

GasEDI

c/o Canadian Association of Petroleum Producers
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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.

CREDIT SUBCOMMITTEE MEETING - DECEMBER 6, 2004 - MINUTES Final - January 11, 2005

When Monday, December 6, 2004; 1:30 - 3:30 pm, Calgary Time.
Where Petro-Canada, 28th Floor, West Tower, 150 - 6 Avenue SW, Calgary.
Thank You Sharon Huckell and Petro-Canada 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
 - JannaLyn Allen Cinergy Marketing & Trading, LP (Tele-Conference)
 - Kris Lautermilch ConocoPhillips Canada Limited
 - Deanna Welch ConocoPhillips Canada Limited
 - Rob McKay Constellation Energy Commodities Group, Inc. (Tele-Conference)
 - Philip Robinson Constellation Energy Commodities Group, Inc. (Tele-Conference)
 - 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)
 - Kathy Bolan Nexen Marketing
 - Sharon Huckell Petro-Canada
 - Diane Pettie Sempra Energy Trading (Canada) Limited
 - Shannon Glover TD Commodity and Energy Trading Inc.
- Approval of Minutes - Ian Anderson
 - ◆ November 17, 2004, Meeting: approved without change.

- Discussion
 - ◆ Should Section 10.1 start with something like “Provided no Event of Default is declared ...”?
 - Section 10.1 was modified; Ernie Kohnke to provide language.
 - ◆ Section 10.2.a:
 - Revised to be bi-partisan (“Buyer” to become “Payor” and “Seller” to become “Payee”.)
 - Ernie Kohnke to provide revised language re “damages” in the second last line.
 - Renumbered as Section 10.2.
 - ◆ Section 10.2.b:
 - In the first line, changed “a party” to “the party demanding Performance Assurance”.
 - Repositioned as part of Section 10.1.
 - ◆ Section 10.3.a:
 - Reverted to concept of “and is continuing” and deleted “waiver” language.
 - Several wording changes.
 - Renumbered as Section 10.3.
 - ◆ Section 10.3.b:
 - Extensively reworded.
 - Repositioned as part of Section 10.3.
 - ◆ Language re the right of the Non-Defaulting Party / Performing Party to receive payments and obligation resume performance as proposed by Lory Volpi (attached).
 - **Not discussed.**
 - ◆ Consider possible conflicts between suspension rights and gas scheduling deadlines.
 - **Not discussed.**
 - ◆ “Credit Annex” definition: is revised definition OK. Yes.
 - ◆ “Base Contract” definition: is revised definition OK. Yes.
 - ◆ Section 13.1: Review proposed “catch all” language developed by Sharon Huckell - which was to be considered by the Miscellaneous Subcommittee (attached to this agenda).
 - **Not discussed.**
 - ◆ “Event of Default: Definition:
 - Concern that the existing language re (iv) leaves it very unclear as to when an Event of Default has occurred.
 - ★ **Issue passed to the Miscellaneous Subcommittee for consideration.**
 - Merger without assumption.
 - ★ **Not discussed.**
 - Cross-default with other agreements.
 - ★ **Not discussed.**
 - Consider removal or at least amendment of (vi) as this is too much of a catch all; all significant events which would constitute an event of default are clearly outlined within the agreement and by leaving this open-ended provision, it could allow a non-material event to lead to onerous termination payments.
 - ★ **Not discussed.**
 - ◆ “Market Value” Definition:
 - Is definition consistent with ISDA?
 - ★ **Not discussed.**
 - ◆ “Defaulting Party” definition: Is the existing definition OK?
 - **Not discussed.**

- ◆ “Non-Defaulting Party” definition: Is the existing definition OK?
 - **Not discussed.**

■ Next Meeting

When Tuesday, January 11, 2005; 1:30 - 3:30 pm, Calgary Time.
Where ConocoPhillips Canada Limited, 16th Floor, 401 - 9th Avenue SW, Calgary.
Chair Kris Lautermilch; ConocoPhillips Canada Limited; 403-233-4224;
K.Lautermilch@ConocoPhillips.com.
RSVP Kris Lautermilch; ConocoPhillips Canada Limited; 403-233-4224;
K.Lautermilch@ConocoPhillips.com; by noon Calgary Time on Monday
January 10 if you plan to attend.
Tele-Conference Available for non-Calgary participants; please advise Kris Lautermilch;
ConocoPhillips Canada Limited; 403-233-4224;
K.Lautermilch@ConocoPhillips.com; by noon Calgary Time on Monday
January 10 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>) .