

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

Special Provisions by Party - Credit - July 15, 2004

This version of this document adds Special Provisions provided by Parties S and T subsequent to the July 8, 2004, version.

The following Special Provisions re Credit were submitted for consideration:

Party A

Section 7 - BILLING, PAYMENT AND AUDIT

Replace the phrase " provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date." with the following:

7.2 except if the Payment Date falls on a Saturday or a statutory holiday in Alberta other than a Monday, payment shall be due on the preceding Business Day, or if the Payment Date falls on a Sunday or a Monday statutory holiday, payment shall be due on the next Business Day.

Delete Section 7.6 in its entirety and replace it with the following:

"If in respect of any month same currency amounts are due and owing, or past due and owing, under two or more agreements entered into by the parties for the purchase, sale, exchange or storage of Gas, including this Contract, the parties shall net all such amounts such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with this Section 7; provided that no payment required to be made pursuant to the terms of any credit support document or agreement shall be subject to netting under this or any other provision of the Contract. In the event that the parties have executed a separate netting agreement, the terms and conditions therein shall prevail."

Party B

SECTION 7. BILLING, PAYMENT AND AUDIT

1. Section 7.2 - In the third line, delete "next Business Day following" and replace with "closest Business Day to."
2. Section 7.2 - Insert the following at the end of the second sentence:
"Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the rate specified in Section 7.4 for the period from the date of underpayment or overpayment until paid."

3. Section 7.4 - Delete "The Toronto Dominion Bank" in the last sentence and replace with "The Bank of Nova Scotia."

SECTION 10. FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

1. Section 10.1 - Delete this section in its entirety and replace with the following:

"If:

(i) a party requests Financial Information and the other party has not provided all such information prior to the end of the 3rd Business Day following such request; or

(ii) the credit rating of the other party (or the Guarantor of that party, if applicable), is reduced so that such rating is below Baa2 by Moody's Investors Service, Inc. or its successor ("Moody's") or below BBB by Standard and Poor's Rating Group, a division of The McGraw-Hill Companies, Inc. or its successor ("S&P");

(iii) a party has any other reasonable grounds for insecurity concerning the capability of the other party to meet any obligation of payment under the Contract; or

(iv) a party has previously been provided with a guarantee by a Guarantor on behalf of the other party and the party has reasonable grounds for insecurity concerning the capability of the Guarantor to perform any obligation under the guarantee;

such party may demand Performance Assurance in the amount (i) that is expected to become due as a result of deliveries of Gas to the demanding party during the sixty (60) days following the date of demand; (ii) plus the amount of the Total Termination Payment that would be due as if all Transactions had been terminated as of the date of demand; and (iii) plus all other outstanding amounts owed under the Contract; provided, however, that in no event shall the Performance Assurance be less than the total of (i) and (iii) hereto.

2. Section 10.3 - Insert the following at the end of the first sentence:

"provided however, if the Event of Default is one of the events or circumstances enumerated in item (ii) of the definition of "Event of Default" the Notice may specify the date immediately prior to the occurrence of such event or circumstance as the Early Termination Date".

3. Section 10.4 - Delete the first sentence and replace it with:

"The Non-Defaulting Party may net against the Total Termination Payment: (i) all other amounts owing (whether or not yet due) between the parties under the Contract; (ii) amounts owing under any other agreements between the parties; and (iii) amounts receivable (whether or not yet due) from an Affiliate of the other party. For the purpose of calculating the Total Termination Payment, the Non-Defaulting Party shall convert Termination Payments using the method as set out in Section 13.9."

Party C

Section 7 - Billing, Payment and Audit

6. In line 3 of Section 7.2 replace the words "next Business Day following" with the words "closest Business Day to".

Section 10 - Financial Responsibility, Defaults and Remedies

7. Replace Section 10.1 in its entirety with the following:

"10.1 A party (the "Assuring Party") shall promptly furnish upon the other party's (the "Requesting Party") request, which may be made at any time during the term of the Contract, sufficient financial information for the Requesting Party to make a current credit assessment of the Assuring Party. If the Assuring Party does not provide the financial information requested in a timely manner, or if, in the Requesting Party's reasonable opinion, the Assuring Party does not currently meet the Requesting Party's reasonable credit criteria, or if the Requesting Party has reason to believe the Assuring Party shall not perform its obligations as they become due under the Contract, then, if so requested, and whether or not an Event of Default, Non-Performance or Potential Event of Default has occurred, the Assuring Party shall provide the Requesting Party with Performance Assurance acceptable to the Requesting Party within three (3) Business Days of such request. Notwithstanding Section 10.2, the parties agree that upon requesting Performance Assurance, the Requesting Party may, upon giving prior written notice of suspension to the Assuring Party, suspend the sale and delivery or purchase and receipt of Gas, as the case may be, under all Transactions upon the expiry of such three (3) Business Day period until such Performance Assurance has been received. The Assuring Party shall be solely liable for all costs and expenses incurred to obtain and act upon such Performance Assurance."

8. Section 10.2(ii) shall be amended by adding the words, "physical gas or crude oil purchase and sale" after the word "other" and before the word "agreement" in the fourth line of that Section.

9. At the end of Section 10.3 insert the following sentence:
"If the calculation of the Total Termination Payment results in an amount due to the Defaulting Party, the Total Termination Payment shall be deemed to be zero."

10. In line 1 of Section 10.4 after the words "may net" insert "or aggregate, as the case may be,".

11. In line 2 of Section 10.4 replace the words, "other agreements" with, "other physical gas or crude oil purchase and sale agreements".

12. In line 3 of Section 10.4 after the words "2 Business Days" insert the words, "of receipt of Notice of the Liquidation Amount payable,".

13. At the end of Section 10.4 insert the following sentence:

"Notwithstanding Section 7.6 and the foregoing provisions of this Section 10.4, the Non-Defaulting Party may immediately, at its sole option and upon Notice to the Defaulting Party, set-off any Liquidation Amount owed by the Defaulting Party to the Non-Defaulting Party against any margin, letter of credit, prepayment or other similar Performance Assurance."

14. At the end of Section 10 insert the following clause as Section 10.7:

"10.7 The parties agree that the Transactions hereunder constitute an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada) and the Companies Creditors Arrangement

Act (Canada) or similar Canadian legislation, as amended, restated replaced or re-enacted from time to time; and a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code, as may be amended, restated, replaced or re-enacted from time to time."

Party D

Section 7-Billing, Payment and Audit

4. In Section 7.1 add the words "On or before the 15th Day of each Month" at the beginning of the first sentence.

5. In Section 7.2 add the following sentence at the end of the section: "Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the rate specified in Section 7.4 for the period until such underpayments or overpayments are made."

Section 10-Financial Responsibility, Defaults and Remedies

6. In Section 10.1 delete the word "5th" and replace with the word "3rd" in line 4.

7. In Section 10.3 delete the words ",for so long as the Event of Default is continuing" in the 2nd line.

8. In Section 10.3 add the following words after the word "terminate" in item (ii): ", provided, however, if the Event of Default is the result of clause (ii) in the definition of Event of Default in Section 2.1, then all outstanding Transactions shall automatically terminate (without Notice, right to cure, or any other action) on, and such early termination date shall be, the Day immediately preceding the Day such Event of Default occurred."

Party E

Amendments To Section 7: Billing, Payment and Audit

Section 7.8 is amended by adding the following language at the end of the section: "For purposes of a claim asserted under this Section, the parties expressly agree that the limitation period of two years provided under the limitation of actions legislation in Ontario and Alberta shall be extended to three years."

Amendments To Section 10: Financial Responsibility

Section 10.1 is amended by replacing "5th" with "first" in the fourth line; and by adding the following at the end of the Section: "For purposes of this Section 10, without limiting the circumstances in which a party ("X") may be deemed to have "reasonable grounds for insecurity", X shall be deemed to have reasonable grounds for insecurity: (i) if an Event of Default has occurred under Sections (ii) or (iv)(b) of the definition of Event of Default, the proceeding has been instituted against the other party ("Y"), and the respective periods listed in those Sections for a party dismiss, discharge or stay the actions have not expired; (ii) if there has been a decrease in the rating of the unsecured, senior long-term public debt of Y or Y's guarantor below BBB- or Baa3 by S&P or Moody's, respectively; or (iii) Y or Y's guarantor has

unsecured, senior long-term public debt which is rated below BBB- or Baa3 by S&P or Moody's, respectively, and there has been a decrease in the rating of that debt by S&P or Moody's."

Section 10.2 is amended by replacing the first line with the following: "If an Event of Default occurs with respect to a party or its credit support provider (the affected party being the "Defaulting Party"), then the"; and by deleting "any or" in the third line.

Section 10.3 is amended by adding the following at the end thereof: "The Non-Defaulting Party shall also be entitled to take any or all of the following actions: (i) draw on or apply any Collateral to satisfy the obligations of the Defaulting Party to the Non-Defaulting Party under the Contract; (ii) exercise all rights and remedies available to a secured party under the personal property legislation of any applicable jurisdiction; and (iii) liquidate, free from any claim or right of the Defaulting Party, any Collateral, and apply the proceeds thereof to the obligations of the Defaulting Party to the Non-Defaulting Party under the Contract, in such manner as it sees fit in its sole discretion."

Section 10.4 is amended by deleting the third sentence in its entirety and replacing it with the following: "Where any amount used in the calculation of the Liquidation Amount is denominated in U.S. dollars, the Non-Defaulting Party shall use the Currency Equivalent to convert that amount into Canadian dollars. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Liquidation Amount, in whole or in part, the Defaulting Party shall, within two Business Days of receipt of the Non-Defaulting Party's detailed written calculation of the Liquidation Amount, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Liquidation Amount is owing by the Defaulting Party, the Defaulting Party shall first pay any undisputed portion of the Liquidation Amount."

Section 10.5 is amended by deleting "any/or" from subsection (ii).

Section 10.6 is amended by deleting the period and adding ", at law or in equity."

Section 10 is amended by adding the following new Sections 10.7, 10.8 and 10.9 at the end thereof:

10.7 The parties agree that the Contract and all Transactions hereunder constitute an "eligible financial contract" as being a "master agreement" and "spot, future, forward or other commodity contract" or otherwise being an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act, the Winding-Up and Restructuring Act and any other applicable Canadian insolvency legislation. The parties agree that this Contract and each Transaction constitutes either a "forward contract" or a "swap contract" within the meaning of the United States Bankruptcy Code, and the parties further intend and agree that each of them is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

10.8 If the parties execute a Credit Support Agreement, it shall be incorporated into and made a part of these Special Provisions.

10.9 This Section 10.9 shall apply where a party ("X") has delivered and is maintaining Collateral with the other party ("Y") and the parties have not entered into a Credit Support Agreement or other agreement governing the obligation to deliver and maintain Collateral. Upon Notice to Y specifying the Collateral to be returned, (i) if X has unperformed obligations to Y under the Contract, X may, on any Business Day, transfer to or establish for the benefit of Y substitute Collateral for Collateral being held by Y and, if an Event of Default or Early Termination Date has not occurred with respect to X, Y shall return to X or

release the Collateral specified in X's Notice not later than the Business Day following the date on which Y receives the substitute Collateral or, (ii) if X has no outstanding obligations to Y under the Contract, Y shall return to X or release the Collateral specified in X's Notice not later than the second Business Day following the date of X's Notice.

Party F

Clause regarding security interest in cash.

Bankruptcy timeline (30 days or 15 days)

Party G

7. Section 7.2 is amended by deleting the first sentence and replacing it with the following: "Buyer shall remit the amount due in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that if Payment Date is not a Business day, payment shall be made on the last preceding Business Day, and if Payment Date is a Sunday or a Monday banking holiday, payment shall be made on the next Business Day following that date."

8. Section 7.6 is amended by inserting the following wording in line 1 between the words 'Contract' and "such": "including any transportation charges relating to Gas purchased or sold hereunder"

9. Section 10.1 is deleted and replaced with the following:

"For the purposes of this section, any reference to a party includes a reference to a party providing Performance Assurance hereunder. If a party becomes Materially Weaker (as defined herein) or a Designated Event occurs with respect to that party, causing the resulting, surviving or transferee entity to become Materially Weaker, the other party may demand Performance Assurance, whether or not an Event of Default, Non-Performance, or Potential Event of Default has occurred, which Performance Assurance shall be provided by the party by the end of the 3rd Business Day after demand is received. The Performance Assurance shall not exceed the amount calculated in accordance with the procedure for determining the Total Termination Payment, as of the date of the demand, as if all Transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract. For the purposes of these Special Provisions hereunder, where X refers to _____, Material Weaker shall mean:

1) the senior unsecured long-term debt or deposits of X, or in the event of reorganization, the resulting, surviving or transferee of X is or are, as the case may be, rated less than investment grade by Standard & Poor's Corporation and Moody's Investors Service, Inc., or

2) in the event that there are no such Standard & Poor's Corporation or Moody's Investors Service, Inc. ratings for any of the parties, the Policies (as defined below) in effect at the time, of the party that may call for Performance Assurance, that would lead such party, solely as a result of a change in the nature, character, identity or condition of the other party from its state prior to such event or Designated Event, to decline to make an extension of credit to, or enter into a Transaction with, the resulting, surviving or transferee entity. "Policies", for the purposes of this definition means: A) internal credit limits applicable

to individual entities or B) other limits on doing business in certain jurisdictions or engaging in certain activities.

and

a Designated Event means that:

- 1) X consolidates, reorganizes, amalgamates or merges with, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity;
- 2) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X; or
- 3) X effects any substantial change in its capital structure by means of the issuance or occurrence of debt or preferred stock or other securities convertible into or exchangeable for, debt or preferred stock; or
- 4) X enters into any agreement providing for any of the foregoing.

For purposes of these Special Provisions, where X refers to XXXXXXXXXXXX,

Materially Weaker means:

- 1) the senior unsecured long-term debt or deposits of all partners in X are rated less than investment grade by Standard & Poor's Corporation and Moody's Investors Service, Inc., or
- 2) in the event that there are no such Standard & Poor's Corporation or Moody's Investors Service, Inc. ratings for any of the partners, the Policies (as defined below) in effect at the time, of the party that may call for Performance Assurance, would lead such party, solely as a result of a change in the nature, character, identity or condition of X from its state prior to such event or Designated Event, to decline to make an extension of credit to, or enter into a Transaction with, the resulting, surviving or transferee entity. "Policies", for the purposes of this definition means: A) internal credit limits applicable to individual entities or B) other limits on doing business in certain jurisdictions or engaging in certain activities.

and

a Designated Event means that:

- 1) YYYYYYYYYY (parent company of X) consolidates, reorganizes, amalgamates or merges with, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity; or
- 2) YYYYYYYYYY ceases to be a partner in X; or
- 3) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X; or

4) YYYYYYYYYY effects any substantial change in its capital structure by means of the issuance or occurrence of debt or preferred stock or other securities convertible into or exchangeable for, debt or preferred stock; or

5) X or YYYYYYYYYY, as the case may be, enters into any agreement providing for any of the foregoing.

10. Section 10.3 shall be amended by adding "any or" before "all Transactions" in line two, so that line two shall read, "...may, for so long as the Event of Default is continuing, terminate, accelerate and liquidate any or all Transactions then outstanding...".

11. The following shall be added as Section 10.7:
"Notwithstanding Sections 10.1 through 10.6 inclusive, in the event that the calculation of the Total Termination Payment results in an amount owing from the Non-Defaulting Party to the Defaulting Party, such amount shall be deemed to be \$0.00 and the Defaulting Party shall have no further rights respecting the Total Termination Payment."

12. The following shall be added as Section 10.8:
"Each party shall have the obligation, when requested by the other party, to provide the other party with its, or its credit support provider's, financial statements (certified by independent licensed chartered accountants) and such other information that the other party may reasonably request."

Party H

7. Section 7.2 is amended by deleting the first sentence and replacing it with the following:
"Buyer shall remit the amount due in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that if Payment Date is not a Business Day, payment shall be made on the last preceding Business Day, and if Payment Date is a Sunday or a Monday banking holiday, payment shall be made on the next Business Day following that date."

8. Section 7.6 is amended by inserting the following wording in line 1 between the words "Contract" and "such":
"including any transportation charges relating to Gas purchased or sold hereunder"

9. Section 10.1 is deleted and replaced with the following:

"For the purposes of this section, any reference to a party includes a reference to a party providing Performance Assurance hereunder. If a party becomes Materially Weaker (as defined herein) or a Designated Event occurs with respect to that party, causing the resulting, surviving or transferee entity to become Materially Weaker, the other party may demand Performance Assurance, whether or not an Event of Default, Non-Performance, or Potential Event of Default has occurred, which Performance Assurance shall be provided by the party by the end of the 3rd Business Day after demand is received. The Performance Assurance shall not exceed the amount calculated in accordance with the procedure for determining the Total Termination Payment, as of the date of the demand, as if all Transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract. For the purposes of these Special Provisions hereunder, where X refers to _____,

Materially Weaker shall mean;

1) the senior unsecured long-term debt or deposits of X, or in the event of reorganization, the resulting, surviving or transferee of X is or are, as the case may be, rated less than investment grade by Standard & Poor's Corporation and Moody's Investors Service, Inc., or

2) in the event that there are no such Standard & Poor's Corporation or Moody's Investors Service, Inc. ratings for any of the parties, the Policies (as defined below) in effect at the time, of the party that may call for Performance Assurance, that would lead such party, solely as a result of a change in the nature, character, identity or condition of the other party from its state prior to such event or Designated Event, to decline to make an extension of credit to, or enter into a Transaction with, the resulting, surviving or transferee entity. "Policies", for the purposes of this definition means: A) internal credit limits applicable to individual entities or B) other limits on doing business in certain jurisdictions or engaging in certain activities.

and

a Designated Event means that:

1) X consolidates, reorganizes, amalgamates or merges with, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity;

2) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X; or

3) X effects any substantial change in its capital structure by means of the issuance or occurrence of debt or preferred stock or other securities convertible into or exchangeable for, debt or preferred stock; or

4) X enters into any agreement providing for any of the foregoing.
For purposes of these Special Provisions, where X refers to XXXXXXXXXXXX,

Materially Weaker means:

1) the senior unsecured long-term debt or deposits of all partners in X are rated less than investment grade by Standard & Poor's Corporation and Moody's Investors Service, Inc., or

2) in the event that there are no such Standard & Poor's Corporation or Moody's Investors Service, Inc. ratings for any of the partners, the Policies (as defined below) in effect at the time, of the party that may call for Performance Assurance, would lead such party, solely as a result of a change in the nature, character, identity or condition of X from its state prior to such event or Designated Event, to decline to make an extension of credit to, or enter into a Transaction with, the resulting, surviving or transferee entity. "Policies", for the purposes of this definition means: A) internal credit limits applicable to individual entities or B) other limits on doing business in certain jurisdictions or engaging in certain activities.

and

a Designated Event means that:

- 1) YYYYYYYYYY (parent company of X) consolidates, reorganizes, amalgamates or merges with, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity; or
- 2) YYYYYYYYYY ceases to be a partner in X; or
- 3) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X; or
- 4) YYYYYYYYYY effects any substantial change in its capital structure by means of the issuance or occurrence of debt or preferred stock or other securities convertible into or exchangeable for, debt or preferred stock; or
- 5) X or YYYYYYYYYY, as the case may be, enters into any agreement providing for any of the foregoing.

10. Section 10.3 shall be amended by adding "any or" before "all Transactions" in line two, so that line two shall read, "...may, for so long as the Event of Default is continuing, terminate, accelerate and liquidate any or all Transactions then outstanding...".

11. The following shall be added as Section 10.7:
"Notwithstanding Sections 10.1 through 10.6 inclusive, in the event that the calculation of the Total Termination Payment results in an amount owing from the Non-Defaulting Party to the Defaulting Party, such amount shall be deemed to be \$0.00 and the Defaulting Party shall have no further rights respecting the Total Termination Payment."

12. The following shall be added as Section 10.8:
"Each party shall have the obligation, when requested by the other party, to provide the other party with its, or its credit support provider's, financial statements (certified by independent licensed chartered accountants) and such other information that the other party may reasonably request."

Party I

7. Section 7.2 is amended by deleting the first sentence and replacing it with the following:
"Buyer shall remit the amount due in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that if Payment Date is not a Business Day, payment shall be made on the last preceding Business Day, and if Payment Date is a Sunday or a Monday banking holiday, payment shall be made on the next Business Day following that date."

8. Section 7.6 is amended by inserting the following wording in line 1 between the words "Contract" and "such":
"including any transportation charges relating to Gas purchased or sold hereunder"

9. Section 10.1 is deleted and replaced with the following:

"For the purposes of this section, any reference to a party includes a reference to a party providing Adequate Assurance of Performance hereunder. If a party becomes Materially Weaker (as defined

herein) or a Designated Event occurs with respect to that party, causing the resulting, surviving or transferee entity to become Materially Weaker, the other party may demand Adequate Assurance of Performance, whether or not an Event of Default or another event of non-performance has occurred, which Adequate Assurance of Performance shall be provided by the party by the end of the 3rd Business Day after demand is received. The Adequate Assurance of Performance shall not exceed the amount calculated in accordance with the procedure for determining the Net Settlement Amount, as of the date of the demand, as if all transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, term and from an issuer reasonably acceptable to the Party requesting same, including, but not limited to a standby irrevocable letter of credit, a guaranty or a prepayment. For the purposes of these Special Provisions hereunder, where X refers to a party or a party providing Adequate Assurance of Performance,

Materially Weaker shall mean:

- (1) the senior unsecured long-term debt or deposits of X, or in the event of reorganization, the resulting, surviving or transferee of X is or are, as the case may be, rated less than investment grade by Standard & Poor's Corporation and Moody's Investors Service, Inc., or
- (2) in the event that there are no such Standard & Poor's Corporation or Moody's Investors Service, Inc. ratings for any of the parties, the Policies (as defined below) in effect at the time, of the party that may call for Adequate Assurance of Performance, that would lead such party, solely as a result of a change in the nature, character, identity or condition of the other party from its state prior to such event or Designated Event, to decline to make an extension of credit to, or enter into a transaction with, the resulting, surviving or transferee entity. "Policies", for the purposes of this definition means: A) internal credit limits applicable to individual entities or B) other limits on doing business in certain jurisdictions or engaging in certain activities.

and

a Designated Event means that:

- (1) X consolidates, reorganizes, amalgamates or merges with, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity;
- (2) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X; or
- (3) X effects any substantial change in its capital structure by means of the issuance or occurrence of debt or preferred stock or other securities convertible into or exchangeable for, debt or preferred stock; or
- (4) X enters into any agreement providing for any of the foregoing.

10. The following shall be added as Section 10.7:

"Each party shall have the obligation, when requested by the other party, to provide the other party with its, or its credit support provider's, financial statements (certified by independent licensed chartered accountants) and such other information that the other party may reasonably request."

Party J

SECTION 7 - BILLING, PAYMENT AND AUDIT

19. In Section 7.1: delete the words "Seller shall invoice Buyer" and replace the words with "Buyer shall prepare a payment statement, to be delivered to the Seller, on or before the twentieth (20th) day of the month following delivery".

20. In Section 7.2: delete the section in its entirety and replace it with the following: "Buyer shall remit the amount due in the manner specified in the Base Contract, in immediately available funds, on or before the Payment Date. If either party, in good faith, disputes the amount of any such statement or any part thereof, Buyer will pay to Seller such amount as it concedes to be correct; provided, however, if Buyer disputes the amount due, Buyer must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. The parties shall in good faith resolve any such dispute as soon as possible. Any disputed amount which is thereafter determined or agreed between the parties to be owing to Seller by Buyer will be payable to Seller within two (2) days of the determination or agreement between the parties along with interest thereon calculated in accordance with Section 7.4 hereof."

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

22. In Section 10.3, delete the words "for so long as the Event of Default is continuing," in the first sentence.

23. In Section 10.3, add to the end of the item (ii) the following words, "provided however, if the Defaulting Party is the subject of a bankruptcy, insolvency, or similar proceeding, all outstanding Transactions shall automatically terminate, without Notice, right to cure, or other action by the parties as if an Early Termination Date had occurred immediately prior to such event".

24. In Section 10.3, add to the end of the Section, "For greater certainty, the Total Termination Payment shall not serve to duplicate monies already recovered under Section 3.2."

25. In line three of Section 10.4, add the words, "of receipt of Notice of the Liquidation Amount payable" after the words "within 2 Business Days".

Party K

SECTION 7 - BILLINGS, PAYMENT AND AUDIT

13. In Section 7.1, add the following at the beginning of the first sentence: "On or before the 15th Day of each Month".

14. In Section 7.2, amend the section by deleting the following wording "provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date" with the following new wording: "except if the Payment Date falls on a Saturday or a statutory holiday in Alberta other than a Monday, payment shall be due on the preceding Business Day, or if the Payment Date falls on a Sunday or a Monday statutory holiday in Alberta, payment shall be due on the next Business Day".

15. In Section 7.2, add the following new sentence to the end of the section: "Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the rate specified in Section 7.4 for the period from the date of underpayment or overpayment until paid or refunded".

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

16. In Section 10.2, delete and replace the section as follows. If an Event of Default or Potential Event of Default occurs with respect to a party (the "Defaulting Party"), then the other party (the "Non-Defaulting Party") shall have the right, in addition to any other remedies available hereunder; (i) upon 1 Business Day's Notice, suspend its performance under all Transactions under the Contract (unless mutually agreed upon by both parties to suspend less than all Transactions between the parties); and/or (ii) withhold any amounts owed to the Defaulting Party under the Contract, any Transaction or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed the Non-Defaulting Party hereunder (whether or not yet due).

17. In Section 10.4, insert the following sentence after the second sentence "At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party may set-off or net any or all of the Liquidation Amount owed to the non-Defaulting Party against any margin or other collateral held by the Non-Defaulting Party in connection with any Performance Assurance relating to the Defaulting Party."

18. In Section 10.5(ii), delete and replace the subsection as follows. (ii) during the period of the applicable Non-Performance, upon at least 1 Business Day's Notice, suspend its performance under all Transactions (unless mutually agreed upon by both parties to suspend less than all Transactions between the parties);

Party L

SECTION 7 - BILLING, PAYMENT AND AUDIT

(a) Section 7.1 is amended by inserting the following text at the beginning of the first sentence: "On or before the 15th Day of each Month, ";

(b) Section 7.2 is amended by adding the following text at the end of the first sentence:

"if the Payment Date falls on a Sunday, or a statutory holiday that is a Monday, and on the immediately preceding Business Day if the Payment Date falls on a Saturday or a statutory holiday that is not on a Monday."

(c) Section 7.4 is amended by deleting the word "If" at the beginning of the Section and replacing it with the following words:

"Subject to Section 7.2, if"

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

(a) Section 10 is amended to add the following new Sections:

"10.7 If the sum of any amounts owed to the Non-Defaulting Party pursuant to Subsection 10.2(ii) is unascertained, the Non-Defaulting Party may in good faith estimate such sum and set off in respect of the sum estimated, subject to an accounting to the Defaulting Party when such sum is actually ascertained."

"10.8 The Non-Defaulting Party shall not be required to pay the Defaulting Party any amount under the Contract until the Non-Defaulting Party or any of its Affiliates receives confirmation satisfactory to it in its sole discretion that all other obligations of any kind whatsoever of the Defaulting Party or its Affiliates have been fully and finally performed."

"10.9 With respect to the calculation of a Termination Payment for each Transaction, the Non-Defaulting Party in addition shall calculate and include in the Termination Payment the net lost or unrecovered value, if any, of any transportation capacity and marketing and administrative services, or any of them, in relation to each Transaction and which lost or unrecovered value has materialised due to the occurrence of the Event of Default."

Party M

SECTION 7. BILLING, PAYMENT AND AUDIT

5. The following sentence is inserted immediately after the end of the second sentence of Section 7.2:

"Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the rate specified in Section 7.4 for the period from the date of underpayment or overpayment until paid."

SECTION 10. FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

6. In Section 10.1 "5th Business Day" shall be replaced by "2nd Business Day".

7. Section 10.3 is hereby amended as follows:

(a) by adding the following to the end of subsection (ii) thereof, immediately before the period:

", provided, however, that if the Defaulting Party is the subject of a bankruptcy, insolvency or similar proceeding, all outstanding Transactions shall automatically terminate, without notice, right to cure, or other action by the parties, as if an Early Termination Date had occurred immediately prior to the occurrence of such event"; and

(b) by adding the following sentence at the end thereof:

"The failure to give such notice contemplated herein shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non Defaulting Party."

8. The first sentence of Section 10.4 is deleted and the following is inserted in its place:

"The Non-Defaulting Party may net the Total Termination Payment against all other amounts owing (whether or not yet due) by the Non- Defaulting Party to the Defaulting Party under the Contract and any other agreements including commodity derivatives trading agreements between the parties. In addition, the Non-Defaulting Party may net across currencies with the settlement currency being the functional currency of the party that is owed the net balance."

9. In the second sentence of Section 10.4 after the words "2 Business Days" insert the words, "of receipt of Notice of the Liquidation Amount payable,".

Party N

Section 10 - Financial Responsibility, Defaults and Remedies

1. The following new Section 10.7 is added to Section 10:

"10.7(a) In addition to the rights under Section 10.1, if at anytime the Exposure of a party ("X") is greater than the Exposure Limit, as determined by X, then X may request that the other party provide Performance Assurance within two (2) Business Days of such request.

10.7(b)As contained in Sections 10.7 or 10.8, the following definitions shall apply:

"Counterparty" shall mean [full legal name of counterparty].

"Credit Rating" shall mean senior unsecured debt rating as assigned by S&P or Moody's.

"Credit Support Provider" if applicable, shall mean the entity providing a guarantee on behalf of a party under the Contract for the benefit of the other party.

"Exposure" as of any date, means the monetary loss that a party would experience for the remaining term of all transactions under the Contract if the other party stopped performing its obligations under the Contract, including any difference between the Contract Price and current market prices, any existing or accrued delivery charges and any other potential and actual liabilities to a party from the other party under the Contract.

"Exposure Limit" shall mean:

(a) For Party XXX: CAD \$ _____, as determined by Party XXX, representing the total amount of Exposure that Party XXX is willing to assume under the Contract, provided, however, that if at anytime a Material Adverse Event or an Event of Default shall occur with respect to Counterparty, then such Exposure Limit shall be zero; and

(b) For Counterparty: CAD \$ _____, as determined by Counterparty, representing the total amount of Exposure that Counterparty is willing to assume under the Contract, provided, however, that if at anytime a Material Adverse Event or an Event of Default shall occur with respect to Party XXX, then such Exposure Limit shall be zero.

"GAAP" shall mean generally accepted accounting principles in effect in the party's place of incorporation.

"Moody's" shall mean Moody's Investors Service, Inc., its successors and assigns.

"S&P" shall mean Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns.

"Material Adverse Event" shall mean:

- (i) the Credit Rating of party or its Credit Support Provider, as applicable, is downgraded below BBB by S&P or below Baa2 by Moody's; or
- (ii) a party or its Credit Support Provider, as applicable, ceases to be rated by both S&P and Moody's; or
- (iii) the Credit Rating of the bank issuing a letter of credit, if any, for the account of a party is downgraded below "A-" by S&P or "A3" by Moody's; or
- (iv) a party fails to provide the applicable financial statements in accordance with Section 10.8.

"Party XXX" shall mean XXXXXXXXXXXX.

2. The following new Section 10.8 is added to Section 10:

"10.8 A party shall provide the other party with its or its Credit Support Provider's, as applicable, most recent quarterly and annual financial statements prepared in accordance with GAAP, audited as applicable, no later than two (2) Business Days after a reasonable request by the other party."

Party O

8. Section 7.1 shall be amended by inserting the following phrase at the beginning of the first sentence:

"On or before the 15th Day of each Month,"

9. Section 7.2 shall be amended by ending the first sentence after the word "Buyer" on the second line thereof and inserting the following sentences after the first sentence:

"If the Payment Date is a Saturday or a holiday other than a Monday, then Buyer shall pay Seller the invoiced amount on or before the last Business day immediately before the Payment Date. If the Payment Date is on a Sunday or a Monday holiday, then Buyer shall pay Seller the invoiced amount on the following Business Day."

13. Section 10.1 shall be amended by deleting "5th" on the fourth line thereof and substituting the word "second" in lieu thereof.

14. Section 10.1 shall be further amended by adding the following to the end thereof:

"Each party ("X") hereby grants to the other party ("Y") a continuing first priority security interest in, lien on and right of setoff against all Performance Assurance (other than letters of credit) transferred by X to Y pursuant to this Section 10.1. Y shall assist X in obtaining such first priority security interest in

all Performance Assurance, including assisting X in obtaining any subrogation letter that may be required with respect to specific Performance Assurance. Furthermore, all Performance Assurance in the form of cash must be held in trust in a segregated account."

15. Section 10.2 shall be amended by adding the phrase "or its Guarantor" prior to the word "then" on the second line thereof.

16. Section 10.4 shall be amended by deleting it in its entirety and substituting the following in lieu thereof:

"The Non-Defaulting Party shall net or aggregate, as appropriate, the Total Termination Payment against any and all amounts owing between the parties under the Contract so that all such amounts are netted or aggregated to a single liquidated amount (the "Liquidation Amount") payable to one party or the other. At its sole option and without notice to the Defaulting Party, the Non-Defaulting Party may further setoff (i) any amount owed to the Non-Defaulting Party or its Affiliates against any margin or other collateral held by it or its Affiliates in connection with any credit support; (ii) any amount owed to the Defaulting Party by the Non-Defaulting Party or its Affiliates against any margin or other collateral held by the Defaulting Party in connection with any credit support; or (iii) any amount payable by the Non-Defaulting Party or its Affiliates to the Defaulting Party against any amount payable by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement (whether or not then due and whether or not subject to any contingency). Such setoff of (i), (ii) and (iii) above (the "Final Payment Amount") shall be paid by the close of business on the second Business Day following such notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Final Payment Amount shall accrue from the date due until the date of payment at a rate equal to the rate specified in Section 7.4."

17. Section 10 "Financial Responsibility, Defaults and Remedies" shall be amended by adding the following paragraph as Section 10.7:

"10.7 Notwithstanding anything in this Contract to the contrary, if a Party (the Non-Defaulting Party or the Performing Party, as applicable) is netting or setting-off amounts owed (whether or not then due), pursuant to its rights under this Section 10, and amounts in different currencies are involved, such Party shall convert all amounts into a single currency of its choice by utilizing the exchange rate quoted by the Bank of Canada on the last Business Day before the Day on which the netting or set-off is to be performed and then net or set-off such amounts in accordance with the terms and conditions of this Section 10."

Party P

SECTION 7. BILLING, PAYMENT AND AUDIT

7.2. Section 7.2 is amended by adding the following sentence at the end of the Section: "Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with interest at the rate specified in Section 7.4 from and including the date payment was originally due until, but excluding, the date such underpayments or overpayments are made."

SECTION 10. FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

10.1. Section 10.1 is amended by deleting the first sentence and replacing it with the following:

"If a party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under the Contract, such party may demand Performance Assurance, whether or not an Event of Default or Non-Performance has occurred, which Performance Assurance shall be provided by the other party ("Y"), by the end of the 5th Business Day after the demand is received. [Also include the following sentence when contracting with non-bank counterparties] Without limiting the circumstances in which X may have "reasonable grounds for insecurity", X shall be deemed to have reasonable grounds for insecurity if there has been a decrease in the rating of the unsecured, senior long-term debt of Y or Y's guarantor below BBB- or Baa3 by S&P or Moody's, respectively."

10.2. Section 10.2 is amended by deleting the first line and replacing it with the following: "If an Event of Default occurs with respect to a party or its guarantor (the affected party being the "Defaulting Party"), then the"; by deleting "any or" in the third line; by deleting the words "(whether or not yet due)" on the fifth and sixth lines and replacing them with the words "(whether or not yet invoiced or due)"; and by adding the following at the end of the Section:

"Where the Non-Defaulting Party elects to suspend deliveries or withhold payment under this Section 10.2, such suspension or withholding shall end on the earlier of: (i) the Early Termination Date specified under Section 10.3; (ii) one Business Day after the date that the Non-Defaulting Party gives notice ending the suspension or withholding; and (iii) twenty (20) Business Days following the date that the Event of Default occurred. A party shall only be entitled to suspend deliveries or withhold payments once with respect to any particular Event of Default."

10.4. Section 10.4 is amended by:

(1) deleting the phrase "(whether or not yet due)" on the first line and replacing it with the phrase "(whether or not yet invoiced or due)";

(2) deleting the second sentence and replacing it with the following: "This amount constitutes the "Liquidation Amount" payable by the Defaulting Party within two (2) Business Days of the Early Termination Date or payable by the Non-Defaulting Party on the 25th day of the Month following the Early Termination Date, as applicable. Notwithstanding the foregoing, if the Liquidation Amount is payable by the Non-Defaulting Party, the Non-Defaulting Party shall have no obligation to pay the Liquidation Amount to the Defaulting Party until, and its obligation to pay shall be subject to the condition precedent that, all obligations (matured or unmatured) of the Defaulting Party to make any payment to the Non-Defaulting Party or any Affiliate of the Non-Defaulting Party are or shall have been fully performed; provided however, that the Non-Defaulting Party shall pay to the Defaulting Party that portion of the Liquidation Amount which exceeds the amounts owed or owing by the Defaulting Party to the Non-Defaulting Party or any of its Affiliates. Where any amount used in the calculation of the Liquidation Amount is denominated in U.S. dollars, the Non-Defaulting Party shall use the currency equivalent of such amount to convert such amount into Canadian dollars. The "currency equivalent" means the amount in Canadian dollars that the Non-Defaulting Party would be required to pay to purchase such amount of U.S. dollars based on the Bank of Canada Noon Rate on the Business Day prior to the Early Termination Date."

(3) and by adding the following at the end of the Section:

"In addition to the foregoing, if an Event of Default has occurred, the Non-Defaulting Party shall also be entitled to take any or all of the following actions: (i) draw on or apply any Performance Assurance or other collateral to satisfy the obligations of the Defaulting Party to the Non-Defaulting Party under this

Contract; (ii) exercise all rights and remedies available to a secured party under the personal property security legislation or Uniform Commercial Code of any applicable jurisdiction; and (iii) liquidate, free from any claim or right of the Defaulting Party, any Performance Assurance or other collateral, and apply the proceeds thereof to the obligations of the Defaulting Party to the Non-Defaulting Party under this Contract, in such manner as it sees fit in its sole discretion."

10.6. Section 10.6 is deleted and replaced by:

"Each party reserves to itself all rights of setoff, counterclaim, combination of accounts, and other defences to which it may be entitled at law, in equity, or otherwise."

10.7 Section 10 is amended by adding the following new Section 10.7 at the end thereof:

"The parties agree that the Contract and all Transactions under the Contract, constitute an "eligible financial contract" as being a "master agreement" and "spot, future, forward or other commodity contract" or otherwise being an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act, the Winding-Up and Restructuring Act and any other applicable Canadian insolvency legislation. The parties agree that this Contract and each Transaction constitutes either a "forward contract" or a "swap contract" within the meaning of the United States Bankruptcy Code, and the parties further intend and agree that each of them is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

Party Q

3. Section 7 Billing, Payment and Audit

(a) Section 7.1 is amended by adding at the beginning of the first sentence, "On or before the 15th day of each Month,"

(b) Section 7.2 is amended by:

(i) substituting the words, "payment is due on the next Business Day following that date." at the end of the first sentence with, "payment is due on the closest Business Day to that date."; and

(ii) adding the following new sentence to the end of this Section:

"Upon resolution of the billing dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the rate specified in Section 7.4 for the period from the date of underpayment or overpayment until paid."

4. Section 10 Financial Responsibility, Defaults and Remedies -

(a) Section 10.1 is amended by replacing it in its entirety with the following:

"10.1.1 Financial Information

If requested by either party (the "Requesting Party"), the other party (the "Assuring Party") shall furnish by the end of the 3rd Business Day, after being so requested, a copy of its annual report, if available and

its Guarantor's annual report, containing audited financial statements for the current fiscal year, if available or, if not available, for the immediately preceding fiscal year together with a copy of those unaudited quarterly reports of the Assuring Party and its Guarantor that are available for the current fiscal year, all of which shall be prepared in accordance with Generally Accepted Accounting Principles in effect in Canada. This financial information is required as part of the information that is used by the Requesting Party to make a current assessment of the creditworthiness of the Assuring Party. Such request may be made of the Assuring Party at any time and at all times during the term of the Contract.

10.1.2 Financial Insecurity

If:

- (i) the Assuring Party's financial information is not in the public domain and the Assuring Party has not provided its and its Guarantor's financial information to the Requesting Party within such 3 Business Day period; or
- (ii) the Assuring Party does not meet the Requesting Party's current Credit Criteria; or
- (iii) the Requesting Party has reasonable grounds for believing the Assuring Party will not perform any of its obligations under the Contract as they become due or are to be performed under the Contract; or
- (iv) a Material Adverse Event has occurred; or
- (v) as a result of the consolidation, amalgamation, merger, or other corporate reorganization of a party with another entity; or, as a result of a person or other entity acquiring directly or indirectly the beneficial ownership of equity securities in a party so as to elect a majority of the board of directors of a party; or, as a result of a party entering into any agreement that provides for any of such transactions, the new entity is unable to meet the current Credit Criteria of the Requesting Party;

then, if the Requesting Party so elects within thirty (30) days of any such event occurring, and whether or not an Event of Default, Non-Performance or Potential Event of Default has occurred, the Assuring Party shall provide the Requesting Party with a Performance Assurance within 2 Business Days after receiving such request. The Performance Assurance shall not exceed the amount calculated in accordance with the procedure for determining the Total Termination Payment, as of the date of the demand, as if all Transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract.

10.1.3 Right to Suspend

The parties agree that immediately upon requesting a Performance Assurance, the Requesting Party may immediately, or at any time thereafter, suspend the sale and delivery of Gas under any or all Transactions under the Contract, without notice, until such Performance Assurance has been received. The Assuring Party shall be solely liable for all costs and expenses incurred to obtain and act upon such Performance Assurance.

10.1.4 Deemed to Meet Credit Criteria

If the credit rating of an Assuring Party or its Guarantor, as published by either of the Credit Rating Agencies, equals or exceeds a rating of BBB- by Standards and Poor's Corporation or BBB- by Dominion

Bond Rating Service, then the Assuring Party shall be considered to meet the Credit Criteria of the Requesting Party and no Performance Assurance shall be required pursuant to Clause 10.1.2(ii) and (v).

(b) Section 10.3 is amended by adding to the end of item (ii), the following words:

"provided however, if the Defaulting Party or its Guarantor is the subject of a bankruptcy, insolvency, or similar proceeding, all outstanding Transactions shall automatically terminate, without Notice, right to cure, or other action by the Non-Defaulting Party as if an Early Termination Date had occurred immediately prior to such event."

(c) Section 10.4 is amended by deleting the words, "subject to refund", at the end of the final sentence and adding:

"and may be subject to adjustment upon resolution of such disputed amount. If an obligation is unascertained, the Non-Defaulting Party may, in good faith, estimate the obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the other party and, if applicable, paying an adjustment, when the obligation is ascertained."

(d) Section 10 is amended by adding the following as Section 10.7:

"The parties agree that the Contract, all Transactions under the Contract, each and together constitute an "eligible financial contract" within the meaning of Canadian bankruptcy and insolvency laws and will be treated similarly in all proceedings related to any bankruptcy, insolvency or similar law regardless of the jurisdiction of application or competence of such law."

Party R

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

10.1 Delete the words "by the end of the 5th Business Day" and replace them with "by the end of the 2nd Business Day".

10.3 Following the words at the end of item (ii), insert "; provided however, if the Defaulting Party is the subject of a bankruptcy, insolvency, or similar proceeding, the Early Termination Date shall be the date immediately preceding the day such proceedings commence."

10.4 After the words "within 2 Business Days", insert the words "of receipt of Notice of the Liquidation Amount".

10.7 Add the following: "Each party shall deliver to the other promptly upon request such financial information as may be reasonably required to permit the requesting party to assess if it has reasonable grounds for insecurity pursuant to Section 10.1 which obligations shall be a material obligation under the contract."

Party S

SECTION 7 - BILLING, PAYMENT AND AUDIT

7. In Section 7.8, delete the words "two years after the Month of Gas delivery" and insert the words "the time periods described in Section 7.9."

8. Insert the following new Section 7.9 after Section 7.8:

"7.9 The two-year period for seeking a remedial order under Section 3(i)(a) of the Limitations Act, RSA 2000, c. L-12, as amended, for any claim arising in connection with the Contract is amended to: (a) For claims disclosed by an audit performed pursuant to the Contract, two years after the conclusion of such audit; or (b) For all other claims, four years after the end of the Month of Gas delivery."

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

9. Delete the word 5th and replace with 2nd in Section 10.1.

10. Section 10.4, insert the words:

"or aggregate, as the case may be," after the words "The Non-Defaulting Party may net".

"(the "Liquidation Amount")" after the words "between the parties under the Contract and any other agreements between the parties".

"shall be paid" after the words "The Liquidation Amount" at the start of the second sentence.

"of receipt of Notice of the Liquidation Amount" after the words "within 2 Business Days".

"Notwithstanding Section 7.6 and the foregoing provisions of this Section 10.4, the Non-Defaulting Party, may immediately at its sole option and without prior Notice to the Defaulting Party, set-off any Liquidation Amount owed to the Non-Defaulting Party against any margin, letter of credit, prepayment or other similar Performance Assurance" as the last sentence in Section 10.4.

In Section 10.4, second sentence, delete the words "This amount constitutes" and "payable".

11. In Section 10.6, delete the paragraph in its entirety and insert the following as Section 10.6:

"10.6 In respect of an Event of Default and the calculation of a Total Termination Payment under the Contract, in addition to and not in limitation of any other right or remedy under applicable law, (including without limitation any right to set off, counterclaim, combine accounts, or otherwise withhold payment or have recourse to any collateral) the Non-Defaulting Party may, without prior notice to any person set off:

(i) any sum or obligation (whether matured or unmatured) owed to the Defaulting Party with respect to any and all Transaction payments, receivables, liquidated sums, accounts, Total Termination Payment amounts, Liquidation Amounts, or any other form of payment amount under the Contract or any other form of agreement between the Non-Defaulting Party and the Defaulting Party, and

(ii) any such sum or obligation payable by an Affiliate of the Non-Defaulting Party to the Defaulting Party.

If any such sum or obligation is unascertained, the Non-Defaulting Party may in good faith estimate the sum or obligation and set off in respect of that estimate, subject to an accounting to the Defaulting Party when that sum or obligation is ascertained."

Party T

11. Add the following sentence at the end of Section 7.2:

"Any disputed amount which is later determined to be due to the non-disputing party shall be paid by the disputing party to the non-disputing party, together with interest thereon calculated in accordance with Section 7.4 hereof, within two (2) Business Days of that determination."

12. In Section 7.7, delete the words "3 Business Days" and replace those words with the words "1 Business Day".

13. In Section 7.8, in the first line thereof, delete the words "and at reasonable times" and after the word "examine" in the same line, insert the words "copies of".

14. Add the following new Section 7.9 at the end of Section 7:

"7.9 If, at the time the parties enter into a Transaction under which one party is to sell Gas to the other, one or more other Transactions are outstanding under which such other party is to sell Gas to such first party for delivery during the same Delivery Period and at the same Delivery Point for payment on the same Payment Date, then (subject to Section 10) all such offsetting Transactions shall be netted into a single Transaction under which (a) the party required to deliver the larger amount of Gas shall deliver to the other party the difference between the amount of Gas it is to deliver and the amount it is to receive under such offsetting Transactions, and (b) the party owing the greater purchase price under such offsetting Transaction shall pay to the other party the difference between the amount it owes and the amount owed to it under such offsetting Transactions. The single resulting Transaction shall be deemed entered into automatically and, once entered into, outstanding obligations under the offsetting Transactions shall terminate."

16. In Section 10.1, delete the words "the 5th Business Day" and replace them with the words "48 hours (but at least one Business Day)" and delete the last sentence.

17. Make the following changes to Section 10.2:

(a) add the words "or by operation of law or otherwise" after the word "hereunder" in the second line; and

(b) in the last line, after the parenthesis, add the following clause: "; provided that any amount not then due which is included in such setoff shall be discounted to the net present value (applying the Present Value Discount Rate) as at the time of setoff (to take account of the period between the date of setoff and the date on which such amount would have otherwise been due). After a default, the Defaulting Party shall be responsible for all costs and expenses incurred by the Non Defaulting Party as a result of a default (including, without limitation, reasonable attorneys' fees and disbursements), and any amount which is not paid by the Defaulting Party when due shall bear interest until paid at the rate set forth in Section 7.4".

18. In Section 10.3, in the second line, delete the following words: ", for so long as the Event of Default is continuing,".

19. In Section 10.5 add the words "or by operation of law or otherwise" after the word "hereunder".

20. Add the following new Section 10.7 at the end of Section 10:

"10.7 The parties agree to margin and mark-to-market their obligations under outstanding Transactions in accordance with the following provisions:

(a) Each party's "Net Exposure" means on any date an amount (if positive) that would be payable to such party by the other party as a Total Termination Payment calculated in accordance with Section 10.3 of the Contract. TTTTTTTTTT ("TTT") shall determine such amount for both parties in accordance with the Contract.

(b) Each party's Net Exposure shall be calculated by TTT at the close of TTT's business each Business Day. If, at the close of business on any Business Day, a party's Net Exposure exceeds the "Margin Threshold" (as defined herein) applicable to the other party, then Performance Assurances shall be delivered and/or returned so that the party having the Net Exposure holds Performance Assurances in an amount equal to such excess over the "Margin Threshold" and the other party holds no Performance Assurances. If, at the close of business on any Business Day a party's Net Exposure is less than the "Margin Threshold" applicable to the other party, all Performance Assurances then held shall be returned. All payments and returns of Performance Assurances shall be rounded to the nearest integral multiple of the applicable amount defined below as the "Increment Amount" (and rounded up if exactly between two integral multiples of the applicable Increment Amount). All Performance Assurances due hereunder shall be provided or returned by the close of business on the next Business Day after the day as of which occurs the calculation determining that such Performance Assurances is due or is to be returned. Notwithstanding the foregoing, if at any time a party is in an Event of Default, that party's Margin Threshold shall be zero and the Increment Amount shall be U.S.\$1.00.

(c) The "Margin Threshold" applicable to TTT and XXXXXXXX ("XXX") and the corresponding "Increment Amount" shall be the amount specified below opposite the Credit Rating (as defined herein) of TTT and XXX, respectively, at that time:

Credit Rating		Margin Threshold	Increment Amount
Moody's	S&P		
"A3" or above	"A-" or above	U.S.\$ _____	U.S.\$ _____
"Baa2" to "Baa1"	"BBB" to "BBB+"	U.S.\$ _____	U.S.\$ _____
Below "Baa2" (or no rating other than due to repayment of rated indebtedness)	Below "BBB" (or no rating other than due to repayment of rated indebtedness)	Zero	U.S.\$1.00

(d) For purposes of determining the amount of Performance Assurances held by a party at any time, any standby irrevocable letter of credit held as a Performance Assurance (a "Letter of Credit") shall be valued at its principal amount (provided that a Letter of Credit shall be valued at zero unless it expires more than thirty days after the date of such valuation). A party need not return a Letter of Credit held as a Performance Assurance unless the entire principal amount of such Letter of Credit is required to be returned. If more than one type of Performance Assurance is held, a party may elect which to return as

and if required under the Contract. Each Letter of Credit shall (i) be in the beneficiary's favor, (ii) be issued or confirmed by a bank in New York City or a Schedule "I" Bank Act (Canada) bank which is and continues to be acceptable to the party receiving the Letter of Credit, (iii) have such terms and conditions as the party receiving the Letter of Credit shall specify, and (iv) be fully enforceable and not the subject of any action restraining or attempting to restrain payment thereunder. All costs relating to any Letter of Credit shall be for the account of the party providing the Letter of Credit.

(e) Each party shall have the free and unrestricted right to use and dispose of Performance Assurances provided to it hereunder. Except as otherwise specified herein, the limitations on the rights of a secured party under Section 9-207 of the New York Uniform Commercial Code will not apply to a party when it holds Performance Assurances. Funds held as Performance Assurances shall bear interest calculated on a daily basis at overnight London Interbank bid rate as from time to time in effect (as reported by Telerate), with the amount of interest accrued monthly payable on the third Business Day of the following month.

(f) Performance Assurances may be provided in the form of cash delivered by wire transfer of immediately available funds to an account designated from time to time by the party entitled to receive the Performance Assurances. The parties agree that, with respect to Performance Assurances in the form of cash, the relationship between the party providing the Performance Assurances (the "Providing Party") and the party receiving the Performance Assurances (the "Receiving Party") is a relationship of creditor and debtor, respectively, and all right, title and interest in such Performance Assurances is transferred absolutely by the Providing Party to the Receiving Party. For greater certainty, no security interest in Performance Assurances in the form of cash is intended to be created by the Contract. The Providing Party is entitled to payment of the amount of any such Performance Assurances only as provided in the Contract. Although no security interest is created in the Performance Assurances in the form of cash, each party (i) grants to the other party a first priority continuing security interest in and lien on and right of set-off against the obligations of the Receiving Party to pay the amount of the Performance Assurances in the form of cash in accordance with the Contract, provided that the Receiving Party's payment obligations shall not be included in determining the value of Performance Assurances; and (ii) acknowledges that TTT as a Receiving Party may file any precautionary financing statement or other similar lien document as it deems advisable in respect of such Performance Assurance.

(g) If XXX objects to any Net Exposure determined by TTT then (i) XXX shall notify TTT of such disagreement by telephone, (ii) during the pendency of any such disagreement, TTT's calculation of Net Exposure shall be controlling and (iii) the parties shall confer in good faith with a view towards mutually agreeing upon the Net Exposure. In the event the parties are unable to mutually agree upon the Net Exposure within one Business Day of any such disagreement, any component of such determination upon which the parties are unable to agree shall be determined based on dealer quotations. A "dealer quotation" means such price or payment as is quoted for the relevant commodity or Transaction, for a transaction between the party obtaining the quote and the quoting dealer. A "dealer" is a person who regularly quotes as part of its business a two-way market to commercial parties in the relevant commodity or Transaction. Each party shall obtain quotes from as many dealers as is mutually agreed or, absent agreement, from two dealers so selected. The dealer quotation shall be the arithmetic mean of the quotations so obtained."