

GasEDI

c/o Canadian Association of Petroleum Producers
2100 - 350 - 7 Ave SW, Calgary, AB, Canada T2P 3N9

<http://www.gasedi.ca>

Project Manager: I. S. Anderson & Associates Limited • Tel: 403-243-1079 • Fax: 403-243-0546 • <http://www.isanderson.com>

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.

CREDIT SUBCOMMITTEE MEETING - SEPTEMBER 27, 2004 - MINUTES Final - October 13, 2004

When Monday, September 27, 2004; 1:30 - 3:30 pm Calgary Time
Where EnCana Gas Marketing, 1800 Bankers Hall East, 855 - 2 Street SW, Calgary, AB
Thank You Kris Lautermilch and EnCana Gas Marketing for hosting this meeting.

- Call to Order - Kris Lautermilch
- Anti-Trust Guideline - Kris Lautermilch
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
 - Kris Lautermilch ConocoPhillips Canada Limited
 - Deanna Welch ConocoPhillips Canada Limited
 - Niall Armstrong Direct Energy Marketing Limited
 - Jim Hawkins EnCana Corporation
 - Diana Andel EnCana Gas Marketing
 - Pam Webster EnCana Gas Marketing
 - Ian Anderson GasEDI
 - Kathy Bolan Nexen Marketing
 - Diane Pettie Sempra Energy Trading (Canada) Limited
 - Shannon Glover TD Commodity and Energy Trading Inc.
 - Allan Koester TransCanada PipeLines Limited
- Approval of Minutes - Ian Anderson
 - ◆ July 12, 2004, Meeting: approved without change.
 - ◆ August 17, 2004, Meeting: approved without change.
 - ◆ September 15, 2004, Meeting: approved without change.

- Discussion
 - ◆ Approved draft language based on September 15, 2004, Meeting, except:
 - **Change “Credit Support Annex” to “Credit Annex” (will be done by Ian Anderson).**
 - **Change definition of Event of Default (v) to “a Credit Event Default, if applicable” (will be done by Ian Anderson).**
 - ◆ **Section 7.2.a: It was agreed that Kathy Bolan will redraft Section 7.2.a along the lines of the Special Provision provided by Party H.**
 - ◆ Section 10.2:
 - There was considerable discussion about the concept of “Potential Event of Default”. It was noted that only one party had provided a Special Provision to remove this concept from the GasEDI 2000 Base Contract, and that the concept is broadly consistent with ISDA 1992 and ISDA 2002.
 - **It was agreed that Pam Webster will develop proposed language along the following lines:**
 - ★ **Definitions: Delete “Potential Event of Default”.**
 - ★ **Section 10.2: Include the right to suspend on 1 Business Day’s Notice on failure to pay or on delivery of a demand for Performance Assurance.**
 - ★ **Section 10.2: On occurrence of an Event of Default, change right to suspend from 1 Business Day’s Notice to immediately upon giving Notice.**
 - ★ **Section 10.1: Delete Potential Event of Default.**
 - ★ **Note: “Potential Event of Default” does not appear anywhere else.**
- Next Meeting
 - When Wednesday October 13, 2004; 1:30-3:30 pm, Calgary Time
 - Where ConocoPhillips Canada Limited, 401 - 9 Avenue SW, Calgary
 - Contact Kris Lautermilch; 403-233-4224; K.Lautermilch@ConocoPhillips.com
 - RSVP Kris Lautermilch by noon Calgary Time on Tuesday October 12 if you plan to attend.
 - Tele-Conference Available for non-Calgary participants; please advise Kris Lautermilch by noon Calgary Time on Tuesday October 12 if you wish to participate by tele-conference.

FURTHER INFORMATION

Please contact Ian Anderson (403-243-1079, ian@isanderson.com) or Kris Lautermilch, (403-233-4224, K.Lautermilch@ConocoPhillips.com), or visit GasEDI’s web site (<http://www.gasedi.ca>) .