

**Clarification # 4**

**RFP # 2011/L001 - LNG Supply**

**October 27, 2011**

#	Clarification Requested	Response
1	<p>Addendum #2. Simple average slope, What do you mean for “Simple Average Slope” How is it calculated? Is it the difference between quotations in March 2019 and April 2014 divided by the quotation in April 2014?</p>	<p>The Slope is calculated in the following manner (unless otherwise stated, capitalized terms refer to those terms defined in Addendum # 2 RFP # 2011/L001 - LNG Supply October 21, 2011):</p> <p><b>Step 1:</b> for each consecutive two month period within the HH Quote Period, the HH Quote for the latter month will be divided by the HH Quote for the earlier month and the resulting quotient will be reduced by 1 (each a “Monthly Slope”).</p> <p><b>Step 2:</b> The arithmetic mean of the Monthly Slopes within the HH Quote Period will be calculated to determine the Slope.</p>
2	<p>In Clarification #2, question 19, “base case” is defined as that one that is compliant with all of the terms and conditions included in the Bidding Documents (eg. Prices linked to Henry Hub index, etc). Could you please describe the other elements under the “etc”, that are necessary ones to consider a “base case” bid? In page 62, Price Proposal for LNG or BTU Supply, it says “Any pricing proposal not based</p>	<p>A “base case” bid is one that can be evaluated and scored according to the Section III. Evaluation and Qualification Criteria, and which includes:</p> <ul style="list-style-type: none"> <li>a) a price formula based on the Henry Hub index (regardless of whether the proposal is LNG only or a Btu supply proposal),</li> <li>b) sufficient detail as to the Supply Sourcing in order for the proposal</li> </ul>

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	<p>on the HH Price as describes above will be subject to a deduction on points...”, but it is not clear that any pricing proposal not based on the HH price is “an alternative proposal”, as mentioned in your clarification # 19. Could you please define what is a Base case and an alternative proposal?</p>	<p>to be scored,</p> <p>c) a quantity stated as the Supply Volume,</p> <p>d) a description of the Supply Term which is consistent with the requirements of criterion categories under evaluation Criteria #4, and</p> <p>e) a declaration consistent with the Credit Support Requirements Criteria.</p> <p>Any proposal which does not meet all of the above Criteria required of a “base case”, but which would otherwise be broadly compliant with the goal of securing supply, could be considered as an “alternative proposal”.</p>
3	<p>What would be the “Procuring Entity’s Country Sales and other taxes payable on the LNG”?</p>	<p>The taxation elements to which the JGT will be subject are currently under review by the Ministry of Finance.</p>
4	<p>The concept of “lock-box” is not clear to us, could you please explain?</p>	<p>Consistent with the response provided to Question # 44 in Clarification # 2 for RFP # 2011/L001 – LNG Supply, dated October 20, 2011, the proposed “lock box” structure is described below:</p> <p>JGT cash flow will operate through a “waterfall” in which payments to the LNG Seller and the Infrastructure Provider will be given priority over distributions to investors in JGT. In principle, over a given period time, the JGT will not be able to make</p>

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		distributions unless and until it has paid the LNG Seller and Infrastructure Provider for services rendered. A minimum capital balance will be maintained by the JGT to ensure its operations. The LNG Steering Committee is considering legal structures that will facilitate the structure described, and will provide further details when available.
5	Credit Requirement. (page 62) What kind of contractual obligation to pay if seller is an investment grade-rated entity would you consider? Is a Parent Company Guarantee (PCG) accepted as such a contractual obligation?	The provision of a Parent Company Guarantee (PCG) by an investment grade rated entity would be broadly compliant with the requirement provided that the Parent Company maintains an investment grade credit rating.
6	Shall we understand that the SBLC will be renewed every delivery, during the entire term of the SPA?	The LNG Steering Committee is presently in discussions with the End Users with respect to the form of the Standby Letters of Credit (SBLC). It is envisioned that the SBLC will not be tied to a specific cargo, but rather available during the SBLC's term to be drawn in the event of non-performance by an End User.
7	We find it difficult to understand point 2.3 in Section III. Evaluation and Qualification Criteria (page 41).	The criterion in 2.3 Section III is intended to address a proposal in which a bidder does not identify a specific supply chain from the production fields, pipeline transportation to the liquefaction plant, production of LNG and the onward marine transportation

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		of the LNG on a vessel identified in the Annual Delivery Program for delivery to the SRT, yet the bidder reserves the right to declare Force Majeure on the delivery of a specific cargo or series of cargoes.
8	In number 7 of the Bidder Information Form, you ask to check the box(es) of attached original documents. We can not send any original document of our Articles of Incorporation or Registration. Should it be enough to send simple copies granted by notary public?	A notarized copy of the relevant documents is acceptable to satisfy the requirement.
9	Are those copies required for the first stage of the bidding process?	Yes, the notarized copies need to be included in the original submission as a requirement for the Stage One submission.
10	Do you need 12 hard copies of the Articles of Registration?	Yes, the twelve copies of the original submission should contain copies of all materials contained in the original submission.
11	Do you need 12 hard copies of the current financial information?	Yes, the twelve copies of the original submission should contain copies of all materials contained in the original submission.
12	Is the supplier responsible for import duty/tax assessed?	Bid Prices should be presented as net of all custom duties or fees, transfer taxes stamp duties and general consumption taxes. If any custom duties or fees, transfer taxes, stamp duties or general consumption taxes or similar imposts

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		<p>are levied on LNG sales during the term of the Sales &amp; Purchase Agreement (SPA), then Bid Prices and, thereafter the SPA price, shall be adjusted to compensate for such customs duties or fees, transfer taxes stamp duties or general consumption taxes or similar imposts imposed, such that the Seller under the SPA will receive the amount it would have received if such taxes, duties, fees or imposts had not been levied.</p>