



Pipeline System Rules – QCLNG Pipeline

Version 1

Issued by QCLNG Pipeline Pty Limited

These Pipeline System Rules apply to the QCLNG natural gas pipeline system linking the Surat Basin to the QCLNG plant at Curtis Island, Gladstone.

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Amendment Record

Version of Rules	Effective Date
Version 1	8 December 2014

Transporter confirms that this document is the Pipeline System Rules for the Pipeline System and that all Pipeline Shippers as at the Effective Date have signed a PSR Acknowledgement applicable to this version of the Rules.

SIGNED by

[Redacted]

as authorised representative for
Transporter in the presence of:

[Redacted]

Signature of witness

[Redacted]

Name of witness (block letters)

[Redacted]

By executing this document the
signatory warrants that the signatory is
duly authorised to execute this
document on behalf of the Transporter.

Pipeline System Rules – QCLNG Pipeline

Details

Persons to whom these Rules apply

Transporter	Name	QCLNG Pipeline Pty Limited
	ABN	69 140 760 612
	Address	Level 30, 275 George Street Brisbane, Queensland
	Fax	+61 7 3024 8088
	Attention	[REDACTED]
	Email	[REDACTED]
	Key Notice Recipient	[REDACTED]

Pipeline Shippers	Each Pipeline Shipper set out in Schedule 1 .
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Recitals	<p>A Each of the Pipeline Shippers has entered into a separate Gas Transportation Agreement with Transporter to utilise the Pipeline System.</p> <p>B Under each Gas Transportation Agreement, the Pipeline Shipper and the Transporter agree to comply with the Pipeline System Rules.</p> <p>C The purpose of the Pipeline System Rules is to ensure that certain operational and administrative matters relating to the Pipeline System are dealt with consistently under all Gas Transportation Agreements and to facilitate new pipeline shippers entering into Gas Transportation Agreements to utilise the Pipeline System.</p> <p>D This document sets out the Pipeline System Rules.</p>
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Business Day place(s)	Brisbane, Australia
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Pipeline System Rules – QCLNG Pipeline

General terms

1 Interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Amendment Record means the section of these Rules headed “Amendment Record”.

Annual SUG Estimate has the meaning given in clause 6.4.

APPEA means the Australian Petroleum Production & Exploration Association Limited.

As-Available Transportation Service comprises in respect of a Gas Day:

- (a) the receipt, by the Transporter, of Gas at the Receipt Points; and
- (b) the transportation of the Gas referred to in paragraph (a); and
- (c) the delivery, by the Transporter, of Gas at the Delivery Points,

to the extent there is spare Capacity in each case after scheduling nominations for that Gas Day for Pipeline Services which have a higher Priority of Service. Transporter must, on each Gas Day, provide the As-Available Transportation Service to the Pipeline Shipper in accordance with the Confirmed Nomination for that Gas Day.

Associated Pipeline Infrastructure means associated infrastructure owned by the Transporter required to operate and maintain the pipeline including mainline valves, scraper stations, receipt and delivery stations with filtering, metering and gas quality equipment, cathodic protection, communication facilities, control room and access tracks.

Authorised Officer means a director or secretary of a Party or any other person appointed by a Party to act as its authorised officer for the purposes of this Agreement.

Base Linefill has the meaning given in clause 7.1 (and to avoid doubt excludes System Use Gas and Operational Linepack).

Blending Right Proposal has the meaning given in clause 12.1.

Blending Shippers has the meaning given in clause 12.1.

Blending Right has the meaning given in clause 12.1.

Business Day means a day other than a Saturday, Sunday or public holiday in Brisbane.

Capacity means the ability of the Pipeline System to receive, store, transport or deliver Gas (as the context requires).

CF Co means QCLNG Common Facilities Company Pty Ltd (ACN 139 569 485).

Claim includes any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

Collection Header means the 42" (DN1050) pipeline system running nearly 200km along the coal seam fields from Ruby (south-west from Dalby) to Woleebee Creek (south-west of Wandoan).

Confirmed Delivery Nomination means a notice setting out:

- (a) the amount of Gas that Transporter confirms will be scheduled for delivery to a Delivery Point on behalf of a Pipeline Shipper; and
- (b) the proportions in which that Gas will be allocated to the relevant Pipeline Services.

Confirmed Nomination means a Confirmed Delivery Nomination or a Confirmed Receipt Nomination.

Confirmed Receipt Nomination means a notice setting out:

- (a) the amount of Gas that Transporter confirms will be scheduled for receipt at a Receipt Point on behalf of a Pipeline Shipper; and
- (b) the proportions in which that Gas will be allocated to the relevant Pipeline Services.

Consolidation Application has the meaning given in clause 14.5(a).

Contract Shipper has the meaning given in clause 4.5.

Contract Year means a one year period beginning at 8:00 am on 1 January and ending immediately prior to 8:00 am on the next succeeding 1 January, except for the:

- (a) first Contract Year, where the period begins on the date of Train 1 First Commercial Delivery Date and ends immediately prior to 8:00 am on the next succeeding 1 January; and
- (b) final Contract Year, which will end at 8:00 am on the date these Rules expire or terminate in accordance with their terms.

Corporations Act means the *Corporations Act 2001* (Cwth).

Cumulative Imbalance means the cumulative total of a Pipeline Shipper's Daily Imbalances for all Gas Days.

Curtailment means a reduction in the provision of a Pipeline Service in accordance with a Gas Transportation Agreement, and **Curtail** and **Curtailed** have a corresponding meaning.

Daily Imbalance means, in respect of a Pipeline Shipper, the quantity calculated as follows:

- (a) the quantity of Gas received from the relevant Pipeline Shipper across all Receipt Points during that Gas Day; less
- (b) the quantity of Gas delivered to the relevant Pipeline Shipper across Delivery Points during that Gas Day; less

- (c) the relevant Pipeline Shipper's allocation, based on that Pipeline Shipper's contribution to, or responsibility for, Off-Specification Gas, of all gas vented by Transporter during that Gas Day as part of managing Off-Specification Gas in the Pipeline System; and
- (d) if Transporter determined in accordance with these Rules that:
 - (i) Shipper was required to provide System Use Gas and/or Operational Linepack, then less the System Use Gas and Operational Linepack received from Shipper across all Receipt Points during that Gas Day; and
 - (ii) Shipper was required to take delivery of System Use Gas and/or Operational Linepack, then plus the System Use Gas and Operational Linepack delivered to Shipper across all Delivery Points during that Gas Day.

Delivery Point means a Delivery Point listed in **Schedule 2**.

Details means the section in these Rules headed "Details".

Dispute means any dispute or difference of whatsoever nature arising under, out of, in connection with or in relation (in any manner whatsoever) to a Gas Transportation Agreement between one or more of the Pipeline Shippers and the Transporter, including:

- (a) any dispute or difference concerning the initial or continuing existence of a Gas Transportation Agreement or any provision of it, or as to whether a Gas Transportation Agreement or any provision of it is invalid, illegal or unenforceable (whether initially or otherwise); or
- (b) any dispute or Claim which is ancillary or connected, in each case in any manner whatsoever, to the foregoing.

Dispute Notice has the meaning given in clause 14.2(a).

Disputing Parties has the meaning given in clause 14.1.

Domestic Gas Shippers has the meaning given in clause 4.5.

Effective Date means the effective date for a version of these Rules as specified in the Amendment Record.

Expert means:

- (a) in the case of a Technical Dispute, a Technical Expert as agreed upon between the Disputing Parties;
- (b) in the case of a Financial Dispute, a Financial Expert as agreed upon between the Disputing Parties; or
- (c) in the case of any Dispute other than a Technical Dispute or a Financial Dispute, an Independent person with appropriate qualifications and experience agreed upon between the Disputing Parties,

or, if the Disputing Parties fail to agree, as otherwise determined under clause 14.3(d).

Export Pipeline means the 42" (DN1050) pipeline running nearly 342 Km that starts near Wandoan and follows a north easterly route to its end point on Curtis Island.

Financial Dispute means any Dispute relating only to matters involving financial calculations or payments which are capable of determination by audit or reference to applicable accounting procedures.

Financial Expert means an Independent person who is a chartered accountant and has at least ten years' experience in the field to which the Financial Dispute relates.

Firm Basis means, in respect of any Pipeline Service, where the Transporter has an absolute obligation to supply that Pipeline Service as nominated for a stated Capacity but does not include an As-Available Transportation Service.

Firm Park Service means a service for the purposes of the QCLNG Project comprising the right to store Gas in the Pipeline System up to a stated Park Capacity and which has priority over other storage services including services provided by Transporter under the Firm Park Service Agreement.

Firm Park Service Agreement means an agreement for the provision of Firm Park Services including Park Service Agreement 5-02.

Firm Park Shippers has the meaning given in clause 4.5.

Firm Transportation Service comprises in respect of a Gas Day the provision and use of Capacity in the Pipeline System:

- (a) the receipt, by the Transporter, of quantities of Gas from a Pipeline Shipper at the Receipt Points, not exceeding that Pipeline Shipper's GTA Receipt Point MDQ plus any System Use Gas;
- (b) the transportation of the Gas referred to in paragraph (a), which does not exceed the Pipeline Shipper MDQ, on a Firm Basis; and
- (c) the delivery, by the Transporter, of quantities of Gas to the Pipeline Shipper at the Delivery Points, not exceeding that Pipeline Shipper's GTA Delivery Point MDQ,

as scheduled with the Priority of Service (if applicable). Transporter must, on each Gas Day, provide the Firm Transportation Service to the Pipeline Shipper as validly nominated by the Pipeline Shipper. To avoid doubt, Transporter will not have complied with its obligations to provide the Firm Transportation Service where it has given a Confirmed Nomination that is less than a valid nomination by the Pipeline Shipper for that service unless such reduction is due to permitted curtailments in accordance with the relevant Gas Transportation Agreement.

Force Majeure means any event or circumstance which:

- (a) is beyond the reasonable control of either Transporter (including any Pipeline Operator) or Pipeline Shipper, whichever is affected by such event;
- (b) could not be avoided or prevented with due care and at reasonable expense by the Party (including in the case of the Transporter, any Pipeline Operator) claiming that a Force Majeure has occurred; and
- (c) prevents or delays, in whole or in part, the performance of any one or more of the obligations of Transporter (including any Pipeline Operator) and/or Pipeline Shipper under these Rules.

Foundation Shippers has the meaning given in clause 4.5.

Foundation Shipper GTA means any Gas Transportation Agreement between Transporter and a Foundation Shipper.

Gas means any hydrocarbons in a gaseous state (including coal seam gas) and any mixture of one or more hydrocarbons in a gaseous state that may contain other gases (including the residue resulting from treatment or processing).

Gas Day means a period of 24 consecutive hours beginning at 8:00am Australian Eastern Standard Time.

Gas Specification means, subject to clause 11 the Gas Specification set out in Schedule 7.

Gas Transportation Agreement means an agreement between Transporter and a Pipeline Shipper for the provision of Pipeline Services.

General Terms means the section of these Rules headed "General Terms".

Good Industry Practice means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled, competent and experienced person acting in good faith and carrying out the same type of activity under the same or equivalent circumstances in a similar location and acting generally in accordance with all relevant Laws, and good and prudent management and operating methods, practices and standards, including Australian Standard AS 2885 (Pipelines – gas and liquid petroleum).

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Gross Negligence means, in relation to an act or omission of any person, the undertaking of such act or the making of such omission by such person in a manner which is negligent and which shows an objectively reckless disregard of the high degree of risk to persons or property and/or the reasonably likely consequences of undertaking such act or making such omission in such a manner, but will not include an error of judgement or mistake made in good faith, nor any act or omission which is (directly or indirectly) attributable to any breach or negligence on the part of any other person or of such other person's Related Bodies Corporate or Representatives.

GTA Delivery Point MDQ means, in respect of a Pipeline Shipper, the maximum quantity of Gas the Pipeline Shipper has a right to take delivery of from Transporter at that Delivery Points on a Firm Basis in a Gas Day under all Gas Transportation Agreements held by that Pipeline Shipper as set out in **Schedule 2**.

GTA Receipt Point MDQ means, in respect of a Pipeline Shipper, the maximum quantity of Gas the Pipeline Shipper has a right to require Transporter to receive at Receipt Points on a Firm Basis in a Gas Day under all Gas Transportation Agreements held by that Pipeline Shipper as set out in **Schedule 2**.

ICC means the International Chamber of Commerce.

ICC Rules means the ICC Rules of Arbitration.

Imbalance Correction Notice means a notice issued by Transporter to a Pipeline Shipper which requires that Pipeline Shipper to bring its Cumulative Imbalance within the relevant imbalance tolerance set out in that Pipeline Shipper's Gas Transportation Agreement.

Independent means:

- (a) in respect of a natural person, a person who has not at any time in the previous six years been an employee or director of any Party or any of their respective Related Bodies Corporate and who does (and, in the previous two years, did) not:
 - (i) directly hold any significant financial interest in; or
 - (ii) have any agreement or arrangement with significant financial value with,

any Party or any of their respective Related Bodies Corporate; and
- (b) in respect of any other entity (including a partnership), an entity whose senior personnel directly engaged in the relevant role for purposes of these Rules are persons of the type described in paragraph (a).

Initial Pipeline System means a 42" (DN1050) pipeline system comprised of:

- (a) the Export Pipeline;
- (b) the Collection Header; and
- (c) Associated Pipeline Infrastructure.

as described in **Schedule 6**.

Interruptible Transportation Service comprises in respect of a Gas Day:

- (a) the receipt, by the Transporter, of Gas at the Receipt Points;
- (b) the transportation of the Gas referred to in paragraph (a); and
- (c) the delivery, by the Transporter, of Gas at the Delivery Points,

to the extent there is Capacity in each case after scheduling nominations for that Gas Day for Pipeline Services which have a higher Priority of Service. Transporter must, on each Gas Day, provide the Interruptible Transportation Service to the Pipeline Shipper in accordance with the Confirmed Nomination for that Gas Day except that Transporter may interrupt the Interruptible Transportation Service to the Pipeline Shipper (notwithstanding the Confirmed Nomination) if a Pipeline Shipper requests a higher priority Pipeline Service on the Gas Day and Transporter reasonably considers it is unable to provide that higher priority Pipeline Service without interrupting the Pipeline Shipper's Interruptible Transportation Service.

Joinder Application has the meaning given in clause 14.6(c).

Law means any decree, resolution, law, common law, principles of equity, statute, act, ordinance, rule, directive, order, treaty, code or regulation and any injunction or final non-appealable judgment or any interpretation of the foregoing, as enacted, issued or promulgated by any Government Agency, including amendments, modifications, extensions, replacements or re-enactments thereof.

Legacy Points means those Receipt Points and Delivery Points indicated as 'legacy points' in **Schedule 2**.

Legacy Point Shipper means the Pipeline Shipper who under the terms of a Gas Transportation Agreement, is entitled to utilise Pipeline Services via a Legacy Point.

LNG means processed and liquefied Gas which is in a liquid state at or below its boiling point and at or near a pressure of approximately one atmosphere.

LNG Plant means all of the Trains and related facilities existing on the Site from time to time, together with all its associated facilities, both inside and outside the plant, including liquefaction trains, storage tanks, utilities, jetty, berthing and port facilities, any additions, expansions or modifications thereto.

Lost Gas means gas that is lost as a result of Transporter's Gross Negligence, Wilful Misconduct or failure to comply with its obligations under these Rules.

MDQ means the maximum quantity of Gas to be transported and delivered through the Pipeline System on a Firm Basis in a Gas Day, calculated in accordance with the provisions of the applicable Gas Transportation Agreement, expressed as a quantity in TJ per Gas Day, and to avoid doubt excludes quantities of Gas supplied using an As-Available Transportation Service or an Interruptible Transportation Service.

Measurement Equipment means all equipment used to measure the physical quantity or quality of Gas received by the Pipeline System at a Receipt Point and delivered at the Delivery Point and all ancillary equipment required to test and maintain the reliability and calibration accuracy of that equipment, the specifications of which are set out in section 1 of **Schedule 3**.

Mismeasurement Notice has the meaning given in clause 5.3.

Off-Specification Gas means Gas which fails to meet the Gas Specification.

Operational Flow Order has the meaning given in clause 8.1.

Operational Linepack means the minimum quantity of linefill needed in excess of Base Linefill for:

- (a) the safe, efficient and physical operation of the Pipeline System in accordance with Good Industry Practice, and
- (b) the performance of the Gas Transportation Agreements including meeting the confirmed nominations and reasonably anticipated nominations for Firm Transportation Services on a Gas Day,

and to avoid doubt excludes:

- (c) Base Linefill;
- (d) the aggregate net positive imbalances attributable to Pipeline Shippers; and
- (e) the aggregate of all System Use Gas held in the Pipeline System that has been received from Pipeline Shippers into the Pipeline System but not yet utilised by Transporter.

Operational Notices Schedule has the meaning given in clause 15.7.

Park Capacity means the maximum quantity of Gas that may be stored in the Pipeline System on a Gas Day, calculated in accordance with the provisions of the applicable Gas Transportation Agreement or Firm Park Service Agreement (as applicable), expressed as a quantity in TJ for a Gas Day.

Park Service means a service comprising the right to store Gas in the Pipeline System up to a stated Park Capacity excluding Firm Park Services.

Park Shippers has the meaning given in clause 4.5.

Parties means the Transporter and all Pipeline Shippers and **Party** has a corresponding meaning.

Pipeline Operator means a person who has:

- (a) the physical capacity (including by means of a control room and SCADA system); and
- (b) the legal power (including as owner or by power subcontracted or delegated under an operating agreement),

to control the flow of Gas on the Pipeline System by means of the mainline valves situated on the Pipeline System.

Pipeline Services means Gas receipt, transportation, delivery and related services (including storage) provided by means of the Pipeline System.

Pipeline Shippers comprise the Foundation Shippers, the Domestic Gas Shippers, the Firm Park Shippers, the Contract Shippers and the Park Shippers as set out in **Schedule 1** from time to time.

Pipeline System means the Initial Pipeline System together with any changes to the Initial Pipeline System from time to time, including as a result of expansions or replacements and any new Associated Pipeline Infrastructure, but excludes new laterals and tie-ins.

Pipeline System Rules or Rules means this document.

Priority of Service means that the supply of Gas will be ceased or reduced in accordance with any Curtailment or during a period during which Pipeline Services are suspended in connection with Force Majeure, as set out in clause 9.

PSR Acknowledgement means a document in form of Annexure A signed by a Pipeline Shipper.

QCLNG Land Co means QCLNG Land Pty Ltd (ACN 135 148 506).

QCLNG Project means the Queensland Curtis LNG project to be constructed and operated on Curtis Island in Gladstone Harbour, Queensland, Australia and the related ventures in respect of the exploration for, and production, processing, transportation and marketing of gas to produce and supply LNG on or from Curtis Island.

Receipt Point means a Receipt Point listed in **Schedule 2**.

Related Body Corporate has the meaning given in the Corporations Act.

Related Proceedings has the meaning given in clause 14.5(a).

Representative of a Party means an employee, agent, officer, or secondee of that Party or of a Related Body Corporate of that Party.

Seabed Lease means the State lease of part of the Port of Gladstone from the State of Queensland to QCLNG Land Co to be sublet to CF Co pursuant to the Seabed Sublease.

Seabed Sublease means the sublease by QCLNG Land Co to CF Co of all of that part of the Port of Gladstone leased by the State of Queensland to QCLNG Land Co pursuant to the Seabed Lease and to be used for the development of a wharf and associated infrastructure for purposes of the QCLNG Project.

Site means the site comprising:

- (a) the freehold land comprising, as at the date of these Rules, Lot 2 on SP 228454, County of Deas Thompson, Parish of Curtis, owned or to be owned by QCLNG Land Co and leased to CF Co pursuant to the Site Lease; and
- (b) the state leasehold land to be created within the port adjoining Lot 2 on SP 228454 and the esplanade, leased by the State of Queensland to QCLNG Land Co pursuant to the Seabed Lease and sublet to CF Co pursuant to the Seabed Sublease,

and any land leased or acquired by QCLNG Land Co or CF Co located at or adjacent to the site areas described in paragraphs (a) and (b), all designated for development of the QCLNG Project.

Site Lease means the lease dated 30 November 2010 between CF Co and QCLNG Land Co, pursuant to which CF Co acquires a leasehold interest in the freehold land comprising, as at the date of these Rules, Lot 2 on SP 228454, County of Deas Thompson, Parish of Curtis, owned or to be owned by QCLNG Land Co.

SUG Difference has the meaning given in clause 6.10(a).

System Use Gas means the quantity of Gas used in the operation of the Pipeline System, including:

- (a) Gas used as fuel for compressors and other equipment relating to the transport of Gas;
- (b) Gas lost or not accounted for in connection with the operation of the Pipeline System;
- (c) Gas recorded as lost or gained due to standard metering errors; and
- (d) Gas for routine, regular maintenance including facilities maintenance blow-down,

but does not include:

- (e) Base Linefill;
- (f) Operational Linepack; or
- (g) Lost Gas.

System Use Gas Contribution has the meaning given in clause 6.6.

Technical Dispute means a Dispute involving only issues of a technical nature which are capable of determination by reference to engineering or scientific knowledge or practice.

Technical Expert means an Independent person who has at least ten years' experience in the field to which the Technical Dispute relates.

Train means a natural gas liquefaction unit constructed at the Site and includes facilities and infrastructure directly attributable to such natural gas liquefaction unit, including refrigerant systems and refrigerant compression systems, but expressly excludes any common facilities.

Train 1 means a liquefaction unit located at the part of the Site designated for the development of Train 1 and labelled as the "**Train 1 Site**" on the plans relating to the Site.

Train 1 First Commercial Delivery Date means the commencement (or the deemed commencement) of commercial deliveries of LNG from Train 1.

Transition Period means a period of 2 years commencing on the Train 1 First Commercial Delivery Date.

Wilful Misconduct means an intentional and conscious disregard of any obligation owed by the relevant person, but does not include any act or omission which is (directly or indirectly) attributable to any breach or negligence on the part of any other person or such other person's Related Bodies Corporate or Representatives.

1.2 General interpretation

(a) Unless the contrary intention appears a reference in these Rules to:

- (i) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in, or an annexure or schedule to these Rules;
- (ii) **(variations or replacement)** a document (including these Rules) includes any variation or replacement of it;
- (iii) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (iv) **(singular includes plural)** the singular includes the plural and vice versa;
- (v) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association or any Government Agency;
- (vi) **(administrators and successors)** a particular person includes a reference to the person's administrators, successors, permitted substitutes (including persons taking by novation) and permitted assigns;
- (vii) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (viii) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;

- (ix) **(reference to a day)** a day (other than a Gas Day) is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
 - (x) **(accounting matters)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices customary in the gas industry and generally accepted in Australia;
 - (xi) **(from time to time)** a power, an authority, or a discretion given to a Party or any other person may be exercised at any time and from time to time;
 - (xii) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
 - (xiii) **(meaning not limited)** the words "include", "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
 - (xiv) **(time of day)** time is a reference to Brisbane, Australia time; and
 - (xv) **(dollars)** AUD or A\$ is a reference to the lawful currency of Australia; and USD or US\$ is a reference to the lawful currency of the United States of America;
- (b) **(Ambiguity)** If there is any ambiguity, inconsistency, discrepancy or conflict between the General Terms of these Rules and any schedule or annexure to these Rules, the General Terms will prevail;
 - (c) **(Language)** The language which governs the interpretation of these Rules is the English language;
 - (d) **(Other words)** Words not otherwise defined in these Rules which have well-known and generally accepted technical or trade meanings are used herein in accordance with such meaning;
 - (e) **(Pro-rata)** Where a quantity of Gas is expressed to be:
 - (i) "per annum"; or
 - (ii) for any Contract Year,
 such quantity or volume will be reduced pro rata for any Contract Year which does not consist of a full calendar year;
 - (f) **(Quantities)** Unless otherwise stated, references to quantities of Gas in these Rules are to be determined in GJ; and
 - (g) **(Gross Negligence and Wilful Misconduct)** To avoid doubt, the fact that a Person on secondment to a relevant entity is a Representative of another entity will not prevent the act or omission of that Person from being considered to be Gross Negligence or Wilful Misconduct (as applicable) of the first mentioned entity.

1.3 Annexures and schedules

A reference to these Rules includes the annexures and schedules to the extent they are expressly incorporated by the terms of these Rules.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are inserted for convenience and do not affect the interpretation of these Rules.

1.5 Volume, energy and pressure units

These meanings apply unless the contrary intention appears:

- (a) **Joule or J** means a unit of energy as defined in Australian Standard AS ISO 1000-1998;
- (b) **MJ** means one megajoule and is equal to one million Joules;
- (c) **GJ** means one gigajoule and is equal to one thousand MJ;
- (d) **TJ** means one terajoule and is equal to one thousand GJ;
- (e) **PJ** means one petajoule and is equal to one thousand TJ;
- (f) **MMBtu** means one million British Thermal Units;
- (g) **kPa** means one kilopascal and is equal to one thousand pascals as defined in Australian Standards AS ISO 1000-1998, and unless otherwise specified, refers to a gauge pressure in excess of the prevailing atmospheric pressure; and
- (h) **MPa** means one megapascal and is equal to one thousand kPa.

2 Purpose

2.1 Common rules

The purpose of these Pipeline System Rules is to provide a common set of rules for Transporter and all Pipeline Shippers in relation to certain operational and administrative matters relating to the Pipeline System so as to facilitate:

- (a) the safe, efficient and physical operation of the Pipeline System;
- (b) the operation of the Pipeline System in a manner that is fair and equitable to all Pipeline Shippers; and
- (c) Transporter entering Gas Transportation Agreements with new shippers.

2.2 Status

- (a) These Pipeline System Rules:
 - (i) create binding rights and obligations as between Transporter and each Pipeline Shipper in accordance with a relevant Gas Transportation Agreement; and
 - (ii) are not intended, of themselves, to create binding rights and obligations as between a Pipeline Shipper and any one or more other Pipeline Shippers.
- (b) A Pipeline Shipper is not liable to another other Pipeline Shipper for a breach of these Rules and to the maximum extent permitted by law, each Pipeline Shipper releases all rights, and undertakes that it will not take any action or make any claim against any another Pipeline Shipper for a breach of these Rules.
- (c) Clause 2.2(b) does not limit, or release a Pipeline Shipper from, any common law duty of care which a Pipeline Shipper may owe to another Pipeline Shipper.

3 Effective Date

- (a) Each version of the Pipeline System Rules takes effect from the Effective Date for that version set out in the Amendment Record.
- (b) The Transporter may only amend the Amendment Record if **clause 4.3** has been complied with.

4 Gas Transportation Agreements

4.1 Gas Transportation Agreements

Transporter must not provide Pipeline Services to a person unless that person has executed:

- (a) a Gas Transportation Agreement; and
- (b) a PSR Acknowledgement.

4.2 Mandatory provisions for GTAs

Transporter must ensure each Gas Transportation Agreement is consistent with the following requirements:

- (a) provide that to the extent there is any inconsistency between the Pipeline System Rules and a Gas Transportation Agreement, the Pipeline System Rules will prevail;
- (b) a 'Gas Day' under a Gas Transportation Agreement must be defined as a 24 hour period commencing 8.00am Australian Eastern Standard Time;
- (c) any Pipeline Services comprising transportation services are expressed in maximum quantities per 'Gas Day' and expressed in TJ;
- (d) a Pipeline Service may only be described as "firm" if it is provided on a Firm Basis;
- (e) each Pipeline Service that answers the description of Firm Transportation Service, As Available Transportation Service or Interruptible Service must be described as such in the Gas Transportation Agreement;
- (f) for Pipeline Services comprising transportation services:
 - (i) specify a Pipeline Shipper's MDQ for each 'Gas Day';
 - (ii) the Pipeline Shipper must nominate to Transporter:
 - (A) the quantities of Gas which Pipeline Shipper will inject at each of the Receipt Points on the following 'Gas Day'; and
 - (B) the quantities of Gas which Pipeline Shipper will off-take at the Delivery Point on the following 'Gas Day',

for each Pipeline Service by no later than 3.00 pm on each 'Gas Day' (but, to avoid doubt, this does not prevent a Pipeline Shipper making intra-day nominations);
 - (iii) Transporter must by 4.00 pm on each 'Gas Day' or as soon as possible thereafter on the day before Transporter is required to provide the Pipeline Services to a Pipeline Shipper provide a notice to the Pipeline Shipper containing Pipeline Shipper's Confirmed Nominations; and
 - (iv) subject to **clause 12**, provide that:
 - (A) Gas offered for transportation by a Pipeline Shipper at a Receipt Point must meet the Gas Specification; and
 - (B) if Gas offered for transportation by a Pipeline Shipper meets the Gas Specification, Transporter must ensure that Gas offered for re-delivery at the Delivery Point meets the Gas Specification.

4.3 Amendments to the Rules

Subject to **clauses 4.4, 7.1, 11.2, 11.5 and 12.2**, the Pipeline System Rules may not be amended except by the agreement of Transporter and each Pipeline

Shipper in accordance with their Gas Transportation Agreement and these Rules.

4.4 Schedules

The following **Schedules** of these Rules:

- (a) **Schedule 1** which sets out the details of the Pipeline Shippers; and
- (b) **Schedule 2** which sets out details of the Receipt and Delivery Points,

may be amended by the Transporter, without the consent of the existing Pipeline Shippers, in order to provide Pipeline Services to a person provided that the requirements of **clauses 4.1, 4.2 and 10.2** have been satisfied.

4.5 Classifications

For the purposes of these Pipeline System Rules, the Pipeline Shippers are classified in relation to each Gas Transport Agreement as follows. In each case, the assessment is made from time to time based on a Pipeline Shipper's current right to receive, store, transport or deliver Gas utilising the Pipeline System.

Domestic Gas Shippers means the shipper or shippers under Gas Transportation Agreement 5-01 from time to time, being an agreement to transport Gas principally for the domestic market in Australia.

Foundation Shippers means those persons that hold a Foundation Shipper GTA for the transportation of Gas for use at the LNG Plant and for associated purposes (including storage).

Firm Park Shippers means those persons that hold an agreement for the provision of Firm Park Services.

Contract Shipper is a person who has a right to transport Gas utilising the Pipeline System under a Gas Transportation Agreement with Transporter entered into in accordance with these Rules, to the extent that such right is derived other than:

- (a) under a Foundation Shipper GTA; or
- (b) under a Gas Transportation Agreement between Transporter and a Domestic Gas Shipper,

as determined from time to time.

Park Shippers means those persons that hold an agreement for the provision of Park Services, excluding Firm Park Shippers.

5 Metering

5.1 Metering Requirements

The Transporter and each Pipeline Shipper acknowledge and agree that:

- (a) the Measurement Equipment at the Legacy Points will be operated and maintained by or on behalf of the relevant Legacy Point Shipper in accordance with the metering requirements set out in **Schedule 4**;
- (b) the Measurement Equipment at the Legacy Points, under the metering requirements set out in **Schedule 4**, cannot be validated through meter series proving, which may result, from time to time, in Transporter or Pipeline Shipper failing to take accurate measurement of Gas specifications and flow for the Gas delivered through Legacy Points;
- (c) any Measurement Equipment for any new Receipt Points or Delivery Points not listed in **Schedule 2** must comply with specifications required of standard Delivery Points and Receipt Points in section 1 of **Schedule 3**; and
- (d) the Measuring Equipment for the Legacy Points listed in **Schedule 2** must comply with specifications required of those specific Legacy Points in section 2 of **Schedule 3**.

5.2 Metering error

If, at any time, any of the Measurement Equipment is found to be out of service or registering inaccurately:

- (a) by any percentage, it must be adjusted immediately to read accurately by:
 - (i) the relevant Legacy Point Shipper in respect of a Legacy Point; and
 - (ii) the Transporter in respect of any Receipt Points or Delivery Points that are not Legacy Points; and
- (b) by an amount exceeding one percent at a reading corresponding to the average rate of flow for the period since the immediately preceding test, an adjustment must be made for any period of inaccuracy definitely known or agreed upon or, if not known or agreed upon, for 50% of the period since the immediately preceding test ("**Adjustment Period**"). In respect of Measurement Equipment found to be out of service or registering inaccurately at a:
 - (i) Legacy Point, the relevant Legacy Point Shipper; or
 - (ii) Receipt Point or Delivery Point (as applicable) that is not a Legacy Point, the Transporter,will estimate, acting reasonably, the volume of Gas delivered during the Adjustment Period utilising one of, or a combination of, the following methods in the following order of priority and subject to the availability of each method:
 - (iii) by using, where available, primary meter data (including using SCADA trends over the period of metering error);
 - (iv) by using the data recorded by any check-measuring equipment, if installed and accurately registering;

- (v) by using trend data recorded by another Party (or Pipeline Operator), if such data represents an accurate measure of the volume of Gas delivered to the applicable Receipt Point or Delivery Point;
- (vi) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation; and/or
- (vii) by estimating the quantity and/or quality delivered, based on previous deliveries under similar conditions during a period when the equipment was registering accurately using SCADA records from before and after the period of meter failure.

To avoid doubt, no adjustment needs to be made under this **clause 5.2(b)** to the volume of Gas delivered for any period where the Measuring Equipment is registering inaccurately by an amount equal to or less than one percent.

5.3 Mismeasurement Notice

Promptly after the relevant adjustments are made pursuant to **clause 5.2(a)**, a written notice will be issued by, in respect of Measurement Equipment found to be out of service or registering inaccurately at a:

- (a) Legacy Point, the relevant Legacy Point Shipper to the Transporter; or
- (b) Receipt Point or Delivery Point (as applicable) that is not a Legacy Point, the Transporter to the affected Pipeline Shipper (or Pipeline Shippers),

("Mismeasurement Notice"), which must include:

- (c) the date and time at which:
 - (i) the Measurement Equipment was found to be out of service or registering inaccurately; and
 - (ii) such Measurement Equipment was adjusted to read accurately in accordance with **clause 5.2(a)**;
- (d) a description of the issues affecting the Measurement Equipment, including the suspected or actual cause or causes;
- (e) details in respect of the corrective action undertaken (if any);
- (f) details in respect of the method, or methods, referred to in **clause 5.2(b)** that were used to estimate the volume of Gas delivered during the Adjustment Period, including the actual calculations; and
- (g) any relevant supporting documents (including SCADA trends and records), which support the calculation of the volume of Gas delivered during the Adjustment Period.

A Shipper or Transporter may Dispute a Mismeasurement Notice in accordance with the procedure set out in **clause 14**.

6 System Use Gas

6.1 Pipeline Shipper to take or provide System Use Gas

Each Pipeline Shipper will be responsible, at its own expense, for providing Transporter with, or taking delivery of, System Use Gas in accordance with this **clause 6**.

6.2 Transporter's management of System Use Gas

Transporter must in accordance with Good Industry Practice, minimise the quantity of System Use Gas that is required for the operation of the Pipeline System.

6.3 Title

Title to System Use Gas passes to Transporter on delivery by a Pipeline Shipper at a Receipt Point. If System Use Gas is returned to a Pipeline Shipper under this **clause 6**, title to that Gas will pass to that Pipeline Shipper at the relevant Delivery Point.

6.4 Annual System Use Gas Estimate

At least 60 days:

- (a) before the start of each Contract Year; or
- (b) following an expansion of the Pipeline System,

Transporter must estimate the System Use Gas requirement of the Pipeline System for that Contract Year (or the remainder of that Contract Year, if following an expansion of the Pipeline System), ("**Annual SUG Estimate**"), provided that the Annual SUG Estimate for the first Contract Year need only be given within a reasonable time after the start of the first Contract Year.

6.5 Requirements

In providing the Annual SUG Estimate, Transporter must:

- (a) have regard to relevant annual nominations of the Pipeline Shippers for the relevant Contract Year, the actual System Use Gas used in the Pipeline System in the previous Contract Year (if any) and any other factors which Transporter reasonably considers relevant in accordance with Good Industry Practice; and
- (b) convert the Annual SUG Estimate into a daily quantity by dividing the Annual SUG Estimate by the number of days in the relevant Contract Year (or remainder of that Contract Year, if following an expansion of the Pipeline System).

6.6 Pipeline Shipper's System Use Gas Contribution

Each Pipeline Shipper's daily share of System Use Gas for the Pipeline for a Gas Day ("**System Use Gas Contribution**") will be the quantity calculated using the following formula, subject to the annual true-up under **clause 6.10**:

$$Q_s = Q_t \times \left(\frac{Q_n}{Q_a} \right)$$

where:

- Q_n** is the relevant Pipeline Shipper's System Use Gas Contribution for that Gas Day;
- Q_t** is the daily estimate determined under **clause 6.5(b)** or if the Transporter reasonably considers the System Use Gas required should be a different amount for that Gas Day, a different quantity as reasonably estimated by the Transporter in accordance with Good Industry Practice;

Q_n is the total quantity of Gas nominated to be delivered to Pipeline Shipper on that Gas Day at the Delivery Points; and

Q_s is the total quantity of gas nominated to be delivered to all Pipeline Shippers on that Gas Day at all Delivery Points,

save that if factor **Q_n** or factor **Q_s** is zero on a Gas Day, the relevant Pipeline Shipper's System Use Gas Contribution on that Gas Day will also be zero.

6.7 Timing of provision of System Use Gas

On a Gas Day, a Pipeline Shipper is deemed to provide Transporter with its System Use Gas Contribution for that Gas Day contemporaneously with the first Gas received from the Pipeline Shipper at the applicable Receipt Point on that Gas Day, up to the System Use Gas Contribution.

6.8 Transporter to manage fluctuations

Transporter must use reasonable endeavours to ensure that the System Use Gas supplied by each Pipeline Shipper during a Contract Year is as close as possible to the relevant Pipeline Shipper's proportionate share of actual System Use Gas required for the Pipeline System having regard to the actual deliveries of Gas allocated to that Pipeline Shipper during the Contract Year by either:

- (a) requiring the relevant Pipeline Shipper to provide additional quantities of Gas for supply into the Pipeline System; or
- (b) returning quantities of Gas by reducing Gas supplied by the relevant Pipeline Shipper into the Pipeline System,

and may modify the System Use Gas Contribution determined under clause 6.6 for that purpose.

6.9 Notification of System Use Gas Contribution

By 4:00 pm on the day before each Gas Day, Transporter will:

- (a) calculate under clause 6.6 and advise the quantities of Gas that each Pipeline Shipper must supply, or accept delivery of, at the beginning of the Gas Day. Each Pipeline Shipper must supply or accept delivery of that amount; and
- (b) provide each Pipeline Shipper with the forecast quantities of System Use Gas the Pipeline Shipper must supply, or accept delivery of, at the beginning of the next 7 Gas Days following the Gas Day.

6.10 Annual true-up

Within 30 Business Days of the end of each Contract Year, Transporter must:

- (a) reconcile the total quantity of System Use Gas received by Transporter from Pipeline Shippers in the relevant Contract Year against the total quantity of System Use Gas actually used during the relevant Contract Year ("**SUG Difference**") in accordance with the following formula:

$$SUG_D = SUG_{REC} - SUG_A - SUG_{RET}$$

Where:

SUG_D means the SUG Difference;

SUG_{REC} means the total quantity of System Use Gas delivered to the Transporter by all Pipeline Shippers during the relevant Contract Year;

SUG_A means the total quantity of System Use Gas used by Transporter during the relevant Contract Year; and

SUG_{RET} means the total quantity of System Use Gas returned by Transporter to all Pipeline Shippers during the relevant Contract Year.

- (b) calculate each Pipeline Shipper's share of the SUG Difference, in accordance with the following formula:

$$SSSUG_D = SUG_D \times \left(\frac{QSG_Y}{QPSG_Y} \right)$$

Where:

SSSUG_D means the relevant Pipeline Shipper's share of the SUG Difference;

SUG_D means the SUG Difference;

QSG_Y means the quantity of Gas delivered by Transporter to the relevant Pipeline Shipper in the relevant Contract Year; and

QPSG_Y means the quantity of Gas delivered by Transporter to all Pipeline Shippers in the relevant Contract Year.

The parties will arrange for the delivery or return of the relevant Pipeline Shipper's share of the SUG Difference provided that the delivery or return must occur within 10 Business Days of Transporter notifying the quantity unless otherwise agreed.

6.11 Lost Gas

If, on a Gas Day, there is Lost Gas, then Transporter must replace such quantities of Gas at its own cost, in consultation with each Pipeline Shipper.

6.12 All park services excluded

For the purposes of this clause 6, Transporter's delivery of Gas held in storage to a Firm Park Shipper or a Park Shipper will not be included as a delivery for the purpose of determining obligations in relation to System Use Gas.

7 Base Linefill and Operational Linepack

7.1 Base Linefill

- (a) Transporter must reasonably determine for the Pipeline System as a whole the minimum quantity of linefill to be provided by Transporter needed for the safe, efficient and physical operation of the Pipeline System in accordance with Good Industry Practice, and the performance of the Gas Transportation Agreements ("**Base Linefill**").
- (b) At the Effective Date of Version 1 of these Rules, Base Linefill is that quantity of Gas required to maintain the Pipeline System at an operating pressure of 5.5 MPa. If Transporter reasonably determines it is necessary to change the quantity of Base Linefill, it must give Pipeline Shippers at least 20 Business Days prior written notice and consider in

good faith any comments provided by Pipeline Shippers on the appropriate quantity of Base Linefill.

7.2 Operational Linepack

- (a) Transporter must reasonably determine for the Pipeline System as a whole the minimum quantity of Operational Linepack for each Gas Day to be provided by all Pipeline Shippers to meet all Pipeline Shippers' nominations provided under Gas Transportation Agreements.
- (b) In determining the quantity of Operational Linepack:
 - (i) Transporter must use reasonable endeavours to maintain a stable requirement for Operational Linepack with minimal short term fluctuations; and
 - (ii) consult with Pipeline Shippers in relation to Transporter's operating policies in relation to Operational Linepack.

7.3 Allocating Operational Linepack

Transporter must, as soon as reasonably practicable after determining a need for additional Operational Linepack and by no later than 4.00 pm of the Gas Day preceding the relevant Gas Day, allocate to each Pipeline Shipper a reasonable and equitable proportion of Operational Linepack, provided such allocation is made:

- (a) in good faith and in accordance with Good Industry Practice
- (b) taking into account:
 - (i) the Confirmed Nominations of the relevant Pipeline Shipper and all other Pipeline Shippers;
 - (ii) the operating conditions of the Pipeline System; and
 - (iii) the objective of maintaining Operational Linepack at a stable but minimal level.

7.4 Pipeline Shipper to provide Operational Linepack

- (a) Subject to clause 7.4(c), each Pipeline Shipper must, in addition to other quantities of Gas that it makes available for receipt into the Pipeline System under its Gas Transportation Agreement, provide (or procure provision of) the Pipeline Shipper's allocation of Operational Linepack, at Pipeline Shipper's cost, as follows.
 - (i) For the first Gas Day, each Pipeline Shipper must provide the quantity of Operational Linepack allocated to that Pipeline Shipper by Transporter under clause 7.3.
 - (ii) If a Pipeline Shipper's allocation of Operational Linepack for a Gas Day is higher than its allocation for the previous Gas Day, then that Pipeline Shipper must in addition to other quantities that it makes available for receipt into the Pipeline System under its Gas Transportation Agreement, provide the additional quantity of Gas.
 - (iii) If a Pipeline Shipper's allocation of Operational Linepack for a Gas Day is lower than its allocation for the previous Gas Day, then that Pipeline Shipper must in addition to other quantities that it takes delivery of from the Pipeline System under its Gas

Transportation Agreement, take delivery of the reduction in the quantity of its Operational Linepack or arrange to inject less Gas at a Receipt Point equal to that reduction.

- (iv) Prior to the expiry or termination of a Pipeline Shipper's Gas Transportation Agreement, Transporter must deliver and the relevant Pipeline Shipper must take delivery of, that Pipeline Shipper's Operational Linepack.
- (b) Title to Operational Linepack provided by or on behalf of a Pipeline Shipper remains with that Pipeline Shipper (or the person who provided the Gas on a Pipeline Shipper's behalf). Risk and responsibility for Operational Linepack passes from a Pipeline Shipper to Transporter at the Receipt Points, and passes from Transporter to the relevant Pipeline Shipper at the relevant Delivery Point.
- (c) Unless otherwise notified by a Foundation Shipper or a Domestic Gas Shipper in respect of its obligation to provide Operational Linepack:
 - (i) Firm Park Shippers must, at their own cost and on behalf of each Foundation Shipper and Domestic Gas Shipper, make available for receipt into or delivery from the Pipeline System under the Firm Park Service the aggregate amount of Operational Linepack allocated to relevant Foundation Shippers and Domestic Gas Shippers on a Gas Day; and
 - (ii) each Foundation Shipper and Domestic Gas Shipper will be relieved of its obligation to provide Operational Linepack under this clause 7.4.

8 Operational Flow Orders

8.1 Transporter may issue Operational Flow Order

Transporter may issue a notice to each Pipeline Shipper requiring such Pipeline Shipper to alter Gas receipts and deliveries ("**Operational Flow Order**") when:

- (a) in Transporter's reasonable opinion and in accordance with Good Industry Practice:
 - (i) subject to clause 8.2, the anticipated receipts and deliveries will exceed the Capacity limitations resulting from Force Majeure, or other circumstances which endanger the safety or integrity of the Pipeline System;
 - (ii) one or more Pipeline Shippers' negative cumulative imbalances will reduce Base Linefill below the minimum required for the operation of the Pipeline System;
- (b) Transporter refuses to accept Off-Specification Gas at a Receipt Point in accordance with its rights to do so under a Gas Transportation Agreement;
- (c) a Pipeline Shipper's delivery of Gas at the Receipt Points and its receipt of Gas at the Delivery Points are not consistent with relevant Confirmed Nominations and, in Transporter's reasonable opinion and in accordance with Good Industry Practice, the discrepancy will adversely affect the entitlements of other Pipeline Shippers or endanger the safety or integrity of the Pipeline System; or

- (d) a Pipeline Shipper has failed to comply with an Imbalance Correction Notice.

8.2 Priority of Service

If an Operational Flow Order issued in accordance with clause 8.1(a)(i) requires the alteration of receipts or deliveries of Gas for reasons not specific to a particular Receipt Point or Delivery Point or a section of the Pipeline System, Transporter must undertake that alteration in accordance with the Priority of Service.

8.3 Content of Operational Flow Order

Each Operational Flow Order will contain the following information:

- (a) time and date of issue;
- (b) time that the Operational Flow Order will become effective;
- (c) duration of Operational Flow Order (provided that if none is specified, the Operational Flow Order will remain effective until further notice);
- (d) the specific actions required of Pipeline Shipper at the Receipt Points and at the Delivery Point to comply with the Operational Flow Order;
- (e) the reasons for issuing the Operational Flow Order; and
- (f) any other information which Transporter considers relevant to the Operational Flow Order.

8.4 Obligations of Pipeline Shipper

If Transporter issues an Operational Flow Order to a Pipeline Shipper, then:

- (a) the relevant Pipeline Shipper must comply with the directions in an Operational Flow Order; and
- (b) if the relevant Pipeline Shipper does not comply with the requirements of an Operational Flow Order within the time period stipulated in the Operational Flow Order, Transporter may, without limiting any rights of that Pipeline Shipper in respect of such a Curtailment, Curtail receipts or deliveries of Gas to the extent required to ensure that the Operational Flow Order is complied with.

8.5 Transporter Liability

For the avoidance of doubt, nothing in this clause affects Transporter's liability:

- (a) under these Rules to the extent that Transporter caused or contributed to the events which led to the issue of an Operational Flow Order; and
- (b) to a Pipeline Shipper under any Curtailment regime agreed with that Pipeline Shipper under a Gas Transportation Agreement.

9 Priority of Service

9.1 Allocation of available Capacity

When allocating available Capacity to Pipeline Services, Transporter must allocate available Capacity to the relevant Pipeline Services in ascending order of priority such that Pipeline Services with lower priority numbers are allocated available Capacity before Pipeline Services with higher priority numbers.

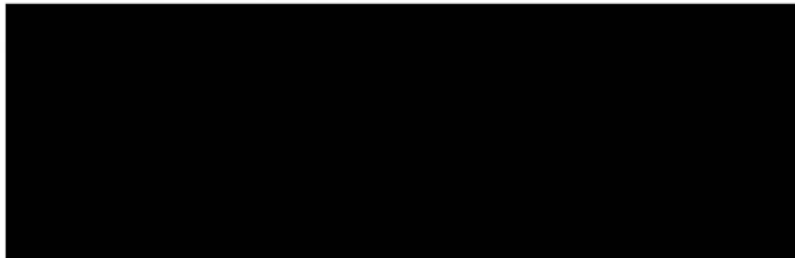
9.2 Curtailment of Services

When Curtailing Pipeline Services in accordance with the Priority of Service, Transporter must Curtail Pipeline Services in descending order of priority such that Pipeline Services with higher priority numbers are Curtailed before Pipeline Services with lower priority numbers.

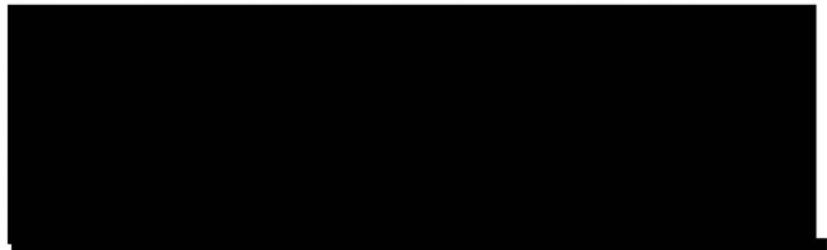
9.3 Priority of Service

The Priority of Service on a Gas Day is the priority number assigned to each Pipeline Service below in descending priority from priority number 1, and subject to the further priorities described in paragraphs (a) – (h) below:

- (a) Firm Transportation Service for Domestic Gas Shippers – priority number 1
- (b) Firm Transportation Service for Foundation Shippers – priority number 2



- (c) Firm Park Service for Firm Park Shippers – priority number 3



- (d) Firm Transportation Service for Contract Shippers – priority number 20 or higher

In the event that there is insufficient Capacity to meet all Firm Transportation Services contracted by Transporter to Contract Shippers, Transporter will Curtail the quantities of Gas to be transported on account of Contract Shippers for all Firm Transportation Services under the Gas Transportation Agreements to which the Contract Shippers are party, such Curtailment to be made on a proportionate basis according to the proportion that a Contract Shipper's MDQ bears to the total MDQs for all Contract Shippers under all Gas Transportation Agreements between Transporter and Contract Shippers on that Gas Day;

- (e) Park Service for Park Shippers – priority number 21 or higher

In the event that there is insufficient Capacity to meet all Park Services contracted by Transporter to Park Shippers, Transporter will Curtail the quantities of Gas to be parked on account of Park Shippers for all Park Services under the Gas Transportation Agreements to which the Park Shippers are party, such Curtailment to be made on a proportionate basis according to the proportion that a Park Shipper's Park Capacity bears to the total Park Capacity for all Park Shippers under all Gas

Transportation Agreements between Transporter and Park Shippers on that Gas Day;

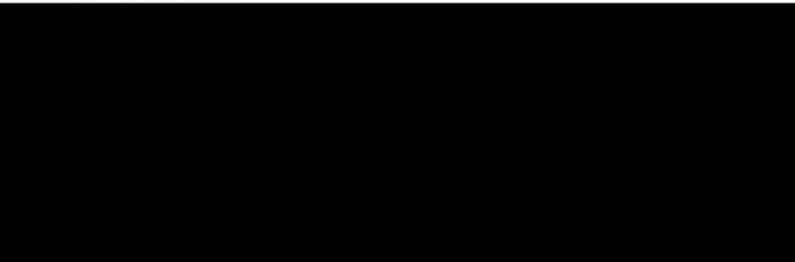
- (f) As-Available Transportation Service for Foundation Shippers – priority number 30



- (g) As-Available Transportation Service for Contract Shippers – priority number 31 or higher

In the event that there is insufficient Capacity to meet all As-Available Transportation Services contracted by Transporter to Contract Shippers, Transporter will Curtail the quantities of Gas to be transported on account of Contract Shippers for all As-Available Transportation Services under the Gas Transportation Agreements to which the Contract Shippers are party, such Curtailment to be made on a proportionate basis according to the proportion that a Contract Shipper's MDQ bears to the total MDQs for all Contract Shippers under all Gas Transportation Agreements between Transporter and Contract Shippers on that Gas Day;

- (h) Interruptible Transportation Service for Foundation Shippers – priority number 40



- (i) Interruptible Transportation Service for Contract Shippers – priority number 41

In the event that there is insufficient Capacity to meet all Interruptible Transportation Services contracted by Transporter to Contract Shippers, Transporter will Curtail the quantities of Gas to be transported on account of Contract Shippers for all Interruptible Transportation Services under the Gas Transportation Agreements to which the Contract Shippers are party, such Curtailment to be made on a proportionate basis according to the proportion that a Contract Shipper's MDQ bears to the total MDQs for all Contract Shippers under all Gas Transportation Agreements between Transporter and Contract Shippers on that Gas Day.

9.4 Allocating priority number

Transporter may allocate a priority number to services provided to Pipeline Shippers provided that:

- (a) the priority number allocated to such services must be an integer, not less than 1; and
- (b) allocation must comply with the ranking set out in clause 9.1 and 9.2.

10 Receipt Point or Delivery Point MDQs

10.1 Requests for amendment

- (a) A Pipeline Shipper may, from time to time, request an increase or decrease to a GTA Receipt Point MDQ or GTA Delivery Point MDQ.
- (b) Transporter must in good faith make reasonable endeavours to comply with any request made by a Pipeline Shipper under clause 10.1(a).

10.2 Additional Receipt and Delivery Points

- (a) Transporter may agree with one or more Pipeline Shippers to add a new Receipt Point or Delivery Point in accordance with the terms of a new or existing Gas Transportation Agreement, provided that:
 - (i) such new Receipt Point or Delivery Point would not have a material adverse impact on Transporter's ability to provide Pipeline Services contracted on a Firm Basis to Foundation Shippers once commissioned; and
 - (ii) in the case of a new Receipt or Delivery point that is requested
 - (A) by one Pipeline Shipper, that Pipeline Shipper is responsible for all; or
 - (B) by Pipeline Shippers, each requesting Pipeline Shipper is responsible for its proportion of,

direct costs associated with any agreement and the planning, design and construction of that new point which are incurred by Transporter acting reasonably, efficiently and in accordance with Good Industry Practice.
- (b) Transporter must not agree to add a new Receipt Point or Delivery Point unless it is agreed under a new or existing Gas Transportation Agreement.

11 Gas Specification

11.1 Gas Specification

- (a) The Gas Specification comprises the gas specification set out in **Schedule 7**, which may only be amended in accordance with clauses 11.2 or 11.5.
- (b) Subject to clause 12:
 - (i) Gas offered for transportation at a Receipt Point by a Pipeline Shipper must meet the Gas Specification; and
 - (ii) Gas offered for re-delivery to a Pipeline Shipper at a Delivery Point by Transporter must meet the Gas Specification.

11.2 Foundation Shippers may amend Gas Specification within the Transition Period

A Foundation Shipper may, at any time prior to the end of the Transition Period, give one or more notices to Transporter requesting an amendment to one or more components of the Gas Specification, provided that:

- (a) the request is made by or on behalf of all Foundation Shippers; and
- (b) the request must not affect the safe operation and technical life of the Pipeline System and will not compromise Transporter's ability to operate the Pipeline System in accordance with Good Industry Practice.

11.3 Transporter response

Transporter must accept a requested amendment and make all necessary changes to systems, processes, and procedures and be operationally ready to receive and transport Gas in the Pipeline System that meets the amended Gas Specification within 120 days after the notice is given in accordance with clause 11.2.

11.4 Effective date of amendment

Any amendment to the Gas Specification notified by the Foundation Shipper in accordance with clause 11.2 takes effect on a date agreed between Transporter and the Foundation Shippers, which must not be later than 120 days after the day on which the notice is given.

11.5 Transporter may amend Gas Specification by agreement with Foundation Shippers

During the Transition Period, Transporter may amend the Gas Specification with the consent of all Foundation Shippers, with any amendment to the Gas Specification taking effect on the day on which the amendment is accepted by all Foundation Shippers, or on a later date otherwise agreed between Transporter and the Foundation Shippers.

12 Blending Right

12.1 Development of Blending Right Proposal

- (a) Within 12 months of the Effective Date of Version 1 of these Rules, Transporter must in good faith, and in accordance with this clause 12, develop and provide a proposal ("**Blending Right Proposal**") to Foundation Shippers under which Foundation Shippers, Domestic Gas Shippers and Firm Park Shippers ("**Blending Shippers**") are able to inject Off-Specification Gas at a Receipt Point on a Gas Day provided that such Gas when blended with other Gas injected by the Blending Shippers on that Gas Day would meet the Gas Specification at a relevant Delivery Point ("**Blending Right**").
- (b) The Blending Right Proposal should, to the extent practicable, include a model or matrix under which Blending Shippers and Transporter are able to assume the Blending Right is able to be exercised in a defined set of objective parameters.
- (c) The Blending Right Proposal must include to the extent relevant:
 - (i) any limits on the quality of the Off-Specification Gas required for the Blending Right to be exercised;
 - (ii) the methodology, assumptions and limitations used to determine the scope of the Blending Right Proposal;

- (iii) the process for exercising a Blending Right;
- (iv) any changes to the Pipeline System required to implement the Blending Right Proposal; and
- (v) a mechanism for dealing with changes to the Pipeline System.
- (d) Transporter must consult regularly with Foundation Shippers on the development of the Blending Right Proposal and consider in good faith any comments provided by Foundation Shippers.
- (e) A Blending Right Proposal must not:
 - (i) prevent Transporter from:
 - (A) meeting its obligations to provide all Firm Transportation Services nominated by Pipeline Shippers under their Gas Transportation Agreements; or
 - (B) providing contracted Gas transportation services to other Pipeline Shippers; and
 - (ii) affect the safe operation and technical life of the Pipeline System nor compromise Transporter's ability to operate the Pipeline System in accordance with Good Industry Practice.

12.2 Adoption of Blending Right

- (a) Prior to finalising the Blending Right Proposal under clause 12.1(e), Transporter will:
 - (i) provide a copy of the proposal to Foundation Shippers and request a meeting to inform the Foundation Shippers of the intended operation of, and potential costs, benefits and risks involved in, the draft Blending Right Proposal; and
 - (ii) consider the views submitted by the Foundation Shippers in good faith and take those views into account in finalising the Blending Right Proposal.
- (b) Transporter will seek the approval of all Foundation Shippers:
 - (i) to vary the Pipeline System Rules to provide Blending Shippers with a Blending Right in accordance with the Blending Right Proposal; and
 - (ii) for Transporter's estimated costs and proposed timeframe to implement the Blending Right Proposal.
- (c) If any Foundation Shipper has not approved the Blending Right Proposal, or all Foundation Shippers and Transporter fail to agree an amended proposal, within 2 months of receiving the proposal pursuant to clause 12.1(a), the Transporter or a Blending Shipper may require any outstanding or disputed issues to be resolved in accordance with clause 14.3 as a "Technical Dispute".
- (d) If all Foundation Shippers approve the Blending Right Proposal, or failing approval the issue is resolved in accordance with clause 14.3:
 - (i) all other Pipeline Shippers are deemed to agree to amend the Pipeline System Rules; and

- (ii) Transporter must make all necessary changes to systems, processes and the Pipeline System Rules,

to implement the Blending Right Proposal as approved by the Foundation Shippers or determined under clause 14.3.

(e)



- (f) If Gas offered for transportation by a Foundation Shipper, Domestic Gas Shipper or Firm Park Shipper on a Gas Day pursuant to the Blending Right Proposal as implemented, on a blended basis, meets the Gas Specification, Gas offered for transportation at all Receipt Points on that Gas Day by a Foundation Shipper, Domestic Gas Shipper or Firm Park Shipper (as applicable) shall be deemed to meet the Gas Specification.

13 Allocations

In order to ensure consistent allocations across the Pipeline System:

- (a) Gas received by Pipeline Shippers at a Receipt Point; and
- (b) Gas delivered to Pipeline Shippers at a Delivery Point

must be allocated among Pipeline Shippers in accordance with the methodology set out in **Schedule 5**.

14 Management of Disputes

14.1 Resolution of Disputes

Any Dispute between one or more Pipeline Shippers and the Transporter must be resolved by the parties to that Dispute ("**Disputing Parties**") in accordance with the procedure in this clause 14, unless otherwise agreed by the Disputing Parties.

14.2 Reference to Representatives

- (a) A Party raising any Dispute must first serve written notification of the Dispute to the other parties to that Dispute ("**Dispute Notice**"). Upon receipt of a Dispute Notice a Representative of each Disputing Party with day-to-day responsibility for the administration of the relevant Gas Transportation Agreement must meet to seek to resolve the Dispute in good faith. If those Representatives are not successful in resolving the Dispute within 30 days of the service of a Dispute Notice, a Representative of each Disputing Party with authority to settle the Dispute must meet within 15 days to seek to resolve the Dispute in good faith.
- (b) If a resolution of the Dispute is reached, the joint written decision of the relevant Representatives will be binding on the Disputing Parties.
- (c) This clause 14.2, and any discussion between Representatives which takes place pursuant to it, is without prejudice to any right or remedy which any relevant Disputing Party may ultimately have, should the matter in dispute fail to be resolved by such discussions.
- (d) By submitting a Dispute for resolution by the Representatives in accordance with this clause 14.2, the Disputing Parties undertake to carry out any decision of the relevant Representatives without delay.

14.3 Expert Determination

- (a) A Dispute must be dealt with in accordance with this clause 14.3 if:
 - (i) it is a Technical Dispute or a Financial Dispute; or
 - (ii) it is any other Dispute and the Disputing Parties agree that it will be dealt with in accordance with this clause 14.3.
- (b) If a Dispute is of a type specified in clause 14.3(a) and, within 45 days of service of a Dispute Notice under clause 14.2:
 - (i) the meetings under clause 14.2 have not taken place; or
 - (ii) the Dispute to which the Dispute Notice refers has not been resolved,

then any Disputing Party may propose to each other Disputing Party, that an Expert be appointed to determine the Dispute, in which case clauses 14.3(c) to 14.3(o) will apply.

- (c) If, within 14 days of a Disputing Party proposing the appointment of an Expert under clause 14.3(b), the Disputing Parties cannot agree whether a Dispute is:
 - (i) a Technical Dispute; or
 - (ii) a Financial Dispute,

a final and binding decision must be made by a Queen's Counsel or Senior Counsel admitted to practice in Australia nominated by the President of the Queensland Law Society or that person's deputy. The Queen's Counsel or Senior Counsel who is nominated may ask the Disputing Parties to produce short submissions on the issue in order to assist him or her in reaching a decision.

- (d) If the Disputing Parties cannot agree on the identity of the relevant Expert within 14 days of (as applicable):
 - (i) the proposal to appoint an Expert to determine the Dispute;
 - (ii) a decision being made in accordance with clause 14.3(c); or
 - (iii) the Disputing Parties being notified that the previously appointed Expert is unable or unwilling to complete,

the Expert must be nominated by:

- (iv) in the case of a Technical Dispute, the Chairman of APPEA or that person's deputy;
- (v) in the case of a Financial Dispute, the President of the Australian Institute of Chartered Accountants or that person's deputy; or
- (vi) in the case of any other Dispute agreed in accordance with clause 14.3(a)(ii), the President of the Queensland Law Society or that person's deputy.

- (e) The Disputing Parties must request that the Expert determine the referred Dispute within 30 days of appointment unless 30 days is

unreasonable in the circumstances, in which case the Disputing Parties will, acting reasonably, agree and request a longer period for determination. If the Disputing Parties cannot agree on the period for determination of the Dispute then that period will be determined by the Expert. In any case, the Expert will endeavour to provide his written decision and reasons within 90 days of appointment.

- (f) If the Expert has been appointed, but is unable or unwilling to determine the reference, another Expert must be appointed.
- (g) The Expert must act as an Expert and not as an arbitrator.
- (h) The Disputing Parties will have the right to make representations and submissions to the Expert in such manner as the Expert may determine. There will be no formal hearing unless the Expert decides that this is necessary.
- (i) The Expert will have power to request any Disputing Party to provide the Expert with such statements or documents or information within their control as the Expert may determine and the Disputing Parties must comply with any such request.
- (j) The Expert must give the Expert's decision in writing and with reasons to the Disputing Parties, which decision:
 - (i) must promptly be given effect by the Disputing Parties; and
 - (ii) will be final and binding (save in the case of fraud or manifest error) on the Disputing Parties.
- (k) If the Expert decides that a sum is due and payable by one Disputing Party to another Disputing Party, then:
 - (i) any such sum will be due and payable within 14 days of receipt by the Disputing Parties of written notice of such decision, unless the Expert decides otherwise; and
 - (ii) interest will accrue in respect of late payment.
- (l) The fees of the Expert and any other costs of and incidental to the Expert determination will be payable by such Disputing Party as the Expert may determine but, in the absence of any such determination, by the Disputing Parties in equal shares.
- (m) By submitting a Dispute to Expert determination in accordance with this clause 14.3, the Disputing Parties undertake to carry out any decision of the Expert without delay.
- (n) Any Dispute concerning:
 - (i) an allegation of fraud or manifest error in relation to the Expert's decision; or
 - (ii) any Party failing to carry out a decision of the Expert in accordance with clause 14.3(m),

must be referred to arbitration under clause 14.4 (provided that clause 14.4(a) will not apply to a referral under this clause 14.3(n) and such referral will be considered an immediate referral for settlement by arbitration under the ICC Rules).

- (o) Where a determination made by an Expert contains a clerical mistake, an error arising from an accidental slip or omission, or a material miscalculation, the Expert may correct his or her determination.

14.4 Arbitration

- (a) In the case of a Dispute, if:
 - (i) within 45 days of service of a Dispute Notice under clause 14.2 the meetings under clause 14.2 have not taken place or the Dispute to which the Dispute Notice refers has not been resolved under clause 14.2; and
 - (ii) the Dispute is not of a kind that must be dealt with in accordance with clause 14.3,

then, unless the Disputing Parties otherwise agree, that Dispute must be finally settled by arbitration under the ICC Rules.

- (b) The following provisions will apply to the arbitration:
 - (i) the seat of the arbitration will be Singapore;
 - (ii) the language of the arbitration will be English;
 - (iii) the number of arbitrators will be three. The Claimant(s) and the Respondent(s) (each as defined in the ICC Rules) will respectively nominate one arbitrator, and the two arbitrators nominated by the Claimant(s) and the Respondent(s) must within 30 days of the nomination of the second arbitrator agree upon a third arbitrator who will act as chairman of the arbitral tribunal. If the two party-nominated arbitrators cannot agree on the nomination of a third arbitrator, the ICC Court will appoint the third arbitrator;
 - (iv) unless the Disputing Parties agree or the arbitral tribunal rules otherwise, the time limits set out in the ICC Rules will be strictly followed;
 - (v) every award shall be binding on the Disputing Parties. By submitting the Dispute to arbitration under these Rules, the Disputing Parties undertake to carry out any award without delay; and
 - (vi) without prejudice to the Parties' choice of Singapore as the proper seat of arbitration, by agreeing to conduct the arbitration in accordance with the ICC Rules, the Disputing Parties are not contracting out of the Model Law for the purpose of section 21 of the *International Arbitration Act 1974* (Cwlth).

14.5 Consolidation of connected disputes

- (a) A Party which is party to arbitral proceedings in relation to a Dispute may apply to the arbitral tribunal for an order under and in accordance with this clause 14.5 in relation to those proceedings and:
 - (i) other arbitral proceedings in relation to another Dispute (or Disputes) between two or more Parties; or
 - (ii) other arbitral proceedings in relation to a dispute or disputes under any other Gas Transportation Agreement,

(whether before that tribunal or another tribunal or other tribunals) (such proceedings being "**Related Proceedings**") on the ground that:

- (iii) a common question of law or fact arises in all of the Related Proceedings;
- (iv) the rights to relief claimed in all of the Related Proceedings are in respect of, or arise out of, the same transaction or series of transactions; or
- (v) for some other reason specified in the application, it is desirable that an order be made under this clause 14.5,

(such an application being a "**Consolidation Application**").

- (b) The following orders may be made under this clause 14.5 in relation to two or more Related Proceedings which are the subject of a Consolidation Application:
 - (i) that the proceedings be consolidated on terms specified in the order;
 - (ii) that the proceedings be heard at the same time or in a sequence specified in the order; or
 - (iii) that any of the proceedings be stayed pending the determination of any other of the proceedings.
- (c) Where a Consolidation Application has been made in relation to Related Proceedings, the following provisions will apply.
- (d) If all the Related Proceedings are being heard by the same arbitral tribunal, that arbitral tribunal may, subject to clause 14.5(b), make such order under this clause 14.5 as it thinks fit in relation to those proceedings and, if such an order is made, the proceedings must be dealt with in accordance with the order.
- (e) If two or more arbitral tribunals are hearing the Related Proceedings:
 - (i) the arbitral tribunal that received the Consolidation Application must communicate the substance of that application to the other arbitral tribunals concerned; and
 - (ii) the arbitral tribunals must, as soon as practicable, deliberate jointly on the application.
- (f) Where the arbitral tribunals agree, after deliberation on the Consolidation Application, that a particular order under this clause 14.5 should be made in relation to the Related Proceedings:
 - (i) the arbitral tribunals must, subject to clause 14.5(b), jointly make the order;
 - (ii) the Related Proceedings must be dealt with in accordance with the order; and
 - (iii) if the order is that the Related Proceedings be consolidated, the arbitrator or arbitrators for the purposes of the consolidated proceedings must be appointed in accordance with the procedures under clause 14.4.

- (g) If an arbitral tribunal is (or arbitral tribunals are) unable or unwilling to make an order under this clause 14.5, the Related Proceedings must proceed as if no Consolidation Application had been made.
- (h) This clause 14.5 does not prevent the parties to Related Proceedings from agreeing to consolidate the Related Proceedings to an existing arbitration proceeding under clause 14.4 and taking such steps as are necessary to effect that consolidation even if the arbitral tribunals do not agree on to the Consolidation Application.

14.6 Joinder of Parties to a Dispute before an arbitral tribunal

- (a) Where a Party, not being a Disputing Party before an arbitral tribunal, wishes to join:
 - (i) arbitral proceedings in relation to a Dispute or Disputes between two or more other Parties; or
 - (ii) arbitral proceedings in relation to a dispute or disputes under one or more of the agreements listed in clause 14.5(a)(i),
 as a Disputing Party, it may apply to the arbitral tribunal to join that arbitral proceeding.
- (b) Where a Disputing Party wishes to join:
 - (i) another Party; or
 - (ii) another party to the relevant agreements listed in clause 14.5(a)(ii),
 to arbitral proceedings, it may apply to the arbitral tribunal to join that other party to the arbitration proceedings.
- (c) Where an application is made pursuant to clause 14.6(a) or clause 14.6(b) ("**Joinder Application**"), the Party making the Joinder Application must, at the time of making the application, provide notice to all Parties of that application.
- (d) Any Disputing Party may, within 14 days of receiving notice of the Joinder Application, provide the relevant arbitral tribunal and the other relevant parties with written submissions (such submissions not to exceed ten pages) concerning whether the application should be allowed.
- (e) Upon receipt of a Joinder Application, the arbitral tribunal may, having regard to the stage of the arbitral proceedings, the interests of justice, and other relevant circumstances (including any submissions received within the time allowed), join any party the subject of the Joinder Application to the arbitral proceedings.
- (f) Each Party:
 - (i) consents to be joined to arbitral proceedings pursuant to a Joinder Application as if (where applicable) that Party is a party to the agreement the subject of the arbitral proceedings, without prejudice to that Party's right to make submissions to the arbitral tribunal that, in the circumstances, it should not be so joined; and

- (ii) agrees that any arbitral proceedings to which one or more Parties is joined pursuant to a Joinder Application will continue in the same manner as before that application was made, including (without limitation) under the same arbitration rules as those under which it was commenced, with the same arbitrators, at the same seat and in the same specified language.

15 Notices and other communications

15.1 Form - all communications

Unless expressly stated otherwise in these Rules, all notices, certificates, consents, approvals, waivers and other communications in connection with these Rules must be:

- (a) in writing;
- (b) in English or accompanied by a certified translation into English;
- (c) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (d) marked for the attention of the relevant person identified in **Schedule 1** (or in the equivalent section of the applicable PSR Acknowledgement) or, if the recipient has notified otherwise, then marked for attention in the way last notified.

15.2 Form - communications sent by email

Communications sent by email need not be marked for attention in the way stated in **clause 15.1**. However, the email:

- (a) must state the first and last name of the sender; and
- (b) must be in plain text format or, if attached to an email, must be an Adobe Portable Document Format (pdf) file or Microsoft Word compatible.

Communications sent by email are taken to be signed by the named sender.

15.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in **Schedule 1**;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in **Schedule 1** (or in the equivalent section of the applicable PSR Acknowledgement);
- (c) sent by fax to the fax number set out or referred to in **Schedule 1** (or in the equivalent section of the applicable PSR Acknowledgement); or
- (d) sent by email to the address set out or referred to in **Schedule 1** (or in the equivalent section of the applicable PSR Acknowledgement).

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

15.4 When effective

Communications take effect from the time they are received or taken to be received under **clause 15.5** (whichever happens first) unless a later time is specified.

15.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another);
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

15.6 Receipt outside business hours

Despite **clause 15.4** and **clause 15.5**, if communications are received or taken to be received under **clause 15.5** after 5:00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9:00 am on the next Business Day and take effect from that time unless a later time is specified.

15.7 Schedule for Operational Notices

The Parties must endeavour in good faith to agree a schedule for the giving of all operational notices under these Rules (the "**Operational Notices Schedule**"). The Operational Notices Schedule will be deemed to form part of these Rules and must detail the form in which operational notices are to be sent, including, if the Parties agree, by electronic mail, the person to whom it is addressed and who is responsible for any action, the address for such operational notices including the appropriate postal address, facsimile numbers, telex numbers and electronic mail addresses and the period of time each day during which such operational notices will be regarded as having been validly given and received (which may, to avoid doubt, differ from the times stated in **clause 15.6**). The names, addresses or numbers in the Operational Notices Schedule will be updated from time to time as and when necessary and will be confirmed as valid by each Party within 30 days of the commencement of each Contract Year. Unless expressly stated therein, such Operational Notices Schedule will not prevent the giving of a notice in accordance with this **clause 15**.

16 General

16.1 Severability

If the whole or any part of a provision of these Rules is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of these Rules has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of these Rules or is contrary to public policy.

16.2 Discretion in exercising rights

A Party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless these Rules expressly states otherwise.

16.3 Partial exercising of rights

If a Party does not exercise a right or remedy fully or at a given time, the Party may still exercise it later.

16.4 No liability for Loss

A Party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under these Rules.

16.5 Approvals and consents

- (a) Save as expressly provided in these Rules, if the doing of any act, matter or thing under these Rules is dependent on the consent or approval of a Party or is within the discretion of a Party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the Party in its absolute discretion unless expressly provided otherwise.
- (b) By giving its approval or consent a Party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

16.6 Conflict of interest

The Parties' rights and remedies under these Rules may be exercised even if this involves a conflict of duty or a Party has a personal interest in their exercise.

16.7 Rights and obligations are unaffected

Rights given to the Parties under these Rules and the Parties' liabilities under it are not affected by anything which might otherwise affect them by Law.

16.8 Variation and waiver

Except as, and to the extent, expressly stated otherwise in these Rules, a provision of these Rules or a right created under it, may not be waived or varied except in writing, signed by the Party or Parties to be bound.

16.9 Further steps

Each Party agrees, at its own expense, to do anything reasonably requested by another Party (such as negotiating in good faith, obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the Party or any other person intended to be bound under these Rules;
- (b) to show whether the Party is complying with these Rules; and
- (c) to give effect to the provisions of these Rules.

16.10 Prompt performance

If the Rules specifies when the Party agrees to perform an obligation, the Party agrees to perform it by the time specified. Each Party agrees to perform all other obligations promptly.

16.11 Construction

No rule of construction applies to the disadvantage of a Party because that Party was responsible for the preparation of, or seeks to rely on, these Rules or any part of it.

16.12 Supervening legislation

Any present or future legislation which operates to vary the obligations of a Party in connection with these Rules with the result that another Party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

16.13 No reliance

- (a) Each Party acknowledges that, in entering into these Rules, it is not relying upon any pre-contractual statement made by any other Party that is not set out in these Rules.
- (b) No Party will have any right of action against any other Party arising out of or in connection with any such pre-contractual statement except to the extent that it is repeated in these Rules.
- (c) Nothing in this **clause 16.13** limits the liability of any Party in respect of any fraud or fraudulent misrepresentation or misstatement.
- (d) For the purposes of this **clause 16.13**, "pre-contractual statement" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of these Rules made or given by any person at any time prior to the commencement of Rules.

16.14 Reasonable endeavours

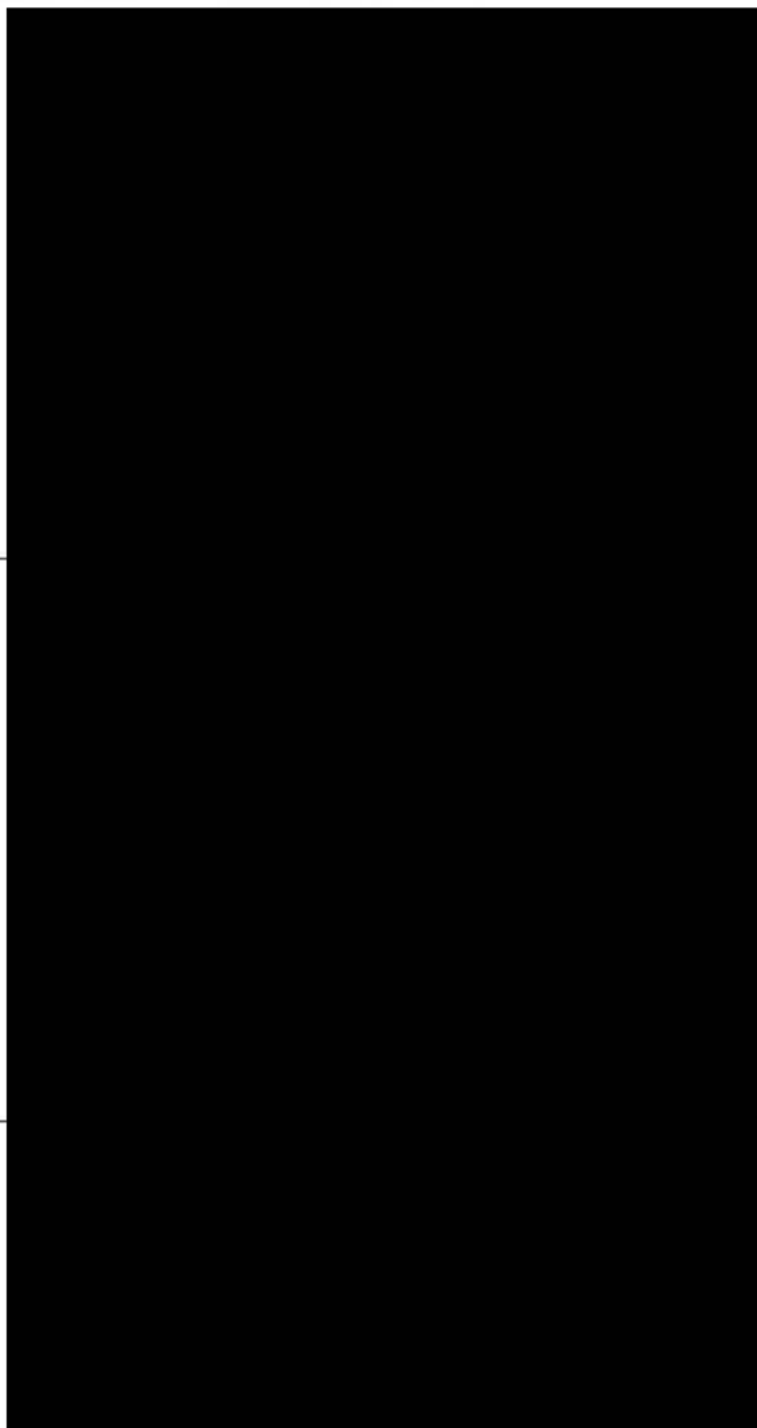
Except as otherwise expressly provided in these Rules, any provision of these Rules which requires a Party to use reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, does not impose any obligation on that Party to:

- (a) commence any legal action or proceeding against any person;
- (b) procure absolutely that that thing is done or happens; or
- (c) incur a material expense, except where that provision expressly specifies otherwise.

Pipeline System Rules – QCLNG Pipeline

Schedule 1 – Pipeline Shippers

1.1 Foundation Shippers



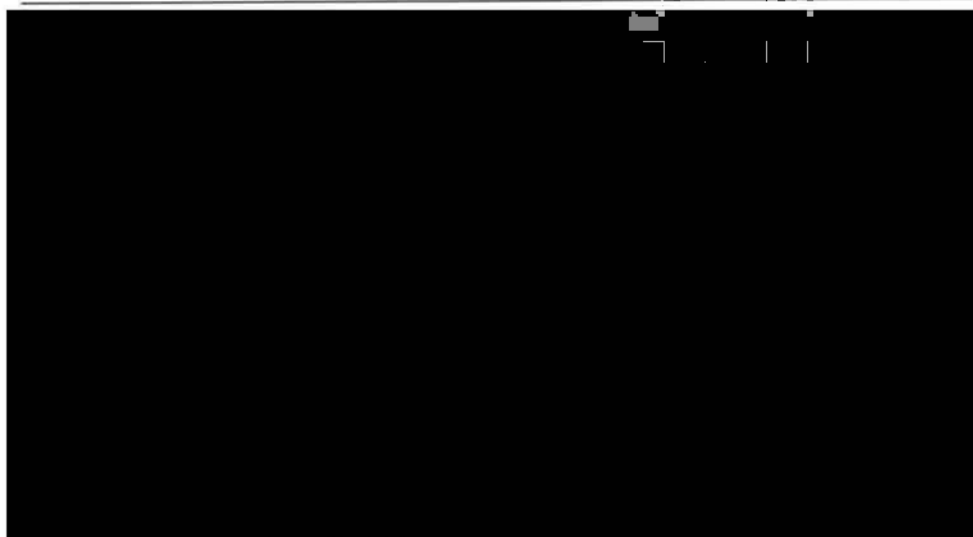


Pipeline System Rules – QCLNG Pipeline

1.2 Domestic Gas Shippers



1.3 Firm Park Shippers



Recipient details

1.4 Contract Shippers

Contract Shipper	Name
	Contract
	ABN
	Address

Fax

Attention

Email

Key Notice

Recipient details

1.5 Park Shippers

Park Shipper

Name

Contract

ABN

Address

Fax

Attention

Email

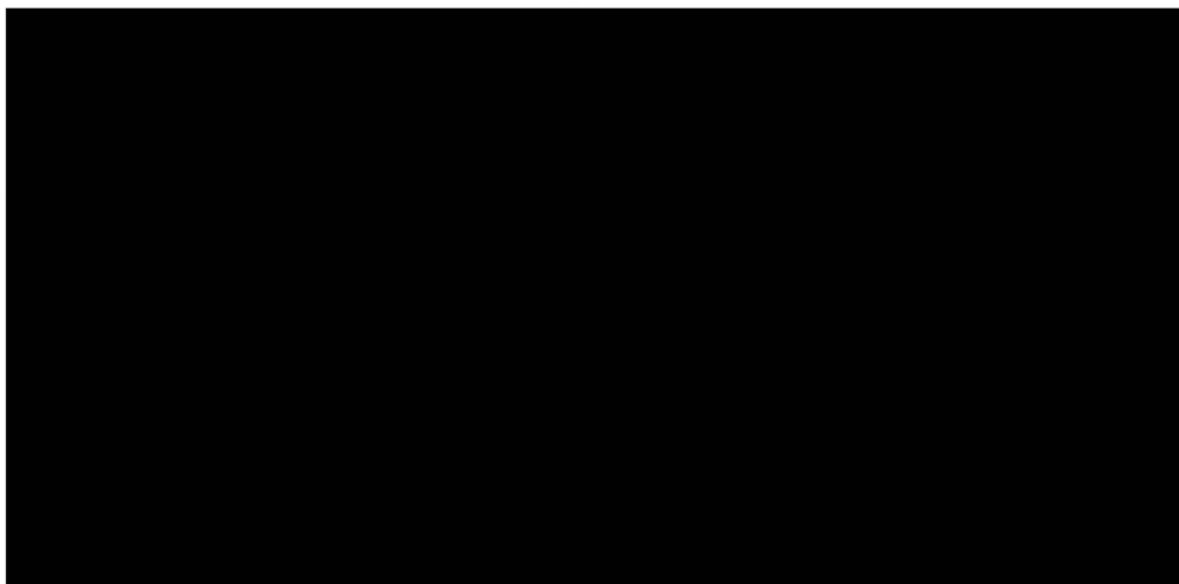
Key Notice

Recipient details

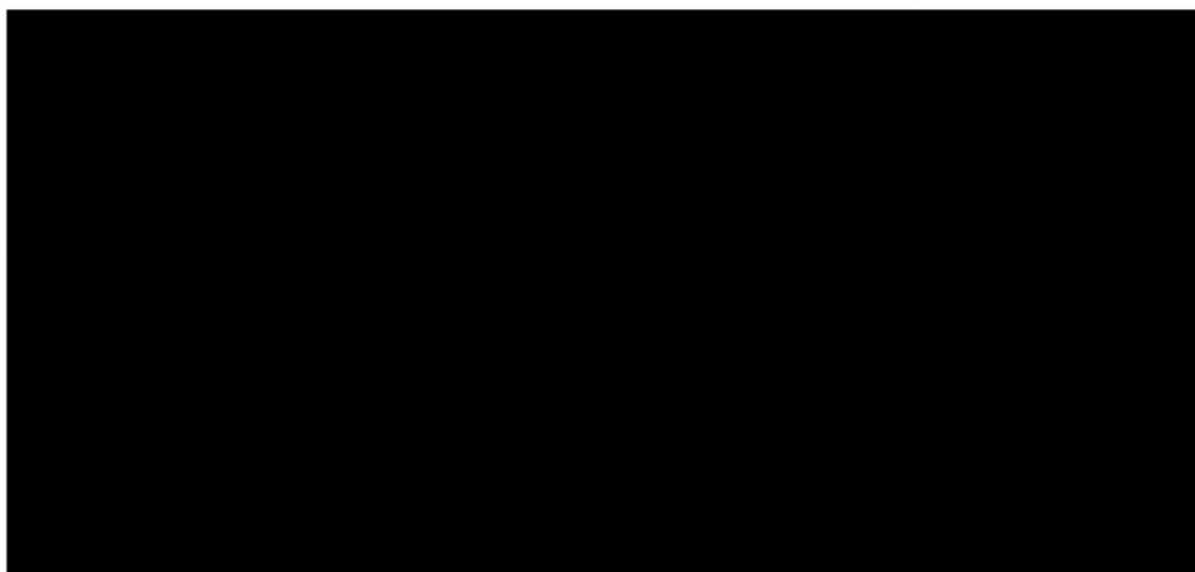
Pipeline System Rules – QCLNG Pipeline

Schedule 2 - Receipt and Delivery Points

1 Receipt Points



2 Delivery Points



Pipeline System Rules – QCLNG Pipeline

Schedule 3 – Measurement Equipment

1 Measurement Equipment – Standard Receipt and Delivery Points

Measurement Equipment	Standard Receipt and Delivery Points
Flow Meter Type	Multipath Ultrasonic meter with single primary element located within single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	N+1 (one on-line meter with associated secondary instrumentation and meter run and one check meter with associated secondary instrumentation and meter run) Designed in Z-type configuration to facilitate parallel and series configuration.
Validation	Both meter runs will be operated in series mode for continuous primary element verification as and when validation is required.
Bypass Line	No Bypass Lines.
Sampling System	Flow-proportional sampler.

Measurement Equipment	Pipeline Receipt Station
Flow Meter Type	Multipath Ultrasonic meter with single primary element located within single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	N+1 (one on-line meter with associated secondary instrumentation and meter run and one check meter with associated secondary instrumentation and meter run); Designed in Z-type configuration to facilitate parallel and series configuration.
Validation	Both meter runs will be operated in series mode for continuous primary element verification as and when

Measurement Equipment	Pipeline Receipt Station
	validation is required
Bypass Line	No Bypass Lines.

Measurement Equipment	Pipeline Delivery Station (Curtis Island)
Flow Meter Type	Multipath Ultrasonic meter with single primary element located within single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	N+1 (one on-line meter with associated secondary instrumentation and meter run and one check meter with associated secondary instrumentation and meter run) Designed in Z-type configuration to facilitate parallel and series configuration.
Validation	Both meter runs will be operated in series mode for continuous primary element verification as and when validation is required
Bypass Line	No Bypass Lines.

Measurement Equipment	Wandoan Interconnect, Mt Larcom Interconnect and Curtis Island Interconnect
Flow Meter Type	Multipath Ultrasonic meter with single primary element located within single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	N+1 (one on-line meter with associated secondary instrumentation and meter run and one check meter with associated secondary instrumentation and meter run) Designed in Z-type configuration to facilitate parallel and series configuration.
Validation	Both meter runs will be operated in series mode for continuous primary element verification as and when validation is required
Bypass Line	No Bypass Lines.

2 Measurement Equipment – Legacy Points

Measurement Equipment	Ruby, Jordan, Woleebbee Creek and Bellevue
Flow Meter Type	Multipath Ultrasonic meter with 2 independent primary elements located within a single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	Redundant meter sensor only, in single meter body
Validation	Sensor validation only will be done by inherent design whereby both sensors are operated in series mode for continuous primary element verification.
Bypass Line	Full flow Bypass Line around meter, Gas Chromatograph and Moisture Analyser.

Measurement Equipment	Kenya
Flow Meter Type	Multipath Bi-directional Ultrasonic meter with 2 independent primary elements located within a single meter body
Meter Assembly Tolerance	(+/- 1%) Combined error in both directions (Inclusive of correcting instruments and Flow Computer)
Calculation Method	AGA 8, AGA 9, AGA 10, ISO 6976
Gas Quality	Locally installed Gas Chromatograph, sampling up to C6. (Independent Moisture Analyser)
Flow Meter size	DN 450mm (Approx. Note that sizing may be altered if facility capacity modelling dictates.)
Redundancy	Redundant meter sensor only, in single meter body
Validation	Sensor validation only will be done by inherent design whereby both sensors are operated in series mode for continuous primary element verification.
Bypass Line	Full flow Bypass Line around meter, Gas Chromatograph and Moisture Analyser.

Pipeline System Rules – QCLNG Pipeline

Schedule 4 – Gas Measurement

1 Requirements

- (a) The unit of measurement for Gas at the Receipt Points and Delivery Points will be GJ.
- (b) Other than the Legacy Points, Pipeline Operator must operate and maintain the meters at the Receipt Points and Delivery Point for Gas in accordance with the requirements of **items 1 to 3** of this **Schedule 4** and otherwise in accordance with any supplementary procedures to be agreed between the Transporter and the Pipeline Shippers (which procedures must be consistent with standards generally accepted in the international petroleum industry).
- (c) In respect of the meters at the Legacy Points operated and maintained by or on behalf of the relevant Legacy Point Shipper, these meters will be operated in accordance with:
 - (i) the requirements of this **Schedule 4**, subject to the permitted derogations contained in **item 4**; and
 - (ii) any supplementary procedures to be agreed between the Transporter and the Pipeline Shippers (which procedures must be consistent with standards generally accepted in the international petroleum industry).

2 Measurement

- (a) For the purposes of the Pipeline System Rules and any Gas Transportation Agreement:
 - (i) Gas must be measured by multipath type ultrasonic flow meters which must be constructed and operated; and
 - (ii) all measurements, calculations and procedures except for the correction for the deviation from the Ideal Gas Law, shall be made in accordance with the American Gas Association Transmission Measurement Committee Report No. 9 – Measurement of Gas by Multipath Ultrasonic Meters – April 2007, together with all presently existing supplements, amendments and appendices to those reports or any revisions from time to time thereof. Those instructions will be converted, where necessary, for compliance with Australian Standard AS1000 "The International System of Units (SI) and its Application", the Commonwealth *National Measurement Act 1960* and regulations thereunder.
- (b) The correction for deviation from the Ideal Gas Law shall be determined from the relevant method contained in American Gas Association Report No. 8 "Compressibility Factor of Natural Gas" (1992), or any revision thereof from time to time acceptable to the Transporter and the Pipeline Shippers. Measurement Equipment shall calculate super compressibility using compositional data.

- (c) The temperature of the flowing Gas must be measured on each meter tube by a platinum resistance thermometer installed in a thermo-well so that the probe tip is in the centre one-third of the pipe. Each ultrasonic flow meter must be provided with a meter body tapping for the purposes of pressure measurement. Each meter run must be provided with a dedicated microprocessor or flow computer system powered by an appropriate back-up power supply.
- (d) All electronic metering must comply with or exceed the guidance offered by EN 12405 Gas Meters – conversion devices Part 1 Volume conversion (and any modification and amendment of that standard).
- (e) The heating value of the Gas delivered must be determined in accordance with GPA 2172 and GPA 2145, and:
 - (i) the composition of the Gas must be continuously measured by on-line chromatographs;
 - (ii) the 'Gross Real Heating Value' of the Gas must be calculated using results from the on-line chromatograph;
 - (iii) the chromatography unit(s) will analyse all hydrocarbon components, up to C9+ (Nonane) components, and inerts having a concentration of greater than 0.1 mol percent, and Sulphur components having a concentration of greater than 0.1ppmV;
 - (iv) the determination of the Gas composition must be in accordance with ISO 6974;
 - (v) the sample cycle time must be less than 6 minutes;
 - (vi) the maximum transit time from sample probe to analyser must be less than 60 seconds;
 - (vii) in the event of failure of the on-line Gas chromatograph, chromatograph analysis of samples collected proportional to the flow through the meters must be used; and
 - (viii) auto-calibration of the Gas chromatograph must be conducted on a weekly basis or as otherwise mutually agreed by the Parties. Calibration gas mixtures must satisfy ISO 6568 for certification and ISO 6142 – the preparation of calibration gas mixtures by gravimetric method.
- (f) Volumetric measurement shall be in cubic metres per hour (m³/hr) at standard conditions (as determined by Pipeline Operator from time to time). It shall be calculated by a flow computer ("**Flow Computer**") or remote terminal unit ("**RTU**") with appropriate flow computation capability to be installed and maintained by or on behalf of Pipeline Operator from flow meter signals, associated instruments, relative density and composition analyses.
- (g) The volumetric flow rate shall be continuously recorded and integrated. The primary integrating device shall be isolated from the Flow Computer or RTU such that, if the Flow Computer or RTU fails, the last valid reading is retained.
- (h) All primary measurement data shall be measured and continuously recorded, such that the readings are representative of the flowing conditions.

- (i) Recording (historical reference for audit) of the measurements shall also be independent of the Flow Computers so that the data shall still be recorded if the Flow Computer fails or is removed.

3 Calibration, inspection and testing

- (a) Calibration equipment shall have measurement accuracy two times better than the metering equipment to be calibrated.
- (b) Calibration equipment shall be provided with a current NATA endorsed certification of its accuracy. The appropriate certificates shall be available for inspection during business hours at the offices of the owner of the metering equipment.
- (c) Back-up discrete samples of the flowing Gas must be obtained for determining the composition of the online Gas (including inerts) and relative density (specific gravity), gross heating value and compressibility factors in case of electronic failure. Discrete sampling of the flowing stream must be by use of a mutually agreeable sample point, designed and installed to sample proportionally to the flow rate. The end point of each discrete sample chromatographic analysis must be the C9+ component and permanent gases in the composition.
- (d) Weekly gas chromatograph deviation checks must be made on the Gas composition mole percentages and resulting Gross Heating Value (Volume Based). Analyses of a sample of test Gas of known composition resulting when procedures that are in accordance with the above mentioned standards have been applied will be considered acceptable if the resulting calculated Gross Heating Value (Volume Based) is within plus or minus 0.15 percent of the known Gross Heating Value (Volume Based). If the deviation exceeds the tolerance stated, Gross Heating Value (Volume Based), relative density, and compressibilities previously calculated will be corrected immediately. Previous analyses will be corrected to the point where the error occurred. If the point that the error occurred cannot be determined, previous analyses will be corrected for 50% of the period since the last verification test.
- (e) The heating value on a dry basis for Gas containing water must be corrected in accordance with API MPMS Chapter 14 Section 3 Appendix F 3-F.7 and GPA Tentative Reference Bulletin 181 - Heating Value as a Basis of Custody Transfer of Natural Gas. Moisture content of the flowing Gas must be determined as often as found necessary in real practice by use of a mutually acceptable calculation or test instrument. However, if the actual water vapour content of the Gas delivered is not more than seven pounds per one thousand Mcf, the Gas will be deemed to be dry.
- (f) The accuracy of the ultrasonic flow meter and associated secondary instrumentation must be verified at least once every three months and at other times upon reasonable request of any Pipeline Shipper. Notice of the time and nature of each test must be given by the Pipeline Operator to the Pipeline Shipper in advance to permit convenient arrangement for that Pipeline Shipper's representative to be present. Tests and adjustments must be made in the presence of and observed by representatives of the Pipeline Operator and the Pipeline Shipper.
- (g) The Party or Parties who are not the Pipeline Operator may have access to, inspect and copy all records, data and metering information produced by or on behalf of Pipeline Operator, for the term of these Rules and the period of 12 months thereafter.

4 Legacy Point meters

4.1 Exceptions to Metering Requirements

The Measurement Equipment used for metering at each Legacy Point must be operated and maintained in accordance with **items 1 to 3** of this **Schedule 4**, except that:

- (a) the flow meters at the Legacy Points are not required to comply with **item 2(c)**. Flow meters at the Legacy Points may have pressure tapping points on the outside of the flow meter body;
- (b) flow meters at the Legacy Points may have temperature tapping points on the outside of the flow meter body;
- (c) the chromatography unit(s) at the Legacy Points are not required to comply with **item 2(e)(iii)**. The chromatography unit(s) at the Legacy Points will analyse all hydrocarbon components, up to and including at least normal Hexane components, and inerts having a concentration of greater than 0.1 mol percent. Samples of the flowing Gas will be obtained at Legacy Points and sulphur components will be tested by the Legacy Point Shipper as required;
- (d) in the event of failure of the on-line Gas chromatograph, the Legacy Point Shipper is not required to comply with **item 2(e)(vii)**;
- (e) back-up discrete samples of the flowing Gas are not required to be obtained for determining the composition of the online gas (including inerts) and relative density (specific gravity), gross heating value and compressibility factors in case of electronic failure pursuant to **item 3(c)**; and
- (f) discrete sampling of the flowing stream is not required to be used to sample proportionally to the flow rate pursuant to **item 3(c)**.

4.2 Additional Metering Requirements

The Measurement Equipment used for metering at each Legacy Point must be operated and maintained in accordance with the following requirements:

- (a) any portion of pipeline bypassing a meter on a Legacy Point ("**Bypass Line**") must be locked close and isolated under normal operating conditions.
- (b) each Legacy Point Shipper must develop appropriate valve integrity procedures and submit such valve integrity procedures to the Transporter prior to operation of the Measurement Equipment at a Legacy Point.
- (c) the integrity of the isolation valves on the Bypass Line must be validated:
 - (i) once every three months; and
 - (ii) as and when requested by the Transporter, provided sufficient notice is provided.

Notwithstanding paragraphs (i) and (ii) above, the integrity of the isolation valves on the Bypass Line is not required to be validated on more than six occasions in any calendar year;

- (d) subject to paragraph (f), at least seven days prior to a Legacy Point Shipper opening a Bypass Line at a Legacy Point, that Legacy Point

Shipper must notify the Transporter. Such notification must set out the following information:

- (i) the date and time to the nearest whole minute that the Legacy Point Shipper will commence the use of the Bypass Line;
- (ii) the reasons for use of the Bypass Line;
- (iii) the expected duration in hours of use of the Bypass Line;
- (iv) detailed measurement calculation methodology to be used during the duration of use of the Bypass Line, including how calculated data will be notified to the Transporter; and
- (v) the expected date and time when Bypass Line will be reisolated and Measurement Equipment re-instated for use and
- (vi) the method, or methods, to be used to estimate the volume of Gas delivered during the period that the Bypass Line is to be utilised. The Legacy Point Shipper will estimate, acting reasonably, the volume of Gas delivered during such period utilising one of, or a combination of, the following methods:
 - (A) by using the data recorded by any check-measuring equipment, if installed and accurately registering;
 - (B) by using trend data recorded by another Party (or Pipeline Operator), if such data represents an accurate measure of the volume of Gas delivered to the applicable Receipt Point or Delivery Point;
 - (C) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation; or
 - (D) by estimating the quantity and/or quality delivered, based on previous deliveries under similar conditions during a period when the equipment was registering accurately;
- (e) to facilitate ease of reporting, the Legacy Point Shipper shall use its reasonable endeavours to ensure that the opening of the Bypass Line pursuant to paragraph (d) commences as close as possible to the beginning of a Gas Day;
- (f) if, in the reasonable opinion of the Legacy Point Shipper, the Measurement Equipment at a Legacy Point requires prompt repair or replacement in order to prevent, minimise or avoid any actual, potential or imminent loss or damage, then, provided that the Legacy Point Shipper has complied with the requirements of paragraphs (g) and (h), the Legacy Point Shipper may open a Bypass Line for the purposes of replacing the relevant Measurement Equipment without first obtaining the Transporter's consent;
- (g) the Legacy Point Shipper shall use its reasonable endeavours to ensure that the duration of use of the Bypass Line is as short a period as possible.
- (h) where it is economically and technically reasonable to do so, the Legacy Point Shipper should not commence to use the Bypass Line until a fully

calibrated replacement meter, and all associated ancillary equipment, is operationally ready to replace the existing Measurement Equipment.

- (i) promptly after a Bypass Line, which has been utilised in accordance with paragraph (d) or paragraph (f), is reisolated and the Measurement Equipment is re-instated for use, the Legacy Shipper will issue a written notice to the Transporter. Such notice will include:
 - (i) the date and time at which:
 - (A) the Legacy Point Shipper commenced the use of the Bypass Line; and
 - (B) the Bypass Line was reisolated and Measurement Equipment was re-instated for use;
 - (ii) if different to the reasons notified to the Transporter in accordance with paragraph (d)(ii) or if the Bypass Line was utilised in accordance with paragraph (f), the reasons for utilising the Bypass Line;
 - (iii) details in respect of the corrective action undertaken (if any);
 - (iv) details in respect of the method, or methods, referred to in paragraph 4.2(d)(viii) that were used to estimate the volume of Gas delivered during the period that the Bypass Line was utilised, including the actual calculations; and
 - (v) any relevant supporting documents, which support the calculation of the volume of Gas delivered during the period that the Bypass Line was utilised; and
- (j) each Legacy Point Shipper must develop and provide to the Transporter verification procedures in respect of the Measurement Equipment at the Legacy Points. Such verification procedures must comply with verification procedures approved by the Australian Gas Association.

Pipeline System Rules – QCLNG Pipeline

Schedule 5 – Allocations

1 Purpose and definitions

1.1 Purpose

As contemplated under the Pipeline System Rules, this schedule sets out the methodology to apply to:

- (a) Gas received by Pipeline Shippers at a Receipt Point; and
- (b) Gas delivered to Pipeline Shippers at a Delivery Point.

1.2 Definitions

In this Schedule 5:

- (a) **Multi-Shipper Agreement** means, in respect of a shared Receipt Point or a shared Delivery Point:
 - (i) in connection with the QCLNG Project, an agreement between all Foundation Shippers, Domestic Gas Shippers and Firm Park Shippers setting out the agreed allocation methodology to apply to receipts or deliveries of quantities of Gas at QCLNG Project Receipt Points and Delivery Points (as applicable); and
 - (ii) for all other Pipeline Shippers who deliver Gas to Transporter at that Receipt Point, or receive Gas from Transporter at that Delivery Point (as applicable), an agreement between Transporter and the Pipeline Shippers setting out the agreed allocation methodology to apply to receipts or deliveries of quantities of Gas at that Receipt Point or Delivery Point (as applicable); and
- (b) **Multi-Shipper Appointee** has the meaning given in clause 5.1 of this Schedule 5.

2 Provision of information to Multi-Shipper Appointee

By 10am on the day after the Gas Day, Transporter will provide each Multi Shipper Appointee with:

- (a) the aggregate quantity of Gas received by Transporter at all shared Receipt Points governed by the relevant Multi Shipper Agreement;
- (b) the aggregate quantity of Gas delivered by Transporter at all shared Delivery Points governed by the relevant Multi Shipper Agreement; and
- (c) the quantity of System Use Gas on the Gas Day attributable to the aggregate quantity of Gas delivered by Transporter at all shared Delivery Points governed by the relevant Multi Shipper Agreement determined in accordance with the following formula:

$$Q_s = Q_t \times \left(\frac{Q_n}{Q_a} \right)$$

where:

- Q_s is the aggregate share of System Use Gas attributable to all shared Delivery Points governed by the Multi Shipper Agreement for that Gas Day;
- Q_t the total System Use Gas on the Gas Day;
- Q_n is the total quantity of Gas delivered at all Delivery Points governed by the Multi Shipper Agreement on that Gas Day; and
- Q_a is the total quantity of Gas delivered to all Pipeline Shippers on that Gas Day at all Delivery Points.

3 Receipt Point allocations

3.1 Allocation of Gas at Receipt Points – single Pipeline Shipper

On any Gas Day when a Pipeline Shipper is the only Pipeline Shipper with the right to require Transporter to receive Gas at a Receipt Point:

- (a) Transporter will provide the Pipeline Shipper with the quantity of Gas received by Transporter at that Receipt Point; and
- (b) the Pipeline Shipper is deemed to have delivered all Gas received by Transporter at that Receipt Point for that Gas Day; and
- (c) clauses 3.2 and 3.3 of this **Schedule 5** do not apply.

3.2 Allocation of Gas at Receipt Points – multiple Pipeline Shippers Multi Shipper Agreement

If more than one Pipeline Shipper has the right to require Transporter to receive Gas at a shared Receipt Point on a Gas Day, and there is a relevant Multi Shipper Agreement, then:

- (a) subject to clause 5.2 of this **Schedule 5**, the Multi Shipper Appointee will provide Transporter with each Pipeline Shipper's proportional share of Gas (including Operational Linepack and System Use Gas) received at each shared Receipt Point as determined by the Multi Shipper Appointee in accordance with the relevant Multi-Shipper Agreement; and
- (b) each Pipeline Shipper is deemed to have delivered Gas at each Receipt Point as notified by the Multi-Shipper Agreement for that Gas Day.

3.3 Allocation of Gas at Receipt Points – multiple Pipeline Shippers – No Multi Shipper Agreement

If more than one Pipeline Shipper has the right to require Transporter to receive Gas at a Receipt Point on a Gas Day and there is not a Multi-Shipper Agreement in relation to a shared Receipt Point, then:

- (a) Transporter will provide each Pipeline Shipper with its share of Gas (including Operational Linepack and System Use Gas) received at that shared Receipt Point for that Gas Day as determined by Transporter based on Transporter's estimate (acting reasonably) of quantities actually made available by the Pipeline Shipper on that Gas Day; and
- (b) each Pipeline Shipper is deemed to have delivered all Gas determined to be received by Transporter at each shared Receipt Point for that Gas Day.

4 Delivery Point allocations

4.1 Allocation of Gas at Delivery Points – single Pipeline Shipper

On any Gas Day when a Pipeline Shipper is the only Pipeline Shipper with the right to take delivery of Gas from Transporter at a Delivery Point:

- (a) the Pipeline Shipper is deemed to have taken delivery of all Gas delivered by Transporter at that Delivery Point for that Gas Day;
- (b) Transporter will provide the Pipeline Shipper with its allocation of System Use Gas for that Gas Day determined by reference to the quantity of Gas delivered by Transporter to that Delivery Point over the total quantity of Gas delivered to all Pipeline Shippers on that Gas Day at all Delivery Points; and
- (c) clause 4.2 of this **Schedule 5** does not apply.

4.2 Allocation of Gas at Delivery Points – multiple Pipeline Shippers

If more than one Pipeline Shipper has the right to require Transporter to deliver Gas at a Delivery Point on a Gas Day, and:

- (a) there is a relevant Multi Shipper Agreement, then, subject to clause 5.2 of this **Schedule 5**, the Multi Shipper Appointee will provide Transporter with each Pipeline Shipper's proportional share of Gas at the Delivery Point determined in accordance with that Multi-Shipper Agreement and allocation of System Use Gas for that Gas Day by reference to the quantity of Gas delivered by Transporter to that Pipeline Shipper at the Delivery Point over the total quantity of Gas delivered to all Pipeline Shippers on that Gas Day at all Delivery Points, provided that this determination is consistent with the delivery allocation principles outlined below; or
- (b) there is not a Multi-Shipper Agreement in relation to a Delivery Point, then Transporter will provide each Pipeline Shipper with its:
 - (i) proportionate share of Gas delivered at that Delivery Point for that Gas Day must be determined by Transporter, provided that this determination is consistent with the delivery allocation principles outlined below; and
 - (ii) allocation of System Use Gas for that Gas Day determined by reference to the quantity of Gas delivered by Transporter to that Delivery Point over the total quantity of Gas delivered to all Pipeline Shippers on that Gas Day at all Delivery Points.

4.3 Delivery allocation principles

Allocations of Gas deliveries from the Pipeline System must be made in accordance with the following principles:

- (a) delivery allocations must be consistently applied and made in good faith and a manner that is fair and equitable to all Pipeline Shippers and Transporter and consistent with the Priority of Service;
- (b) quantities of Gas received from a Pipeline Shipper on a Gas Day are:
 - (i) assumed to be delivered on the same Gas Day, to the extent consistent with physical deliveries;

- (ii) deemed to be received and delivered at a constant rate over the course of that Gas Day.

5 Multi-Shipper Agreements

5.1 Multi-Shipper Appointees

Pipeline Shippers who are party to a Multi-Shipper Agreement must agree on the identity of and appoint a person as the Multi-Shipper Appointee for the relevant Receipt Point or Delivery Point.

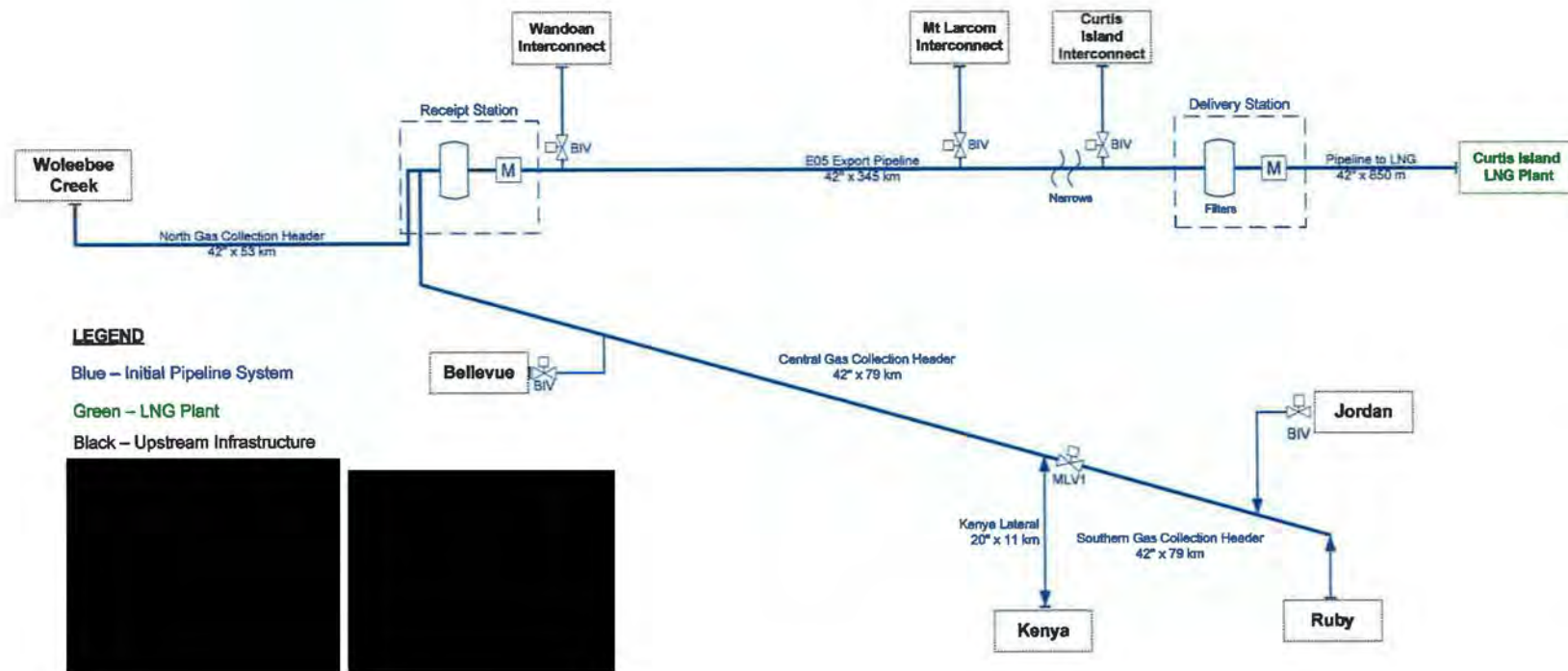
5.2 Notification of allocation under Multi-Shipper Agreements

Where Gas is allocated between Pipeline Shippers under clause 3.2(a) or 4.2(a) in accordance with a Multi-Shipper Agreement:

- (a) the Multi-Shipper Appointee appointed in respect of the Multi-Shipper Agreement must, in respect of a Gas Day, confirm in writing to Transporter by no later than 3:00pm on the following Gas Day each relevant Pipeline Shipper's proportional share of Gas at the relevant Delivery Point or Receipt Point (as applicable) and allocation of System Use Gas and Operational Linepack provided by or returned to the Pipeline Shippers as determined by the Multi-Shipper Agreement;
- (b) in respect of a Gas Day, the Gas allocated to each relevant Pipeline Shipper must be, in aggregate, equal to the volume of Gas delivered at the relevant Delivery Point for that Gas Day or received at that Receipt Point for that Gas Day (as applicable); and
- (c) the Multi-Shipper Appointee must act in good faith towards each Pipeline Shipper under the relevant Multi-Shipper Agreement.

Pipeline System Rules – QCLNG Pipeline

Schedule 6 – Initial Pipeline System



Pipeline System Rules – QCLNG Pipeline

Schedule 7 - Gas Specification

1 Gas composition

The Gas composition must be within the specified limits.

Component	Units	Limit
N ₂	mol%	2.50
CO ₂	mol%	1.00
C ₁ (Methane)	mol%	90.00 minimum
C ₂ (Ethane)	mol%	5.00
C ₃ (Propane)	mol%	2.00
C ₄ (Butane - includes normal and iso butane)	mol%	1.00
C ₅ (Pentane - includes normal and iso Pentane)	mol%	0.10
C ₆₊	mol%	0.00
He	mol%	0.00
Ar	mol%	0.00

Pipeline ethane is limited to 5 mol% for fracture control of lean gas as per AS2885.

2 Freezing components

The Gas must not contain the following components in excess of the specified limit.

Component	Units	Limit
Cyclo-hexane	ppmv	4.00
Benzene	ppmv	4.00
Neo-pentane	ppmv	4.00

3 Gas contaminants

The Gas must not contain the following components in excess of the specified limit.

Contaminant	Units	Limit
Water	mg/Sm ³	112.00
Mercury	µg/m ³	20.00
Oxygen	ppmv	0.1
Hydrogen Sulphide	ppmv	0.15
Carbonyl Sulphide	ppmv	1.00
Total Mercaptans	ppmv	0.40
Total Sulphur	ppmv	1.00
BETX or BTX	ppmv	4.00
Treating chemicals (including Methanol)	ppmv	0.10
Lubricating oils	ppmv	0.10
Triethylene Glycol (TEG)	ppmv	Saturated
Solids	-	Nil

Without limiting the above:

- (a) the Gas must have a hydrocarbon dew point at 71 barg no higher than -60 degrees Celsius, after removing CO₂;
- (b) moisture shall conform with AS4564 which requires a maximum dewpoint of 0 degrees Celsius at the highest MAOP (10.2 MPag) and no more than 112 mg/m³;
- (c) where solids removal is required, the removal facilities shall be specified to remove 99.98% of solids > 0.3 µm; and
- (d) where liquid removal is required, the removal facilities shall be specified to remove 99.98% off liquid droplets > 0.1 µm.

4 Other contaminants

Without limiting the foregoing, the Gas must not contain:

- (a) materials, dust, and other solid or liquid matter, waxes, gums, gum forming constituents, and unsaturated or aromatic hydrocarbons to an extent which might cause damage to, or interference with the proper operation of the Pipeline System including the pipes, meters, regulators, control systems, equipment or appliances;
- (b) unsaturated or aromatic hydrocarbons to an extent which causes unacceptable sooting; or

- (c) other substances that cause damage to, or problems in operation of, the Pipeline System or appliances or that cause the products of combustion to be toxic, or hazardous to health, other than substances that are usually found in natural gas combustion products.

Pipeline System Rules – QCLNG Pipeline

Annexure A PSR Acknowledgement

Pipeline Shipper	Name	#insert full name of Pipeline Shipper#
	ABN	#insert#
	Address	#insert#
	Fax	#insert#
	Attention	#insert#
	Email	#insert#
	Key Notice Recipient	#insert#
<hr/>		
Recitals	A	Pipeline Shipper has entered into a Gas Transportation Agreement with QCLNG Pipeline Pty Limited (Transporter) to utilise the Pipeline System.
	B	In accordance with the terms of the Gas Transportation Agreement, Pipeline Shipper agrees to comply with the Pipeline System Rules.
	C	Under this acknowledgement, Pipeline Shipper acknowledges the version of the Pipeline System Rules with which it must comply under its Gas Transportation Agreement.
	D	To the extent the Pipeline System Rules cannot be changed without the consent of the Pipeline Shipper, this acknowledgement constitutes the Pipeline Shipper's consent required to change the applicable version of the Pipeline System Rules.

1 Interpretation

- (a) Unless otherwise specified, capitalised terms defined in this Acknowledgement have the same meaning in the Pipeline System Rules.
- (b) Additionally, for the purposes of this Deed, these meanings apply unless the contrary intention appears:

Commencement Date means the effective date as specified for Version [#] of the Pipeline System Rules provided such date is not earlier than the date on which the Transporter has signed, and all Pipeline Shippers have provided an acknowledgement for, that version of the Pipeline System Rules.

Gas Transportation Agreement means the gas transportation agreement dated #insert# entered into between Transporter and Pipeline Shipper.

Pipeline System Rules means the "Pipeline System Rules – QCLNG Pipeline".

2 Acknowledgement

- (a) With effect on and from the Commencement Date, Pipeline Shipper irrevocably and unconditionally acknowledges to the Transporter that the Pipeline System Rules with which it must comply under the Gas Transportation Agreement: is
 - (i) Version [#] of the Pipeline System Rules; and
 - (ii) future versions of the Pipeline System Rules signed by Transporter (from the effective date specified in that version) to the extent of amendments for which Transporter is not required to obtain the Pipeline Shipper's consent under clause 4.3 of the Rules and no further PSR Acknowledgement is required in such circumstances.

Signing page

DATED: _____

[#insert execution blocks#]