C) (weight %)	5	
Maximum methanol content (ppm weight)		
- Kollsnes	20	
- Sture	60	3
Maximum stable emulsions	None	
Maximum additives	None	1
Maximum metals content (ppm weight)	0.01	
Maximum Glycol (MEG or TEG) (ppm weight)		
- Kollsnes	10	
- Sture	None	1

- (1) No additives without prior consultation with the Operator.
- (2) If NGL are to be redelivered at Exit Point M2 the maximum Reid vapor pressure shall be 1.0 bara at 100 °F (37.8 °C).
- (3) Regardless of the specification the level of methanol delivered into the Transportation and Processing System shall not be detrimental to the integrity nor interfere with the operation of the Vestprosess facilities or the downstream facilities at Mongstad.

Regardless of the above specifications the NGL delivered into the Transportation and Processing System shall not be detrimental to the NGL quality.

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<sup>1</sup> To be finally determined based on studies.



## 7.2 Entry specifications for NGL being delivered at Entry Point N2 and Entry Point N3

Designation and unit	Specification
Maximum operating pressure (barg)	28
Minimum operating pressure (barg)	23
Inlet temperature (°C)	20-40
Maximum hydrogen sulphide (ppm volume)	2ppm (H <sub>2</sub> S neg.)
Maximum mercaptans as sulphur (ppm weight)	10
Maximum other sulphur (including COS) (ppm weight)	10
Maximum methanol content (ppm weight)	10
Maximum amin content (ppm weight)	10
Cu strip corrosion	Negative

Regardless of the above specifications the NGL delivered into Area N shall not be detrimental to the NGL quality.

### 7.3 Exit specifications for Naphtha being redelivered from Area N

Designation and unit	Specification
Outlet operating pressure (barg)	approx.3
Outlet operating temperature (°C)	180-210
Maximum RVP at 100 degr. F (psi)	15
Maximum hydrogen sulphide (ppm wt)	0.3
Maximum mercaptans as sulphur (ppm weight)	6
Maximum sulphur content (weight %)	0.5
Maximum methanol content (ppm weight)	10
Maximum residue 375+ °C (weight %)	5
Maximum metals content (ppm weight)	0.01
Stable emulsions (ppm weight)	None
Additives (ppm weight)	None

Regardless of the above specifications the Stabilised Condensate delivered into the Mongstad Refinery shall not be detrimental to the quality of the Mongstad Refinery Products or interfere with the proper operation of the Mongstad Refinery.

#### 7.4 Exit specifications for Propane and Butane being redelivered from Area N

<b>Designation and unit</b>	<b>Propane</b>	<b>Butane</b>
Maximum methane (mole %)	0.05	0.05
Maximum ethane and ethene (mole %)	2.5	0.1
Minimum Propane and propene (mole %)	95.0	
Maximum Propane and propene (mole %)		1.5
Minimum Butane and butene (mole %)		95.0
Maximum Butane and butene (mole %)	2.5	
Maximum C <sub>5+</sub> (mole %)	0.5	2.0
Maximum unsaturated hydrocarbons (mole %)	1.0	1.0
Maximum vapour pressure at 37.8 °C (kPa)	1435	515
Maximum COS (ppm vol)	5.0	5.0
Maximum sulphur content (ppm weight)	15	15
Copper Strip Corrosion 1h at 37.8 °C	No. 1	No. 1
Maximum "R" number	10	10
Maximum "O" number	33	33
Maximum methanol (ppm volume)	60	20
Free water	None	None

## 7.5 Exit specifications for Fuel Gas being redelivered from Area N

The Fuel Gas shall have a content of C3 and C4 components that is as low as possible taking into account the processing ability of the Transportation and Processing System at any time. Further, the content of C3 and C4 components in the Fuel Gas shall never be higher than what is acceptable, in the sole opinion of Statoil Refining Norway AS, for delivery to, and for the proper operation of, the Mongstad Refinery.

The Fuel Gas shall be free from objectionable odours, materials, waxes, gum and gum forming constituents and dust or other solid matter which might cause damage to or interference with proper operation of the Mongstad Refinery.

**APPENDIX B**

**TO**

**TERMS AND CONDITIONS FOR  
TRANSPORTATION AND PROCESSING OF  
NGL IN VESTPROSESS**

**\*\*\***

**TRANSPORTATION AND PROCESSING  
SYSTEM DESCRIPTION**

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# 1 Vestprosess System Description

The Transportation and Processing System includes, but is not limited to the following facilities:

## 1.1 Area M

- 1.1.1 The Vestprosess Facilities at Kollsnes
- 1.1.2 The Vestprosess facilities at Sture
- 1.1.3 The Vestprosess 12 ¾" pipeline Kollsnes – Mongstad
- 1.1.4 The Vestprosess receiving facilities at Mongstad

## 1.2 Area N stabilisation service

- 1.2.1 The buffer storage (CA-6102)
- 1.2.2 NGL stabilisation equipment (T1104/T-1107)

## 1.3 Area N fractionation, storage and loading service

- 1.3.1 NGL fractionation equipment, storage and export facilities
  - LPG drier packages
  - De-ethaniser (T-1106)
  - Propane/butane (C3/C4)-splitter (T-1108)
  - Propane and Butane storage
  - Refrigeration system
  - NGL export and vapour return system

## 1.4 General

The Transportation and Processing System include capacities and services provided to Vestprosess by the Mongstad Refinery.

## **2 Entry Points and Exit Points**

### **2.1 Entry and Exit Points**

The Entry Points at which the Shipper shall deliver NGL to Vestprosess for transportation and processing are as defined in articles 2.2, 2.3 and 2.4 below.

The Exit Points at which Vestprosess shall redeliver NGL to the Shipper are as defined in articles 2.5, 2.6 and 2.7 below.

Some of the Entry Points and/or Exit Points are area connection points, which is described in order to clarify the battery limits between the different Areas. There will not be any formal delivery or redelivery of NGL at such Entry Points and/or Exit Points.



## 2.2 Entry Point in Area M

### 2.2.1 Entry Point M1 at the Kollsnes Terminal

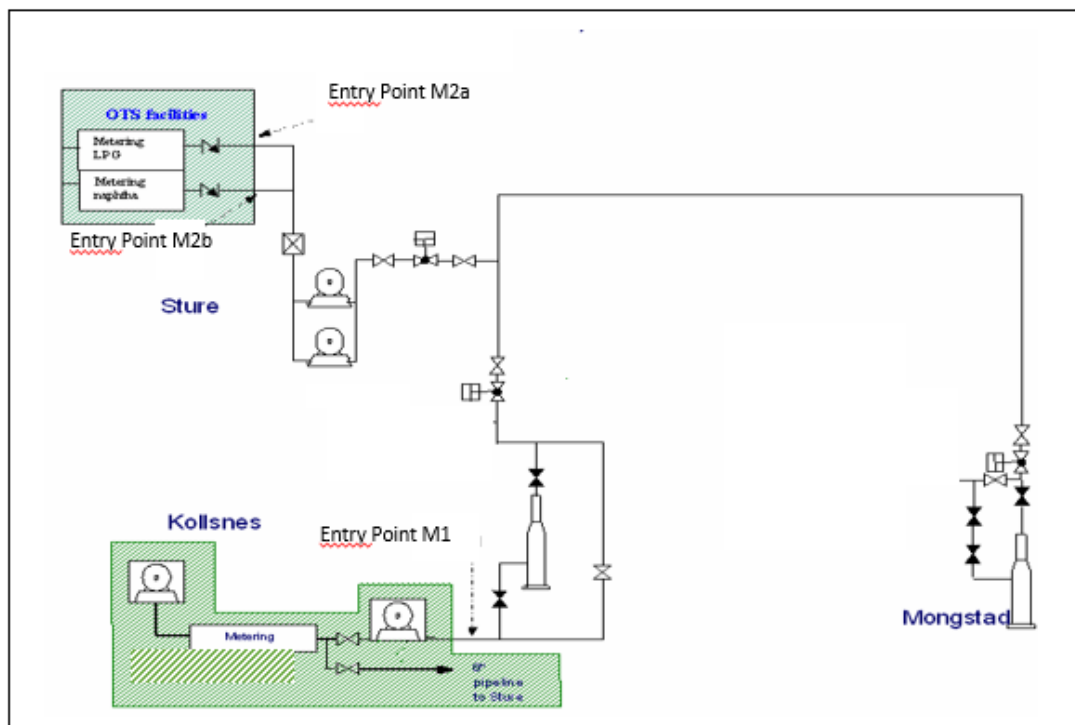
The Entry Point M1 at the Kollsnes Terminal is where the 10" spool line from the Kollsnes pumping and metering facilities connects to the 12 3/4" Vestprosess pipeline downstream outlet of valve XV 5404 as shown in Figure 2.2.1.

### 2.2.2 Entry Points M2 at the Sture Terminal

The Entry Point M2a at the Sture Terminal for NGL is at the outlet of check valve WC 24060 as shown in Figure 2.2.1.

The Entry Point M2b at the Sture Terminal for NGL is at the outlet of check valve WC 24059 as shown in Figure 2.2.1.

Figure 2.2.1



## 2.3 Entry Point in Area N

### 2.3.1 The Entry Point N1 from Area M

The Entry Point N1 for NGL from Area M is at tag 61-PV-394 on the pipeline 8"-PL-61-2101 to the buffer cavern and / or at tag 61-XV-362 on the pipeline 8"-PL-61-2102 as shown in Figure 2.3.1.

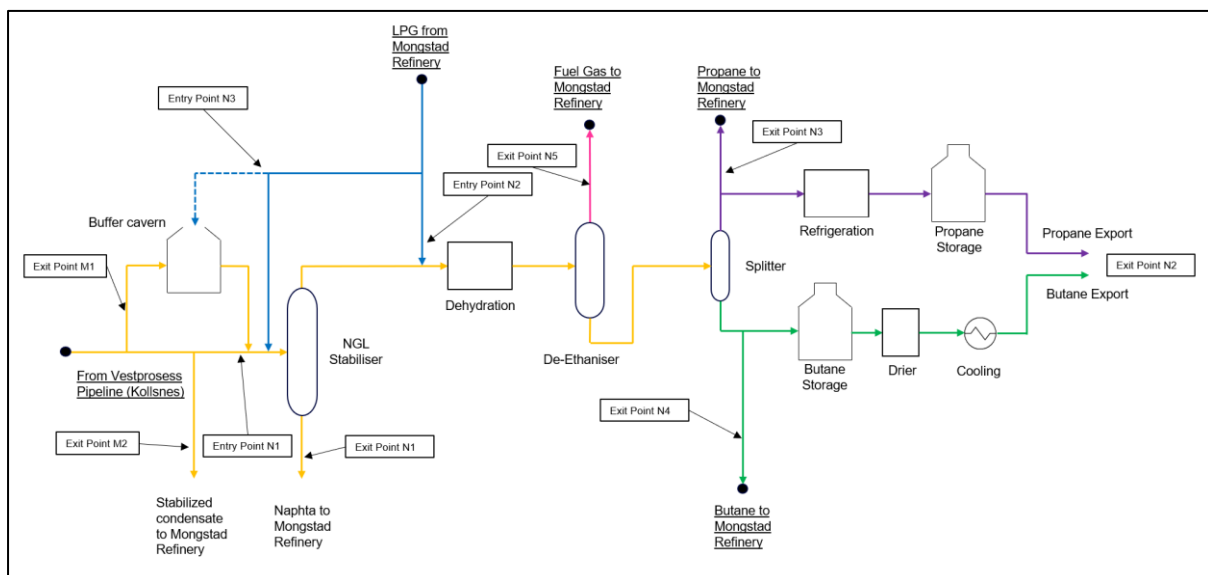
### 2.3.2 Entry Point N2

The Entry Point N2 for NGL from the Mongstad Refinery is at the connection point for the LPG line into the LPG line from D-114 (reflux drum for T-1104) to D-1132 A/B/C (LPG drier package before T-1106) as shown in Figure 2.3.1.

### 2.3.3 Entry Point N3

The Entry Point N3 for NGL from the Mongstad Refinery is at the inlet of NGL stabiliser T-1104 as shown in figure 2.3.1. In extraordinary circumstances the gas can be routed to the buffer cavern Ca-6102, at the manual valve at 3"-PL-11-2620.

Figure 2.3.1



## **2.4 Exit Points in Area M**

### 2.4.1 Exit Point M1 to Area N

The Exit Point M1 for NGL to Area N corresponds to the Entry Point N1 as described in article 2.3.1.

### 2.4.2 Exit Point M2

Exit Point M2 to Mongstad Refinery is only used if Area N is shut down and condensate delivered at this point comply with the additional requirement in note (2) in Table 7.1 in Appendix A. Exit Point M2 to Mongstad Refinery is at manual valve at 8"-PL-61-2014 as shown in Figure 2.3.1.

## 2.5 Exit Points in Area N

### 2.5.1 Exit Point N1 for Naphtha to Mongstad Refinery

The Exit Point N1 for Naphtha to the Mongstad Refinery, is at the E-1121 inlet flange on the naphtha line from T-1104 bottom to T-1105 and at the E-1149 inlet flange on the Naphtha line from T-1107 bottom to T-1105 as shown in Figure 2.3.1.

### 2.5.2 Exit Point N2 for Propane and Butane to ships

The Exit Point N2 for Propane and Butane to ships is at the propane/butane loading arm at Mongstad Refinery jetty no.9 as shown in Figure 2.3.1.

### 2.5.3 Exit Point N3 for Propane to the Mongstad Refinery

The Exit Point N3 for Propane to the Mongstad Refinery is at the tie-in point for the line to the propane line, 3"-PL-11-1733 to the Mongstad Refinery propane spheres as shown in Figure 2.3.1.

### 2.5.4 Exit Point N4 for Butane to the Mongstad Refinery

The Exit Point N4 for Butane to the Mongstad Refinery is at the tie-in point for the line to the Mongstad Refinery butane cavern CA-6103 into the line 4" PL-11-1613 as shown in Figure 2.3.1.

### 2.5.5 Exit Point N5 for Fuel Gas

The Exit Point N5 for Fuel Gas is where the fuel gas line 6''-FG-11-1507 is connected to the fuel gas line 6''-FG-11-5460.

**APPENDIX C**

**TO**

**TERMS AND CONDITIONS FOR**

**TRANSPORTATION AND PROCESSING OF**

**NGL IN VESTPROSESS**

**\*\*\***

**NGL LIFTING PROCEDURE**

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# 1 APPLICABILITY AND DEFINITIONS

## 1.1 Applicability

This NGL Lifting Procedure sets out the operational regulation regarding the Shipper's and Vestprosess' rights and obligations given in the Terms and Conditions.

The Operator will execute Vestprosess' rights and obligations according to this NGL Lifting Procedure.

## 1.2 Definitions

The definitions set out in the Terms and Conditions applies to this NGL Lifting Procedure. In addition, the following terms shall have the meaning ascribed to them below:

1. "Bill Of Lading" shall mean the receipt for the Cargo(es) or Part Cargo(es), and contains among other the quantity loaded for the Shipper.
2. "Cargo" shall mean the quantity of NGL nominated by the shipper/shippers to be loaded on to a vessel and given a single Cargo Reference Number. A Cargo may include two or more Part Cargoes.
3. "Cargo Documents" shall mean the documents described in article 8.2.
4. "Cargo Reference Number" shall mean a sequential number determined by the Operator for each Cargo nominated.
5. "Date Of Loading" shall mean the date of loading given by the Operator in the Lifting Programme as a single date, to be understood as the date with a 24 hours range on each side of the date (3 day period). When the procedure refers to Date Of Loading as meaning one single date this shall mean the date given by the Operator in the Lifting Programme.
6. "Effective Valve Closing Time" shall mean the time required to close the valve if the maximum rate of closure is applied to cover the full stroke.
7. "ETA" shall mean Estimated Time of Arrival for a vessel.
8. "Harbour Regulations" shall mean the "Harbour Regulations Statoil Mongstad Crude oil, products and LPG terminal" as amended from time to time.
9. "Lifting Programme" shall mean the lifting schedule determined by the Operator in accordance with article 3.3.
10. "Master" shall mean the captain on Shipper's vessel.
11. "Maximum Allowed Underlift" shall mean the maximum Underlift the Shipper is allowed to have as determined by the Operator from time to time taking into account the Shipper's share of Working Storage Capacity



and having due regard to all shippers' planned production and forecasted liftings.

12. "Metric Ton" shall mean Metric Ton in vacuum.
13. "Month A" shall mean any of the years 12 months. Month B, C etc. is the following months.
14. "NGL Availability" shall have the meaning as described in article 3.1.
15. "NGL" shall mean the NGL products propane and butane. Specifications for the NGL are given in the Operation Manual.
16. "Notice of Readiness" shall have the meaning as described in article 6.1.
17. "Overlift" shall mean the quantities the Shipper has lifted more than its NGL in storage.
18. "Part Cargo" shall mean a quantity of NGL nominated by the Shipper to be loaded on a vessel together with other Part Cargoes nominated by the Shipper or by another shipper. Part Cargoes will always have the same Cargo Reference Number.
19. "Underlift" shall mean the quantities the Shipper has lifted less than its NGL in storage.
20. "Working Storage Capacity" shall for each NGL product mean the total storage capacity, less cushion gas and safety margins, all as determined by the Operator.

## **2 NGL FORECASTS**

### **2.1 Long term forecasts of NGL redeliveries**

Based on information provided by the Shipper pursuant to the Operation Manual article 2.1, the Operator shall twice a year give to the Shipper the estimated quantities of NGL to be redelivered from the Transportation and Processing System in each Month for the current and the next year, in each quarter for the next succeeding three years, and in each year for the remaining years.

### **2.2 Shipper's NGL Availability and lifting**

In the manner provided in article 3, the Operator will notify the Shipper of the NGL Availability and the Shipper will nominate and lift such quantities of NGL as may be required to keep its product account in balance as closely as feasible, giving due regard to the practical necessity of making available parcel sizes as defined in article 5.1 and consistent with any vessel size within the ranges as defined in the Harbour Regulation. Such nominations and lifting's should be made on an evenly spread basis at all times, but the Shipper will nevertheless be permitted to lift more or less of its estimated NGL Availability within reasonable limits as long as the Overlift or Underlift otherwise meet the requirements of this

NGL Lifting Procedure and is in no way detrimental to the operation of the Transportation and Processing System and / or the requirements of the other shippers. Any Overlift or Underlift shall be brought into balance within a reasonable period of time.

### **2.3 Separate product account**

The Operator shall maintain a separate product account for the Shipper showing the quantity of each NGL allocated or transferred for the account of the Shipper, and debited with the quantity of each NGL lifted, transferred from or otherwise disposed of, on behalf of the Shipper.

The Shipper may transfer a product in storage to another shipper and the product account will be updated accordingly. If both shippers confirm the transaction within the 8<sup>th</sup> Business Day of Month A it will be included in the NGL Availability for Month C. The Operator will not maintain accounts of loan or exchange between the shippers.

### **2.4 Shipper's responsibility**

The Shipper shall ensure that this NGL Lifting Procedure is followed in every respect for its Cargoes loaded, regardless of whether that Cargo is loaded by the Shipper itself or by a Third Party.

## **3 NOMINATION PROCEDURE**

### **3.1 NGL Availability**

No later than the 10<sup>th</sup> Business Day of Month A, the Operator will advise the Shipper of its estimated NGL Availability - by product - for Month C, taking into account all relevant factors, including the forecasted production for Month A, B and C for the Shipper and the estimated Underlift or Overlift position of the Shipper at the end of Month B. At the same time, the Operator will advise the Shipper of its NGL Availability for Months D and E, such quantities will be based on the assumption that there are no Overlift or Underlift at the end of Month C.

### **3.2 Lifting nominations**

#### **3.2.1**

No later than the 3<sup>rd</sup> Business Day of Month B, the Shipper shall advise the Operator of its lifting requirements for Month C; and provide to the Operator the following information - by product, for each Cargo:

- A. Quantity to be loaded in Metric Tons.
- B. Preferred Date Of Loading.
- C. If more than one Part Cargo is intended to be lifted by one vessel.

The Shipper shall take due regard to the requirement in article 3.3.1, third paragraph when informing the operator of its lifting requirements.

If the Shipper does not intend to make a nomination for its NGL Availability for a particular product – the Shipper shall so advise the Operator.

### **3.2.2**

If the Shipper fails to notify in accordance with article 3.2.1 the Shipper shall be deemed to have declined to make any nomination for its NGL Availability, however always subject to article 3.2.3.

### **3.2.3**

If in the Operator's opinion, the storage situation may affect the operation of the Transportation and Processing System and the Shipper have declined, to make any nomination for its NGL Availability in accordance with article 3.2.1, then the Shipper will be deemed to have nominated all or part of such NGL Availability. The Operator shall decide when such NGL Availability shall be lifted and will advise the Shipper accordingly. The Operator's decision will be final.

## **3.3 Lifting Programme**

### **3.3.1**

The Shipper's lifting nominations in accordance with article 3.2, will be balanced against the Lifting Programme and the Operator will, not later than the 12<sup>th</sup> Day of Month B, or if the 12<sup>th</sup> Day is not a Business Day on the first Business Day thereafter, confirm to the Shipper whether or not its lifting nomination is acceptable.

In case the lifting nomination is not acceptable, the Shipper will be informed of the necessary modifications. Such modifications may be required for technical or operational reasons or in the event of conflict with other shippers' nominations. Any lifting decided by the Operator in accordance with article 3.2.3 shall be included in the Lifting Programme.

The Lifting Programme shall be based on that the Shipper lift at least 90 per cent of its NGL Availability each Month. However, the Shipper is not obliged to lift less than 8 000 Metric Ton of the combined Propane and Butane availability. Further, the Shipper is not allowed to lift NGL resulting in an Overlift or Underlift of more than 50 per cent of one Months estimated production of NGL.

The Operator will advise the Shipper of the Date Of Loading, the quantity of each product and the Cargo Reference Number allocated to each Cargo.

### **3.3.2**

If requested by the Shipper the Operator may deviate from the Lifting Programme if practicable and it is not considered detrimental to the operation of the Transportation and Processing System or the nominations of other shippers. When assessing a request for deviation from the Lifting Programme, the Operator will among other consider operational issues such as for example jetty and storage availability and the Shipper's status with respect to Overlift or Underlift.

If the Operator, upon the Shipper's request accepts to deviate from the Lifting Programme, Vestprosess shall not be liable for any cost incurred as a result of the deviation from the Lifting Programme in connection with such lifting.

To the extent two (or more) shippers' nominated liftings for any reason are expected to interfere, a shipper which lifts in accordance with its Lifting Programme shall be given priority before a shipper which deviates from its Lifting Programme.

### 3.3.3

The Operator may, at its discretion due to technical or operational reasons, revise the Lifting Programme. The Operator will keep the Shipper informed about any subsequent changes to the Lifting Programme.

### 3.3.4

In the event of insufficient NGL in stock to load the full cargo allocated to the Shipper in the Lifting Programme, any short-loaded amount will be deducted from the lifted volume of the affected Shipper and added to their respective entitlement for future loadings.

## 3.4 Final Nomination

### 3.4.1

Not less than 10 days before Date Of Loading, the Shipper shall for each Cargo and/or Part Cargo confirm with a final nomination notice to the Operator the following details:

- A. The Cargo Reference Number.
- B. The NGL product to be loaded.
- C. Date Of Loading as per the Lifting Programme.
- D. The quantity to be loaded in Metric Tons. The Cargo quantity must not vary by more than plus or minus 5 per cent from the quantity confirmed in the Lifting Programme.
- E. The name of the vessel and the cubic Cargo capacity (in cubic metres), if available. However, the Operator must receive the name of the vessel and the cubic Cargo capacity not less than 5 days before the Date Of Loading. The vessel must be properly cleared and accepted by the Operator in accordance with article 5 within the same date.
- F. The vessel's tank conditions on arrival and the details of the three last cargoes, if available. However, the Operator must receive the vessels tank conditions and the last three cargoes not less than 5 days before the Date Of Loading.
- G. Final documentation instruction, including consignee and destination, if available. However, the Operator must receive the documentation instruction,

including consignee and destination, at least 2 Business Days before Date Of Loading.

### **3.4.2**

If a Shipper fails to conform to the final nomination requirements in accordance with article 3.4.1, any costs and consequences will be for the Shipper's account. The previous sentence shall apply for all Part Cargos on the vessel if other shippers on the same vessel have not complied with the final nomination requirements in respect of their Part Cargos.

## **3.5 Vessel's ETA**

After the final nomination has been made in accordance with article 3.4, if it becomes apparent that the ETA is expected to be outside the Date Of Loading the Shipper shall immediately advise the Operator. In the same manner, the Operator will immediately advise the Shipper of any events at the Transportation and Processing System which might prevent or delay vessels loading NGL products on the Date Of Loading.

The Shipper shall advise of the vessel's ETA 72, 48, 24 and 12 hours prior to the arrival along with all other information required in the Harbour Regulations. After the initial notification has been made, any change in ETA of more than 12 hours must immediately be advised to the Operator.

If a vessel arrives at the Transportation and Processing System and the Shipper wants to start loading before the Date Of Loading, a request of this must be issued. The Operator will decide from case to case whether the above mentioned request can be effectuated or not.

All notices required according to this article shall conform with the applicable regulations in the Harbour Regulations and must be addressed by the vessel to the vessel's agent, who shall forward this information to the Operator in writing.

## **3.6 Conflicting nominations handling**

In the event that the Operator is unable to accommodate conflicting nominations of two or more shippers, the shipper with the storage account for the NGL in question most in excess of its share of the Working Storage Capacity, at the anticipated date of loading will be allocated such disputed Cargo. The Operator's decision will be final.

## **3.7 Correspondence and Contact Personnel**

### **3.7.1**

All nominations, other correspondence and general queries concerning any aspects of these Lifting Procedures should be addressed as described in this article.

Where a particular day or date is specified in this NGL Lifting Procedure for receipt of nominations (article 3.4), and this day or date falls on a day that is not a

Business Day, such nominations must be received by the last Business Day prior to the day or date specified.

In the event that electronic transfer of data is impossible, then nominations may be made by telephone or by e-mail to the person(s) indicated in article 3.7.2. Verbal nominations shall be confirmed electronically at the first practical opportunity.

### 3.7.2

All nominations, other correspondence and general queries concerning any aspect of this NGL Lifting Procedure shall be addressed to the Product planning department with the following contact details:

Telephone number + 47 476 06 471  
E-mail [monplvp@equinor.com](mailto:monplvp@equinor.com)

Outside normal office hours (08:00 to 15:45 hours CET), or on a day that is not a Business Day all urgent matters which must be dealt with before the next available Business Day, should be handled with the Product planning department with the following contact details:

Telephone number + 47 908 49 215, or

with the shipping coordinator with the following contact details:

Telephone number + 47 56 34 45 27  
E-mail [moskptlx@equinor.com](mailto:moskptlx@equinor.com)

Similarly, the Shipper shall regularly advise of those persons within the Shipper's organisation who can be contacted outside normal office hours.

### 3.8 Independent surveyors

Shipper shall have the right to appoint an independent surveyor at its own cost and expense to verify the quantity and quality of NGL lifted by the Shipper.

## 4 LIFTING OBLIGATIONS

### 4.1 Working Storage Capacity

The NGL production at the Transportation and Processing System is dependent on the production from offshore fields and production at the offshore fields is dependent on the at any time available storage capacity at the Transportation and Processing System. All shipments of NGL from the Transportation and Processing System must therefore be scheduled to control storage capacity within the Working Storage Capacity.

Each shipper's share of the Working Storage Capacity for each NGL product represents such Shipper's percentage share of the NGL product, actual or planned, to be delivered to storage at the Transportation and Processing System for the relevant Month.

## 4.2 Disposal of excess NGL in case of higher production than forecasted

If at any time, in the opinion of the Operator, circumstances indicate a potential shutdown of NGL production due to storage above the Working Storage Capacity caused by higher production than forecasted, the following shall apply:

- i) The Operator shall notify all shippers of the situation as early as possible and request those shippers (including the Shipper, if applicable) having product accounts in excess of their Maximum Allowed Underlift for the NGL product concerned - to lift the approximate quantities of such NGL product as may be required.
- ii) In event the Shipper if requested according to i) above, fails to relieve the excess storage situation within a reasonable time period, taking into account the prevailing circumstances, the Operator shall take whatever steps may be necessary to reduce the storage situation down to the Working Storage Capacity prevailing at the time. The remedies available to the Operator includes the right to sell, flare or otherwise dispose of the excess NGL. In the event that it becomes necessary to dispose of excess NGL in accordance with the foregoing, shippers will - whenever time permits - be given prior notice of such action and in any event, the Operator will keep the Shipper advised of any action taken to relieve the excess storage situation.
- iii) The excess NGL disposed of by the Operator in the manner provided in ii) above shall be debited to the product accounts of those shippers which, at the end of that Month, would have been in excess of their respective Maximum Allowed Underlift position in the proportion that each shipper's excess product account balance bears to the sum of all shippers' excess product account balances.
- iv) The Operator shall charge in the same proportions, any direct documented costs incurred as a result of actions under ii) above to those shippers who are debited the NGL in iii) above. Any revenue resulting from such disposal shall be credited in the same manner.

## 4.3 Disposal of excess NGL due to late arrival of vessel or Shipper's failure to lift

If at any time, in the opinion of the Operator, circumstances indicate a potential shutdown of production caused by an anticipated late arrival of Shipper's vessel or Shipper's failure to lift, the following shall apply:

- i) The Operator shall notify the Shipper of the situation and the consequences thereof and ask the Shipper what remedies the Shipper will use to relive the situation.
- ii) In the event the Shipper fails to relive the excess storage situation within a reasonable time period taking into account the prevailing circumstances, the Operator shall take whatever steps may be necessary to reduce the high storage situation down to the Working Storage Capacity prevailing at the time. The remedies available to the Operator

includes the right to sell or otherwise dispose of the excess NGL. In the event that it becomes necessary to dispose of excess NGL in accordance with the foregoing, the Shipper will - whenever time permits - be given prior notice of such action and in any event, the Operator will keep the Shipper advised of any action taken to relieve the excess storage situation.

- iii) All quantity disposed of in accordance with ii) above shall be debited to the product account of the Shipper, but not greater than the quantity nominated by the Shipper in accordance with article 3.4.1.
- iv) Any documented cost incurred as a result of actions under ii) above shall be charged to the Shipper. Any revenue resulting from such disposal shall be credited to the Shipper.

#### **4.4 Disposal of excess NGL due to other reasons**

If at any time, in the opinion of the Operator, circumstances indicate a potential shutdown of production due to other causes than mentioned in articles 4.2 and 4.3, provisions of article 4.2 shall apply as relevant.

## **5 VESSEL/CARGO SIZE**

### **5.1 Transportation and Processing System regulations**

The Shipper must comply with the provisions of the Harbour Regulations.

For vessels nominated to lift NGL the Shipper shall ensure that the vessels arrive in fully refrigerated condition, if applicable, and in every respect ready to load as specified in the Harbour Regulations.

The Operator will use its reasonable endeavours to accept a vessel that is not in a fully refrigerated condition provided that such acceptance will not be detrimental to the Lifting Programme.

A Cargo must as a minimum be 8 000 Metric Ton of combined Propane and /or Butane.

### **5.2 Vessel acceptance and clearance**

Vessels intended to be used for lifting at the Transportation and Processing System must be accepted by the Operator. The Operator shall confirm acceptance or rejection as soon as practicable possible but no later than within 1 Business Day. The Shipper must thereafter clear the vessel through OceanSmart.

### **5.3 Replacement of nominated vessel**

Notwithstanding article 3.4.2, the Shipper shall have the right to replace a properly nominated vessel with another vessel, provided that Date Of Loading and Cargo quantity to be loaded conforms with the information given in accordance with article 3.4 and the substituted vessel is properly cleared and



accepted in accordance with article 5.2. Such replacement should be notified to the Operator at least 1 Business Day prior to ETA. The Operator may under special circumstances allow substitution of a vessel on shorter notice.

#### **5.4 Nomination outside limitations**

In the event the Shipper wishes to nominate a vessel outside the limitations listed in the Harbour Regulations, then the Shipper must contact the person(s) indicated in article 3.7.2 to determine whether or not the vessel might be accepted for loading at the Transportation and Processing System.

## **6 LOADING CONDITIONS AND REGULATIONS**

### **6.1 Notice of Readiness**

#### **6.1.1**

Upon arrival of the vessel at the Transportation and Processing System, or at the anchorage in the Transportation and Processing System area, the Master or vessel's agent will notify the Operator or its representative, by radio or other electronic communication as approved by the Operator, that the vessel is ready in all respects, to receive the Cargo. Laytime shall begin to run from 6 hours after such Notice of Readiness has been tendered, or upon the vessel being all fast ("completed mooring"), alongside the berth, whichever first occurs, provided that the vessel arrives and tenders Notice of Readiness within the Date Of Loading. The Operator's signature on the Notice of Readiness only indicate receipt of the document and not an acceptance of the vessel as ready to load.

The vessel will not be considered to have tendered Notice of Readiness, unless such vessel is completely ready, in all aspects, and in accordance with the provisions of the Harbour Regulations to receive the Cargo for which the vessel has been properly nominated.

In the event that the vessel is delayed in berthing after tendering Notice of Readiness as above due to restrictions at the Transportation and Processing System, the vessel shall maintain its status as ready to load throughout the period of delay and used laytime or time on demurrage will be counted as described in article 6.3.

#### **6.1.2**

If the vessel arrives at the Transportation and Processing System before the Date Of Loading the Operator shall not be considered to have received the Notice of Readiness tendered by the vessel until 00:01 hours on the first day of the date range within the Date Of Loading, and start of laytime shall not commence before 06:00 hours on that day. However, if the Operator actually commences loading prior to such time, laytime will begin to run from commencement of loading.

**6.1.3**

If the vessel arrives in port after 24:00 hours on the last day of the date range within the Date Of Loading, laytime shall begin to run upon commencement of loading.

**6.2 Laytime allowances**

CARGO SIZE (Sm <sup>3</sup> )	LAYTIME ALLOWANCE (HOURS)
Below 10 000	24
10 000 - 39 999	36
Above 40 000	48

Cargo size in this article means the actual loaded product volume as stated on the Bill Of Lading(s).

**6.3 Adjustment of laytime allowances, used laytime and time on demurrage****6.3.1**

Except as provided in articles 6.3.2 and 6.3.3, the total laytime allowed for loading shall be as stipulated in article 6.2. In the event that two or more products are loaded simultaneously onto the same vessel, then the laytime allowances applicable for each Cargo loaded shall run concurrently. In the event that two or more products are loaded consecutively on to the same vessel, the total laytime allowed for the loading of such vessel will be determined by taking the sum of the respective laytime allowances for each Cargo loaded and deducting from this total the amount of 15 hours.

**6.3.2**

Notwithstanding the above, failure to give 12 hours' notice of vessel's ETA as required in article 3.5 will increase the laytime allowance by 12 hours.

**6.3.3**

Notwithstanding the above, and in order to avoid unacceptable surge pressures within the Transportation and Processing System facilities, it may be necessary to restrict the loading rate to a vessel if such vessel's Effective Valve Closing Time is not compatible with the shore system. Should it be necessary to restrict the loading rate to a rate lower than the applicable "minimum loading rate" stated in the Harbour Regulations, then the additional time taken to load the Cargo will not count as used laytime or time on demurrage.

The additional time taken to load will be the difference between the loading time calculated at the aforementioned "minimum loading rate" - increased by 10 percent to allow for starting/topping off -, and the actual loading time - i.e. commenced loading to completed loading.

**6.3.4**

Notwithstanding the above, any delay due to the vessel's condition or breakdown or inability of the vessel's facilities to maintain its tanks in a suitable condition to load, or to load the Cargo within the time allowed or when loading is delayed or suspended for vessel's purpose, shall not count as used laytime or time on demurrage.

**6.3.5**

All time consumed by the vessel in moving from the anchorage (anchor aweigh), or if the vessel is not at anchorage, from pilot on board to the loading berth (completed mooring), and in discharging ballast water - when not simultaneously with loading Cargo - shall not count as used laytime or time on demurrage except where the allowed laytime is exceeded prior to the commencement of the berthing and/or de-ballasting operations, in which event such operations will count as used laytime or time on demurrage.

**6.3.6**

All time spent alongside the loading berth for the purpose of preparing the vessel's Cargo tanks to a suitable condition for the reception of the Cargo to be loaded shall not count as used laytime or time on demurrage.

**6.3.7**

Where a vessel is delayed in berthing after Notice of Readiness has been correctly tendered in accordance with article 6.1.1, and such delay is caused by circumstances related to the vessel then such delay shall not count as used laytime or time on demurrage.

**6.3.8**

In case two or more Part Cargoes originally planned to be lifted on the same vessel, and given different loading dates, all given loading dates shall be applicable for the purpose of this procedure, except that only the loading date which in time comes last shall apply for calculation of used laytime or time on demurrage.

If requested by the Shipper, the vessel may be berthed more than once.

**6.3.9**

Each vessel shall load Cargo at any safe berth which shall be designated by the Operator. The Operator shall have the right of shifting the vessel from one safe berth to another or anchorage upon payment by Vestprosess of all towage and pilotage shifting to next berth, charges for running lines on arrival at and on leaving that berth, additional agency charges and expense, customs overtime and fees, and any other extra port charges or port expenses incurred by reason of using more than one berth. Time consumed on account of shifting shall count as used laytime or time on demurrage.

If the Operator requires that a vessel be shifted to another safe berth or anchorage due to the vessel not being ready in all respects to receive Cargo and/or due to poor vessel performance and/or for other reasons attributable to the vessel, then all relevant expenses shall be for the account of the Shipper, and all the time

consumed as a result of such shifting shall not count as used laytime or time on demurrage. Supporting documentation will be made available, if required, for the purpose of substantiating the expenses referred to herein.

#### **6.4 Cessation of laytime or time on demurrage**

Laytime or time on demurrage shall cease when the loading arms are disconnected.

#### **6.5 Demurrage**

In the event that the allowed laytime or time on demurrage, as described in article 6.3, is exceeded, Vestprosess shall pay demurrage per running hour, and pro rata for part thereof - for all such excess time.

The demurrage rate applicable shall be as per the actual demurrage rate of the charter party for the lifting in question. If there is no demurrage rate in the charter party, the demurrage rate shall be as per the "Braefoot Bay Assessment" rate for the size of the vessel on the date of completion of loading. If, however, demurrage is incurred as a result of fire, explosion, strike, lockout, stoppage or restraint of labour in or about the loading facilities, or of breakdown of machinery or equipment at the Transportation and Processing System, the rate of demurrage mentioned above shall be reduced by one-half per running hour, or pro rata for part thereof, for demurrage thus incurred.

Vestprosess shall not be liable for any demurrage resulting from delay caused by strike, lockout, stoppage or restraint of labour for Master, officers and crew of the vessel or tugboats or pilots or boatmen or due to weather conditions preventing the operation of the Transportation and Processing System.

If the Operator, upon the Shipper's request accepts to deviate from the Lifting Programme in accordance with article 3.3.2, Vestprosess shall not be liable for any demurrage cost for all Part Cargoes on the vessel.

If a shipper fails to conform to final nomination requirements in accordance with article 3.4.1 item G for any Part Cargo on a vessel, Vestprosess shall not be liable for any demurrage cost for all Part Cargoes on the vessel.

Vestprosess shall not be liable for any demurrage resulting from delay caused by field outages<sup>1</sup>.

#### **6.6 Demurrage claims**

The demurrage rate shall be properly documented when the claim is filed with Vestprosess. Any such claim must be submitted within 90 Days after the Bill Of Lading date or otherwise be regarded as a non-valid claim. The claim must be submitted on a format as requested by the Operator.

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<sup>1</sup> For the avoidance, "field outage" also includes production outage at Kollsnes, Sture and Mongstad refinery.

Demurrage claims shall be confirmed or rejected by the Operator within 2 Months from receipt of the claim.

The term of payment for demurrage claims shall be minimum 14 calendar days from Operator's receipt of invoice.

The cost for demurrage shall be included in the operation cost for Area N.

#### **6.7 Harbour fees and expenses**

The Shipper is obligated to pay harbour fees and expenses as charged by the Operator.

#### **6.8 Inspection of vessel**

Before loading commences of any vessel at the Transportation and Processing System, the Operator shall have the right to inspect such vessel to determine whether or not the vessel complies with the Harbour Regulations. Time for inspection shall not count as used laytime or time on demurrage.

The Operator shall have the right to reject such vessel if it determines that there is a safety risk involved in loading the vessel and/or unacceptable risk of contaminating the Transportation and Processing System.

### **7 BERTHING PRIORITY**

#### **7.1 Arrival within set range**

Vessels which have been nominated in accordance with article 3 and arrive within Date Of Loading will be berthed in order of arrival as evidenced by the time Notice of Readiness has been presented.

#### **7.2 Arrival before set range**

When the arrival of one or both of two accepted vessels occurs before commencement of Date Of Loading and when the order of arrival of the two vessels concerned is in reverse order to the order of their properly nominated dates, then if the prior berthing and loading of the vessel first to arrive would in the view of the Operator be detrimental to the loading of the second vessel, their berthing priorities will be established by applying the following rules:

- i) If one vessel arrives before its Date Of Loading and if the Date Of Loading of such vessel commences after the arrival of the second vessel which is within its Date Of Loading, then priority will be given to the second vessel.
- ii) If two vessels arrive before their respective Date of Loading and if the required product is available for both vessels, then they will be berthed in order of arrival.

- iii) If two vessels arrive before their respective Date Of Loading and if the required product is not available for both vessels, then they will be berthed in the order of their respective Date Of Loading.

### **7.3 Arrival after Date Of Loading**

When a vessel arrives after the expiry of its Date Of Loading, it will be berthed at the earliest possible time which will not be detrimental to the Lifting Programme at the Transportation and Processing System.

### **7.4 The Operator's Right**

The Operator has the right to override the procedures in articles 7.1, 7.2 and 7.3, if necessary due to technical or operational reasons at the Transportation and Processing System, keeping the Shipper advised if time permit.

## **8 DOCUMENTATION PROCEDURE**

### **8.1 Introduction**

The documents listed in article 8.2 will be prepared and distributed by the Operator provided that the Shipper has supplied sufficient information, including document instruction in order for the Operator to produce the applicable documents.

In the event that electronic transfer of data is impossible, then information may be given by telephone or e-mail to the person(s) indicated in article 3.7.2. Verbal information must be confirmed electronically at the first practical opportunity.

### **8.2 Standard set of documents**

A standard set of documents will consist of:

- Bill Of Lading
- Cargo Certificates, which covers:
  - A) "Quantity Certificate"
  - B) "Quality Certificate - Analysis"
  - C) "Origin Certificate"
- "Statement of Facts"
- "Document Transmittal Letter"
- "Document Enclosure and Receipt Form"
- "Vessel's Sailing Advice"

If the Shipper requires additional documents this must be ordered through the Shipper's agent for the Shipper's cost.

Complete sets of documents will be distributed for every shipment of NGL from the Transportation and Processing System. A brief description of the documents follows:

The Bill Of Lading is a receipt for the Cargo(es), and contains a description of the product (quantity) loaded, i.e.:

- Cubic Meters at 15°C
- Metric Tons
- Metric tons in air

The Bill Of Lading figures will be based on metered mass or vessel loading report. (Ref. also article 3.8). An original Bill Of Lading is also a title of ownership of the Cargo(es) that are referred to therein. The Operator will issue one original Bill Of Lading. If additional original Bills Of Lading are required, then they will be issued in accordance with the Shipper's instructions.

The Bill(s) of Lading for each NGL product will be dated when the total quantity of such product has been loaded.

The "Quantity Certificate" is the basis for the Bill Of Lading quantity and states the total volume and weight loaded together with the product density and the basis of measurement used for custody transfer, i.e.;

- calculated on basis of shore quantity measurements, or
- calculated on basis of surveyor's ullage report, or
- calculated on basis of vessel's ullage report

Quantity measurements will be based on computerized loading control and automatic recording of metered quantities together with associated data. ("Shore Metering").

If the Shore Metering system is unavailable, the quantity shall be calculated based on surveyor data, if available.

If surveyor data is unavailable the quantity shall be calculated based on the vessel's ullage report, and the volume of product loaded will be calculated by measurements taken on the vessel before and after loading according to API CHAPTER 17 SECTION 1 GUIDELINE FOR MARINE CARGO INSPECTION.

For the surveyor data or when using the vessel's ullage report, the vessel's experience factor and method 2 in Figure - PROCEDURE FOR CALCULATING VESSEL EXPERIENCE FACTOR in the API Guideline for Marine Inspection shall be used. The density to be determined by the laboratory as decided by the Operator.

The "Quality Certificate - Analysis" will state the compositions and properties of the loaded product by spot samples taken from the jetty loading line at approx. 25 %, 50 % and 75 % of loading, and certificate figures are calculated as an average of the sample results.

The "Origin Certificate" describes the sources of the product and the document is prepared and signed by the Operator.

The “Statement of Facts” is compiled by the Operator from the arrival and departure log maintained at the jetty and in conjunction with the vessel's Master or the Master's representative.

The “Document Transmittal Letter” is the covering letter for a standard set of documents.

The “Document Enclosure and Receipt Form” is a listing of the standard documents issued and the receivers of the respective standard documents.

The “Vessel’s Sailing Advice” is a notice issued electronically listing the following details:

1. Cargo Reference Number
2. Vessel name
3. Time/date departure
4. Product, and loaded temperature
5. Bill Of Lading quantities
6. Density
7. ETA (if known) at destination

This notice will be transmitted by the Operator, according to the document instruction, as soon as possible after the vessel has departed.

Other documents issued by the Shipper’s agent may be included based on request from the Shipper.

### **8.3 Early Departure**

If requested by the Operator the Shipper shall instruct the vessel to leave the jetty prior to receiving the Cargo Documents as further described in the Harbour Regulations. Any additional cost related to issue or re-issue of Cargo Documents due to early departure shall be for the Shipper’s cost, unless the Cargo Documents are delayed caused by the Operator’s IT systems.

### **8.4 Other Documents**

Other documents required for a shipment of NGL from the Transportation and Processing System include the following:

- Notice of Readiness
- Ship/Shore safety checklist
- Cargo Data Sheet
- Agent’s Statement of Facts
- Letter of Protest
- Ullage Reports

A brief description of the documents follows:

Notice of Readiness - This document is prepared by the Master of the vessel and states the time the vessel is ready to start loading.



Ship/Shore safety checklist – This document is signed by the Operator and the Master and states requirements for the vessel for being ready to start loading.

Cargo Data Sheet – This is a document stating details of the product.

Agent’s Statement of Facts – This is a document issued by the Shipper’s agent stating the arrival and departure log and will be signed by the Operator’s representative, the Master and the Shipper’s agent.

Letter of Protest – This is a document issued by the vessel and/or the Operator’s representative stating any disagreement.

Ullage Reports – This is a document issued by the surveyor or vessel stating quantity loaded onboard the vessel.

## **8.5 Documentation related to Part Cargoes**

Separate documentation is required for each Part Cargo.

# **9 QUALITY COMPENSATION PROCEDURE**

## **9.1 Introduction**

Notwithstanding Terms and Conditions Article 10.1 and 10.3, in case the NGL delivered hereunder does not meet the Specifications as described in Operations Manual, article 7.3 and 7.4, the Shipper may claim compensation in accordance with the provisions of this article 9.

## **9.2 Documentation and information**

All quality compensations shall be subject to verified product quality specifications as documented in the Quality Certificate provided by the authorised laboratory at Mongstad Refinery.

If a result is disputed, the Shipper may initialise a re-evaluation of the sample at the laboratory at Mongstad Refinery. Such re-evaluation will be at the sole costs and expenses of the Shipper.

Product quality compensation shall not be subject to test figures arising from the discharging of the vessel in question, nor from any other terminal or external body nominated by the Shipper or by the receivers.

## **9.3 Compensation and claims handling**

Compensation for NGL according to this procedure shall be limited to direct losses incurred by the Shipper and shall not exceed a total amount of 1 million USD.

Claims, including full documentation, shall be submitted within 90 Days after the Bill of Lading date or otherwise be regarded as a non-valid claim.

The Shipper shall verify its actual losses from price discounts and / or additional freight costs prior to receiving compensation.

The Shipper shall verify that attempts have been made to minimise the losses.

#### **9.4 Payment and accounting**

Compensation shall be confirmed or rejected by the Operator within 1 Month from receipt of claim.

The costs for quality compensation shall be included in the operational cost for Area N.