

GasEDI

c/o Canadian Association of Petroleum Producers
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<http://www.gasedi.ca>

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NEW GasEDI BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS

Mission: Develop a New GasEDI Base Contract for Sale and Purchase of Natural Gas (“New GasEDI Base Contract”) based on: the GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas as published by GasEDI on October 26, 2000, (“GasEDI 2000 Base Contract”); the North American Energy Standards Board (“NAESB”) Base Contract for Sale and Purchase of Natural Gas as published by NAESB on April 19, 2002, and its addenda (“NAESB 2002 Base Contract”); the NAESB General Terms and Conditions for Day Trade Interruptible Contract as published by NAESB on April 16, 1998; and additional recommendations from committee participants.

COMMITTEE MEETING - DECEMBER 9, 2004 - MINUTES Final - January 27, 2005

When Thursday, December 9, 2004; 11:00 am - 1:00 pm, Calgary Time
Where CAPP, First Canadian Centre, 350 - 7 Avenue SW, Calgary

■ Call to Order - Niall Armstrong

■ Anti-Trust Guideline - Ian Anderson

We shall not engage in any discussion which could have the affect of influencing prices, supply or markets, and we shall assist each other to comply with this guideline.

■ Attendees

David Field	Cargill Energy
Brent Ohr	Cargill Energy
Kris Lautermilch	ConocoPhillips Canada Limited
Deanna Welch	ConocoPhillips Canada Limited
Rob McKay	Constellation Energy Commodities Group, Inc.
Pat Butler	Coral Energy Canada Inc.
Niall Armstrong	Direct Energy Marketing Limited
Diana Andel	EnCana Gas Marketing
Ian Lydiatt	Energy Trust Marketing Ltd.
Ian Anderson	GasEDI
Ernie Kohnke	Louis Dreyfus Holding Company Inc. (Tele-conference)
Monica Richards	Merrill Lynch Commodities Canada, ULC (Tele-conferemce)
Kathy Bolan	Nexen Marketing
Sharron Roberts	Nexen Marketing
Jane Peck Hay	Paramount Energy Trust
Kelli Grier	Petro-Canada Oil & Gas
Mary-Lou Zimmer	Phoenix Energy Marketing Consultants Inc. (Tele-conference)
Diane Pettie	Sempra Energy Trading (Canada) Limited
Shannon Glover	TD Commodity and Energy Trading Inc.
Son Tran	TransAlta
Allan Koester	TransCanada PipeLines Limited

- Approval of Minutes - Ian Anderson
 - ◆ October 21, 2004, Meeting - Approved without change.

- Discussion
 - ◆ Promotion to prospective new participants - Ian Anderson
 - Daily Oil Bulletin - Thursday, September 23, 2004
 - CAPP (Canadian Association of Petroleum Producers)
 - ★ CAPP circulated the Invitation to Participate (on October 22, 2004).
 - SEPAC (Small Explorers and Producers Association of Canada)
 - ★ Ian Anderson and Heather Douglas at SEPAC are scheduled to discuss the project later today.
 - CEPA (Canadian Energy Pipeline Association)
 - ◆ Credit Subcommittee - Kris Lautermilch and Niall Armstrong
 - Deleted the Potential Event of Default concept.
 - Tightened the deadline for providing Performance Assurance.
 - Developed rights to suspend performance and withhold payments.
 - Section 10.2 deals with non-payment.
 - Section 10.3:
 - ★ Decided to go back to concept of "If an Event of Default occurs and is continuing".
 - ★ "terminate, accelerate and liquidate all Transactions": decided to leave as all.
 - Next meeting to be scheduled - in mid January.
 - ◆ Force Majeure Subcommittee - Diane Pettie
 - The December 7, 2004, draft is the first opportunity for everyone to see the latest concepts - which were developed by Diane Pettie, based on many suggestions.
 - Thank you for the comments received - which contributed to the current draft.
 - Option A: Discussion about "at the Delivery Point" - some want in, some want out. Diane Pettie noted that Force Majeure would only apply if the event prevents performance.
 - Section 11.2.b(2): can choose to specify NIT only on the Cover Page.
 - Next meeting to be scheduled - in mid January.
 - ◆ Miscellaneous Subcommittee - Shannon Glover
 - "Event of Default" definition: decided to delete (iv) a party's failure to deliver or receive Gas on a Firm basis for the greater of 4 cumulative Days or 5% of the number of Days in a Delivery Period, rounded up to a full Day, in any one Transaction":
 - ★ Should it be put back in?
 - ★ Very difficult to recognize this situation shortly after it has happened.
 - ★ Should consider adding Transaction Termination Option - like Section 3.4 in the NAESB 2002 Base Contract.
 - ★ An alternative would be to demand Performance Assurance.
 - ★ Note - a Performing Party can suspend performance immediately for non-payment.
 - Decided to remove concept of "remedies" from the Limitations section.
 - Modified the Confidentiality section.

- Need a new subcommittee chair (because Shannon Glover is going on maternity leave):
 - ★ Co-chairs will be Pat Butler (Coral Energy) and Son Tran (TransAlta Energy Marketing).
- Next meeting to be scheduled - in mid January.
- ◆ Processes and Remaining Tasks - Niall Armstrong
 - External counsel reviews of the New GasEDI Base Contract:
 - ★ Brad Grant (Stikeman, Elliott) is willing to review.
 - ★ Niall Armstrong will contact Kerrie Logan (Macleod Dixon).
 - ★ Comments will be fed back to the subcommittee chairs.
 - ★ These external reviews will be for consistency:
 - (a) Not to comment on the language.
 - (b) Not a “negotiation” on the concepts.
 - Sequence of Events:
 - ★ 1. Committee of the Whole review - committee participants.
 - ★ 2. Participant company reviews in parallel with external counsel reviews.
 - ★ 3. Committee of the Whole review - “decision makers”.
- ◆ **Thank You**
 - **Thank you to Shannon Glover for her leadership of the Miscellaneous Subcommittee!**

■	Next Meeting	
	When	Thursday, January 27, 2005; 11:00 am - 1:00 pm, Calgary Time.
	Where	CAPP, First Canadian Centre, 350 - 7 Avenue SW, Calgary.
	Chair	Niall Armstrong; Direct Energy Marketing Limited; 403-290-6726; niall.armstrong@na.centrica.com .
	RSVP	Ian Anderson; 403-243-1079; ian@isanderson.com by noon Calgary Time on Wednesday January 26 if you plan to attend.
	Tele-Conference	Available for non-Calgary participants; please advise Ian Anderson; 403-243-1079; ian@isanderson.com by noon Calgary Time on Wednesday January 26 if you wish to participate by tele-conference.

FURTHER INFORMATION

Please contact Ian Anderson (403-243-1079, ian@isanderson.com) or Niall Armstrong (403-290-6726, niall.armstrong@na.centrica.com), or visit GasEDI's web site (<http://www.gasedi.ca>) .